

BOOK REVIEW ESSAYS

## Coalitions, Corruption, and Crisis: The End of Brazil's Third Republic?

Matthew M. Taylor

American University, US  
mtaylor@american.edu

---

This essay reviews the following works:

**Democracia em risco? 22 ensaios sobre o Brasil hoje.** By Sérgio Abranches and twenty-three others. São Paulo: Companhia das Letras, 2018. Pp. 328. R\$69.90 paperback. ISBN: 9788535932027.

**Presidencialismo de coalizão: Raízes e evolução do modelo político brasileiro.** By Sérgio Abranches. São Paulo: Companhia das Letras, 2018. Pp. 434. R\$69.90 paperback. ISBN: 9788535931556.

**Brazil Apart: 1964–2019.** By Perry Anderson. London: Verso, 2019. Pp. 224. \$21.56 hardcover. ISBN: 9781788737944.

**Dinheiro, eleições e poder: As engrenagens do sistema político brasileiro.** By Bruno Carazza. São Paulo: Companhia das Letras, 2018. Pp. 324. R\$69.90 paperback. ISBN: 9788535931259.

**Valsa brasileira: Do boom ao caos econômico.** By Laura Carvalho. São Paulo: Todavia, 2018. Pp. 192. R\$49.90 paperback. ISBN: 9788593828621.

**Coalitional Presidentialism in Comparative Perspective: Minority Presidents in Multiparty Systems.** By Paul Chaisty, Nic Cheeseman, and Timothy J. Power. Oxford: Oxford University Press. US\$85.00 hardcover. ISBN: 9780198817208.

**O lulismo em crise: Um quebra-cabeça do período Dilma (2011–2016).** By André Singer. São Paulo: Companhia das Letras, 2018. Pp. 392. R\$54.90 paperback. ISBN: 9788535931150.

**A batalha dos poderes: Da transição democrática ao mal-estar constitucional.** By Oscar Vilhena Vieira. São Paulo: Companhia das Letras, 2018. Pp. 233. R\$49.90 paperback. ISBN: 9788535931815.

---

Even the most avid follower of Brazil can be forgiven for failing to recall all the twists and turns of the frenetic politics of the past decade. Since 2010, Brazil has seen the election of its first female president, her impeachment, a once-in-a-century recession, a world-class corruption scandal, massive street protests, the near assassination of a presidential candidate, his election, and the jailing of two former presidents and a slew of ministers. The drama of this decade has been so significant as to raise the possibility that Brazil's third republic might be coming to an end. Certainly the prevailing patterns of politics have changed, with the balance between the executive and legislative branches shifting after two decades in which the multiparty system was anchored around the rivalry between strong presidents from two broadly social democratic parties: the Workers' Party (PT) on the center left, and the Brazilian Social Democratic Party (PSDB) on the center right. For all their differences, the contest between these two reformist parties produced a politics that was far from revolutionary but nonetheless orbited around a progressive consensus on the need to preserve economic stability, improve the lives of the poor, and consolidate democratic institutions.

That consensus has collapsed. The increasingly acrimonious and unproductive struggle between PT and PSDB resulted in their replacement by voters in October 2018. The election of Jair Bolsonaro—a patriarchal, misogynist, reactionary apologist for the military regime that ruled Brazil from 1964 until the return of democracy in 1985—has sparked reflection on how the country moved so quickly from serving as a model emergent democracy to a basket case.

The books under consideration here, written by the cream of Brazilian public intelligentsia and influential foreign analysts, are part of an emerging struggle to understand the turmoil of the recent past and how Brazil reached its worrisome present. They stand in sharp contrast to a wave of triumphant volumes written earlier in the 2010s, trumpeting Brazilian democracy's successes and optimistically heralding its rise.<sup>1</sup> The decade of turmoil has brought much recrimination and division. There is plenty of blame to go around, and these works jointly implicate most of the Brazilian political spectrum and its institutions. But they also begin to move past the stale debates between the PT and PSDB that stilted political discourse after the impeachment drive against President Dilma Rousseff began in earnest in late 2015. Retrospectively, they consider the causes of overlapping and intersecting events, such as the street demonstrations of 2013–2015, the ongoing Lava Jato corruption investigations (often referred to in English as Operation Car Wash) that began in 2014, the recession of 2010–2016, the impeachment of 2015–2016, and the presidential campaign of 2018. Prospectively, they offer both normative and theoretical questions. Where did things break down? Why has Brazil lost yet another decade to crisis? Why has it proven so difficult to reform economic and political institutions? What is the appeal of Bolsonaro's conservatism? What are the implications for democracy? And ultimately, what democracy do Brazilians desire?

