

Critical Debates

Brazil at a Crossroads

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- Marcus André Melo and Carlos Pereira, *Making Brazil Work: Checking the President in a Multiparty System*. New York: Palgrave Macmillan, 2013. Illustrations, notes, bibliography, index, 232 pp.; hardcover \$100, paperback \$95, ebook \$69.99.
- Marcos Mendes, *Inequality, Democracy, and Growth in Brazil: A Country at the Crossroads of Economic Development*. London: Elsevier, 2014. Glossary, index, 280 pp.; paperback \$49.95.
- Jeffrey D. Needell, ed., *Emergent Brazil: Key Perspectives on a New Global Power*. Gainesville: University Press of Florida, 2015. Figures, tables, bibliography, index, 322 pp.; hardcover \$79.95.
- Oliver Stuenkel and Matthew M. Taylor, eds., *Brazil on the Global Stage: Power, Ideas, and the Liberal International Order*. New York: Palgrave Macmillan, 2015. Figures, tables, bibliography, index, 245 pp.; hardcover \$100, ebook \$79.99.

In the early years of this century, Brazil was celebrated internationally as an emerging power. Global scholars and international media have put Brazil in the spotlight as a case of success, due both to its political and economic domestic reforms and to its process of international insertion. According to the international media's expectations and assessments of the "country of the future," the future had already arrived. The cover of *The Economist* of 11/12/2009 was suggestively titled "Brazil Takes Off." *Foreign Policy* of 2/28/2012 also celebrated Brazil as "South America's emerging superpower," due to its active participation in global economic output and its actions alongside other BRICS members.

This overestimated constructed image of Brazil was not entirely unsupported, as the country had the largest geographical area in Latin America—the fifth worldwide—and upheld the seventh-highest GDP among world economies in 2014. Furthermore, taking into account that Brazil is a country with only one official language, it has an abundance of natural resources—unrestricted by external conflicts and natural disasters—and its climate is favorable for farming and agriculture, it is not illogical to envisage anything but Brazil's rise.

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The works of Marcos Mendes and Jeffrey Needell, however, point out that the abovementioned conclusion portrays much optimism and short-term analysis and little observation of Brazil's political and economic foundations. Understanding Brazilian politics, economy, and culture is not a task for beginners. In Needell's words, "there are spectacularly talented and knowledgeable journalists covering Brazil, but far too often, what drives the news is the superficial and the sensationalist—a glance not just at ephemera but at the most obvious or compelling aspects of them" (1).

This essay aims to extract key considerations of Brazil brought by the books under review. It attempts to weave a vision of Brazil that is not restricted to its political and economic spheres, but one that also includes its cultural dimension. In the same manner, it structures a vision of Brazil that is neither exclusively domestic nor entirely international, in order to prevent the construction of a myopic portrait of the country's reality.

Each of the four works contemplated in this review essay tackles various aspects of Brazil from different angles, which range thorough economic analysis, specific political studies, and cultural interpretations of the perceptions made about the country's insertion into an international order with multiple actors. Brazil's interests are diffuse, and it no longer operates as the sole unit in the international system, despite the state's privileged role. Therefore, given the diversity of topics in these books, this essay is divided into two main sections. The first tackles domestic issues and the second deals with matters of a foreign nature.

AN EMERGING SUPERPOWER? ECONOMIC ASPECTS

At the beginning of the twenty-first century, Brazilian macroeconomic data pointed in a promising direction. The economic crisis of the 1980s and 1990s was characterized by low growth, high inflation, and foreign debt. Such a scenario eventually gave way to a more prosperous setting as Brazil entered the century with democracy under way, the inflation rate under control (owing much to the success the Real Plan), and a windfall of economic growth.

Its foreign debt had been renegotiated in 1993, even as a preliminary stage to the implementation of the Real Plan. Brazil was seen as a political and economic leader in Latin America, despite criticism arising from its (lack of) regional foreign policy actions. It is an irrefutable fact that in the twenty-first century, Brazil has sought to adopt important roles regarding the main issues of the international agenda in an attempt to become a vigorous and well-acclaimed actor (Stuenkel and Taylor) in the international forum.

Has Brazil become a sustainable superpower despite its recent successful economic trajectory? According to Mendes, a superficial reading can fool the unsuspecting reader, because Brazil's evolution over the past few years may outshine the economic inconsistencies that prevented the country from becoming an emerging or regional power. Referring to the works of a classic Brazilian political economy

author, Celso Furtado, it could be said that Brazil has developed within its own underdevelopment. Even though Mendes makes no mention of Furtado, his arguments support Furtado's view. According to Mendes, Brazil is one of the world's most unequal countries in terms of income and asset distribution.

