INTRODUCTION

Peter R. Kingstone and Timothy J. Power

A Fourth Decade of Brazilian Democracy

Achievements, Challenges, and Polarization

In 2009 the *Economist* magazine celebrated Brazil's meteoric rise as an emerging power with a cover featuring Rio de Janeiro's mountaintop icon, "Christ the Redeemer," taking off into the stratosphere. Four years later, with the economy in decline and protestors marching in the streets, the magazine again featured the *Cristo*, this time in a horrific nosedive, asking "Has Brazil blown it?" Brazil's situation had deteriorated but still remained hopeful enough to allow the incumbent Workers' Party (Partido dos Trabalhadores; PT) president Dilma Rousseff to win reelection in October 2014. Within months of her victory, however, the country was plunged even deeper into recession and was caught up in the sharpest and most polarizing political crisis in the young democracy's history. In a short period, Brazil had moved from triumphant emerging power to a nation divided against itself.

At the heart of the political crisis was the impeachment of Dilma, a process that began barely a year into her second term. Dilma's reelection campaign had withstood declining economic performance and a rapidly widening corruption investigation—the Lava Jato (car wash) scandal that ensnared dozens of leading business people and politicians, including many key PT figures, though not Dilma herself. In October 2015, the Federal Accounting Court (Tribunal de Contas da União; TCU) rejected Dilma's budget accounts, having identified a series of practices that violated federal budget and fiscal laws—actions that could be construed as impeachable offenses ("crimes of responsibility") under the 1988 Constitution. The next several months witnessed a sordid process that featured accusations, counteraccusations, and clear evidence of accounting irregularities as well as of conspiracy presented by opposition lawmakers to bring down the president, leaks of recorded conversations by both politicians and judicial officials, and the realization that in fact a broad swath of the political class was implicated in large-scale graft.

Tainted by corruption and economic crisis, the increasingly unpopular president lost nearly all her political allies outside the PT. In December 2015 the speaker of Brazil's lower house, Eduardo Cunha of the Brazilian Democratic Movement Party (Partido do Movimento Democrático Brasileiro; PMDB), a PT ally for more than a decade, decided to retaliate against the PT for failing to defend him on the Ethics Committee against charges of misconduct. Cunha, who as speaker had unilateral authority to decide the admissibility of impeachment requests, announced that the Chamber of Deputies would investigate Dilma's accounting practices as a potential crime of responsibility. Cunha's decision unleashed a series of dramatic events. In April 2016 the Chamber approved the articles of impeachment against Dilma with a vote of 367 to 137. This vote had the effect of immediately suspending her from office for 180 days and setting in place an interim government led by Vice-President Michel Temer (like Cunha, a member of the PMDB). His was the first cabinet without the PT—or indeed any party of the left—since 2002. Ironically, Temer, like Cunha, was under investigation for corruption as well.

The impeachment process then moved to a trial in the Federal Senate. After Dilma defended herself for over twelve hours of questioning on the floor of the Senate (more of an exit interview than a meaningful cross-examination), on the morning of August 31, 2016, the upper house by a vote of 61 to 20 voted to convict the president. This definitively ended her presidency, and Michel Temer took the oath of office the same afternoon. Only two weeks after Dilma's final conviction the man who triggered the impeachment process, former speaker Eduardo Cunha, was expelled from Congress for lying under oath about secret bank accounts in Switzerland. By mid-September 2016, Cunha had been stripped of his political rights for eight years, Dilma was a private citizen living in Porto Alegre, and Temer was the only one left standing—now as the thirty-seventh president of Brazil.

In the midst of this political soap opera, millions of Brazilians took to the streets in competing demonstrations, protesting both for and against impeachment. For Dilma and PT supporters, the impeachment was a coup (*golpe*) led by conservative forces eager to remove a progressive government that had improved the lives of millions of poor people. Leaked audio recordings made clear that at the very least it was an effort by some members of the political class to remove Dilma in a bid to stop further corruption investigations. For critics of the PT, however, the impeachment was a constitutional process to remove a government that had become arrogant and abused its power. While political elites and academics argued over whether the impeachment was a golpe or not, polls showed that a majority of ordinary Brazilians held both Dilma and Temer in low regard and supported impeaching both of them. How did the country arrive at this point?

Never Trust a Regime over Thirty?

None of this would have been expected when Brazilian democracy entered the twenty-first century. The historic 2002 presidential victory of the PT's founder, Luiz Inácio Lula da Silva, augured the arrival of a new Brazil that featured stable democratic politics, economic growth with equity, and innovative social policies that were lauded and copied all around the world. Under two PT presidents, first Lula and then his chosen successor Dilma, Brazil had gone from a "feckless" democracy to a BRIC country—an emerging power, recognized globally in myriad ways, not least by winning the right to host the 2014 World Cup and the 2016 Olympics. When Dilma celebrated the inauguration of her second term as president of Brazil on January 1, 2015, it marked a stretch of political domination by the PT dating back to 2003. For a country once described as "ungovernable" or "drunk," this stability and continuity of political rule should have been an opportunity to reflect on the great successes of the party and the country. Only ten weeks after being sworn in for her second term, Dilma was slated to preside over what should have been a momentous occasion for celebration: the thirtieth anniversary celebrations for Brazilian democracy, commemorating the military's return to the barracks on March 15, 1985.

Instead, 2015 opened with crises and scandals that evoked memories of the uncertainties and volatility of the early 1990s—the period that produced the large collection of unflattering labels such as "drunk," "ungovernable," or "feckless democracy." Perhaps the most dramatic element was the explosion of protest around allegations of large-scale corruption involving politicians, major private firms, and at the center of it all, Petrobras, the jewel in the crown of state-owned firms. In March and then again in April 2015, roughly a million Brazilians took to the streets—the third year in a row of mass protests—clamoring against corruption and calling for Dilma's impeachment. Drowned out by the loud banging of pots and pans, the thirtieth birthday of democracy was barely noticed.

The investigation into improper kickbacks began in early 2014, well before the presidential elections. Initially, it focused on money laundering and foreign exchange manipulation centered around car wash services offered at Petrobras service stations. As the investigation expanded, however, it stumbled onto a much larger bribe and kickback scheme with audits showing over 8 billion dollars' worth of suspect payments. Federal police had dozens of individuals under investigation, indicted, or arrested and a dozen private firms under scrutiny. While President Rousseff avoided direct implications, the scandal tarnished her image and that of the PT. Key allies fell victim to the investigations, including Dilma's close personal friend Maria das Graças Foster, the CEO of Petrobras (forced to resign), and João Vaccari Neto, the PT party treasurer (arrested by the federal police on suspicion of receiving bribes). By April 2015 Dilma's electoral triumph had changed to a new record: the worst presidential approval rating in Brazilian history. Polls in mid-April showed only 13 percent public support, with 62 percent disapproving and 63 percent believing she should face impeachment hearings.