### Rousseff, Protests, Impeachment

Most authors date the turmoil to mid-2013, when protests against bus fare increases in São Paulo were put down by hard-handed police. The uproar against police repression morphed within days into a middle-class uprising against politics as usual and against the lackluster state of public services, spreading by the end of the month to more than one hundred cities, and mobilizing millions of demonstrators nationwide. But the protests make no sense if considered only as a reaction to bus fares or police brutality; instead, they gained meaning and volume by coalescing around a long-simmering dissatisfaction with politics. As early as the 2010 elections, outsider Marina Silva's ability to garner a fifth of the electorate was a harbinger of a partisan reshuffling (Sérgio Abranches, in *Democracia em risco?*, hereinafter cited as *DeR*, 12). In late 2012, the first convictions in the *mensalão* vote-buying scandal confirmed long-suspected corruption in Brasília; the Supreme Federal Tribunal's jailing of several PT heavyweights, including President Lula's former chief of staff, José Dirceu, put names to that graft. The June 2013 protests coincided with the Confederations Cup, an expensive gig that focused protesters' ire on the costly preparations for the upcoming 2014 World Cup and 2016 Olympics.

One demonstrator's placard summarized the zeitgeist: "Tem tanta coisa errada que nem cabe num cartaz" (There's so much wrong that it doesn't fit on a poster). So it is perhaps unsurprising that no precise calculus of the causes of the protests emerges, although the books under consideration here make clear that they massively disturbed the magnetic poles of Brazilian politics. If politics had been oriented for two decades around the north and south of the PT and PSDB, suddenly both parties were being booed and shunted away by protestors. Feeling the previous decade's modest gains slipping away, the lower middle class<sup>2</sup> was in the streets protesting against politics as usual, and implicitly, against the incumbent Workers' Party. But other parties did no better: even in their home field of São Paulo, leaders of the PSDB who tried to march in the protests quickly rethought their plans in the face of open hostility. The representatives of the malleable old Movement of Brazilian Democracy (MDB), a party whose name unwittingly calls to mind its members' ability to slide amorphously across the ideological spectrum in pursuit of the perks of incumbency, did not even show up.

<sup>1</sup> For a review, already cautiously skeptical of the excessive optimism of the genre, see Joseph L. Love, "An Institutional Perspective on Brazil's Political Economy," *Latin American Research Review* 53, no. 4 (2018): 863–869.

<sup>2</sup> Research led by Marcelo Neri at the Fundação Getúlio Vargas divides social classes into five groups: the rich, Class A; the upper middle class, Class B; the lower middle class, Class C; and the poor and indigent, Classes D and E. Class C had grown from 48.9 percent of the population in 2008 to 55.5 percent in 2013 during the boom years, totaling 116 million Brazilians with annual incomes between US\$5,500 and US\$24,000. Although Class C remained relatively stable as a percentage of the population, during the recession there were considerable flows in and out of the lower middle class: Classes A and B shrank by nearly 3 million from 2014 to 2017, as they moved down the social ladder, while Classes D and E grew by nearly 8 million. Bruno Villas Bôas, "Classes A e B voltam a crescer e atingem 14,4% da população," *Valor Econômico*, October 29, 2019.

André Singer, a former press secretary in the Lula government, a professor at the University of São Paulo, and a prominent analyst of the “*lulismo*” of the twenty-first century, is brutally forthright in his assessment of the stinging rebuke delivered by the protests. He recognizes that despite its claims to represent workers and the poor, the PT was the target of lower-middle-class protestors; that by 2014, Rousseff had lost majority support in all but the very poorest segment of the population most benefited by Bolsa Família; and perhaps most wounding to a workers’ party, that “popular” sectors never mobilized to defend *lulismo* (32).

More controversially, Singer draws a tenuous historical parallel between the second (1945–1964) and third republics (1985–2018), which he argues were both marked by a three-way struggle between the “party of the poor” (PTB in the second republic and PT in the third), the “party of the middle class” (UDN and PSDB), and the “party of the interior” (PSD and MDB). In both cases, he claims, the middle-class party’s difficulty in winning elections “stimulate[d] *golpismo*,” driving the party of the middle class to unite with the party of the interior against the party of the poor (131). In 1964, this resulted in the military coup that ushered in a twenty-one-year dictatorship. In the contemporary period, Singer credits the PSDB (the party of the middle class) with leading the “parliamentary coup” against the PT alongside the party of the interior, the MDB.