Such inequality is the foundation of his central argument, which is that there is a political knot that inhibits the resolution of structural problems. Thus, the latter constitute a hindrance to the growth of the Brazilian economy. This entanglement is the combination of a democratic political environment and economic inequality. Mendes argues that the factors responsible for economic growth include physical capital, work, human capital, and productivity. These are directly influenced by income distribution, and in the specific case of Brazil, they are negatively influenced.

In order to maintain political and social stability in Brazil, a low growth with dissipative redistribution model has been created (9); that is, the demand for an ever-increasing public sector in relation to its spending, taxation, and regulation ultimately distorts the action of the sources of economic growth. A significant share of responsibility is assigned to the Brazilian democratic construction. A side effect brought about by the inclusion of new social groups, especially in the lower and intermediate portions of Brazilian society, was the increase in demand for public benefits and subsequently the political weight they acquired. The consequences of such empowerment include a higher expenditure of public funds and the adoption of a *modus operandi* by the public sectors and the Brazilian politicians that is characterized by an enlargement of government spending and biased political negotiations.

As a result of his argument construction, Mendes lists ten stylized facts that characterize the Brazilian economy in the twenty-first century and, simultaneously, compares these facts in a selected group of developing countries to show how they affect Brazilian growth. The stylized facts are

- Current governmental nonfinancial expenditures have steadily grown
- Tax burden had to be raised for increasing financial expenditures
- Tax increases were not sufficient to finance growing expenditures, and as a consequence, public sector savings became negative
- High interest rates
- Infrastructure bottlenecks
- Skyrocketing minimum wage
- Brazilian economy is closed to international trade
- Judicial uncertainty and poor protection of property rights
- A large number of small and informal companies drive average productivity down
- Educational backwardness

The economic and political consequences of these combined facts are a deviation from the results of the country's democratization process, leading to a social and economic context characterized by the reification of high inequality and the maintenance of privileges for the highest social classes. In spite of obtaining positive results in the social and economic inclusion of the lower classes, the social, political,

and economic cost is elevated because a high tax burden, constant deficits, and low labor productivity do not contribute to economic growth. A closed economy, high interest rates, and the fragility of institutions and the legal system are disincentives to investment, thereby constituting another vector contrary to growth. The redemocratization factor, which establishes the demands coming from the most distinct classes (such demands are of political interest in capturing or co-opting voters), socializes losses, but in a distorted and unfair manner. As Mendes argues, “a strong stimulus has been created for the rent-seeking behavior, where each group tries to extract the maximum possible benefits for itself, while at the same time tries to push the cost of public policies onto others, escaping taxation” (63).

According to the author, this vicious circle can be broken. If, over the next few years, inequality is reduced and the middle class grows steadily, there could be the beginning of a possibility of growth. A key point that would make such a possibility more tangible is the investment in education. There is specific literature on the subject that shows that a state-driven investment in education—that is, a genuine and serious public education model—could help break the cycle of low growth.

Mendes’s analysis of the barriers to Brazilian growth could seem a little too pessimistic if it were not for the seriousness of his research and for the solid and congruent conclusions he reaches. Moreover, before going any further into this essay, the following has to be stated: the analysis of the Brazilian conjuncture in recent years has proven that problems regarding domestic order affect government decisions, including those related to foreign policy and international insertion. Mendes’s findings are not positive in the short term, given the unlikelihood of a fast economic growth resumption, thus making it hard to sustain Brazil’s emerging power status. There are, however, other questions to be raised in order to understand the ambitions of Brazil entering the international stage and the factors that lead international media, observers, and analysts to rank Brazil as an emerging power.

HOW TO BUILD THE IMAGE OF AN EMERGING POWER?

The books reviewed offer other explanations for the emerging power claim. It must be made clear, though, that some of these explanations are related to the construction of an emerging power image, and in some cases, they are not effective.

Melo and Pereira, like Mendes, refer to Brazil as the “country of the future.” This reference notwithstanding, Melo and Pereira’s objectives are different; more precisely, they are political in nature. The argument they set forth intrinsically questions the idea that the democratic advances in Latin America, notably the presidential system, were doomed to failure.

According to the authors, contrary to “conventional wisdom,” both presidential and multiparty systems have shown good results in Latin American countries. Taking the specific case of Brazil, they defend the argument that Brazil’s success is related to the existence of strong characters in the presidency, supported by institutions that tend to be cooperative (legislative and judiciary).

