

Brazilian Democracy: The Fall of the Workers Party
by L.S, November 2017

As Felipe Nunes and Carlos Melo state in ‘Impeachment, Political Crisis and Democracy in Brazil’, Brazil disputed the pessimistic prognoses about its democracy’s development for a couple of decades until the year of 2013, when its political scenario became completely unstable and chaotic. For the first time since Brazil reestablished its democratic institutions in 1985, the population occupied the streets without the influence of any civil organization or political party to protest against the rise of the bus fare – which rose from **R\$3.00 to R\$3.20** (approximately US\$1.50 and US\$1.60 at that time). Millions of Brazilians from different states, cities, and capitals got together and chanted the saying “**It is not about the 20 cents**”, which later on became the symbol of the 2013 manifestations – a period when people finally realized that the apparent democracy that ruled Brazil was just a fallacy. Indeed, it was in 2013 when the beginning of the end of the **Workers Party** (*Partido dos Trabalhadores*’ [PT], in Portuguese) political monopoly started.

The price of the bus fare, which at first seemed to be a mere municipal issue, soon gave way to other protests – and, three years later, the **impeachment of former Brazilian President Dilma Rousseff, who was also one of the leaders of the Workers Party**. It was with those first manifestations that the Brazilians who were unsatisfied with the current government realized that they had the power to make their voices heard and that they did not need to feel afraid about demanding their democratic rights. As explained by Frances Hagopian in ‘Brazil’s Accountability Paradox’, the population was impatient given the low quality of the public transportation, security and policing, health, and education system – impatience which then led to public outrage when the scheme of corruption that was before hidden in the government was exposed.

1. Sequence of Events

1.1 Operation Car Wash

One year after the manifestations against the rise of the bus fare, in March of 2014, the biggest federal investigation against corruption started to form its shape in Brazil; **Operation Car Wash**, as stated in ‘Impeachment, Political Crisis and Democracy in Brazil’, exposed a network of corruption in Brazilian politics that was already felt, but never seen by the population. With the government unmasked and its powerful political figures being investigated and convicted, the population went out to the streets once again to show how discontent they were with the fact that this monumental scheme was just then being discovered – making it clear that the Brazilians were tired of being deceived. Dilma Rousseff, who, at the time, had just been reelected, was then also a public target, given that this political ‘circus’ happened under her watch.

By the year of 2016, when the former President Dilma Rousseff was impeached, the Operation Car Wash had already resulted in **411 judicial orders**, **133 arrest warrants**, and **93 convictions**; moreover, **52 politicians** who were currently serving in high positions in the government and **five ministers appointed by Rousseff** were then under investigation. “*As the Operation Car Wash investigations deepened, the political sphere was near panic*”, this statement said by Felipe Nunes and Carlos Melo perfectly illustrates what was happening in Brazil between the years of 2013 to 2016, when even **Dilma Rousseff** herself and **Luis Inacio Lula da Silva (Lula)** – Brazil’s President from 2002 to 2011 who preceded Rousseff and helped her get elected – were being thoroughly investigated by the Operation Car Wash.

Another wave of protests started to spread across the Brazilian territory when the population realized that the people who were supposed to vouch for them, including their own president, were stealing more than **three billion Brazilian Reais** (equivalent to 1.5 billion U.S

dollars at the time) that were supposed to be invested in the betterment of Brazil's poor education and health system, for instance. However, as appointed by Nunes and Melo, those manifestations had something unique to them in regard to the people involved in them – who, differently from some of the other manifestations such as the bus fare one, were older, highly educated and earned a higher income; *“For the end of corruption! Goodbye Dilma, goodbye Workers Party!”* was what was being echoed in the streets. Indeed, the Operation Car Wash served as one of the most significant ‘contributors’ to Dilma Rousseff’s impeachment.

1.2 World Cup

Brazil was chosen to be the host country for the **2014 FIFA World Cup**, a fact that, as explained in Nunes’s and Melo’s ‘Impeachment, Political Crisis and Democracy in Brazil’, deepened even more the dissatisfaction of the Brazilian population with the Rousseff’s current government. If even without having to cope with all the spending required to build and improve stadiums and general infrastructures for a World Cup, the Brazilian government already had severe problems with the management of public funds and not enough money to invest in areas of need, the population could not fathom how the government could have accepted such burden; with the World Cup, the government would have to spend its insufficient reserves and tax funds with investments that would not actually help Brazil to develop itself as a country in the long run.