The reflexive use of the slogan “coup” to describe the impeachment is symptomatic of sentiment among a large swathe of the Brazilian left. But it is analytically misleading, absolves the PT of any blame for its predicament, and will alienate readers who might otherwise benefit from engaging Singer on the broader implications of Rousseff’s removal or the very legitimacy of impeachment in a democracy (a topic with renewed currency in the face of Bolsonaro’s near-criminal indifference toward the coronavirus). Although Rousseff’s impeachment took many unsavory turns, it followed procedural niceties, fell short of the accepted definition of a coup as “a sudden, violent, and illegal seizure of power,” and, as a consequence, was palatable to significant majorities of the public, more than 60 percent of whom approved of the president’s removal.<sup>3</sup> The PSDB was hardly an innocent bystander in Rousseff’s drama, and the party engaged in unprecedented efforts to delegitimize the president, going so far as to contest Rousseff’s 2014 victory in the electoral courts. But given the pusillanimous, fragmented nature of the party, it seems a stretch to accuse the PSDB of leading anything, much less a “coup.” Indeed, the PSDB often seemed bewildered by events. Momentum in the demonstrations that preceded Rousseff’s impeachment fell to younger, bolder, and more conservative groups, such as Vem Pra Rua and Movimento Brasil Livre. The starring role of the MDB in driving the impeachment forward, meanwhile, notwithstanding the fact that it had been the PT’s strongest ally for much of the preceding decade, highlighted the Machiavellian skill of its leading members and the shortcomings of the PT’s divisive coalition strategy, which openly promoted fledgling parties such as the PSD as a strategy for diluting the power of its primary coalition partner, the MDB. By 2016, the core PT coalition had dwindled to only 25 percent of the Chamber of Deputies, suggesting that impeachment was the consequence of abandonment by the PT’s own legislative coalition, which fled en masse to Rousseff’s own vice president, Michel Temer of the MDB.

Here Singer is at his best, unflinchingly describing the fascinating yet appalling betrayal of Rousseff by the many smaller parties that pledged their support to Rousseff up until the very last minute. The PSDB did not fare much better: its subsequent decline in the wake of corruption allegations against prominent *tucanos* (as party members are known) has converted it from the party of pro-democracy leaders such as Fernando Henrique Cardoso, Franco Montoro, and Mário Covas into the party of TV reality show host João Doria (Boris Fausto, *DeR*, 137). The old focus on the rivalry between PT and PSDB clearly has lost whatever explanatory power it once had, yet the bipolar narrative continues to forestall fruitful analysis about the shifting multivalence of contemporary politics.

More convincing hypotheses wind throughout Singer’s book. One is the Tocquevillian notion that despite the PT’s success in moving many Brazilians out of poverty, the downturn of the early 2010s threatened recent economic gains and propelled the emergent lower middle class destructively into politics (a point also made by Abranches, *DeR*; and by Perry Anderson). Insecurity contributed to resentment, especially as the rung below, made up of the indigent poor, was benefited by social policies like Bolsa Família (Singer, 101). Singer notes that the lower middle class’s working conditions were poor, with low wages and high employment turnover contributing to dissatisfaction and insecurity. Collective action (including unionization) among the lower middle class was undercut by the fact that in the 2010s they were far more likely to be employed in

<sup>3</sup> Fernando Canzian, “Maioria quer que Dilma e Temer saiam, mostra pesquisa Datafolha,” *Folha de São Paulo*, April 9, 2016. For a considered reflection on the conceptual stretching of the term “coup” in recent Latin American experience, see Leiv Marsteintredet and Andrés Malamud, “Coup with Adjectives: Conceptual Stretching or Innovation in Comparative Research?,” *Political Studies*, first published November 27, 2019, <https://doi.org/10.1177/0032321719888857>.

the service sector, which is less unionized than traditional industry. While labor activism was on the rise—strikes reached a post-1989 peak in 2014—labor support for the government declined, and the number of labor representatives in Congress also fell precipitously from 83 to 46 in the 2014 elections (68, 195). By the second round of that election, when Rousseff narrowly beat out the PSDB's Aécio Neves, she lost the lower middle class and obtained a majority only among one income group, the indigent poor. As a study by the PT-affiliated Perseu Abramo Foundation showed, even in the urban periphery, class did not explain the patterns of political participation: citizens saw the central confrontation in politics not as rich versus poor, capital versus labor, or corporations versus workers, but as state versus citizens (Singer, 98). Under these conditions, a political strategy built around *lulista* rhetoric pitting workers against elites was unlikely to expand the political coalition.

Singer also argues that Rousseff's determination to implement developmentalist economic policies and her willingness to advance anti-corruption reforms spawned a political backlash. Rousseff's rigidity as a politician, especially by contrast to her predecessor, deepened executive-legislative fissures and complicated the construction of a sustainable political coalition. This construction was further undermined by the emerging revelations in the Lava Jato case, which implicated the PT and many of its prominent partners in the government coalition, putting unbearable strain on their partnership. Here, again, Singer's first instinct is to fall back on sloganeering, referring to the joint efforts of police, prosecutors, and judges on diverse courts as the efforts of a "Party of Justice." This phrase appears intended to suggest a common partisan objective among the many participants in the Lava Jato investigations who, in this telling, connived to single out and target the PT in power. There can be no doubt that some of these judicial actors behaved erratically and even abusively, that many shared the growing popular malaise with the PT, and that—irony of ironies—in part because of anticorruption reforms undertaken by PT presidents, the PT was the first party to see its top leaders effectively punished for corruption, ever.