It was through a method of analyzing similar cases in Latin America (Brazil, Chile, and Uruguay) that the authors obtained interesting results in regard to Brazil. Despite the existence of the multiparty system, the heads of state tend to aggregate the majority of the support in the Chamber and the Federal Senate. The authors also examine whether fragmentation (or the delegation of powers and functions) influences the effectiveness of government action. From the hypotheses tested, the results they obtain support the argument that the presidential and the multiparty system have been successful in Brazil. Among these results, it is worth mentioning that when a president is combined with political support in the legislative bodies, this generates a positive influence on the surrounding political institutions, such as the judiciary, the public ministries, and the audit and appeals courts. These institutions end up working as coalition instruments and tend to strengthen the governance and the effectiveness of all actors and institutions involved.

One of the latest Brazilian cases can shed some light on this contention. President Lula da Silva governed for eight years with strong support from institutions and with a good coalition to maintain the stability of his government. In his final years, during the power transition to Dilma Rousseff, this coalition began to weaken. Rousseff now governs with difficulties influenced not only by the complicated political and economic situation but also by a lack of support to maintain a strong government (Melo and Pereira 67–68). According to Melo and Pereira, “strong presidents and strong legislatures have produced good governance.... This is only possible where checks and balances are reasonably established” (49). Even so, it is still possible to identify distortions in governance, as “coalition management is crucial in coalition governments and a number of bargaining chips are necessary for success, including the strategic use of budgetary amendments, the assignment of cabinet portfolio, and policy concessions” (51).

According to Melo and Pereira’s point of view, the overall balance is still positive. In their closing remarks, the authors point out that democracy in Brazil has advanced, but there is still much to be done. Democracy has its costs to both society and government, and in Brazil those costs are still unevenly distributed, as Mendes also states. Brazilian heterogeneity and the vast number of bargains and coalitions required to maintain stability in public management constitute a complex political environment. Melo and Pereira use the metaphor of the half-full or half-empty glass to indicate that Brazil is halfway through toward democracy. The fact is that

a multiparty presidential model is not an ideal or flaw-free system, especially because an ideal political system simply does not exist. Surely, our emerging democracy still suffers from serious problems such as cronyism, inequality, corruption, and a lack of transparency. Even so, the rules of our political system have delivered equilibrium and cooperation, and the net result for society is positive. (163)

In that sense, the authors stress that there has been great progress and that it is of the utmost importance to acknowledge the fact that the glass is not empty after all.

The book edited by Needell comprises a sum of articles targeting different topics surrounding the same argument: there are many elements that contribute to

the construction of the image of Brazil as an emerging power or as a global contender. As it is a collection of texts, it is worth giving an overview of the book's argument and structure. A significant section of the book aims to argue, through exemplification and case studies, that Brazil is an emerging country. The book is divided into six parts: "Brazil, Today and Yesterday," "Brazil's Political Scene," "Brazil's Urban Scene," "Brazilian Religions and the World," "Brazilian Forest and Field to the World," and "Brazil's New Diplomatic Role in the World," which comprise an overall 15 chapters.

As highlighted by Mendes, Melo and Pereira, Needell, and his contributing authors, there is a consensus that Brazil is a society with an extraordinary gap between its richest and poorest citizens. However, despite this agreement concerning the issue of income distribution, the authors in *Emergent Brazil* take a differentiated approach that is closer to anthropology and political sociology. These are authors who look at Brazilian international insertion through several prisms. For instance, Carmen Rial correlates the growth of Brazilian presence around the globe with the expansion of the Neopentecostal Church as Brazilian soccer players spread the religious discourse to all continents, while Roberto Rodrigues, Judson F. Valentim, and Marianne Schminck emphasize that the Brazilian presence in developing alternative technologies for power generation, such as biofuel sustainable development practices in agriculture, are internationalization vectors to be considered in the evaluation of the Brazilian insertion scenario.

Regarding the anthropology of religion and its role, Cristina Rocha and Manuel A. Vásquez set four foci that determine the dissemination and construction of Brazilian religious identities beyond its borders: Brazilian immigration, the work of imagining and consuming Brazil and Brazilian culture and religions, mass media and the Internet, and Brazilian religious entrepreneurs. According to Rocha and Vásquez, a transnational projection of the Pentecostal Church "is part and parcel of the rise of Brazil as a key center of religious innovation within an emerging, polycentric, global religious cartography" (164).

