

Brazil 2015 and Beyond: The Aftermath of the 2014 Elections and Implications for Dilma's Second Term

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What is the direction of Brazilian politics? What is the legacy of the Workers' Party (Partido dos Trabalhadores, PT) and how will it affect Dilma Rousseff's second term in office? These are the questions that oriented a symposium held at the Latin American Institute at Freie Universität Berlin on January 30, 2015, as part of the Brazilian studies initiative funded by the German Academic Exchange Service (Deutscher Akademischer Austauschdienst, or DAAD). The purpose of the conference was to debate expectations regarding Dilma Rousseff's second term in office in light of recent events and the 12 previous years of PT-led coalition governance in Brazil. Analysts reviewed the trajectory of the PT in power since 2003 and surveyed the broad challenges facing the Brazilian democratic regime exactly 30 years after the military withdrew from power in 1985.

Scholars from five countries and six different institutions—Freie Universität Berlin, Universidade de Brasília, IPEA (Instituto de Pesquisa Econômica Aplicada), Oxford University, Universidad de Salamanca, and CEDLA (Center for Latin American Research and Documentation, Amsterdam)—met to discuss policy scenarios for Dilma's second term. The papers resulting from the symposium cover political, social, economic, and environmental dimensions and draw on diverse sources of data. In general, the tone is one of concern and mild pessimism. Despite the considerable advances of the Lula-Dilma years, challenges exist on numerous fronts. There is little doubt that the road ahead is strenuous and uncertain. Difficulties in the relationship with other parties in the coalition, especially the Party of the Brazilian Democratic Movement (PMDB), with civil society, and with economic sectors prove to be daunting. We begin this dossier by focusing on the aftermath of the

2014 election and the current landscape of executive-legislative relations in recent years to speculate about scenarios for 2015–2016.

An Unpredictable Campaign with an Expected Outcome

The 2014 presidential election was the closest in Brazil's modern history. Only 3.28 percent of the vote separated the winning reelection bid of the PT's Dilma Rousseff from Aécio Neves, the PSDB (Brazilian Social Democratic Party) runner-up in the second round. Given the level of economic and political dissatisfaction in the country in the two years prior to the election (clearly illustrated by a wave of popular protests beginning in June 2013), followed by very low levels of growth, high interest rates, and resurgent inflation in 2014, the ability of the opposition to challenge the PT's hegemony was enhanced. Similarly to Lula's reelection in 2006 and to her own first election in 2010, Dilma benefited from the votes of the poorer, less developed regions of the country. The 2014 Brazilian Electoral Panel Study (BEPS)¹ shows that lower income groups voted predominantly for Dilma, regardless of their level of social mobility. High levels of employment, high minimum wage, and several social programs including Bolsa Família, Minha Casa Minha Vida, and Tarifa Social, among others, are responsible for the PT's electoral success, as initial multivariate analysis at the individual and aggregate level show. Aécio, on the other hand, gained the vote of the richer and more developed regions of the country, and, in particular, of a specific sector: the traditional middle class with upward mobility, also as shown by the 2014 Brazilian Electoral Panel Study.

The process leading to this outcome was both unexpected and unprecedented in Brazilian history. The levels of vote intention volatility were higher than in prior races, due mainly to the tragic death of PSB (Brazilian Socialist Party) candidate Eduardo Campos in a plane crash immediately prior to the beginning of the free electoral airtime on radio and TV (Horário Gratuito de Propaganda Eleitoral). This shocking turn of events led to a spectacular rise in the vote intentions for Marina Silva, the vice presidential candidate on Campos's slate and successor as PSB presidential candidate. Initially almost immune to criticism due to the harrowing circumstances of her entry into the race, for a moment Marina topped the polls and seemed poised to defeat the PT in an expected runoff. Yet the remainder of the campaign saw a massive and intensive media blitzkrieg against Marina, encouraged and abetted by the PT. The levels of negative campaigning in the weeks that followed, with successful accusations of inconsistencies in Marina's government proposals, led to a steady decline in popular support for her. This culminated in an also unprecedented recovery of Aécio in the final days of the election. Certainly, the constant attacks by the PT against Marina and a very solid performance by Aécio in televised debates (especially in the final, widely viewed clash on Rede Globo) proved decisive to reverse his earlier slide and propel him into the second round against Dilma. In this way, the 2014 contest became the sixth consecutive presidential election in which the top two finishers came from the PT and the PSDB, with the last four of these contests decided by runoffs.