But the problem is that, as Singer admits, "the discoveries in Lava Jato were effectively terrifying" (250). Suggestions that Lava Jato was nothing but a judicial vendetta hide an important lesson essential to the PT's regeneration, which is that its clientelistic bargains with the MDB and other mercenary parties may have enabled it to achieve small legislative gains, but deeply weakened its popular appeal. Singer himself notes that "*lulismo* paid the price for participating in the traditional *modus vivendi* of Brazilian politics" (251); the PT was created to change institutions and instead was "swallowed by them" (261). The spectacle of the self-proclaimed "party of ethics" climbing into bed with the most venal of political partners proved too much for the Brazilian public, especially as evidence emerged of multibillion dollar wrongdoing. The hypocrisy evinced by the eruption of the *mensalão* scandal in 2005 had been survivable because President Lula was willing to bargain his way out of legislative trouble and the public was in a much cheerier mood as the economy began its commodities-driven roar. The 2014 eruption of the Lava Jato scandal, though, showed that the PT had not mended its ways, and the brazenness of the scheme infuriated a public that had long suspected that the party system was putrid but had not yet had such a clear view of all the fetid rot.

Rousseff's economic policies were heavy-handed and incapable of halting the decline, while the president herself "committed the elementary mistake of fighting with left and right at the same time, ... distancing herself from Lula" (196). Here Singer provides a captivating insider view of the impeachment drama that is well informed by his ties to the PT yet simultaneously critical of Rousseff's "splendid isolation" (219). The reader is left with a portrait of a principled but aloof politician whose strategic mistakes alienated much of her party, as well as the public. Where Lula had proved "willing to bend so as not to break," Rousseff was "willing to break, so as not to bend" (30).

For the Anglophone reader, Perry Anderson covers similar ground—indeed, two of his later chapters are laudatory reviews of Singer's work—offering an approachable yet erudite reconsideration of Brazilian politics between 1994 and Bolsonaro's first year in office. The content is largely a republication of Anderson's periodic articles in the *London Review of Books*, and while this leads to some repetition across the chapters, the prose is light, delightfully romping through the twists and turns of Brazilian political life and skewering everyone along the way: former president José Sarney ("a belle-letrist oligarch," 3), the MDB ("the perennial sump into which every rivulet of ... corruption drained," 113); Cardoso (whose vanity was "stung by the greater political appeal of a worker with no education," 125); and Bolsonaro ("a new monster" in the "teratology of contemporary political imagination," 139). Anderson is convinced that Rousseff's fall via a "parliamentary coup" (153) resulted from a conspiracy between Cardoso, judges, media, and capital. But given where his sympathies lie, Anderson's critique of the PT is all the more trenchant when it appears: over the course of its time in office, the PT rejoined "the deformed ranks" of Brazil's political fauna, engaged in corruption "more systematic than that of any predecessor," demobilized workers and social movements, and became marked

by a “myopic philistinism for which all that mattered was electoral calculation” (57, 69, 149). Two ideas come through clearly. In the short term, the hint that perhaps Lula is as much a liability as an asset for the PT: “the party depends on him for steady leadership, but risks forfeiting credibility without independence of him” (196). In the longer term, echoing Singer, Anderson highlights the infuriating power of *transformismo*, “the capacity of the established order to embrace and invert forces of change,” enveloping and neutering reformers, including both Cardoso and Lula (49).

### **The Rise and Fall of the *Nova Matriz Econômica***

One important reason why Rousseff faced declining public and legislative support was the souring economy: after growing at 3.7 percent a year during the first decade of the 2000s, quarterly GDP declined fairly steadily in constant prices from the first quarter of 2010 through the fourth quarter of 2016 as slowing commodity demand and costly policies took their toll. Recovery from that trough has been slow, and at the end of 2018 the economy remained 5 percent below its pre-crisis peak. Laura Carvalho’s sharp, straightforward book explores the economic “waltz” of the Brazilian economy during the new century: several steps forward during the “*milagrinho*” years of the 2000s, a sidestep after Rousseff adopted the “FIESP agenda” of corporate welfare from 2011 through 2014, and then the backward step implicit in the unwinding of Rousseff’s fiscal profligacy during her ill-fated second term.

The rapid growth of the economy during Lula’s presidency, and especially in his second term, was made possible by improved income distribution, expanding credit, and rising public infrastructure investment, all pushed along by the tailwind of Chinese commodity demand. Although Brazil surfed through the global financial crisis fairly calmly, by 2011 the limits of this policy set were becoming evident, with inflationary pressures, a deteriorating trade balance, and increasingly dire warnings of deindustrialization. Meanwhile, the *milagrinho* years had squeezed the middle class between the indigent poor and the upper classes.