But corruption and new worries about governability were hardly the only challenges for Dilma's ill-fated second term. Perhaps even more threatening was the precarious state of the economy. The euphoria over Brazil's rise to global prominence as a BRIC country was already over before the 2014 election. The enthusiasm had always been exaggerated—it arose partly in sharp contrast with the chaotic 1980s and early 1990s, partly by the active promotion of enthusiastic foreign observers, and partly through the PT's own public relations efforts to promote the "Brasília Consensus" around the world. But, aside from 2010 (a year in which the economy rebounded strongly from the 2009 global economic/financial shock), Brazilian growth had not been extraordinary. There had been real achievements, especially regarding poverty and inequality. But the good news concealed the underlying weaknesses present throughout the BRIC years and worsening throughout Dilma's first term in office. These included inadequate investment in infrastructure, weak health and education performance, considerable weaknesses in microeconomic competitiveness, low investment in research and development, inadequate supply and quality of skilled labor, and a steady worsening of macroeconomic conditions.

By 2014 many Brazilians, especially those in the rising new "middle classes," were feeling the pressures of falling growth, stagnant real wages, a growing tax burden and increasing cost of living, resurgent inflation, and rising unemployment. The weak economic performance of 2014 soon deteriorated to a full-blown recession, with 3.8 percent contraction of Gross Domestic Product (GDP) in 2015 and another 3.6 percent decline in 2016. Inflation was running at 8–10 percent per year (well over the government's maximum target of 6.5 percent) and the loss of the country's hard-won investment grade credit rating. During the BRIC years, Brazil had moved from a country racked by macroeconomic crisis propelled by political deficiencies—a scenario that Bolivar Lamounier (1996) had called "the hyperactive paralysis syndrome"—to a model of fiscal prudence and macroeconomic strength. Yet in Dilma's second term, Brazil's global image fell quickly from being an "economic superpower" to being a leading example of the inherent risks of placing too much stock in the "emerging economies."

By 2015 the twin challenges of corruption and macroeconomic deterioration clearly exposed the limitations of both Dilma as a political leader and the Brazilian political system as a set of institutions that shape governability. The BRIC years under PT domination led to a new way of understanding Brazil's "governability"—a coalitional form of presidentialism that involved trade-offs and concessions to other parties and leading politicians but led to a stable, functional, and at times very effective form of governance. Yet, the crisis revealed that the stability and effectiveness of the system depended on a leader who could manage the complex bargains inherent in such a fragmented system. Further, it also highlighted the dependence on a healthy macroeconomic environment and a growing economy to provide the resources to cement those bargains. But the rapid deterioration of the economy forced hard budgetary choices that increased Dilma's unpopularity while removing from her the most important patronage and clientelistic resources for coalition management.

Dilma's political fortunes declined notably when the TCU rejected her government accounts in October 2015 and pointed to evidence of *pedaladas* ("pedaling," or delaying obligatory government payments) in an effort to appear to be in line with laws governing fiscal responsibility and government accountability. Added to this, the Dilma administration illegally extended new lines of credit for government social programs. The implication was that both sets of accounting manipulations were designed to allow the Dilma administration to put off spending cuts that could affect the 2014 presidential election. With Dilma directly implicated in a criminal offense, not only the opposition but also "allied" politicians—acting opportunistically when the government began to crumble—seized on the chance to bring Dilma and the PT down.

With Dilma impeached, the weak Temer government already discredited by ongoing discoveries of corruption, and the country divided bitterly, it is reasonable to ask "what happened?" Years of impressive accomplishments and political stability had altered the way scholars and other observers discussed Brazil. A large number of new works emerged to explain how and why Brazil was indeed governable or to explain Brazil's newfound economic and political strengths. How did Brazil's situation shift so dramatically over the course of the PT in government? What are the origins of the sudden-onset malaise that tarnished democracy's thirtieth birthday and clouded the prospects for the future? What conclusions should we draw about the state of democracy and development?

In this volume, the third in a series of studies on the state of Brazilian democracy, we address a range of vital aspects of Brazil's ever-changing polity. If there is one overarching thesis of the book, it is that the story of Brazilian democracy is not as bad as the worst-case scenario suggests, nor was it ever as good as the excessively optimistic versions made it appear. In that sense, this collection of essays and its two earlier companion volumes continue to resist simple classification and overreaction to the events of the moment. Democratic Brazil in 2017 is much as it has been for these past three decades: a work in progress in which the patterns of direction of change are mixed, complex, and never linear. After the discouraging performance in the early years of democracy (1985–1993), an interregnum of stabilization and reform (1994–2002), and a decade of growth with social inclusion (2003 to roughly 2012), Brazilian democracy and its economy are once again recalibrating.

The essays in this book address a moving target: the challenging period from 2013 forward is one for which Brazilians are struggling to develop a consensual narrative. For a start, Brazilians need to find a way forward that reconciles divergent understandings of the impeachment process and of the PT's more than thirteen years in power. While many ordinary citizens simply want to move beyond the conjunctural crisis, large numbers of mobilized citizens and opinion makers hold beliefs about the Dilma endgame that point to profound distrust, anger, and betrayal, that is, the potential for lingering divisions. But the impeachment process of 2015–2016 highlights another crucial legacy: institutions of accountability grew undeniably stronger in the PT years. As a result, so did the ability of the Brazilian state and media to monitor, identify, investigate, and ultimately prosecute individuals on corruption charges. Brazilian society has grown notably less tolerant of graft and malfeasance, yet the political system has not adapted to this new reality. The path that Brazilian democracy takes going forward will depend on how these two seemingly irreconcilable tensions are resolved.

Challenges and Changes since the Previous Volume in Assessing Brazil

Observers of Brazil have long tended to paint the country in extremes, moving between the euphoria of "greatness" (*grandeza*) and the sense that some sort of collapse is just around the corner, and this current period is simply the most recent example. There is, however, a lot of analytical space between "emerging power" and "regional laggard." Brazilian reality is always complex, with important elements of continuity and change intertwining in marble-cake fashion across the dimensions of politics, economics, and society. In *Democratic Brazil: Actors, Institutions, and Processes* (2000) and *Democratic Brazil Revisited* (2008), the authors problematized different aspects of Brazil's political economy and asked to what extent things had changed and whether they had improved, remained the same, or worsened. While all three volumes in this series (2000, 2008, and the present collection of essays) yield complex portraits, the country had shifted in important ways from the first to the second volume. In 2000 our collaborators were still concerned with the extent to which democracy had taken root and what that actually meant. The temporal focus of *Democratic Brazil* was on the governments of José Sarney (1985–1990), Fernando Collor (1990–1992), Itamar Franco (1992–1994), and the first term of Fernando Henrique Cardoso (1995–1998), while the substantive focus was on the key actors, institutions, and processes critical for preserving and deepening democratic rule in Brazil. By the time of the second volume, *Democratic Brazil Revisited*, which covered the historic transition from Cardoso to Lula and the PT, there was much less concern about a return to authoritarianism. Instead, the question was on whether democratic *quality* was deepening in any meaningful way. The emphasis, however, remained on dynamic rather than static features of the post-1985 regime.

