

Brazil's presidential election

Why Brazil needs change

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Voters should ditch Dilma Rousseff and elect Aécio Neves



In 2010, when Brazilians elected Dilma Rousseff as president, their country seemed at last to be living up to its huge potential. The economy expanded by 7.5% that year, setting the seal on eight years of faster growth and a steep fall in poverty under Luiz Inácio Lula da Silva, Ms Rousseff's political mentor and the leader of the centre-left Workers' Party (PT). But four years later that promise has disappeared. Under Ms Rousseff the economy has stalled and social progress has slowed. Sanctions-hit Russia aside, Brazil is by far the weakest performer in the BRIC club of big emerging economies. In June 2013 over a million Brazilians took to the streets to protest against poor public services and political corruption.

Ever since the protests the polls have shown that two-thirds of respondents want the next president to be different. So one might have expected them to turf out Ms Rousseff in the first round of the country's presidential election on October 5th. In the event she secured 41.6% of the vote and remains the narrow favourite to win the run-off ballot on October 26th. That is mainly because

most Brazilians have not yet felt the economic chill in their daily lives—though they soon will. And it is partly because her opponent, Aécio Neves of the centre-right Party of Brazilian Social Democracy (PSDB), who won 33.6%, has struggled to persuade poorer Brazilians that the reforms he espouses—which the country urgently needs—will benefit rather than harm them. If Brazil is to avoid another four years of drift, it is vital that he succeeds in doing so.

A campaign upended by fate Mr Neves's task has been made harder by a campaign scarred by tragedy and upended by fate, as dramatic as a Brazilian telenovela. Two months ago the third-placed candidate, Eduardo Campos, died in a plane crash on his way to a rally. His former running-mate and replacement, Marina Silva, surged into the lead in the polls. An environmentalist, Ms Silva is the darling of the protesters, the symbol of a "new politics". But attractive though her lack of a political machine might have seemed, it was a liability. Faced with sometimes underhand attacks from Ms Rousseff, Ms Silva wobbled. It did not help that she is an evangelical Protestant in what is still a largely Catholic country. In the end her 21% share of the vote was scarcely bigger than she managed in 2010. Rather than a "new politics", the run-off will repeat the battle between the PT and the PSDB that has defined all Brazil's presidential elections since 1994.

In this contest, Ms Rousseff's main asset is popular gratitude for full employment, higher wages and a clutch of effective social programmes—not just the Bolsa Família cash-transfers but low-cost housing, student grants,

and rural electricity and water programmes in the poor north-east. These are real achievements. But alongside them are bigger, but less palpable, failures, both on the economy and in politics.

The troubled world economy and the end of the great commodity boom (see article) have hurt Brazil. But it has fared worse than its Latin American neighbours. Ms Rousseff's constant meddling in macroeconomic policies and attempts to micromanage the private sector have seen investment fall. She has made few efforts to tackle Brazil's structural problems: its poor infrastructure, high costs, punitive tax system, mountains of red tape and a rigid labour code copied from Mussolini. Instead, she has revived Brazil's corporate state, dishing out favours to insiders, such as tax breaks and subsidised loans from bloated state banks. She has damaged both Petrobras, the state oil company, and the ethanol industry by holding down the price of petrol to mitigate the inflationary impact of her loose fiscal policy. A bribery scandal in Petrobras underlines that it is the PT, and not its opponents as Ms Rousseff claims, who cannot be trusted with what was once a national jewel.

This corporate state of voracious insiders is symbolised by Ms Rousseff's absurdly large coalition, and her 39-member cabinet. It costs Brazilians some 36% of GDP in taxes—far higher than in other countries at a similar stage of development. No wonder the government has been unable to find the extra money for health care and transport that the protesters demanded. And what is worse, Ms Rousseff, who lacks Lula's political touch, shows no sign of having learned from her errors. More of the same will no longer do

Ms Rousseff draws strength from Mr Neves's flaws as a candidate. The left's baseless insinuation that he would axe Bolsa Família has stuck because he is a member of Brazil's political establishment—his grandfather died on the eve of becoming president in 1985—and he carries a whiff of the old politics: as governor of Minas Gerais, he was found to have spent public money on a

small-town airstrip which just happens to be close to his farm. For the past 12 years Lula, who still has the ear of the poor, has caricatured the PSDB as a party of heartless fat cats.

Yet Mr Neves's policies would benefit poor Brazilians as well as prosperous ones. He promises to put the country back on the path of economic growth. His record, and that of his party, makes his claim credible. In the presidencies of Fernando Henrique Cardoso in the 1990s, the PSDB vanquished inflation and laid the foundations for Brazil's recent progress; and in two terms as governor, Mr Neves turned Minas Gerais, Brazil's second-most-populous state, from a financial basket-case into an example of good administration with some of the country's best schools. He did so largely by cutting bureaucracy. He has an impressive team of advisers led by Arminio Fraga, a former Central Bank governor who is respected by investors. As well as a return to sound macroeconomic policies, his team promise to slash the number of ministries, make Congress more accountable to voters, simplify the tax system and boost private investment in infrastructure.

Mr Neves deserves to win. He has fought a dogged campaign and proved that he can make his economic policies work. The biggest threat to social programmes is the PT's mismanagement of the economy. With luck the endorsement of Ms Silva, a former PT member born in poverty, should bolster his case. Brazil needs growth and better government. Mr Neves is likelier to deliver these than Ms Rousseff is.

VOCABULARY/PHRASES:

1. Ditch Dilma (v)
2. Live up to (v)
3. The economy has stalled
4. Take to the streets
5. The polls
6. Turf out Ms. Rousseff
7. a narrow favourite
8. run-off ballot
9. feel the economic chill
10. to espouse reforms
11. four years of drift
12. A campaign upended by fate
13. Scarred by tragedy
14. Rally (n)
15. Running-mate and replacement
16. Underhand attacks
17. Liability (n)
18. Wobble (v)
19. Scarcely bigger than...
20. A clutch of effective social programmes
21. It has fared worse than its Latin America neighbours
22. Constant meddling in sth
23. Micromanage the private sector
24. Mountains of red tape
25. Tackle (v)
26. Dishing out favours to insiders
27. Subsidise loans from bloated state banks
28. Mitigate the inflationary impact of her loose fiscal policy
29. Bribery scandal
30. A corporate state of voracious insiders
31. Coalition (n)
32. 39-member cabinet
33. 36% of GDP in taxes
34. More of the same will no longer do
35. Flaw (n)
36. He carries a whiff of the old politics
37. The left's baseless insinuation... has stuck...
38. Brazil's political establishment
39. Airstrip (n)
40. His record makes his claim credible
41. The PSDB vanquished inflation
42. Turned Minas Gerais from a financial basket-case into an example of good administration
43. A return to sound macroeconomic policies
44. ... slash the number of ministries
45. Make Congress more accountable to voters
46. Boost private investment in infrastructure
47. He has fought a dogged campaign
48. 'With luck the endorsement of Ms Silva, a former PT member born in poverty, should bolster his case. Brazil needs growth and better government. Mr Neves is likelier to deliver these than Ms Rousseff is'