Carvalho argues that Rousseff’s fatal policy misstep was adoption of the so-called FIESP agenda of reforms advocated by the São Paulo industrial federation. In 2011, newly inaugurated President Rousseff was under considerable pressure to change prevailing policy and push Brazil toward something closer to the Asian growth model. She adopted policies labeled the “Nova Matriz Econômica,” cutting interest rates, encouraging currency depreciation, and boosting corporations through tax exemptions, controls on public tariffs, and subsidized credit. Carvalho is forceful, arguing that the measures were expensive and did little to boost growth. They hurt the government’s fiscal position, forcing the government into increasingly complex fiscal maneuvers known as “*pedaladas fiscais*” (playing games with the timing of transfers to and from state-owned enterprises to the Treasury in an effort to camouflage the growing budget chasm) that were not entirely unprecedented but were novel in their depth and desperation. By the start of Rousseff’s second term, change could no longer be put off. After months of campaigning against her opponents’ plans for fiscal austerity, Rousseff’s decision to appoint fiscal hawk Joaquim Levy to the Finance Ministry on the first day of her second term was decried by many as hypocritical and even dishonest. By September, it was clear that Levy’s planned austerity could not pass and Brazil was downgraded from the investment grade credit rating Lula had celebrated seven years earlier. Levy’s inability to obtain the necessary political support for his reforms spelled the end of Rousseff’s economic policy experiment, her postelectoral policy switch cost her vital public support, and the combination of political and economic decline enabled her erstwhile allies to push an impeachment that was sold as a path out of crisis.

### **From Impeachment to Party Realignment**

A comprehensive history of the events between Rousseff’s 2016 impeachment and the election of Jair Bolsonaro has yet to be written. Michel Temer’s presidency may never garner more than the passing mention it receives in the books here, given that despite Temer’s early promises to serve as a standard bearer for economic and even political reform, within eight months his presidency had been consumed by recordings of the president’s execrable dealings with corrupt meatpacking magnate Joesley Batista. From the impeachment horse trading that made his presidency possible to the backroom negotiations that allowed a deeply implicated Temer to survive two congressional votes that could have sent charges against him to the high court, the Temer administration served mainly to confirm the structural origins of Brazil’s governing conundrum: the deep-seated corruption of the political system, the interest groups arrayed against economic reform, and the self-serving privileges of political and economic elites, including near-total impunity for wrongdoing.

Temer's presidency, furthermore, will likely be overshadowed in history books by the surprising rise of cashiered army officer and conservative firebrand Jair Bolsonaro. The fine collection of essays in *Democracia em risco* (*DeR*), commissioned ten days before Bolsonaro's second-round victory, offer a multidimensional overview of the contemporaneous conditions that facilitated this outsider's unlikely rise. At its broadest, Bolsonaro's election had its roots in the crisis of the party system, the manipulation of voters' most primal emotions, the broader global moment, and the rising import of social media, which has served as a powerful propellant for simplistic and divisive political narratives worldwide (Sérgio Abranches; Ruy Fausto; Ronaldo Lemos; and Boris Fausto, in *DeR*). The PT's ethical travails, the PSDB's moral anemia, and the MDB's mercenary bloodthirst did nothing to curb these trends; perhaps the most damning indictment of those traditional parties was the fact that more than a third of voters abstained or cast null or blank ballots in 2018. Bolsonaro's victory was also the result of a run of profound bad luck: the temporal coincidence of Lava Jato with the economic crisis led 67 percent of Brazilians to blame the recession on corruption; the PT's legal travails and Lula's April 2018 jailing weakened its leadership and drove it into political isolation; and the near fatal stabbing of Bolsonaro in September 2018 enabled him to skip the presidential debates, remaining impervious to other candidates' critiques (Celso Rocha de Barros, *DeR*).

Tactically, Bolsonaro's campaign rhetoric was untiring in working to delegitimize the political class (Angela Alonso, *DeR*). Although Bolsonaro was a creature of Brasília, having served as a congressman since the early 1990s, he was able to play the role of an outsider because he had never fully engaged in legislative coalitions and his rhetoric was consistently critical of the democratic regime. His online supporters played up anti-PT sentiment in a broader anti-systemic narrative (Christian Dunker, *DeR*, 118). The candidate actively fomented a backlash against the social movements and social policies of the new century, arguing against the coddling of minorities and "coitadismo" (a neologism which might be expressed as exaggerated pity): "coitado do negro ... da mulher ... do gay ... do nordestino ... dos piauenses" (those poor blacks ... poor women ... poor gays ... poor northeasterners ... poor people from Piauí; Petrônio Domingues, *DeR*, 101). Bolsonaro's entourage appropriated the language and symbols of a long-standing, if oft-hidden conservative bloc dating back to Plínio Salgado and the *integralista* movement of the 1930s, echoing elements of its "God, country, family" mantra and love it or leave it nationalism (Angela de Castro Gomes; Carlos Melo, in *DeR*). Perhaps most important, though, was the religious angle: in the final count, Bolsonaro won because of a net vote margin of 11.5 million among Evangelicals, pushing him over the top with a final vote margin of 10.7 million votes (Ronaldo de Almeida, *DeR*).