Despite the concerns facing Brazil in 2017, our focus has shifted again. None of the contributors to this volume questions whether Brazil is an established democracy. Even with the twin crises of economic contraction and impeachment, they see this as a moot question. Brazil's democracy as of 2017 may be overshadowed by a cloud of crisis, but the country is still marked by a record of considerable policy innovation and policy achievements (Melo and Pereira 2013). Citizens are participating in a denser network of civil society associations that organize interests in ways that influence policy and protect interests much more effectively (Abers and von Bülow 2011; Pogrebinschi 2012; Wampler 2015). New accountability institutions have emerged stronger than ever and together with the media and judiciary are pushing toward higher levels of transparency and challenging long-standing traditions of impunity. Despite the divisions over Dilma Rousseff's ouster, both politicians and the public have followed democratic rules and procedures and demonstrated restraint despite the anger. In brief, Brazilian democracy faces many challenges, but it is not clear these are markedly different from, say, the slightly older democracies that comprise the European Union's southern fringe (Greece, Spain, and Portugal). Brazil shows many of the qualities of a mature democracy, even as it confronts problems of corruption, protest, and economic backsliding.

The Political Context

As depicted by our collaborators in *Democratic Brazil*, the current democratic regime had a rocky start in the late 1980s and early 1990s. This was a period in which Brazil suffered inflation rates upward of 2000 percent yearly, poverty rates soared, and the first popularly elected president (Fernando Collor) was impeached and removed from office. But in the two decades after 1994, the year of the Plano Real economic stabilization plan, the country began a long cycle of reformist social democracy that led to widely praised advances. The government of Fernando Henrique Cardoso (1995–2002) ended hyperinflation, improved government finances, renegotiated the federal pact, and implemented reforms that increased state capacity. Cardoso was followed by Luiz Inácio Lula da Silva (2003–2010), who had been defeated on his first three attempts to win the presidency (twice by Cardoso). Lula maintained a responsible macroeconomic policy while dramatically expanding the social safety net, lifting 30 million Brazilians out of poverty and reducing income inequality to its lowest level in fifty years. Lula's chosen successor, Dilma Rouseff, attempted to maintain both Cardoso's legacy of economic stability and Lula's legacy of social inclusion—a tall order by any standard. Her election in 2010 was indisputably owed to strong public approval of the eight years of Lula's government, and in her first two years in office Dilma herself was a very popular president (Power 2014; Campello and Zucco 2015). While her second term in office was controversially interrupted, there is no question that Dilma herself—especially as Lula's presidential chief of staff from 2005 to 2010—played a major role in Brazilian democracy's successful third decade.

As the regime enters the fourth decade of its life, observers generally concur that it has proved its sustainability through thick and thin. Brazil had only three finance ministers in the twenty years between 1994 and 2014, the lowest number among major economies. And with Dilma's second victory in October 2014, Brazil became the first Latin American country to have three consecutive reelected presidents. Beginning with Fernando Henrique Cardoso, who sought and won a constitutional amendment allowing consecutive reelection for executives, presidential competition stabilized around two poles: the Workers' Party (PT) and the Party of Brazilian Social Democracy (Partido da Social Democracia Brasileira; PSDB). In the six presidential elections between 1994 and 2014, these two parties jointly won 70–90 percent of the first-round vote (Table I.1). This persistent duopoly was surprising in what is probably the most fragmented party system in the modern democratic world: over the past two decades, the largest party in Congress has controlled less than 20 percent of the lower-house seats. Yet in a system that currently has thirty-five registered political parties, with twenty-eight of them represented in

Table I.1. The PT-PSDB Duopoly in Presidential Elections, 1994–2014

Election Year	*PT + PSDB Joint Vote for the Chamber of Deputies (%)*	*PT + PSDB Joint Vote for the Presidency (%)*
1994	27	81
1998	31	85
2002	33	70
2006	38	90
2010	35	80
2014	26	75

Note: Presidential vote shares refer to the first round of competition in each election year.
Source: Tribunal Superior Eleitoral.

Congress, the PT and PSDB notably occupied privileged positions in these years—not only as the two main sources of competitive presidential candidates but also as the suppliers of most of the main ideas that have dominated national policy debates since the 1990s.

The PT emerged as a key player in Brazilian macropolitics after Lula's impressive presidential bid in 1989, in which he vaulted over nineteen other candidates in the first round only to lose to a neoliberal populist, Fernando Collor, in the runoff. After Collor's impeachment on corruption charges in 1992, Lula was the heir apparent to the presidency, yet his head start was not enough to stave off Cardoso (PSDB), the finance minister who laid the groundwork for the successful Plano Real in 1994. Politics in the second half of the 1990s revolved around the struggle between Cardoso's liberalizing reforms and the PT's efforts to preserve a statist model. As analyzed in *Democratic Brazil Revisited*, Cardoso departed office during the financial turbulence of 2001–2002, allowing the PT to capture the presidency at last. The PT's winning strategy involved a dilution of socialist discourse, new alliances with center-right parties, and explicit promises to maintain the macroeconomic policies of the second Cardoso term. Beginning in 2002, the PT reeled off four consecutive presidential victories, two by Lula and two by Dilma—one of the most impressive electoral records of any governing party in a Third Wave democracy. In each of those elections, the PSDB candidate—propelled by the party "brand" and by strong subnational bases in São Paulo and Minas Gerais, the two most populous states—forced the PT candidate into a runoff election, losing all four of them but also displaying a resilient national organization even twenty years after the Plano Real.

We acknowledge that a focus on the two "presidential parties" can obscure the political diversity that exists in Congress, in state governments, and in municipal-level politics in Brazil, and there is certainly no guarantee that the PT-PSDB duopoly will survive in 2018 and beyond. Public support for the PT fell dramatically during the second Dilma government, and Lula's ambition to return to the presidency may be thwarted by continued corruption investigations. Similarly, the PSDB is plagued by an aging leadership and a lack of policy innovation; despite taking three seats in Temer's cabinet in 2016, the party did not benefit in any direct or unconditional way from the PT's fall from grace. Yet there is no doubt that these two actors strongly flavored Brazilian democracy in the period from 1994 (the Plano Real) to 2014 (Dilma's reelection), and their respective legacies will impact the regime for many years to come.

The two parties differ from other Brazilian parties in three main ways. First, the PT and the PSDB are *modernizing* parties that inject an important element of programmatic politics into a system long dominated by personalism and clientelism. The PT modernized the Brazilian left by divorcing it from union bossism and by establishing authentic new connections to civil society; the PSDB, although sometimes described as a "right-wing" organization in the Brazilian context, is probably better described as a party of the modernizing center. The party brought actual programmatic proposals (economic stabilization and state reform) to the center space, traditionally an ideological wasteland occupied by opportunists willing to support any government. Second, the PSDB and PT have clear *party brands* (Lupu 2016) based largely on their time in the national presidency. Simplifying broadly, the PSDB is associated with inflation control and state reform, while the PT is associated with pro-poor policies and social inclusion. Third, the PT and PSDB are *formateur* parties—that is, for the past twenty years they have been the only two parties capable of forming the multiparty alliances that are necessary to win office and govern in Brazil's system of coalitional presidentialism (Power 2010). In these ways and more, the PT and PSDB have helped to anchor not only Brazil's notoriously fluid party system but also the democratic regime itself.

