

Corruption and democracy in Brazil An interview with Prof. Dr. Timothy Power

Michael Clausen

On December 8 of 2011, Dr. Timothy J. Power of the University of Oxford, paid the Brazilian Studies Program at Aarhus University a visit. Dr. Power, a distinguished Brazilianist scholar and author of numerous books and articles about democracy in Brazil, together with Dr. Vinicius Mariano de Carvalho, from AU, gave an account of Brazilian president Dilma Rousseff's first year in office before entertaining questions from students and professors. Following the lecture, Dr. Power participated in a specially organized Brazilian night, which included *bossa nova* and samba music performed by a local artist. Earlier in the day, Dr. Power had spoken at length about democracy in Brazil to Michael Clausen, a student from the Brazilian Studies Program. This full interview appears below.

Q: In Transparency International's newly published corruption perception index for 2011, Brazil is ranked as number 73 out of 183 countries, below countries such as Ghana, Namibia, Saudi Arabia, and even Cuba. How damaging is this for Brazil's international image as a democratic country?

A: These rankings are relative and what they measure is perceptions of corruption and not necessarily corruption itself. The fact that rankings are a relative thing means that you cannot move up in the rankings unless somebody else moves down. There is not going to be a whole lot of changes, and it is generally very difficult for countries to break out of this. The Brazilian press is obsessed with what the world thinks about Brazil. This

is one of the characteristics of Brazil. So, in any kind of ranking Brazilians are very interested in how Brazil is going to turn out. If you look at the last ten years or so Brazil's position in the rankings has fluctuated between the seventies and the eighties. This year's ranking is actually better than it was in 2007 and 2008. The image of corruption got worse after the *Mensalão* scandal in 2005 and a number of other ministerial scandals, so it seems like this might be reflecting a little bit of an improvement in the last year of Lula and the first year of Dilma.

Q: To what extent do these high levels of perceived corruption affect trust in basic democratic institutions in Brazil?

A: That is a good question. If you look at the numbers for trust in institutions we have pretty good data in Latin America from about 1995 to 2010, which means we have about 15 years of data. Brazil usually ranks in the bottom three or four of Latin American countries in terms of support for institutions like parties and Congress. It is pretty consistent. Other countries tend to rank much higher over time and that is also pretty consistent. For example, a country like Uruguay has consistently had high levels of confidence in parties and Congress. In other words, there is a strong cultural component to these rankings. Certain countries have more trusting publics, while others have less trusting publics. One way you can check that is by looking at Brazilians' trust in all institutions, including non-political associations, the media, large corporations etc., and what you find is that Brazil has a syndrome of low trust across the board. So, for example, if you take the data on interpersonal trust the question is, "Do you think that most people can be trusted or do you think you cannot be too careful when dealing with other people?" The data from the World Value Surveys in 1990, 1997, and 2005 shows that Brazil has the lowest interpersonal trust in the world. In the world! Only about

three percent of Brazilians say that you can trust other people. It is the lowest in the world. In other words, you have to take those numbers that you are talking about as a kind of numerator and then put the denominator which would be trust in everything. So, if you control for trust in all institutions the data on trust is not quite as worrying. The numbers are still bad but they have to be contextualized. I always tell this story: According to the World Value Survey in 1997, 2.8 percent of Brazilians said that they trust Congress. In that same year, 28 percent of Brazilians said that they trust Congress. This means that Brazilians trust Congress ten times as much as they trust their neighbors!

Q: Lula came to power in 2003 as the leader of the Partido dos Trabalhadores (PT), a party that historically had been very much linked to the fight against corruption in Brazil. A few years later, the party was responsible for the Mensalão scandal, in which the party paid members of congress in exchange for their support in getting legislation passed. How would you assess Lula's legacy in terms of corruption?

A: We will have a clearer picture of that in about six months to a year from now. The Supreme Court will give verdicts on the cases of the *Mensalão*. There are about 40 different cases. One of the accused made a deal and left, and there are two others that have been dropped, but there are still around 37 cases. Importantly, Lula is not one of the cases. He was never accused of corruption, and the report of the CPI in congress, the special committee of inquiry, accused Lula of a legacy of omission, not commission, so that he was not paying attention to what was happening inside his own circle of people he trusts. I think no matter what happens with the judgments of the *Mensalão*, he will have that as a kind of negative point on his resume. I think the worst thing from the perspective of the PT was not so much the *Mensalão*, but the admission of guilt that they

made about the *Caixa Dois*. They had these extra campaign funds that they were redistributing to deputies who had debts, so if you had a campaign debt you could go to the party leadership and they would give you some money to settle the debt. When Lula was asked about the *Caixa Dois* in a famous interview he gave in Paris in 2005, he said that “*O PT fez o que os outros partidos sistematicamente fazem*”. That one sentence was the most damaging thing he ever said. He admitted that the PT was like any other Brazilian political party, a statement that was particularly problematic given the fact that the PT was founded on the *lógica da diferença*, in other words the party’s identity is based on what it is not, i.e. it is not a Brazilian Party, and it does not practice clientelism, patrimonialism, and politics as usual. Lula more or less destroyed that legacy in that interview. In that sense, the PT can no longer claim that it is a party that is different. However, I think the political system has accepted that the PT is no longer an outsider party but an insider party, and that the PT knows how to govern like any other Brazilian party, which means governing with the exchange of favors. Your question is about the legacy and I think that the legacy is moderately negative already, but it could get worse depending on what happens when the Supreme Court report their verdicts next year.