The much shorter second round (October 5 to 26) again saw successive PT attacks against Aécio, portraying him as a *bon vivant* and as a scion of the political elite,

traditionally indifferent to the plight of the poor. Thus, even in a highly unfavorable economic environment, the government was able to win reelection, depending heavily on an aggressive campaign against its key challengers. Yet the price of that strategy—treating political adversaries as mortal enemies—seems rather high, given the national divisions that have emerged in the wake of the election. The opposition’s newfound determination combined with the dissatisfaction among certain members of the PT coalition, especially sectors of the opportunistic, catchall PMDB, peaked in the aftermath of the election. Differently from the reelection of her predecessor Lula in 2006—which was an almost seamless transition from a first term to a second, in a context of economic boom and high presidential popularity—the political circumstances seemed much more turbulent as Dilma’s second inauguration approached.

Honeymoon in Hell

Despite the gathering clouds in 2014, few predicted that the situation would be so unfavorable to the Dilma government in 2015. Immediately after the election, Dilma perceived emerging tensions in her relationship with Congress. The tone of the PSDB-led opposition was more aggressive than at any previous point in the Lula-Dilma years. The reshuffled cabinet was significantly criticized, especially for some members with political trajectories that would place them in direct opposition to what the PT defended in the past, the most obvious being the conservative senator Kátia Abreu—the “chainsaw queen” of agribusiness—as minister of Agriculture. Relations with Congress deteriorated rapidly with important losses in some crucial votes. In fact, legislative data collected by CEBRAP show that Dilma was

not able to win approval of a single bill initiated by the executive branch in 2014.² This was a notable first in the democratic regime that began in 1985.

But the worst was yet to come. Political analysts often refer to the three first months of a new administration as the honeymoon period. Yet for Dilma Rousseff, early 2015 was a honeymoon in hell. First, the PT lost the race for the presidency of the Chamber of Deputies. The PMDB candidate Eduardo Cunha, who—while nominally a member of the governing coalition—has always been extremely critical of the Dilma administration, was elected in the first round with almost double the vote tally of the PT candidate, Arlindo Chinaglia. The jockeying for power in the Chamber of Deputies was extremely harsh: again marked by processes of intimidation and cutthroat campaigning from within the PT-led alliance itself. The result was a deeply divided governing coalition, with both houses of Congress controlled by the PMDB and with a flamboyant tormentor of the government, Cunha, heading one of them. The one consolation for the PT was to have a more friendly figure from within the PMDB, Renan Calheiros, elected as president of the Senate.

One immediate consequence of Cunha’s victory was the final approval of a constitutional amendment that requires the mandatory implementation of all budgetary amendments approved by Congress. The PT opposed this constitutional reform, which significantly weakens the discretionary authority of the executive branch and deprives Dilma of one of the main ways to discipline her unruly coalition. Cunha also fast-tracked a political reform package in which he himself took a leading role. By the end of May 2015, this process was moving toward the implementation of yet another

constitutional amendment, this one ending the possibility of immediate reelection for holders of executive office. In his first five months as Chamber president, Cunha presided over 121 roll-call votes, the busiest legislative session in over 20 years, leading some analysts to conclude that the PMDB-led Congress was beginning to wrest control of the national agenda from the PT-led government.

Petrobras, Popularity, and Impeachment?

