

Brazil: Wages of democracy will have to be paid

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Over the past month, the world's attention, focussed around the agitated Mediterranean, was drawn across the South Atlantic, to Brazil.

The protests in early June over a seven percent increase in the minimum bus fare of three Brazilian real (\$1.5) spread like wildfire. A popular movement, initiated by the Movimento Passe Livre (MPL - Movement for Free Transport), demanding free local transport in Brazil since a few years, went viral through social networks, inundating dozens of Brazilian cities. The highly inflammable issue of transport costs spread the fire to the combustible mass of indignation over inflation, inefficient public service in transport, health and education, and the omnipresent spectre of political corruption.

The government of President Dilma Rousseff of the Workers Party (Partido dos Trabalhadores - PT) was caught completely unaware. The initial police reaction led to fatalities and injuries, provoking violent reaction from the protesters, whose numbers and determination swelled. The rollback of the fare hikes was too late to stop demands over several other festering grievances and calls for her to resign.

Rousseff, who succeeded the highly popular Luiz Inacio Lula da Silva (better known as Lula) in 2010, inherited a vibrant economy now feeling the effects of economic slowdown. Her government continued Lula's popular policies of social inclusion. Brazil ascended the ladder of prosperity early in this century, adding over 40 million of its 195 million citizens to a growing middle-class. It was awarded the FIFA Football World Cup for 2014 and thereafter the even more prestigious Olympic Games, to be held in 2016.

Even as it struggles to vindicate the international community's confidence, there are allegations that the infrastructure required for these events has gone over budget, with the inevitable overtones of corruption. Protesters have started questioning the rationale for massive expenditure on prestige projects in a country known for high levels of disparity.

Brazil's middle class faces the prospect of unemployment, perhaps diminishing salaries. Economic growth decelerated to less than one percent in 2012, without commensurate relief in social security and public services. PT, which came to power in 2003, after three unsuccessful election attempts by Lula, still brandishes its leftist credentials - Rousseff is its candidate for the presidential election in 2014.

The party has seen an exodus of a large section of its left wing. It has also come under a cloud, with corruption scandals dating back to the days of Lula. Several key functionaries, including Lula's Chief of Staff Jose Dirceu, were sentenced by the judiciary but are still to serve prison time. Rousseff also had to let go of senior officials facing allegations of corruption and misuse of office.

A former guerilla leader, who was imprisoned and tortured by the military regime in the 1970s, Rousseff acquired a reputation as an aloof disciplinarian and has not revealed the charisma that made a legend of her predecessor. Her initial reaction to the protests was almost dismissive. After a meeting with representatives of the amorphous protest movement, she hurriedly announced a referendum to set up a Constituent Assembly to debate political and administrative reforms. It had no legal basis, nor political support, and was criticised by Lula himself. She now proposes a plebiscite listing reform of the political party system, elections, and other issues of governance. She has committed tens of billions of dollars for better transport infrastructure, health and education.

An alarmed Brazilian establishment is rallying to douse the flames. The Brazil Chamber of Deputies (lower house of parliament) voted 403-9 to halt a bill - PEC 37 - that would have diminished the authority of the public affairs ministry to investigate corruption cases. This authority was critical in exposing the 2005 "mensalao" scandal, which involved buying votes from Congressmen for certain pieces of legislation during Lula's presidency. Over the past two decades, the ruling parties have not enjoyed a majority in Congress. The electoral system permits an elected member to name a surrogate, who automatically assumes his seat if the member resigns, dies or joins the executive.

On June 26, Brazil's Supreme Court upheld a corruption conviction against a former Congressman, Natan Donadon, sentencing him to 13 years in prison. This is the first time a member of Brazil's powerful Congress, notorious for deal-making, has been imprisoned since the 1988 Constitution was put in place. The iconic Chief Justice of Brazil's Supreme Court, Joaquim Barbosa, of African origin, is seen as leading the fight against corruption. In his words, "Brazil is going through a crisis of representativeness and legitimacy and is fed up with cupola reforms".

Brazil is a stable, resource-rich and promising political economy. It has been shaken by this massive exercise of democracy. A population hitherto considered apathetic is determined to continue its protest to ensure the politicians fulfill their promises. Whatever the outcome, it is clear that the international prestige deservedly acquired by this dynamic country has come at a price. The wages of democracy will have to be paid in full.

(17.07.2013 - Deepak Bhojwani served as India's consul general in Sao Paulo, Brazil, during 2000-2003. The views expressed are personal. He can be contacted at bhojwani@latindiaconsult.com)