Brazil's most recent presidential election in 2014 revealed how much the post-1994 duopoly has shaped national politics. A casual observer of the presidential debates could have been forgiven for believing that, in such a relentlessly backward-looking campaign, Cardoso and Lula themselves were on the ballot. Dilma Rousseff positioned herself clearly as the heiress to Lula's legacy of poverty reduction and rising personal incomes for the poor, stressing not only the Bolsa Família but other popular social programs in the areas of housing, health care, electrification, and university access. Given mounting inflationary pressures, the PSDB candidate, Aécio Neves, attempted to remind voters of his party's successes in stabilizing the economy in the 1990s. The runoff between Aécio and Dilma was the closest election in modern Brazilian history, with Dilma winning by only 3.28 percent. The closeness of this margin and the fact that Aécio demanded (and failed to obtain) a recount of the votes cast a polarizing shadow over the eventual impeachment process in 2015–2016.

The election also confirmed new patterns of presidential voting that had first been observed in Lula's reelection in 2006. After several years of pro-poor policies including conditional cash transfers and strong increases in the real minimum wage, voters in Brazil's poorest regions—especially the Northeast—voted massively for PT presidential candidates (Hunter and Power 2007; Zucco 2008). The so-called new middle class had strong reasons to support the Lula and Dilma governments. Social indicators also suggested that more prosperous voters in the South and Southeast, where the "traditional" middle class was disproportionately concentrated, also had some good reasons to vote *against* the PT—their incomes grew at much slower rates than those of the poor during the Lula-Dilma years (Neri 2010, 2011b). With Dilma drawing votes predominantly from the upwardly mobile poor and Aécio from the traditional middle classes, the electoral map in October 2014 was starkly divided: in the runoff, Dilma won with 72 percent of the vote in the poor Northeast, while Aécio won with 59 percent of the vote in the developed South. The regional skewing of the vote added yet another dimension of polarization to Dilma's subsequent decline and ouster: she maintained her strongest support in the Northeast to the very end of her presidency.

These patterns of regional and class voting are much less pronounced in legislative elections: the PT's congressional delegation elected in 2014 was actually slightly smaller than it was after Lula's breakthrough election in 2002. However, the presidency remains by far the most important prize in the political system, and the PT's policies produced a "new constituency" (Zucco 2008): under Lula, poor voters quite correctly credited the federal government for the creation of new policies that reduced poverty and inequality. These policies allowed the PT to win the presidency four times in a row. Yet the fourth victory—Dilma in October 2014—was undeniably the least convincing, given not only the close margin but also the rapidly worsening macroeconomic indicators as the election approached (Brazil had experienced two consecutive quarters of contraction when voting got under way). Even leaving aside the corruption scandals that subsequently emerged, it is quite possible that, had the 2014 election been held only a few months later, Dilma and the PT would have lost power. In retrospect, this could have been a better long-term outcome for the party, given that the PSDB would have been saddled with Brazil's extended recession.

Michel Temer (PMDB) assumed the presidency at perhaps the most polarized political moment in modern Brazilian history. The reasons for the polarization were all closely connected to the impeachment of his predecessor and dominated the national discourse in 2015–2016. These included a cliffhanger 2014 election and the subsequent "loser's fatigue" on the part of the anti-PT parties; a massive corruption scandal and the ensuing finger-pointing; increasingly conflictual debates about macroeconomic policy; the regional and class divisions that were ingrained by more than a decade of rule by a leftist party implementing strongly pro-poor policies for the first time in the country's history; and open warfare between many traditional media outlets (mainstream newspapers and television networks hostile to the PT) and the new alternative media networks, cultivated both inside and outside the state apparatus by the PT and its allies. In decades past, these multiple tensions might not have intersected so quickly and so violently. However, Brazil's massive addiction to the Internet and social media (it is a top five country for both Facebook and Twitter usage) undoubtedly contributed to the increasingly acrimonious quality of political debate in the Dilma years, with both right and left intent on demonizing the other side through every digital means possible. This qualitative aspect of the current political crisis—the division of friends and families in ways unseen in decades—added a bitter edge to the Dilma impeachment and its aftermath.

The Economic Context

As noted earlier, Brazil's first two democratic governments (those of presidents Sarney and Collor) had poor socioeconomic performance. The nadir came between 1987 and 1993, when Brazil was plagued by low growth, astronomical hyperinflation, and record-high rates of poverty and inequality. But from the Plano Real (1994) through the end of Lula's second term (2010), it was commonplace to note the steadily improving policy performance of Brazilian governments (Table I.2). That performance declined throughout Dilma's first term and into the 2014 election. By the start of Dilma's second term, Brazil's economy was in full-blown crisis. The question facing the new center-right government of Michel Temer in 2017 is whether it can move beyond the crisis and preserve or restore the gains of the BRIC years.

Brazil's economy made important real strides from 2002 to 2012. Nominal and per capita GDP growths were solid, albeit moderate (on average 3.0 percent per year and 2.4 percent respectively). But other indicators tell a more impressive story, especially in two areas that have long plagued the country: poverty/inequality and macroeconomic performance. Income inequality as measured by the Gini coefficient, a widely used standard measure of inequality, improved from roughly 0.60 to 0.53—still leaving Brazil as one of

Table I.2. Policy Performance of Brazilian Governments, 1985–2014

President	*Years*	*Mean Real GDP Growth Rate (%)*	*Mean Inflation Rate (%)*	*Mean Poverty Rate (%)*	*Mean Gini Coefficient of Income Inequality*
Sarney	1985–1990	4.39	727.69	38.41	0.608
Collor	1990–1992	–1.26	1070.92	42.01	0.598
Itamar	1992–1994	5.00	1696.80	41.00	0.603
Cardoso	1995–2002	2.31	9.25	34.86	0.597
Lula	2003–2010	4.06	5.79	27.04	0.559
Dilma	2011–2014	1.60	6.17	16.11	0.529

Notes: For the first three presidents, terms were not coterminous with calendar years. We assign Sarney responsibility for 1985–1989 inclusive, Collor for 1990–1992 inclusive, and Itamar for 1993 and 1994. Figures are averages for presidential terms.
Source: Ipeadata (http://www.ipeadata.gov.br).

the most unequal countries in the world. Nevertheless, the situation for the poor improved dramatically. For example, indigence (defined as those earning below $1.25 per day) fell from 30 percent of the population to 7 percent. Unemployment fell from roughly 12 percent to under 6 percent, and for the first time in Brazilian history the country wrestled with the challenge of labor shortages. In those circumstances, real wages rose across the country, raising millions of Brazilians from poorer classes (designated Classes E and D) into a consuming middle class—Class C. Conditional cash transfer programs such as Bolsa Família contributed to the virtual elimination of hunger in Brazil, while school enrolments below eighth grade approached 100 percent of the eligible population.

