

After the nightmare

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Given this scenario, we cannot help but remember the previous 20 years, when two parties, one center-left and one center-right, took turns in power.

These are nightmarish times we are living in Brazil. Times that celebrate violence, irrationality, torture, racism, the demeaning of education, science and culture. We are witnesses to a blend of authoritarianism and radical economic liberalism. Times of explicit subordination to the United States. Abnormality and evil have become routine.

Looking at this picture, we cannot but long nostalgically for the 20 years behind us, when two parties, one left- and another right-of-center, alternated as incumbents. They were subject to hits and misses, achieved good and bad outcomes, each side swore that its policies and results were the best, but they were democratic, and they knew the meaning and rules of politics.

Politics is not a bitter fight between enemies that hate each other, but a compassionate fight between mutually respectful adversaries. The latter was what Brazil had up until 2013. The two adversaries were the PSDB and the PT; one standing for liberal orthodoxy, the other for distributive orthodoxy; the former put its chips on the markets, the latter on industrial policy. The PT achieved greater growth because it increased public investment and benefitted from the commodities boom of the 2000s, but the two administrations fell into the macroeconomic trap of high interest rates and an appreciated exchange rate that prevented private-sector investment.

On the fiscal level, after the financial crisis of 1998, the two administrations posted satisfactory primary surpluses up until 2013. Then came the foreign crisis stemming from the 2014 commodities prices plunge; the fiscal crisis, the fiscal crisis stemming from the surplus becoming a large primary deficit that same year; the crisis of manufacturing firms unable to turn a profit because, given the appreciated currency, the domestic market was occupied by imports; the financial crisis caused by excessive corporate indebtedness.

The political crisis might have been resolved or partly addressed if the opposition had won in 2014. The reelection of President Dilma Rousseff deepened it instead as her new term began with no support whatsoever from the economic elites.

The fiscal crisis could have been faced with a sharp current-spending cut, while increasing investment. This is what Nelson Barbosa attempted in his brief period as Minister of Finance. Instead, the country returned to an absurd procyclical policy that persists to this day and keeps unemployment at unacceptable levels.

These mistakes were the fruit of the deep political crisis that since 2013 had hatred at the heart of political life. Although classic liberalism is defined by tolerance and some level of relativism concerning truth in politics, a form of intolerant liberalism emerged among the liberals, and Lula and the PT were turned into enemies, even if they were simply adversaries.

The leaders of the Car Wash Operation took advantage of this hatred for self-promotion; Vice-President Michel Temer took advantage of it to take over, using his “A Bridge to the Future” plan as an instrument; candidate Jair Bolsonaro used it to win the Presidency, while relying on Paulo Guedes as an assurance of a neo-liberal economic policy.

For nine months, governmentlessness has been in charge. Where are we headed? Certainly not towards right-of-center liberalism, nor left-of-center developmentalism. Nor, even, to seeing Brazil back on the path of normalcy – so that we can resume the healthily alternating moderate and democratic parties.

Where, then, are we headed? That we do not know. One thing, however, is for sure: the rule of law and democracy are facing very severe risks. Only a far-right minority truly identifies with the incumbent administration’s policies. Brazil’s civil society is already well organized. It has a working class, a middle class, and a varied and qualitative business class. These are the assets that we must rely on to overcome the nightmare into which we have plunged.