The collapse of the old party system and Bolsonaro's election disturbed the magnetic fields of Brazilian politics. The iron filings of party politics have been pointing scattershot since his election, with no clear force to bring them into alignment. The party Bolsonaro employed to reach the presidency, the Liberal Social Party (PSL), was a heterogeneous bag of political novices. Bolsonaro's inner circle are a ragtag band of Bolsonaro family members (including his three politician sons), Neo-Pentecostals, and, trailing along somewhat uncertainly, members of the armed forces, his economic team, and law-and-order types (Ruy Fausto, *DeR*). Bolsonaro's key instinct—governing on the basis of a conservative morality that appeals to his religious base—may be an inherently unstable play because the majority that elected Bolsonaro was, more than anything, simply anti-PT (José Arthur Giannotti, *DeR*). Meanwhile, the economic reforms that Bolsonaro championed during the campaign amounted to little more than talking points (Monica De Bolle, *DeR*), and the combination of Bolsonaro's lukewarm personal commitment to reform and his criticism of coalitional politics suggested that he would have a hard time moving from vague ideas to implemented policies. Perhaps most fundamentally, the crisis conditions of the 2018 election generated an unsustainable tension for the Bolsonaro presidency: together, Lava Jato and the economic crisis generated a "politics of indignation" that made possible Bolsonaro's election, but the functional political system needed to achieve economic reform has been under continued strain from the ongoing corruption investigation (Celso Rocha de Barros, *DeR*, 81).

As Bruno Carazza points out in his smart, empirically grounded, and accessible study of the relationship between money and politics, there is plenty of reason for the political system to be worried by any corruption investigation. Low party identification, personalistic politics, and the foibles of the electoral system contributed to boosting politicians' demand for campaign finance, while businesses' interest in building political influence drove them to supply campaign donations ever more generously. The "umbilical connection" between the economic and political elite (76) generated a cycle of donations and favors, with fewer than five hundred donors accounting for three-fifths of formal corporate contributions between 1994 and 2014. Furthermore, Lava Jato made clear that formal donations were just the tip of the iceberg: plea-bargaining Petrobras official Paulo Roberto Costa suggested that two-thirds of campaign finance was illegal

and under the table (via the so-called *caixa dois*); in his plea bargain, Marcelo Odebrecht suggested the ratio for his eponymous construction firm might be closer to three-quarters (35). On the supply side, the courts have now banned corporate donations, but there was no accompanying institutional change that would significantly reduce demand for campaign resources, suggesting that the incentives that contributed to the Lava Jato wrongdoing remain largely intact (243). Tragically, under the Rousseff, Temer, and Bolsonaro administrations, key political parties and incumbents have periodically managed to set aside their squabbles long enough to unite against many meaningful anticorruption reforms that would correct these perverse incentives (264).

## Constitutional and Judicial Institutions

The judiciary's role in the crisis of Brazilian democracy has been oversized and understudied. Oscar Vilhena Vieira's judicious and wide-ranging book offers a nuanced and insightful path forward for thinking about the judiciary's effects, particularly as the only branch that can be reasonably seen as a "check" or a "balance" on the powerful executive branch, in light of the complex intertwining of executive and legislative branches under Brazil's coalitional presidential system (discussed further below). The judiciary operates under, and in support of, a constitution that has been extremely resilient. As Vieira explains over the first half of his book, this constitution has survived for three decades because its hard core, the so-called *cláusulas pétreas* determining the basic shape of the democratic regime—federalism, the secret vote, separation of powers, and civil rights—cannot be altered even by constitutional amendment, while the surrounding constitutional text is relatively easily revised (it has gone under the amendment knife 105 times as of this writing). If the crisis of the past decade can be interpreted as the failure of the 1988 Constitution to meet the multiple demands of Brazilian citizens, paradoxically, the institutions established by the constitution have been subjected to a severe "stress test" and emerged battered but intact (16).

But if Vieira is hopeful about Brazilian democracy's constitutional resilience and the continued promise of the 1988 Constitution, the second half of his book expresses deep concerns with the destabilizing role the judiciary has played. Lack of confidence in the political system and "hyper-constitutionalization" have pushed the Supreme Federal Tribunal (STF) into the center of politics, even as the increasing autonomy of the judicial system since the *mensalão* scandal has placed it in direct conflict with elected coalitions (162). By contrast to the impeachment of Fernando Collor in 1992, the Rousseff impeachment drama did nothing to stabilize politics, in part because corruption investigations continued to grind on after impeachment, leading to the jailing of Temer and many of his closest allies, and more recently moving into new investigations of Bolsonaro's sons and cronies. The courts' frequently contradictory decisions have exacerbated its destabilizing effect on the political system, in ways that damage its legitimacy and ultimately threaten the democratic regime (Vieira, 25–28).<sup>4</sup>