Macroeconomic improvements were even more striking given the destructive roles of debt and inflation in Brazilian history. With successive governments committed to "inflation targeting" (essentially subordinating fiscal policy to the goal of maintaining inflation within targeted parameters), inflation averaged a mere 6 percent per year during the BRIC years. Public sector debt had fallen to 57 percent of GDP—a level much better than any of the rich European or North American democracies—while averaging a 2 percent primary budget surplus each year. Taking advantage of propitious external circumstances, Brazil found itself able not only to pay off dollar-denominated external debt but also to accumulate nearly $400 billion in reserves. Brazil's financial performance was so strong that the International Monetary Fund (IMF) asked the Brazilian government to contribute to the

European Stabilization Fund during the 2008–2009 financial crisis. This strong macroeconomic performance rested as well on years of improved regulation of the domestic banking system and cleaning up of insolvent state-owned banks, a process that had begun in the 1990s. By 2012 Brazil's banking system had one of the best ratios of non-performing loans to assets in the world—a stunning reversal of the financial chaos that had prevailed in the country during the "drunk" years (Porzecanski 2009).

These successes in social inclusion and macroeconomic performance accompanied Brazil's emergent strengths in agricultural production, and innovation in the agricultural sector, along with the rise of the *multilatinas*—the new crop of globally powerful multinational corporations coming out of Latin America generally and Brazil specifically. In the agricultural sector Brazil was the leading producer and exporter of goods like soy, meat, coffee, oranges and orange juice, and sugar along with non-agricultural commodities like gold or iron. Brazilian firms such as JBS Friboi became global leaders in food exports, while mining giants like Vale and construction powerhouses such as Odebrecht became major players in other parts of the developing world, especially Africa. Active support from Brazilian government agencies, particularly the National Development Bank (Banco Nacional de Desenvolvimento Econômico e Social; BNDES), helped propel these internationally competitive firms into world leaders (Amann 2009). In short, there was good reason to celebrate Brazil's achievements.

There were also good reasons to be cautious about the extent of the success. As of 2017, Brazil faces at least four distinct economic problems, one conjunctural and the other three reflecting longer-term issues with deeper historical root causes. The conjunctural issue is the most glaring one: Brazil's economy has contracted sharply and performance on all key macroeconomic indicators is deteriorating rapidly. Between 2013 and 2016, over 8 percent of Brazil's GDP vanished, a loss comparable in size to the economy of Peru. In brief, the macroeconomic balance achieved in the BRIC years came under strain. One of the key sources of macroeconomic success during the earlier period was because of China's rapid economic growth, its voracious consumption of commodities from around the world including vital Brazilian exports such as meat and iron, and the positive effect of Chinese commodity imports on prices. During the 2000s Brazil's commodity exports quadrupled in value, generating strong current account surpluses that supported the country's rising imports, paying down external debt, and financing expansionary programs to offset the global economic slowdown, such as Lula's Program for the Acceleration of Growth (Programa de Aceleração do Crescimento; PAC). However, slowing Chinese growth with continued imports of manufactured goods meant that the trade balance shifted in the Dilma years. By 2014 the country suffered from a current account deficit of over 3.5 percent. Unwilling or unable to cut spending, Dilma's government repeatedly shifted downward the primary surplus target for maintaining low inflation and then missed those new lower targets. By 2014 the primary surplus was projected at roughly 1.7 percent of GDP and falling. Pressure on spending came from things like obligations stemming from hosting the World Cup and the Olympic Games as well as commitments to the pension system, which despite a number of incremental reforms under previous governments continued to represent an unsustainable 12 percent of GDP. The Dilma government faced a fiscal squeeze requiring either politically difficult spending cuts or an increase in tax revenue. Tax increases were unlikely, given that the Brazilian tax burden had already reached an imposing 36 percent of GDP. By contrast, spending cuts depended on a greatly weakened president to muster political support for unpalatable options. Ultimately, Dilma's efforts to restore macroeconomic balance faltered in Congress and in the face of growing public antagonism.

The explosion of the Lava Jato scandal with the implication of Petrobras at the heart of the corruption, and the political paralysis that followed the impeachment charges turned a challenging conjunctural problem into a full-blown crisis. Petrobras had become the Dilma administration's key vehicle for public investment. The corruption scandal led to company losses and froze Petrobras's investment plans. The large-scale withdrawal of public investment in turn led to a sharp decrease in business spending and investment throughout the economy. Weakening investment led to both worsening unemployment and a sharp decline in consumer spending. The classic recessionary vicious cycle led to falling government revenues that further complicated efforts to balance the books in Brasília. In short, the corruption crisis helped fuel a process of dramatic reductions in private spending that multiplied the effects of reducing government expenditure. Yet, although these conjunctural problems are vexing and will challenge the embattled Temer government through 2018, they are not unresolvable. Ultimately addressing them depends on ending the political uncertainty that has crippled decision-making and led firms and households to put off investment and spending. In short, the Brazilian economy is not as weak as it appears.

Beyond the conjunctural crisis, three other issues are path-dependent, cumulative, and serious obstacles to long-term prosperity. Each will require medium-to-long-term responses from Temer and his successor. First, a critical shortcoming facing the Brazilian economy is the inadequate investment in infrastructure. Brazil funds only an estimated 25 percent of its actual infrastructural needs, and this threatens its overall competitiveness. For example, Brazil spends roughly 1.5 percent of GDP on infrastructure while the global average for upper-middle-income and wealthy economies is 3.8 percent of

GDP (*Economist* 2013). In large economies, the total value of the stock of infrastructure is 71 percent of GDP, while in Brazil it is 16 percent of GDP.

This manifests itself particularly acutely in transport. Bottlenecks in urban mobility are the predictable consequence of the PT's successes in fostering the growth of the new consuming middle classes. Between 2002 and 2012, the number of vehicles on Brazilian roads doubled while airports saw a rise from 35 million to over 85 million passengers annually. Inadequate investment in infrastructure has led to delays, deterioration of service, and high costs for users of transport systems with both political and economic costs. Transit fare increases were the trigger of the 2013 protests that brought millions of Brazilians into the streets. Economically, the expensive and slow transport system erodes Brazilian competitiveness even in areas of strength (García-Escribano, Góes, and Karpowicz, 2015). For example, while Iowa soy producers spend 9 percent of the value of their goods on transport, Brazil's highly competitive producers spend 25 percent, eroding their advantage in one of the strongest sectors in the economy. These infrastructural problems were decades in the making and will take years of investment to overcome. They are not a consequence of the Dilma government's policies or of her impeachment, and Temer's new government will not be able to resolve them during his term. However, crumbling infrastructure poses a substantial drag on Brazil's growth possibilities and forces politically difficult choices between long-term investment (with no short-term political gain) and immediate consumption (with limited long-term benefit but immediate political gain).

A second area of concern is the weakness of the manufacturing sector, due to both long-standing policy failings and relative policy neglect during the BRIC boom years—a decline that Brazilian entrepreneurs decried as "de-industrialization." The clearest signal of the decline in manufacturing has been its falling share of exports and of GDP since 2000. Orthodox market liberals dismiss these concerns and argue that it is a natural progression for a maturing economy (Oreiro and Feijó 2010). Others have been less sanguine, arguing that there is a cost to becoming increasingly dependent on commodity exports. The central concerns relate to the effect of the loss of manufacturing competitiveness, including the potential macroeconomic costs of rising import penetration. But, the most significant concern is that declining manufacturing contributes to an eventual loss of technological capacity and innovation. In effect, manufacturing matters for movement up the ladder of the "knowledge economy."

