

After Dilma

*By Dr. Mark S. Langevin,
Senior Research Fellow at the Council on Hemispheric Affairs*

The 2016 Rio de Janeiro Summer Olympic Games are over and the athletes are returning home, but Brazil remains locked down in a tough political condition as well as a recession. Brazilians can find a good deal of solace in Neymar's winning penalty kick to earn the gold in Men's soccer and Rio stands proud as the host of a very successful and safe 31st Olympiad. According to Brazil's Ministry of Tourism, 87.7 percent of international tourists and 94.2 percent of visiting Brazilians are intent on returning to Rio despite the country's evident problems.ⁱ The Rio games have proven to be a winner, but now Brazilians must now face life after Dilma and away from the global stage.

The Brazilian Congress is now finishing its race to impeach its second president since the return of electoral democracy in 1989. In 2014 Dilma Rousseff of the Workers Party was re-elected to a second term in a close vote. That year's presidential election was hotly contested as the Lava Jato (Carwash) corruption scandalⁱⁱ exploded after the national economy imploded.ⁱⁱⁱ Just two years later, Dilma Rousseff will be impeached, while former President Lula will likely have to stand trial for corruption, and their Workers Party will suffer a major strategic defeat in this October's municipal elections. Those who always opposed the Workers Party and lifted the banner of "*Tchau Querida,*" to overthrow Dilma, now relish their impending victory. Former allies, including interim president Michel Temer, now control the executive branch but the government's legitimacy swings in the balance. With the Olympics over and presidential impeachment just days away, Brazilians must turn the page to write a new chapter in the nation's ongoing struggle for political accountability, economic development, and social inclusion. This brief article serves as a preface to Brazil's near term future and highlights several factors now at work shaping Brazilian political development.

1. The interim presidency of Vice-President Michel Temer has been constructed to impeach Dilma Rousseff since her ouster in May of 2016.

This final phase of the presidential impeachment process is drawing to a close and will conclude in the coming weeks by the two-thirds vote in the Brazilian Senate. Yet, a dark cloud of corruption and suspicion hangs over the Brazilian Congress.^{iv} Approximately 40 percent of the senate is under investigation for corruption or electoral crimes. 11 of these senators face prosecution for their involvement with the Lava Jato corruption scheme. Three of these suspects are affiliated with the Workers Party and four

are affiliated with Michel Temer's Partido do Movimento Democrático Brasileiro (PMDB). Of the 44 Senators and Deputies currently under investigation for the Lava Jato corruption scheme, 31 are members of the Partido Progressista (PP) that together with the PMDB led the move to depose Dilma and remove the Workers Party from heading the executive branch. This act of political treachery leaves many considering whether Dilma's impeachment serves as a smokescreen to protect the PP and PMDB against current and expansive prospective corruption investigations.^v

Unfortunately, too many emerging civil society organizations, including Vem Pra Rua,^{vi} who called for Dilma's impeachment and mobilized millions of Brazilians throughout 2015 and early 2016 now stand silent in the face of serious corruption allegations swirling around the new Temer administration.^{vii} The leaders of the impeachment, including a majority of the PMDB and all of the PSDB, were able to harness the massive demonstrations against Dilma and the expanding disapproval of the Workers Party to justify the impeachment on dubious grounds, but their tactical victory does not guarantee that Temer and his PMDB led government can obtain popular legitimacy without an overwhelming victory in the upcoming municipal elections. The Temer presidency must overcome the legitimacy questions by dodging prosecution, expanding the party's reach through the upcoming municipal elections, and recovering economic growth and employment creation in the next year.

2. The results of Brazil's municipal elections in October will shape how the Temer government proceeds.

The decline of the Workers Party and the probable success of the PMDB in October's municipal elections will likely keep Temer's buccaneer government afloat. According to David Fletcher,

"Ever since 2000, every four years, the PT [Workers Party] has elected more and more mayors and city council members on a steady increase, 2000 (187), 2004 (411), 2008 (548) and 2012 (655)."^{viii}

The Workers Party faces certain strategic rout in these upcoming elections. The party will run fewer candidates for mayor and city council. The party will elect less than 300 mayors and city council representatives across Brazil, a reduction of over 50 percent from 2012. Moreover, the Workers Party can only hope to elect one capital city mayor with Marcus Alexandre of Rio Branco in the state of Acre. In São Bernardo do Campo, the home of former President Lula and the birthplace of Brazil's *Novo Sindicalismo* labor movement that created the Central Única dos Trabalhadores (CUT) and then proceeded to found the Workers Party, the party and its mayoral candidate can no longer count on a majority of support from its residents.^{ix} Fewer voters will choose Worker Party candidates and many former elected officials from the party have already jumped ship to other parties in order to avoid electoral defeat. Most importantly, if former President Lula is convicted of corruption charges, then the future of the party will be in grave doubt.

