



On the eve of its grand stage debut, Brazil experiences a season of severe discontent | Josh Smith

Brazil's Inverno Inferno

The Growing Pains of a Rising Giant

A Johnnie Walker commercial plays frequently on Brazilian television.

The rocky backdrop of Rio de Janeiro, with the famous Pão de Açúcar mountain and surrounding hills, breaks loose from its resting place in the form of a giant man of rock.

This transformed mountain rises and stands, towering above the cityscape with the proclamation that "the giant is no longer asleep."

Finally, the giant starts walking toward the sea, and the commercial closes with the charge, "Keep walking, Brazil."

This visual captures the essence of how Brazil has been viewed in recent times: a giant nation slumbering throughout much of its history, now beginning to awaken.

Indeed, this massive country, with its population of 200 million (more than half of South America's total population) possesses the building blocks for a dynamic future: a solid industrial base and abundant natural resources, as examples. Outside of Asia, no other emerging economy possesses as much potential as Brazil. As recently as 2010, the economy grew at a boisterous pace of 7.5 percent. President Obama visited the popular, newly-elected President Dilma Rouseff in 2011, voicing particular interest in Brazil's newly-accessed deep-sea oil resources. As the Western hemisphere's second largest economy, Brazil exudes confidence, most recently bolstered by its selection to host the 2014 World Cup and the 2016 Summer Olympic games. In the latter contest, former President Luiz Inacio "Lula" da Silva and his country's team faced stiff competition from President Obama's hometown of Chicago, amid others. However, Brazil illustrated their bid



Violent uprisings were about much more than the rise in fares for buses like these seen in a Sao Paulo station. | Photo by: Shelley Bernstein

with a map showing the number of times each continent had previously hosted the Games; the large zero marking South America was too difficult for the International Olympic Committee to overlook. Brazil's Olympic Games selection, and that of the preceding World Cup, have come to symbolize its debut on the global stage as a bold, new actor that, in some ways, represents the entire continent.

Yet, amid the excitement of the awakening of this South American giant, the world was shocked by the reminder that not everything is rosy within Brazil. Inefficient and corrupt governing practices of the Brazilian federal, state, and local governments fed anger over harsh realities of economic inequality and hardship. Public discontent festering beneath the superficial gleam became explosively evident in the Southern Hemisphere's *inverno*, or winter (the Northern Hemisphere's summer) of 2013.

Beginning in May in a small, central Brazilian city, an attempt to raise bus fares initiated riots that resulted in severe property damage. The following month, Brazil's largest city, São Paulo, confronted a similar provocation - a bus fare increase of 20 centavos (less than a dime) - which initiated widespread demonstrations. The protests spread to many other cities, developing a life of their own. By mid-June, police began reacting aggressively against the rapidly expanding uprisings. Law enforcement officials subjected the growing throngs, protesters, and journalists to widespread use of tear gas, rubber bullets, physical clashes, and even attacks by police dogs.

Future protesters were thus further angered. By the latter part of the month, protests had occurred in over 100 Brazilian cities, totaling around two million protesters. Government buildings, banks, communications vehicles, and other targets were attacked and severely damaged. Protesters even invaded the State's Legislative Chamber in Rio de Janeiro. In the capital city of Brasília, while the police struggled to protect congressional buildings, the more violent protesters smashed windows at the Foreign Ministry, set fire to its entrance, and scaled the city's modernist landmarks. This conflagration of angry mobs, raging fires, and destruction became the largest Brazil has witnessed in decades. Multiple deaths occurred, many more were injured, and property damage abounded. By mid-October, the violent protests, originally initiated by bus fare increases, had been replaced by protesting teachers. Workers of Petrobras, the giant state oil firm, also took to publicly voicing their concerns. As of this writing, protests have grown smaller in number yet, in some cases, increasingly violent.

It became apparent soon after the outbreak of the violent uprisings that much more than transportation fares were angering the Brazilians. Brazilians pay amongst the highest tax rates in the world, and they realized they are not getting much in return for the onerous tax burden.