Therefore, the population resorted, again, to public manifestations to try to make their voices heard – since, as usual, it did not seem like the government was interested in the popular worries regarding the absurd expenditure of the **2.5 billion of Brazilians Reais** (approximately 1.06 billion of US Dollars at the time given) for the World Cup. As it can be inferred from the article ‘Impeachment, Political Crisis and Democracy in Brazil’, the world was shocked when the previously so-called ‘soccer nation’ was not glad it would be hosting the most important soccer

event existent. It is important to note, though, that Brazil is not similar to Germany or Japan (hosts of the 2006 and 2002 World Cup, respectively) when it comes to economic development – Brazil is a developing, ‘third world’ country and, as protested by the Brazilians in 2014, could not afford not spending 2.5 billion in public schools, universities, and hospitals.

1.3 Decline of the Economy

From the beginning of 2015 to 2016, with instability and distrust reigning the political scenario, Brazil started to suffer from the worst economic crisis in its history – which had even worse impacts in national territory than the global crisis of 2008 with the collapse of the housing market in the United States. As demonstrated by Felipe Nunes and Carlos Melo, the Brazilian **Gross Domestic Product (GDP) fell by 3.8 percent** - a significant decrease for a developing country - the **inflation** hit the record-high of the decade with **10.67 percent**, **unemployment reached 11.9 percent** of the population at the working age (12 million people in total), the public sector closed with a **deficit of R\$155.791 billion** (approximately US\$39.133 billion and equivalent to **2.47 percent of Brazil’s GDP**), the **dollar exchange rate rose by 48 percent**, and the Brazilian **stock exchange B3**, previously called BM&FBOVESPA, had its biggest decrease in 11 years with a **fall of 13 percent**.

Consequently, the government ruled by the Workers Party, which was previously praised by the creation and implementation of the world-renowned social welfare program ‘*Bolsa Familia*’ (‘Family Basket’, in English), became loathed by the population; those who were from low-income backgrounds were unemployed and could not find any new opportunities to grow and the ones who had high socioeconomic status were not expanding their businesses, but rather declaring bankruptcy –**1.8 million of companies** shut their operations only in 2015. It is important

to remember, as appointed by Frances Hagopian in ‘Brazil’s Accountability Paradox’, that the roots of such crisis were not purely economic, but political.

2. The Impeachment

Posterior to the manifestations against the rise of the bus fare in 2013, the start of the Operation Car Wash and the protests against the 2014 World Cup, and the severe economic recession which began one year later, the population demanded the impeachment of Dilma Rousseff by going out in the streets and protesting with the “**Goodbye, Honey!**” motto – which alluded to the way that former President Luis Inacio Lula da Silva (Lula) affectionately called her. As stated in ‘Impeachment, Political Crisis and Democracy in Brazil’ and in ‘Brazil’s Accountability Paradox’, between the years of 2013 and 2015, the Workers Party self-identified partisans decreased from **31 percent to 12 percent**, and, most importantly, solely during 2014, the percentage of **46 percent** of the Brazilians still perceived the Workers Party as good or even excellent changed radically to the one of **65 percent** that considered Dilma Rousseff’s presidency management to be bad or terrible.

With an **approval rating of 10 percent** and a **disapproval rating of 70 percent**, Rousseff’s mandate was put into question by the Chamber of Deputies, which was led by **Eduardo Cunha** – member of the **Brazilian Democratic Movement Party** (*Partido do Movimento Democrático Brasileiro* [PMDB], in Portuguese) who, during the elections for the presidency of such institution, won from the Workers Party candidate **Arlindo Chinaglia**. It is important to comprehend, as appointed by Felipe Nunes and Carlos Melo, that when considering the Brazilian coalition presidential system, the relationship between the executive and legislative powers has always been an essential, key factor for the success of governments in general – and the aggravating factor was that not only was Rousseff’s rankings sinking but also her and her party’s

relationship with the legislature was difficult. Neither did the former president Dilma Rousseff and the Workers Party have the support of the majority of the population nor did she and her party have the support from the legislative branch of the government.