Proving conclusively that de-industrialization is occurring is a difficult undertaking. Yet even if one remains agnostic on this question, Brazil's performance as an exporter has presented cause for concern. On average and on paper, the picture appears very positive. From 2000 to 2011, exports doubled in value, reaching $256 billion. By 2012 Brazil was genuinely an agricultural superpower as the world's leading or second exporter of soy, sugar/ethanol, oranges and orange juice, meat, and coffee (Nassar 2009).

However, the story for manufacturing is quite different. In 2000 manufactured goods represented more than half the value of all exports and Brazil exported almost nothing to China. By 2012 commodity exports accounted for more than half the value with manufactured and semi-manufactured goods making up the rest, and China had become Brazil's leading trade partner. Yet the relationship was quite asymmetrical, as China overwhelmingly imported commodities from Brazil and exported manufactured goods back. Indeed, Chinese-manufactured goods increasingly became a leading competitor with Brazilian goods in both Brazil's domestic market and other Latin American markets. The net result for manufacturing changed markedly over the period. In 2005 Brazil's trade in manufactured goods ran a surplus of $8 billion equal to 1 percent of GDP. By 2011 the surplus had changed into a deficit amounting to 4 percent of GDP (Oreiro and Feijó 2010; Jenkins 2015).

Comparing Brazil's performance to other upper-middle-income competitors clearly reveals its failure to take advantage of the growth of the global economy in the 2000s. The period from 2000 to 2011/2012 was a highly propitious one for emerging economies and afforded considerable opportunities for improved economic performance. Brazil was not an exception and its exports increased an impressive 262 percent from 2000 to 2010 while high tech exports increased 36 percent. Yet, over the same period, the average export growth for the five BRICSA countries (Brazil, Russia, India, China, and South Africa) was 439 percent, showing that Brazil had been the least able among them to take advantage of global growth over the period. Focusing specifically on the country's relative performance on high tech exports also shows Brazil's status as a laggard. Over the period, the country's 36 percent stands in sharp contrast with India's 389 percent growth and China's 873 percent expansion. Expressed as ratios, in the year 2000 Brazil's high tech exports were 14 percent of China's and 290 percent of India's. By 2010 Brazil's exports were down to 2 percent of China's and only 80 percent of India's. Even if "de-industrialization" has not been occurring, the comparative data suggest that Brazil has not kept pace with key global competitors (Canuto, Cavallari, and Reis 2013).

As with the "de-industrialization" question, the exact causes for manufacturing weakness are subject to debate. The long stretch of rapid commodity export growth helped sustain an appreciation of the Brazilian *real* that weakened competitiveness. Indeed, one of the few bright spots of the conjunctural crisis is that it led to a depreciation of the real and the prospect of improved manufacturing competitiveness. Despite the improving exchange rate, industrialists still suffered from the inadequacy of the country's infrastructure as well as from heavy regulatory and tax burdens and the inadequacies of the education system.

The education system is the third major area of concern, both for present competitiveness and for Brazil's future capacity to compete on global markets (Bruns, Evans, and Luque 2012). The inadequacies of the education system lead to both the relatively low quality and the insufficient supply of skilled labor. Brazilian education has made impressive gains under the Lula and then Dilma regimes. Yet, that is still progress against a very poor baseline. The Bolsa Família has helped vastly improve school enrollments up to the eighth grade. But high school graduation rates remain low—roughly 50 percent. Brazil has one of highest dropout rates in Latin America and the highest rate of primary school grade repeaters (18.7 percent). The average of 7.2 years of educational attainment ranks below most of its global competitors as does its student-teacher ratio and the number of students at or below the lowest level of proficiency. All these problems, in turn, reflect in poor performance on the UNESCO's Program for International Assessment (PISA test) scores, with Brazil ranking below many of its competitors both inside and outside Latin America. The poor quality of labor shows up among factors like low labor productivity, serious shortfalls of skilled labor (the National Confederation of Industry estimates that Brazil has a shortfall of 150 thousand engineers), and comparatively low levels of skilled labor employment even in capital-intensive industries (Schneider 2009). Solving educational shortcomings takes time, resources, and political will. While there have been positive signs over the period of PT rule, the complexity of the problem and the inevitably slow pace of reform challenges Brazil's capacity to compete in higher valued added production.

The end result is that Brazil in 2017 presents a mixed profile. It is facing extremely difficult conjunctural circumstances. There is no guarantee that the Temer coalition will solve these challenges effectively; given the government's low public legitimacy and short time frame in which to act, expectations are (and should be) low. Yet the underlying problems are tractable, particularly if the political climate becomes more certain after 2018. At the same time, it is unwise to think only in terms of presidential administrations. The longer-term issues present deeper problems that will continue to challenge democratic Brazil well into the 2020s. Brazil's competitive position in the global economy depends on whether successive governments can address not only concerns at the micro level of competitiveness but also the way macro-level policies affect the micro environment.

Our focus on the bad news of 2013–2016 and the underlying causes can easily distract us from some other developments that are positive. Brazil has produced world-leading firms, backed by the BNDES. The country remains an agricultural power—with agriculture again supported by a key government agency, the Brazilian Agricultural Research Corporation (Empresa Brasileira de Pesquisa Agropecuária; EMBRAPA), that has played a critical role in fostering innovation, promoting the emergence of global leaders, and diffusing a Brazilian model of agriculture in other developing countries (particularly in Africa). Finally, the PT's two administrations have overseen improvements in social welfare that are unprecedented in Brazilian history. As with the political conjuncture, the mosaic of Brazil's economy defies simple categorizations. It is a giant complex economy with notable strengths and considerable weaknesses.

Lessons for Theory

The present volume, like its two predecessors, aims to offer a holistic, comprehensive appraisal of Brazilian democracy. One might legitimately question whether this is a realistic goal. After all, our focus is the political *regime*, which is a broad concept—perhaps too broad. What is the best way to approach it, and what is the most effective way of marshaling resources for collaborative research on an existing polyarchy (as opposed to a newly democratizing one) such as Brazil?

What we have learned in previous work is that to appraise the macropolitical, we must first engage the micropolitical. In adopting this approach, we have repeatedly endorsed the long-standing calls from scholars such as Philippe Schmitter (1992), Ben Ross Schneider (1995), and the late Guillermo O'Donnell (1996) to disaggregate the concept of democracy. In the 1990s O'Donnell and others argued that democratization theory was suffering from a host of problems, including tautology, teleology, and a poor understanding of the large category of intermediate cases between authoritarianism and consolidated democracy. A persistent problem was a tendency to work at too high a level of abstraction. In thinking about this specific challenge, Schmitter argued persuasively that democratic consolidation is a multidimensional process that operates at different speeds in different arenas. He advocated the disaggregation of the category of *regime* into several "partial regimes," each of which is organized around the representation of different social actors and the resolution of their conflicts: the electoral regime, the pressure regime, the representation regime, and so forth. Schmitter's method constitutes an actor-centric approach that aims for a deeper understanding of the patterned interactions that exist in and around discrete institutions and policy domains. This approach recognizes that partial regimes can "move at different speeds," and that change within them is neither uniform nor linear.