Judicially engendered uncertainty has been rife. The introduction of new legal principles, such as application of the concept of "willful blindness" to corruption cases against top political leaders such as Lula, has been disruptive to existing criminal law (Vieira, 199). The high court has been inconsistent in its application of rules: it barred Lula's appointment as a minister in the Rousseff administration for fear that he might obstruct justice but subsequently allowed several of Temer's deeply tainted ministers to serve (Vieira, 197). Another point of confusion has been whether convicted defendants, such as Lula, can be imprisoned after conviction on appeal: in 2009 the court reversed its previous understanding, only allowing jail after all possible appeals had been exhausted; in 2016, the STF once again reversed itself, allowing jail immediately after conviction on appeal (and thus permitting Lula's jailing); and in November 2019, it rejected this understanding, allowing for Lula's release. The fact that decisions in the high court can be made by a single justice, a panel of justices, or the full court en banc only aggravates the randomness of decision-making, since different combinations of judges may lead to wildly different outcomes.

The constant uncertainty about the rules it will apply to concrete cases, combined with the simultaneous willingness of the Supreme Federal Tribunal (STF) to be drawn into political debates, is a potent recipe for institutional conflict. As Vieira (177–178) argues, it was not always thus. The STF has progressed, since the 1980s, through increasingly active judicial postures: from omission under Collor, to deference under Itamar, developing into responsiveness to political questions under Cardoso, and finally into the active usurpation of

<sup>4</sup> Judicial inconsistency has its roots in the absence of a clear, stable judicial hierarchy. See, for example, Luciano Da Ros, "Difícil hierarquia: A avaliação do Supremo Tribunal Federal pelos magistrados da base do Poder Judiciário no Brasil," *Revista Direito GV* 9, no. 1 (2013): 47–64; and Luciano Da Ros and Matthew M. Taylor, "Juízes eficientes, judiciário ineficiente no Brasil pós-1988," *Revista BIB*, no. 89 (2019): 1–31.

other branches' authority after 2013. Such hyperactivity has obvious costs. When one justice in 2016 ordered Senator Renan Calheiros to step down from his Senate seat in view of the corruption allegations pending against him, Calheiros simply failed to comply. The STF was forced into a quick and humiliating retreat (Vieira, 2005). More recently, the STF's controversial decisions led Bolsonaro to threaten to pack the court by increasing the number of justices by ten and to reduce the mandatory age of retirement for justices from seventy-five to seventy years. The "loss of respect for the STF is one of the marks of our time," as Conrado Hübner Mendes notes (*DeR*, 244). The incursions of the courts into politics appear likely to continue to exacerbate rather than lessen political conflict, further testing democratic norms into the foreseeable future.

### The Coalitional Presidential System

Another institution that has been sullied by the past decade's crisis is coalitional presidentialism, the combination of a multiparty legislature with an executive branch headed by a president whose party holds only a minority of legislative seats. Sérgio Abranches, who in 1988 pioneered the analysis of *presidencialismo de coalizão* in Brazil,<sup>5</sup> reevaluates the system in light of the global challenges to democracy, arguing that it may be time to rethink its role and impact. Unfortunately for the reader, Abranches is clear from the outset that he has no intention of engaging extensively with the rich literature on coalitional presidentialism that has evolved in the three decades since his pioneering article (10, note 3). Yet by virtue of his influential role in explaining the political system at its origin, his book serves as a historically significant retrospective judgement on the political system that has governed Brazilian politics over the past generation.

Abranches reaches back to 1945 to demonstrate how coalitional presidentialism has functioned historically, with valuable descriptions of each president's strategies and challenges in coalition management. Abranches urges caution by critics of coalitional presidentialism, arguing that all political systems have pros and cons and that democracy is in crisis worldwide. Nonetheless, he concludes that the costs of coalitional presidentialism may have finally outweighed its benefits in Brazil. Abranches's list of complaints is long: coalitional presidentialism has preserved political oligarchies; political convenience has overridden constitutional precepts; institutional crises have become harder to resolve; the system is unrepresentative; party fragmentation has increased dramatically; two of four elected presidents have been impeached; excessive executive power stimulates clientelism; coalition formation has become a bargaining game without programmatic policy aims; political campaigns are expensive; coalitions fall apart toward the end of each presidential administration; budgeting and spending are opaque and riddled with political demands; and interest groups ride herd on policy. As a consequence, although the third republic has had some important achievements, such as the end of hyperinflation and inequality reductions, public policy is low-quality: the education and health care systems are "in ruins," sanitation is "embarrassing," the housing deficit is "absurd," the regulatory system is "dysfunctional," and the economy is inefficient (13).

But is coalitional presidentialism in Brazil any different than in the rest of the world? Here, Paul Chaisty, Nic Cheeseman, and Timothy J. Power's broad comparative analysis of fifty-one episodes of coalitional presidentialism across nine countries and three continents usefully contextualizes the Brazilian system, showing that it is not unique for being coalitional presidential but has features that make it stand out by contrast to other coalitional presidential systems, especially with regard to coalition management.