Even more important than the Workers Party decline may be the upswing of interim President Michel Temer's PMDB in these upcoming elections. First, the PMDB

has more candidates registered to contest these elections than any other party with 9.3 percent. The Partido de Social Democracia Brasileira (PSDB) follows with 7.5 percent and the PP with 6.6 percent.^x Despite the PMDB's involvement with the Lava Jato corruption scheme, including allegations that Temer himself was involved in distributing Petrobras related kickbacks to his political allies and partners, the party is likely to win big in October by electing the most candidates to public office including several mayors of state capital cities. The real question is not whether the PMDB will increase its reach into municipal government, but whether its current partner and apparent rival, the PSDB, will be able to match or exceed the PMDB's performance.

Currently, the PSDB is working with Temer's PMDB to impeach Dilma while a number of its members are likely to play important roles in the executive branch, including José Serra who is now Minister of Foreign Relations. However, this tactical alliance may not last the duration if the PSDB performs well in the municipal elections and Temer and his PMDB get bogged down in corruption investigations and a "Fora Temer" movement^{xi} that seeks the interim president's removal from office. If the PSDB can expand its municipal presence in 2016 then it can more effectively push President Temer toward its preferred, but controversial policy options before the 2018 presidential elections are held. That is, the PSDB will work to get the most divisive fiscal reforms, including social security and others that reduce benefits to a majority of Brazilians, carried out well before the presidential campaign season. If these reforms reboot the economy, then the PSDB can take partial credit, if they do not then expect this party to blame both the PMDB of Temer and Workers Party administrations of Lula and Dilma for Brazil's economic plunge.

3. Temer will pivot toward austerity and privatization after Dilma's impeachment and the municipal elections, but with a reduced congressional coalition.

Interim President Temer has been eager to placate his allies in the Senate in order to assure Dilma's impeachment, delaying the more controversial elements of a fiscal adjustment that will result in a roll back in benefits and spending. He cannot hold the same congressional coalition together once he manages to pivot toward a deeper fiscal policy reform and privatization program that effectively challenges public sector unions, popular social movements representing the beneficiaries of federal redistribution policies and programs, and congressional representatives eager to marginalize the Workers Party, but resistant to clipping back their traditional mechanisms of congressional clientelism. The PSDB will pull the interim president toward reform, but push back could come from members of Temer's own party who decided to take advantage of government spending under the Workers Party led governments to win elections in past years. Temer's congressional coalition will evolve over time to test his ability to manage shifting alliances to pass legislation that benefits his party and his personal prestige. If Temer fails then the door will open for such presidential contenders as Marina Silva to assert greater national political leadership in a void.

4. Marina Silva of the Rede Sustentabilidade and former presidential candidate in 2010 and 2014 is in the pole position, but her leadership is questionable.

In the most recent Datafolha 2018 presidential candidate approval poll, Lula of the Workers Party, continues to beat likely opponents by slim margins in the first round, but loses in the second round simulations.^{xii} His high disapproval rating at 46 percent far outpaces all other candidates, including Marina Silva's 17 percent. Nevertheless, it is unlikely that Lula can repair his negative standing among the Brazilian electorate in the coming year, especially if he stands trial for corruption charges that may disqualify his candidacy altogether. This situation shines the presidential limelight upon Marina Silva, but her record reflects an inability to strengthen her political base, advance major policy initiatives, and win presidential elections. She supports Dilma's impeachment, but has not positioned herself or her party, the "Rede," to play a direct role in shaping post-Dilma governance.

The Rede is fielding 10 candidates for mayor in capital cities with limited prospects for victory. According to the Tribunal Superior Electoral (TSE) the Rede is counts 3,760 candidates throughout Brazil or less than one percent of the total number of candidacies across the country and in relations to dozens of political parties. The Rede is too small to carry Marina to a presidential victory in 2018 or significantly impact governance in the near term.

Marina's party will not play a major role in municipal governance leading up to the 2018 presidential election and fail to provide a sturdy organizational foundation to fuel a transformative political campaign for both the presidency and congress. Her choice to distance herself from Brazil's major political parties may create a virtuous appearance that stands in contrast to the Workers Party and Temer's PMDB. Aside from appearances, she has failed to build the Rede into more than a "bonsai" political movement and her less than stellar track record with the Workers Party, the Green Party, and the Partido Socialista Brasileiro (PSB) demonstrates that her presidential ambitions too often weaken and divide the political organizations that support her personal political aspirations. She continues to be popular with a significant plurality of Brazilian voters, but has botched efforts to build and strengthen a political party or movement capable of winning elections and governing Brazil.

5. The move to impeach Dilma and remove the Workers Party from the executive branch has been successful, but also reveals the poverty of national political leadership at such a critical juncture.