This line of thinking has several virtues that we have extolled in *Democratic Brazil* and in *Democratic Brazil Revisited*, and we remain committed to this theoretical approach. A clear advantage of Schmitter's "partial regimes" framework is that it provides a sober and practical approach to *empirical research* on democratic development, one that can organize middle-range research programs in an effective way. Given our preference for collaborative work with specialists in various subdomains of Brazilian democracy, we have organized the present volume into four sections that correspond roughly to Schmitter's electoral regime, policy-making regime, and representation regime, with the addition of new contributions on the separate domain of Brazil's regional and global projection.

The contributions to this volume confirm that a disaggregative approach is helpful in identifying both patterns and velocity of democratic change. Broadly speaking, each "partial regime" of Brazilian democracy displays uneven, nonlinear development that points to a fascinating combination of innovation, advances, and persistent challenges. For example, in the 1994–2014 period, Brazil's political institutions became more stable and settled on a relatively predictable pattern of coalitional presidentialism led by two programmatic formateur parties, the PT and the PSDB. Yet at the same time, public support for parties and Congress remained scandalously low, and the fragmentation of the party system has increased in every electoral cycle since 1990. In the policy-making sphere, the Brazilian state has increased its overall regulatory, accountability, and extractive capacity and has developed pockets of internationally recognized expertise in agriculture, diplomacy, social policy, and public banking. Yet some would argue that these "islands of excellence" float amidst an archipelago of mediocrity, in which many elements of the state apparatus continue to be used for clientelism and patronage or are indiscriminately horse-traded among political parties without any attention to efficiency. Arguably, the corruption and impeachment crisis is the result of the gap between these ongoing corrupt practices and the vastly improved capacity of the state to identify and prosecute individuals for engaging in them. In the domain of popular representation, Brazil has been an undeniable trailblazer in creating institutions of popular participation, and its extraordinarily differentiated civil society is robust at all levels. However, the protesters who took to the streets between 2013 and 2016 struggled to emplace their demands on the national agenda and to convert their incredible raw energy into effective and durable organizations.

Thus, the patterns of democratic development in Brazil are clearly fragmentary, uneven, and domain-specific, very often taking "two steps forward, one step back." In all of the partial regimes referred to above, there are myriad contextual factors operating at the micro level, factors that would be obscured or lost if we attempted a highly idealized, overgeneralizing characterization of Brazilian democracy as a whole. By focusing on actors, sectors, and institutions both separately and sequentially, we can place micro-level variables in their appropriate contexts and thereby illuminate some of the persistent challenges facing the world's fourth largest democracy. Focusing on micro-level variables and the nuances and complexities among them also helps us see Brazilian democracy for the complex mosaic it is and avoid the common tendency to see only the negative or the positive. In the "hangover" following Dilma's impeachment, Brazil is divided against itself and is currently confronting the deepest political and economic challenges of the New Republic. But it does so drawing on vital sources of strength. The only certainty is that Brazilian democracy will continue to unfold in ways that defy simple categories.

Overview of the Book

The present volume is organized into four sections, the first of which focuses on "The Democratic Context." In addition to the present essay examining the national mood and deep divisions at democracy's thirtieth birthday, this section features a second contribution by Oswaldo Amaral and Rachel Meneguello concerning the PT. At the time of Dilma's impeachment, the PT was by far the largest and best-organized left-wing party in the democratic history of Latin America. Although the PT had a long and frequently studied life as an opposition party between 1980 and 2002, Amaral and Meneguello argue, it was the experience of the Lula government (2003–2010) that defined the modern party. Economic growth and popular social policies guaranteed impressive levels of approval for the Lula government and expanded mass support for the party despite a series of corruption scandals that claimed several leading party figures. PT party identification rose notably in the Lula years and established the party as the only one in Brazil with a large and stable mass membership. Amaral and Meneguello claim that the PT deepened Brazilian democracy in two important "partial regimes": that of social inclusion and that of responsiveness of the state to the demands of varied social actors. Yet the PT as a governing party failed to overcome the political system's entrenched clientelism, corporatism, and patrimonialism. Indeed, the compromises made by the party under Lula and Dilma to govern under coalitional presidentialism led to the scandals of 2014–2016, created tensions within the organization, and triggered strong public reactions against corruption. Whether the party can recover from the crisis and whether Brazilian democracy can deepen as a result of the scandals remain vital questions for the future.

Chapter 2, by Benjamin Goldfrank and Brian Wampler, explores the tensions between the party base and the party as government. The authors ask how it was possible for the PT to both establish and empower the agencies charged with investigating and prosecuting corruption while simultaneously mounting a massive and elaborate corruption scheme. They argue that the answer lies in the schizophrenic nature of the party. On one hand, the dominant faction has focused on winning elections and governing with political alliances, both of which entailed the traditional clientelistic and patrimonial politics discussed by Amaral and Meneguello. On the other hand, establishing new institutions of participation, accountability, and transparency satisfied PT activists who were committed to the party's historic profile of clean and participatory governance. Ultimately, the newly strengthened agencies of oversight and accountability uncovered the workings of the Lava Jato and exposed networks of corruption that extended into all the major parties but that ironically also caught the PT's own leadership in the process. As a result, the PT and Brazil are standing at a crossroads, undecided whether to reform "politics as usual" or to weaken accountability institutions.

In Part II the focus is on "Policy Innovation and State Capacity in a Maturing Democracy." Chapter 3 by Matthew Taylor examines the critical issue of corruption and accountability. He reviews competing hypotheses about the sources of corruption in Brazil and undertakes a sober analysis of the country's national integrity system. A major obstacle to democratic legitimation in Brazil, Taylor shows, is the iterated cycle of "shock and disillusion" that occurs whenever a major scandal is uncovered: "the alarming recognition that something egregious has been going on under everyone's noses is quickly followed by the chilling realization that the perpetrators will probably get away with it." Although impunity is a serious and recurrent problem, Taylor argues that real gains have been made in improving the legislation and the accountability institutions that aim to curtail corruption. He ends on an optimistic note. While the Lava Jato scandal poses important challenges, the public agrees on the need for reform and the electoral arena is set to reward politicians who champion transparency.

In Chapter 4, Kathryn Hochstetler examines Brazilian environmental politics at two levels of analysis, domestic and global. In focusing on a domestic regulatory domain (environmental licensing) as well as on a key element of Brazil's approach to global governance (climate change negotiations), Hochstetler gives us two contrasting entry points into green politics. Domestically, internal battles over the environmental licensing of individual projects have been acrimonious and have shifted attention away from other necessary issues, such as the need for a comprehensive national energy policy. Globally, Brazil has been a positive force for South-South unity in debates about climate change, especially policies that would exact important concessions from developed economies in the North.