As shown in ‘Impeachment, Political Crisis and Democracy in Brazil’, Rousseff and the Workers Party did not accept the idea of the impeachment, though – and they used up all their resources before realizing that there was no way they could save their governmental power. Firstly, the former President Dilma Rousseff tried to form a **coalition** of ten different parties which would, in theory, give her 328 votes – amount which represented 64 percent of the Chamber of Deputies and which guaranteed that the process of her impeachment trial would not even start; the effort to create such coalition, however, did not end up being fruitful and the coalition did not work.

The real governmental chaos, though, began with the establishment of the first cabinet, which would judge if the impeachment process should be indeed open and processed; then, because such cabinet was constituted mostly by members of the **Social Democratic Party** (*Partido Social Democrata* [PSD], in Portuguese) who were allies of the Workers Party, the President of the Senate **Renan Calheiros** (member of the **Brazilian Democratic Movement Party**, which was completely against Rousseff’s presidency) said he and his party felt ‘humiliated’ by such actions. Nunes’s and Melo’s statement that “The strategy [of nominating a first cabinet which consisted of Social Democratic partisans] soon turned out to be a gross mistake” could not be more accurate given that Calheiros’ party was one of the most powerful Brazilian parties. After the announcement of the first cabinet and ministry, Calheiros and the Brazilian Democratic Movement Party influenced the senators to strongly oppose the Workers Party and the Social Democratic Party, which caused both parties to lose even more governmental support. The result: in April of 2016, the process of **Dilma Rousseff’s impeachment trial was open** when **367 senators voted** in favor

to the impeachment – 198 which were made by senators who were previously allies of the Workers Party - and only 137 votes (representing 26.5 percent of the House) were made against it.

Status right after the election of 2014	Party	Position on the impeachment			
		In favor	Against	Abstained	Absent
Belonged to the governing coalition	PT	0	60		
	PC do B	0	10		
	PDT	6	12	1	
	PR	26	10	3	1
	PMDB	59	7		1
	PSD	29	8		
	PP	38	4	3	
	PROS	4	2		
	PTB	14	6		
	PRB	22	0		
Declared their opposition	PSB	29	3		
	PSDB	52	0		
	DEM	28	0		
	PPS	8	0		
	SD	14	0		
Other 13 parties		38	15		
Total		367	137	7	2

Source: <http://www2.camara.leg.br/>

*Table of the vote distribution of the first impeachment trial in the Chamber of Deputies (April 2016)

With **Eduardo Cunha** (also member of the Brazilian Democratic Movement Party) in the presidency of the Chamber of Deputies and the general dissatisfaction of the majority of the senators with the current Workers Party government, Dilma Rousseff's impeachment was just a matter of time. It is important to bear in mind, however, that Cunha himself was also being investigated under the **Operation Car Wash** – and that he, as explained by Nunes and Melo, used the impeachment as an excuse to try to deviate attention from his case and as means to make him appear like the 'hero' to the public eye.

During the beginning of 2016, it was evident that the relationship between Rousseff and the Congress (which, in Brazil, is formed by the Chamber of Deputies and the Senate) had become unrepairable – and yet she tried one more political maneuver to try to save her mandate. As a last

attempt, Dilma Rousseff nominated her ally **Luiz Inacio Lula da Silva (Lula)** as her **Chief of Staff**, hoping that he, who had a good political network and was a political savvy, could help her mend her relationship with the legislature base. However, the **Minister of the Supreme Federal Court Gilmar Mendes**, hinder Lula's appointment as the Presidential Chief of Staff based on allegations that Rousseff made such nomination to protect him from the severe **corruption charges** that he was facing after being investigated by the **Operation Car Wash**. Posterior to such a political mess, in the words of Felipe Nunes and Carlos Melo, "Dilma no longer had the conditions to govern".