Finally, adding to the unfolding scenario of chaos, independent investigations of a bribery scheme in Petrobras generated compelling evidence that over R\$200 million were stolen from the state-owned oil giant and diverted to cover the campaign expenditures of the PT, PMDB, and PP (Progressive Party), the key parties in the governing coalition. There are accusations that Dilma’s reelection campaign was funded in part with these illicit resources. Beginning in February of this year, press coverage of President Dilma became relentlessly negative, with new accusations in the Petrobras affair emerging almost daily. Key allies fell victim to the investigations, including Dilma’s close personal friend Maria das Graças Foster, the CEO of Petrobras (forced to resign), and João Vaccari Neto, the PT party treasurer (arrested by the Federal Police on suspicion of receiving bribes). By April, Dilma’s electoral triumph had changed to a new record: the worst presidential approval rating in Brazilian history. Polls in mid-April showed only 13 percent public support, with 62 percent disapproving and 63 percent believing she should face impeachment hearings.

As we write these lines, Brazil is in flux, with the highest levels of political uncertainty since the government of

Fernando Collor de Mello in the early 1990s. The opposition is organizing massive popular demonstrations against the government, some demanding Dilma's impeachment, with some fringe elements going even further to demand military intervention. The PT, for its part, has declared that it will also mobilize its supporters to prevent "undemocratic" attempts to replace the government. The implications of such a divisive scenario are not simply a headache for Dilma's inner circle and spin doctors; they represent an unprecedented "stress test" for Brazilian democracy and its much-heralded model of coalitional presidentialism.

A Look at the Dossier on Brazil

Although the PT has won four consecutive presidential elections using the number 13—the party's official designation on the ballot—the superstitious might somehow believe that the PT's 13th year in power (2015) is an unlucky omen. A more rational interpretation would hold that any party winning four consecutive national elections will sooner or later fall victim to fatigue, scandal, or both. Even prior to her recent tailspin, Dilma Rousseff was working overtime to maintain both the Cardoso legacy of economic stabilization and the Lula legacy of social inclusion, while at the same time trying to jump-start economic growth after the end of the commodities boom and prepare Brazil for the sporting mega-events of 2014 and 2016. This is a tall order by any standard.

To review the challenges facing Dilma in her second term, this dossier begins with an article by Lucio Rennó on the "electoral hangover" facing Brazil in 2015. Rennó finds that the image of a Brazil fractured by class struggle is somewhat misleading and that the 2014 election can be understood

with reference to more conventional explanations of the vote—such as simple voter evaluation of the incumbent Dilma in 2014. Sérgio Costa, Barbara Fritz, and Martina Sproll then examine the apparent exhaustion of the recent Brazilian economic boom, with particular attention to the impact of the economic slowdown on the ongoing processes of economic redistribution. The text by Fábio de Castro and Renata Motta examines the disappointing performance of the PT government on environmental issues: a technocratic reliance on the neodevelopmental model has widened the gap between the state and civil society organizations in environmental politics, leading to ecosystem degradation and social injustices. Roberto Pires then examines one of the ostensible successes of the PT in power, the creation of participatory institutions of direct democracy. Pires argues that these institutions have now stalled and are facing a "midlife crisis": in certain policy areas, participatory spaces frequently reproduce the socioeconomic inequalities of the larger society, failing to include those frequently excluded from "formal politics." The challenge for Dilma's second term will be to revive those spaces, perhaps via a political reform that would reconnect direct and indirect forms of democracy. Finally, Rodrigo Rodrigues-Silveira reviews some of the key issues that face the ongoing political reform debate in 2015–2016, particularly the issue of intergovernmental coordination.

Notes

- ¹ The 2014 BEPS was composed of seven waves of interviews over the course of the campaign, starting in May/June and ending in November, after the second round. The data will be publicly available by the end of 2015. The analysis that underpins the findings discussed above is available upon request from Lucio Rennó (lucioreno@unb.br).
- ² Data from the Banco de Dados Legislativos, www.cebrap.org.br. ■