To complete the contributions, Carlo Patti and Peter Hakim try to deal, in a transversal manner, with the Brazilian stance regarding issues on the international security agenda. Patti's article relates to Brazilian foreign policy under Lula's government, its position with respect to the Nonproliferation Treaty, and the Brazilian action alongside Turkey in the Iranian crisis. According to Patti (272), Brazilian diplomacy was successful despite the weak diplomatic relationship with the United States. Patti sees growth in Brazil's international status not only because of this accomplishment but also for the sum of events and Brazil's conduct under Lula's government (mainly in its partnership with Minister Celso Amorim). Meanwhile, it is the comings and goings of diplomatic relations between Brazil and the United States that move Peter Hakim to call it "the case of the missing relationship," highlighting the dilemma between the guidelines of Brazil's foreign policy and its relations with the United States, especially after the information leak in the Edward Snowden case.

It is interesting to note that in a very distinctive way, the authors who constitute the book edited by Stuenkel and Taylor converge with the other works under review

by stating that middle powers can contribute to the achievement of significant changes in global order. Stuenkel and Taylor argue that Brazil, despite facing great challenges, especially internally and, more intensely, during Dilma Rousseff's government, has been successful in its search for a place on the international front. In this regard, the authors highlight the importance of Lula's government without discarding the significance of the political and economic stability achieved during Fernando Henrique Cardoso's government.

Using a solid literature on Brazilian foreign policy, Stuenkel and Taylor, in chapter 2, emphasize the importance of building a cooperation speech, especially cooperation in the Global South, the search for advancing regional integration via UNASUR, and the participation in international forums that integrate emerging powers, such as IBSA and BRICS. The main argument the authors put forward is that Brazil "seeks greater integration and recognition within the prevailing global liberal order, it is emblematic of the challenges posed by numbers of middle powers in an increasingly multipolar world system" (7). The authors define this liberal international order as an open economy scenario, the existence of international institutions, cooperative security, democratic community, and collective problem solving through a sovereignty shared by the members of the international system.

From this point of view, the perception exposed in these books is that there is an antagonizing image of Brazil. Observing from within, it is structural problems (political and economic, mostly) that influence an image of a country that is at a crossroads—and their solution is not short-term. While there are those who defend the perception of the country's relative improvement, the concept of an emerging nation is one too-broad conclusion.

IS BRAZIL TRULY AN EMERGING POWER?

In a very distinct manner, all the works under review are complementary. Not in the sense of a common understanding, but in one of providing the reader with different views about the current Brazilian conjuncture, taking both its internal and external environment into account.

The authors who contributed to the work organized by Needell would agree that Brazil should be considered an emerging power for a positive set of factors and events seen in recent years. These authors look at recent historical developments to exalt the consolidation of democracy. According to Marshall Eakin, Diana Campello and Cesar Zucco, Jr., and Fernando Lattman-Weltman (in parts 1 and 2), Brazilian political history over the last three decades has, as well as consolidating democracy, brought back to the daily life of Brazilian society the possibility of expressing oneself critically, as can be illustrated by the manifestations of 2013. There is, however, the need to better describe this phenomenon. At the time of the protests, motivations for the uprising were greatly complex; that complexity stemmed from the political opposition movements, as well as from the population's discontent with the country's political and economic governance. It is noteworthy,

though, that moral and ethical questions were raised not only by corruption scandals but by the society's profound reflection on itself and its influence on elected representatives in the executive and legislative branches.

The fact that Brazil is hosting international events, such as the World Cup and the Olympic Games, as well as international meetings, such as the BRICS Summit, cannot hide the domestic order problems that deplete its development capacity. In this sense, Mendes's book is important, alongside the critical view proposed in Stuenkel and Taylor's volume. While Mendes clearly shows a set of bottlenecks in the growth of the Brazilian economy, Stuenkel and Taylor suggest that despite the progress achieved by its international prospecting, Brazil must still face the challenges arising from its foreign policy design, from the existence of a significant number of middle powers seeking a place in the multipolar world system, and from the obstacles derived from North American leadership.

In Melo and Pereira, a reading of the evolution of the political system in Latin America can be observed, wherein Brazil is a case study. Democracy associated with a multiparty presidential system was not the fiasco it was predicted to be, but one should not fail to stress that there are prerequisites for this system to work, such as aligned institutions and political arrangements (through alliances and bargains). This matter is remarkable when establishing a comparison between the government of President Lula da Silva (notably his first term) and the government of President Dilma Rousseff. Making use of the metaphor presented by Melo and Pereira, it is clear that Brazil, as an emerging power, is still halfway, "a glass half full or a glass half empty." Nevertheless, much of what Brazil is going to represent in international terms is directly connected with its domestic scene, which is in itself a robust constraint factor to be considered.