Marina Silva should be the largest beneficiary of the political exhaustion of the Workers Party engineered "Brasilia Consensus," but her candidacy requires an implosion of the political class that is unlikely to take place if the PMDB and the PSDB succeed in the next round of municipal elections. Marina will most likely be pushed aside as the PMDB, the PSDB, and their members with presidential aspirations maneuver to muddle through governance in the coming 18 to 24 months, pushing ahead fiscal reforms and privatization and then pulling back in the face of rising popular resistance. Both parties

hope the push-pull of policymaking will be enough to reboot the national economy, but there are no signs that either of these parties will be able to drive home a series of political reforms that fundamentally change the calculus of political accountability or eliminates the conditions for kickback corruption.

The first lane is open for a new set of national political leaders to run the government, but the radical, right wing nationalist Jair Bolsonaro is too mean and clumsy for a Brazilian majority and the left wing Partido Socialismo e Liberdade (PSOL) is too small to get a foot in the door. Ironically, the Workers Party was the only political force capable of driving home a political reform process to eradicate the corrupt and corrosive aspects of Brazil's representative institutions. The party failed this strategic imperative and now stands guilty as charged in the minds of too many Brazilians. Bittersweet, the Workers Party will now pay the biggest price for the many sins of the country's imperfect political institutions despite its evident policy successes during the past decade. Rather than confront and reform the corrupt campaign finance system, the party capitulated to the business of politics in order to win elections and expand redistributory programs. Today, these programs are in jeopardy and the Workers Party is on the ropes. It is likely that Brazil will never be the same after Dilma and the Olympic Games, but no one yet has lined up to grab the baton and race toward Brazil's golden future.

***By Dr. Mark S. Langevin,
Senior Research Fellow at the Council on Hemispheric Affairs***

ⁱ "Turistas Estrangeiros Presentes Nas Olimpíadas Pretendem Voltar Ao Brasil, Segundo Pesquisa." Comex Do Brasil. August 19, 2016. Accessed August 24, 2016. <http://www.comexdobrasil.com/turistas-estrangeiros-presentes-nas-olimpiadas-pretendem-voltar-ao-brasil-segundo-pesquisa/>.

ⁱⁱ Fuentes, Esther. "Who Is Who in Brazil's Complicated Lava Jato Corruption Allegations?" COHA. March 17, 2016. Accessed August 24, 2016. <http://www.coha.org/who-is-who-in-brazils-complicated-lava-jato-corruption-allegations/>.

ⁱⁱⁱ Langevin, Mark. "Brazil's Compounding Crisis." COHA. March 22, 2016. Accessed August 24, 2016. <http://www.coha.org/brazils-compounding-crisis/>.

^{iv} Langevin, Mark. "The Brazilian Congress: Money, Accountability, and Impeachment." COHA. March 29, 2016. Accessed August 24, 2016. <http://www.coha.org/the-brazilian-congress-money-accountability-and-impeachment/>.

^v Ibid.

^{vi} "Vem Pra Rua Brasil." Vem Pra Rua Brasil. Accessed August 24, 2016. <http://www.vempraru.net/>.

^{vii} Piva, Aline. "Brazilian Senate Votes to Proceed with the Impeachment Process despite New Allegations of Corruption in the Interim Cabinet." COHA. August 12, 2016. Accessed August 24, 2016.

<http://www.coha.org/brazilian-senate-votes-to-proceed-with-the-impeachment-process-despite-new-allegations-of-corruption-in-the-interim-cabinet/>. and "Os Ministros De Temer Com Problemas Na Justiça; Entenda." BBC Brasil. June 20, 2016. Accessed August 24, 2016.

<http://www.bbc.com/portuguese/brasil-36576500>. and Megale, Bela. "Folha De S.Paulo." Temer é Refém Da Lava Jato, Afirma Advogado De Delatores. June 18, 2016. Accessed August 24, 2016.

<http://www1.folha.uol.com.br/poder/2016/06/1782986-temer-e-refem-da-lava-jato-afirma-advogado-de-delatores.shtml>.

^{viii} David Fleischer. Brazil Focus. August 6-12, 2016.

^{ix} Costas, Ruth. "São Bernardo: Como 'bastião Do Lulismo' Se Tornou Uma Das Grandes Vítimas Da Crise." BBC Brasil. February 18, 2016. Accessed August 24, 2016.

http://www.bbc.com/portuguese/noticias/2016/02/160216_sao_bernardo_ru.

^x Vasconcellos, Fabio. "PMDB E PSDB São Os Partidos Com Mais Candidatos Nas Eleições 2016." O Globo. August 16, 2016. Accessed August 24, 2016. <http://oglobo.globo.com/brasil/pmdb-psdb-sao-os-partidos-com-mais-candidatos-nas-eleicoes-2016-19929415#ixzz4Hswxgf73>.

^{xi} So far, the Workers Party is the primary force behind the "Fora Temer" movement, but this could change if Temer is subjected to the same judicial scrutiny as President Dilma and former President Lula. See the Workers Party "Fora Temer" website: <http://www.pt.org.br/tag/fora-temer/>.

^{xii} "Datafolha - Instituto De Pesquisas." Datafolha. Accessed August 24, 2016. <http://datafolha.folha.uol.com.br/>.