

## **Brazil: Democracy won, but what democracy?**

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### **The Brazilian voter spoke in the most disputed election in Brazil.**

The country was left divided: half in favor of Lula and slightly under half in favor of Bolsonaro. Lula represents a much larger movement than his PT party, a center-left, anti-bolsonarist alliance, with democratic principles more focused on social security. Bolsonaro represents much less of a new liberal-conservative movement that has taken over the majority of Congress, the Senate, and most of the economically strong, anti-Lula, liberal and conservative states. The liberals mentioned here are not only linked to the Bolsonaro movement, but also to those who adhered to Lula, due to anti-bolsonarist sentiment.

### **They are two movements that are much stronger than the two leaders who represent them.**

What democracy do they preach, and what is to be expected for the next four years? Lula won because of his personality, despite the high rejection of systemic corruption in Brazil. He promises to govern an entire Brazil, "there are not two Brazils" as he stated on the night of his victory. If he wants to govern with some tranquility, he will have to form a government with strong ministers, not with the PT's strong positions. The alliance will take its toll on the makeup of the Ministries of Finance, Education, Industry and Commerce, Agriculture, International Relations, Mines and Energy, and Infrastructure. The Civil House, as well as other politically active ministries, will be divided among the alliances of the left. He will face a huge challenge in the area of the environment due to the national and international commitment to zero deforestation. If he chooses an ideologue, his administration will not deliver, and this will be Lula's Achilles' heel for the next four years. Another sensitive area will be small and medium agriculture (today under the Ministry of Agriculture). If a new

Ministry opened will have the previous problems of land invasion and unrest in the countryside, ideologues will put great pressure on this chapter to be reopened. With Bolsonaro, infrastructure and mines, and energy had a very strong push for the PPP models and for the more liberal bids, recalling that the PPP laws came to be in the PT government; if they apply what worked, they will be able to deliver works at the current pace.

The elected governors were a big surprise, as there is also a conservative trend. Even in the social democratic parties, conservative leaders were able to overlap. They will be the new generation of politicians, who could be vying to be in the race for the presidency in four years. Bolsonaro left a leadership of former ministers both in state governments and in the Senate and House that make up a conservative group that is much bigger than Bolsonaro himself.

The Federal Supreme Court and the Supreme Electoral Court played a role in this process, not as supporters of the rules, but one of protagonism in and innovation of fake news, and interventions in the rules of free expression. Such an intervention did not go unnoticed by the electorate and a survey carried out by a serious body showed the perception of a "dictatorship of the judiciary" by 40% of those surveyed. It can be argued that it was Bolsonaro's followers who induced this impression, using social media intensively, but for the sake of institutional perception of democracy, it is necessary to take this opinion very seriously. Some elected senators are already saying that the Senate will have to look very carefully and sparingly at the powers that the Supreme Court has arrogated to itself. Only through a constitutional change can we expect changes to restore the balance here. The election of the protagonists of "Lava Jato" case is also a reflection that the fight against corruption cannot be left behind. They will be very attentive to any indication of systemic corruption and will leave the government at risk of impeachment, in case something happens in this field.

The reforms, which were the great banner of Geraldo Alckmin's PSDB, and are not the PT's banner, such as the party, state, and tax reforms, among other, will be the subject of an internal dispute in the alliance that supports Lula. These alliance forces will find support in parts of Congress and governors, so this dynamic should not be underestimated.

Looking at this picture of forces and counterweights, the question that arises in the statement that the democracy that won the elections needs to be more explicit is: what democracy will emerge from this set of forces?

If Bolsonaro is wise, he will make an exemplary government transition, strengthening the projects that worked, to give continuity to the coming administration. If he is dogmatic, he will lose the adhesion that was given to him; after all, Congress and the governors need this constructive transition.

If Lula is wise, he will know how to lead these tensions with Congress towards the great structural changes that Brazil has needed for decades, or if he is opportunistic, he will placate the spirits inflamed by already known positions and benefits and, certainly, he will miss the opportunity of a legacy of reforms, leaving it to the new leaderships in a four years' term to redo this work.

Even so, Brazil is expected to grow in the coming years, with inflation decreasing, FDI rising and a surplus trade balance sheet maintaining the current trend. A reversal of populism should not happen because of an independent Central Bank, a conservative liberal makeup in the two Houses of Congress, and the strong central position of the states of greatest economic relevance in Brazil.

Hopefully, we will see.