The authors' central argument is that in coalitional presidential systems around the world, executives address the thorny coordination problems that result from their minority status with a tool kit that combines presidential legislative powers, the president's authority over her own party, the allocation of seats in the cabinet portfolio, control over public spending, and the particularistic exchange of favors. Comprehensive surveys of more than 10 percent of the legislators in each of the nine country cases allow the authors to demonstrate that, similar to other coalitional presidential systems, coalitional partners in Brazil often join cabinets more in pursuit of pork than in search of policy influence or electoral support (139). However, Brazil stands out by comparison to its peers by virtue of a record-breaking effective number of parties, generally low shares of legislative seats held by the president's party, and as a consequence, a high degree of "coalition necessity" (27–29). Partly in consequence, at least since the Cardoso administration, presidents have developed a set of principles that shaped Brazilian practices of coalition management, including the use of ideologically discontinuous coalitions, the encouragement of oversized coalitions to protect against defections, and the predictable allocation of government resources to loyal parties (40). Relative to peer countries, the extreme diversity and ideological heterogeneity of Brazil's coalitions make them comparatively "high maintenance" (104), requiring heavy use of presidential legislative powers (113),

<sup>5</sup> Sérgio Henrique de Abranches, "Presidencialismo de coalizão: O dilema institucional brasileiro," *Dados* 31, no. 1 (1988): 5–38.

leading to proactive use of budgetary pork (172), and forcing presidents to rely on relatively high exchanges of favors (190). Any attempt to use these characteristics to explain Brazil's recent history would be beyond the scope of this already comprehensive volume, but the authors provide a tight analytical framework, careful conceptualization, and valuable data that may enable other scholars to generate hypotheses about the relationship between the particular Brazilian variant of coalitional presidentialism and the political travails of the past decade, as well as, more broadly, the democratic regime's performance over the past generation.

What is to be done? Abranches proposes ambitious reforms, arguing that if change should come, it must be wholesale. He notes, drawing on Jairo Nicolau,<sup>6</sup> that although there have been fourteen legislative changes to the electoral and party system since 1988, and political reform is always in the air, isolated incremental changes to the system seem only to deepen the "oligarchization of politics and reduce representation" (369). He concludes, "I do not see another path other than a Re-constituent Assembly" to reconstitute the democratic regime, break the political oligarchy, and resolve the structural challenges of the coalitional political system. Go big or go home. Left unresolved is where the political leadership needed to convene such a constituent assembly would originate, in light of the historical path dependency of the fragmented political system he has described. The dealignment of party politics, the inexperience of many legislators elected in 2018, and the lack of coherent political leadership in the Bolsonaro period suggest that at least in the short term, any such assembly would be a fractious, uncertain, and perilous venture.

Indeed, Brazilian democracy seems caught in a trap. Consensus is in short supply. Ideas that might galvanize a new reform coalition are tinged almost immediately by partisan calculation. Institutions are fatigued, operating in halting and uncertain fashion. The self-protection of elites and their ability to deflect and transform serious challenges to their privileges suggest sharp limits to change. For all its self-proclaimed antiestablishment vigor, the Bolsonaro administration has shown little desire to restructure the party system, tackle the dysfunctional judiciary, or otherwise replace rotten institutional timbers that would enable the country to tackle its many long-term governance challenges at anything like the pace that is needed. Under this discouraging scenario, it is not clear that an end to Brazil's long economic decline and political deadlock is at hand. Yet somehow, despite all the challenges, Brazil's imperfect democracy sputters forward into its fourth decade.

### Author Information

Matthew Taylor is an associate professor at the School of International Service at American University. He is the author of *Decadent Developmentalism: The Political Economy of Democratic Brazil* (Cambridge University Press, 2020) and *Judging Policy: Courts and Policy Reform in Democratic Brazil* (Stanford University Press, 2008), and coeditor, with Oliver Stuenkel, of *Brazil on the Global Stage: Power, Ideas, and the Liberal International Order* (Palgrave, 2015), and, with Timothy J. Power, of *Corruption and Democracy in Brazil: The Struggle for Accountability* (University of Notre Dame Press, 2011).

---

<sup>6</sup> Jairo Nicolau, *Representantes de quem? Os (des)caminhos do seu voto da urna à Câmara dos Deputados* (Rio de Janeiro: Zahar, 2017).

**How to cite this article:** Taylor, Matthew M. 2020. Coalitions, Corruption, and Crisis: The End of Brazil's Third Republic? *Latin American Research Review* 55(3), pp. 595–604. DOI: <https://doi.org/10.25222/larr.1264>

**Submitted:** 11 March 2020

**Accepted:** 05 April 2020

**Published:** 08 September 2020

**Copyright:** © 2020 The Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC-BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited. See <http://creativecommons.org/licenses/by/4.0/>.

**LARR**

*Latin American Research Review* is a peer-reviewed open access journal published by the Latin American Studies Association.

**OPEN ACCESS** 