Chapter 5 turns to education policy. Marcus Melo argues that, although starting from a dismal baseline, educational indicators in Brazil have improved significantly in the twenty years of PSDB-PT governments. It is tempting to claim that it should be easy to raise educational performance when the starting point is so low, yet Melo argues that neither the low baseline nor the massive resources earmarked for education by Cardoso, Lula, and Dilma can explain the observed outcomes. Rather, it has been rising political competition and improved institutional oversight of subnational executives (governors and mayors) that have improved educational indicators. In addition to robust interparty competition, Melo credits audit bodies, NGOs, independent media, the judicial system, the public prosecutor's office, and regulatory agencies for pushing subnational governments to use their financial resources more effectively.

In Chapter 6, Wendy Hunter and Natasha Borges Sugiyama analyze what was perhaps the signature policy initiative of the PT years, Bolsa Família. In the most comprehensive analysis currently available of the positive, negative, and as-yet-unknown outcomes of the Bolsa Família, Hunter and Sugiyama conclude that the program has palpably improved the quality of Brazilian democracy—both directly, by reducing poverty, and indirectly, through knock-on effects in the domain of citizenship. The Bolsa has brought poor Brazilians into more routine and formalized contact with the Brazilian state, and it has also begun to emancipate them from traditional networks of coercion and clientelism. In short, Bolsa Família has undeniably turned many ordinary Brazilians into "citizens" for the first time.

The policy section of the book concludes with Chapter 7 contributed by Anthony Pereira, who examines Brazil's somewhat tardy initiatives in the area of transitional justice. The National Truth Commission that examined the human rights abuses of the military dictatorship (1964–1985) was established only in 2012, three decades after the controversial Amnesty Law of 1979. Pereira focuses on several factors that help explain both why Brazil was a laggard in the area of transitional justice and why it played catch-up in the PT years. These factors include the conservative nature of the transition to democracy, the legacy of the military justice system, the lack of leadership by prominent political parties, the decentralized nature of the Brazilian political system, the influence of cultural production, and international diffusion. The story of transitional justice in Brazil once again provides evidence that change within partial regimes need not be uniform or linear; after decades of slow movement or even utter inaction, the process accelerated rapidly in the Lula-Dilma era, culminating in "one of the largest reparations programs in the world," distinguished by its forward-looking focus.

The third section of the present volume, entitled "Politics from the Bottom Up," features two contributions on the political sociology of Brazilian democracy in the Lula-Dilma years. In Chapter 8, Maria Hermínia Tavares de Almeida and Fernando Henrique Guarnieri analyze the massive transformation in the Brazilian class structure that has taken place as a consequence of the PT's pro-poor policies. The authors stress the heterogeneity of the middle classes not only in terms of social composition but also with regard to their attitudes and beliefs. The new stratum of middle-income citizens is an extraordinarily diverse group: their political values and attitudes, as well as political identities, are endogenous to the sustainability of the social transformation itself. Their main common goal is to guarantee continuity of the consumption boom that began under Lula, an expansion that was fueled by minimum wage policies, conditional cash transfers (CCTs), and easy access to credit. The so-called new middle classes support these PT-led policies, but this sympathy in no way prevented people from taking to the streets to protest government actions of which they disapprove, whether corruption scandals or hikes in transportation costs.

In Chapter 9, Alfredo Saad-Filho takes a closer look at the massive wave of street protests in 2013. Similar to Almeida and Guarnieri's findings about the heterogeneity of the emerging Class C, Saad-Filho shows that the 2013 protests were themselves bewilderingly diverse. Those who took to the streets expressed a wide-ranging set of demands concerning corruption, public services, human rights, and sporting mega-events, among other issues. These movements also received supportive media coverage at a much earlier stage than other mass campaigns in recent Brazilian history, such as the Diretas Já campaign of 1983–1984 or the movement to impeach Fernando Collor in 1992. Both social and traditional media were important in the diffusion of the protests. Foreshadowing the division and polarization referenced in the editors' introductory chapter, Saad-Filho notes that the 2013 protests were the first since 1964 to have some elements expressing openly right-wing views. He traces this to the stagnation in income growth of the "traditional" middle class, for whom higher education is no longer a guarantee of economic privilege. Saad-Filho places a good deal of the blame for popular discontent on the PT itself—not only because of corruption scandals but also because the party failed to break cleanly with the neoliberal policies of the Cardoso years.

Brazilian politics focused on the many internal challenges prior to the victory of the PT. Brazil in the 2000s, however, became a global player with an increasing presence in international affairs. Therefore, the present volume concludes with a section on "Strategies of Global Projection." In Chapter 10, Sean Burges and Jean Daudelin provide a comprehensive overview of contemporary Brazilian foreign policy, focusing heavily on the institutional role of the Foreign Ministry (known informally as Itamaraty after the palace in which it is housed). Although there was a notable role for presidential summitry during the Cardoso and Lula years, Itamaraty still attempts to monopolize the foreign-policy-making process, even while recognizing that its diplomats do not possess the full technical expertise necessary for engagement on complex global issues. Itamaraty has a noted addiction to splashy but poorly institutionalized integration schemes and governance arrangements at both regional and global levels, a pattern that Burges and Daudelin see as an unnecessary distraction. Overall, despite a monopolistic and self-important foreign ministry, contemporary Brazilian democracy is still overwhelmingly focused on domestic issues, meaning that the political constituency necessary for deeper global engagement is still lacking at home.

Leslie Armijo concludes the volume with her essay on the "new developmentalism" model in Brazil, which she approaches via a case study of the National Development Bank (BNDES). Differently from the model of import-substitution industrialization (ISI) that dominated Brazil from the 1930s through the 1980s, the new developmentalism of the 1990s through the present has emphasized macroeconomic stability (low inflation), greater participation in global markets, and the reduction of domestic inequality. Both models emphasize the role of the state in promoting infrastructural development, and the BNDES has been important to each of the two models at different stages in its history. Given the immense role of this public bank in Brazilian development, Armijo develops the idea of a "public bank trilemma," which involves fascinating tradeoffs among the acquisition of expertise, insertion into the market, and delivery of policies according to democratic principles. Although these tradeoffs are also embedded in other mixed-capitalist, middle-income regimes, Armijo believes that the neodevelopmentalist consensus in Brazil is strong enough to overcome them. This has implications not only for the global projection strategies discussed by Burges and Daudelin but also for the current economic stagnation reviewed by the editors in the Introduction.

All in all, the twelve contributions in the present volume point to the need to appraise the macropolitical while dissecting the micropolitical. The expected thirtieth birthday party for Brazilian democracy was overshadowed by corruption and economic crisis followed by a polarizing impeachment trial only a year later, so the regime enters 2017 both weary and battle-scarred. After Brazil bathed in the adoration of the BRICs years, a correction was certain to occur sooner or later: the praise was always excessive. The sudden-onset malaise and the ensuing polarization in Brazilian society surprised many observers with its timing and intensity after 2013. Nobody predicted the exact events that unfolded. Nevertheless, as the contributors to the present volume have shown, democratic development in Brazil is still complex, vibrant, and fascinating across a wide range of actors, institutions, and processes.