Although programs like the Bolsa Familia (a federal assistance cash transfer program for the poor) have significantly decreased abject poverty over the last ten years, the working and middle classes have been broadly disappointed with their government. It is estimated that tens of millions of Brazilians were added to the middle class during the recent decade of rapid economic growth. Surprisingly, the middle class makes up the bulk of the angry in-

surge. As CNN reported on June 28th, the Brazilian Institute of Opinion and Statistics found 79% of the protesters earn more than twice the minimum wage.

It may seem counterintuitive that those benefitting from Brazil's recent growth are leading the uprising, but a deeper look explains the apparent contradiction. James Surowiecki points out stark realities from the historically drastically-unequal Brazilian society. The rich have been able to cushion themselves from the realities of poor public health services, dismal public education, and high crime through private health care, education, and personal security guards. For the new, burgeoning middle class, these luxuries remain out of reach, and they are stuck with these harsh public realities. The advantages they gained through relatively higher incomes are largely muted by dismal infrastructure and extremely high prices. The World Economic Forum dismally ranks Brazilian infrastructure as 114th out of 148 countries. In the "Big-Mac" index, a light-hearted measure of purchasing power published by The Economist, the ubiquitous hamburger costs more in São Paulo, adjusted for income, than in nearly every other country in the world. Finally, many of the new working class are paying taxes for the first time; they feel they now have a stake in their government and deserve to be heard.

It was the government's approach to the World Cup and the Olympic Games preparations that pushed Brazilians too far. The bureaucratic sponge of the Brazilian federal and municipal governments never appeared to reach financial saturation; funding for essential services was never entirely adequate. Yet those governments are now inexplicably spending billions of dollars on stadium construction for the World Cup - a project cost three times that of the South African World Cup in 2010. Even in this *futebol*-crazed country, the people are aware that some of the stadiums will likely sit empty after the World Cup. Even those that might garner substantial crowds in the future do not merit the priority and resources they are currently receiving. A young, working graduate student in São Paulo, with whom your correspondent is acquainted, summed up public dissatisfaction perfectly when he told me, "Não podemos comer estádios" (we cannot eat stadiums). Many Brazilians feel passionately that the real infrastructure needs of roads, ports, airports, schools, hospitals, education, and reduced fare public transportation would be a much more productive use of their taxes.

Even the Confederations Cup final, in which Brazil dominated the world champion Spain, became a target of the protesters in Brazil. From their placards, chants, and slogans, Brazilian protesters made clear that they have become disillusioned with their government. Weak public education, poor public health services, rising prices (especially for food), overbearing police tactics, inadequate welfare, and other social problems should not exist in a democracy when tax revenues account for a whopping 36% of GDP. A language professor from Minas Gerais state, who is nearing retirement, explained to me (as if from much experience): "In Brazil,

we don't have earthquakes, tornadoes, or hurricanes; we have corruption." Brazilians recognize governmental corruption and inefficiency and blame those factors for state failures.

As this emerging international actor readies itself for its grand appearance on the world stage, working-class citizens have seized the opportunity to voice their serious frustrations while global eyes are steadily turning towards the giant. International observers are growing doubtful that this new star is ready for the spotlight. The Economist reported in their Oct. 18th issue that during this summer, "capital abruptly started to pour out of Brazil." Besides the ongoing protests, the rapidly expanding Brazilian economy had slowed to almost negligible growth by 2012. President Rouseff, once the widely-hailed successor to Lula, the popular former President, now faces re-election with genuine competition. The growing, cooperative friendship between Brazil and its hegemonic northern neighbor hit a wall due to espionage by the NSA, leading Rouseff to cancel a state visit to the United States. Brazilians all over the nation are mired in a season of severe discontent.

It is imperative to understand the implications of the current domestic unrest. Are the ongoing protests simply opportunistic displays by the people to obtain government attention and improved amenities, or are they a reflection of deeper problems that expose genuinely obstructive ills that must be remedied? Brazil's amazing potential is more than enough to buoy the economy, but the *inverno inferno* can teach some important lessons. The new Brazilian middle class wants a public sector that functions to support their advances rather than diminish them. More importantly, like any democracy, the Brazilian public craves for evidence that its leaders are just as dedicated to providing governance that addresses real domestic problems as they are in ostentatiously preparing for big international shows. In other words, the giant is awake and rising; but for the people's sake, she must steady herself, find her balance, and then resume her stride onto the stage of world powers. 🇧🇷