Ultimately, the former President **Dilma Rousseff was impeached** on August 31st, 2016, by the Federal Senate with **61 votes to 20**, procedure that temporarily calmed the two year-long heated debate between the Brazilians that denounced Rousseff's impeachment as a coup and those who defended the legitimacy of such process – the latter who, as stated in 'Impeachment, Political Crisis and Democracy in Brazil', were right since the impeachment followed the Brazilian legislature. Consequently, **Michel Temer** - Dilma Rousseff's vice-president who was already acting as the interim President since May 12, 2016, when Rousseff was first suspended from the presidency - formally assumed the presidency, becoming the **37th President of the Federative Republic of Brazil**.

3. The New Government

Michel Temer took office in a delicate situation, in which Brazil was thoroughly divided: some wanted Dilma Rousseff's return, some demanded a completely new election, while others were satisfied with him assuming the presidency. To complicate the new president's mandate even further, just before Temer became the interim president, Eduardo Cunha resigned from his position as the President of the Chamber of Deputies after he was indicted for corruption and bribery by

Sergio Moro, the judge responsible for the **Operation Car Wash**. Then, **Andre Moura**, a deputy from the small and centrist Social Christian Party (*'Partido Social Cristão'* [PSC], in Portuguese), was appointed as the leader of the House; the problem with the Chamber of Deputies' new President was that he and Temer did not agree in anything. Fortunately for Michel Temer, Moura was soon substituted by **Rodrigo Maia**, member of the **Democrats Party** (*'Democratas'* [DEM], in Portuguese) who, as stated by Felipe Nunes and Carlos Melo in *'Impeachment, Political Crisis and Democracy in Brazil'*, made it possible for the Legislature to act in consonance with the Executive and vice-versa.

The new government soon made some changes to Brazil's political scenario, reducing the number of ministries from **31 to 25** and forming a team of **conservative male politicians** – women were completely absent in this new team. Additionally, Temer elaborated, with the approval of the Congress, a **reduced fiscal goal** which authorized the government to close the year of 2016 with the **record deficit of R\$170.5 billions** (approximately U\$52.46 billions at the time). As explained by Nunes and Melo, three of the most important measures that have taken place since Temer took the presidency – and that are still effective to this day - include the creation of **the Constitutional Amendment Proposal** (*'Projeto de Emenda Constitucional'* [PEC], in Portuguese] **number 55**, the extension of the **Unbundling of the Federal Reserve** (*'Desvinculação de Receitas da União'* [DRU], in Portuguese), and the **reform of the high school curriculum**. The **PEC 55** establishes a period of 20 years during which federal public expenditures cannot surpass the **inflation rate** of the previous year, the **DRU** consists of a legal instrument that allows the Federal government to invest **30 percent** of its revenues in what it sees fit, and the **high school curriculum reform** enables high schoolers to be able to **design their own curriculum** instead of having the same, fixed curriculum of 13 basic subjects.

4. The Impact

As Eduardo Svartman and André da Silva describe in their article '*Castigo Sem Crime? Raízes Domésticas e Implicações Internacionais da Crise Brasileira*' ('Punishment Without Crime? Domestic Roots and International Implications of Brazilian Political Crisis', in English), the media played a key role in the international repercussion of Brazil's political crisis. If The **New York Times**, for instance, portrayed **Dilma Rousseff** as someone who was impeached based on false accusations, she became a saint through the public eye; if the Brazilian television broadcaster **Rede Globo** claimed that **Eduardo Cunha** was right to open the impeachment process, the population would agree that **Michel Temer** deserved the presidency. Besides the negative economic consequences, the impeachment spurred a wave of controversy that deeply impacted the Brazilians' daily lives: friends and family reunions were ruined by heated debates of who was right or wrong, and freedom of speech was under constant threat - no one could say a thing without being labeled a corrupt communist anti-impeachment or a fool libertarian pro-impeachment. For two years, Brazil was seen as '**A Circus That Even Has a Clown**' (New York Times, May 2016).

On the bright side, though, Brazil is slowly recovering. Regarding its economy, the Gross Domestic Product (GDP) is expected to **increase by 0.7 percent in 2017**, a way better percentage than the one from the previous year, when GDP decreased by 3.6 percent. Moreover, the political scenario is now less chaotic, with the Legislative working together with the Executive. As Svartman and da Silva brilliantly state, it is now up to Michel Temer to demonstrate the legitimacy of his government - raising his **approval rate up from 19 percent** and mending Brazil's international demoralization.

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