Q: President Dilma Rousseff’s first year in office has been tainted by numerous corruption scandals in her government, forcing five ministers as well as Antonio Palocci, her influential chief of staff, to resign or be dismissed. How do you think Dilma has handled these challenges?

A: In general, there has not been a single case where anybody could link the corruption to her, so I think in these cases she has more or less been the victim of a leftover coalition that Lula assembled for her. She had pretty much no role in the making of the initial coalition. That was entirely Lula’s doing. He basically gave her a pre-fabricated government. She had a few choices, but not many. So a lot of the things that are

happening, leaving aside Palocci for a moment, like the scandals involving the ministers of tourism, agriculture, and labor were beyond her control. These ministries were basically all awarded to certain parties by Lula and they just kept their ministers and things like that. The press has been doing a very good job in uncovering these allegations, but the real test for the politician is what to do when these things surface. Lula's tendency was usually to hem and haw, and pause, before defending the minister in public. He hates to fire anybody, Lula does not like conflict in that sense. Dilma does not have any problem with it. Out the door. Several ministers were fired instantly, while others were forced to resign, and I think that you have to give her pretty high marks in that respect. Of all the six presidents Brazil has had since re-democratization in 1985, she has been the most decisive in firing corrupt ministers, even more decisive than Fernando Henrique Cardoso and Itamar Franco. In English we have this saying: "When somebody gives you a lemon, you make lemonade". That is what she has been doing. I think her cabinet has become less a Lula cabinet and more of a Dilma cabinet and that helps.

Q: To what extent can these scandals be seen as a blessing in disguise for Dilma, given the fact that she has now had the chance to replace a number of ministers with close ties to Lula and assemble her own team?

A: Any politician like Dilma, who is basically created by another politician, wants to step out from the shadow of their creator and establish their own identity. People thought that she would do that with policy. However, she has not done it so much with policy as she has done it with appointments. She is taking every opportunity she can to get rid of people inherited from Lula and replace them with her own people. I do think this has been a blessing in disguise, with one exception, and that is Palocci, because he is

somebody that she really did want to have. Palocci is probably one of the most capable managerial and political politicians in the PT. He had to resign in 2006 and returned to private life before returning to politics when Dilma took office. That was her choice. He was the perfect person to act as a bridge between her and Lula, between her and the party, and between her and Congress. He was like the wheel with many spokes. But then he was forced out of office, not because of anything he did *in* office but because of things he did in his private life between 2006 and 2010. So I think that was a loss for her. The other things have been entirely beneficial.

Q: On September 7 this year¹, on Brazil's Independence Day, mass demonstrations against corruption were held across the country. In Brasília alone, an estimated 30,000 people took to the streets. What does this mean?

*A: It is hard to say what it means because a protest that has no translation into action, legislation, or anything like that is pretty much going to be episodic and forgotten. It was a non-partisan movement, and it was not clearly linked to any of the opposition parties, so you cannot say that it benefitted the *Partido da Social Democracia Brasileira* (PSDB) or the *Democratas* (DEM). There is no legislation attached to it either. The real big change in Brazil came last year when they passed the *Ficha Limpa* law, which is really important. That was also the result of a mobilization from the bottom up by the *Movimento Contra a Corrupção Eleitoral*. They collected the signatures necessary to put this legislation forward and then they really had to push the Lula government. The Senate was not particularly interested but they finally passed it in June of 2010. So that is*

¹ The question refers to 2011, the year of the interview.

an example of social mobilization connected to a specific piece of legislation whereas this was not. My sense is that it is really not going to have an effect.

Q: What is the likelihood that these different movements will unite and mobilize politically and thus enter the political arena, either by means of an existing party or by forming a new party entirely?

A: I think it is difficult because there is a pretty low probability that it would enter the political system in any given way, because corruption cannot really be linked to any specific party in Brazil with a lot of certainty. There are some probabilities, for example that corruption tends to be higher in the small center-right parties that have no ideology, but corruption is a systemic thing. It affects the national level as well as the subnational level, and there are instances of corruption in all the political parties, so a movement like that is really rejecting the entire political class. If you are going to reject the entire political class you are not going to have any support to push forward reforms and legislation unless this kind of movement produces a leader, like the emergence of Camilla Vallejo as the leader of the student movement in Chile. She is becoming a personality in politics. To give an example from Brazil, the *Caras-Pintadas* movement that fought against Fernando Collor produced a leader called Lindbergh Farias who later became both a mayor and a senator. He is a member of the political class and is no longer connected to the particular issue of corruption. So the system has a way of swallowing leaders as well. Frankly, I do not really see this going very far.

Q: Excessive party fragmentation is an important characteristic of modern politics in Brazil. Many of the smaller parties have proven particularly corruption-prone. Is electoral reform unavoidable if the fight against corruption is to be successful?

A: Personally, I think that electoral reform is desirable but I do not think any serious electoral reform can emerge from the current system, because politicians are interested first and foremost in their own political careers and their election prospects and they were elected under a certain set of rules. They are very reluctant to change those rules because it creates uncertainty about their future. The most important reform that people usually press for is the so-called *lista fechada*, a closed list, which is prevalent in Sweden, Spain, and lots of other European democracies. Brazil has never had a *lista fechada*, and most people would say that by having a *lista fechada* you could rank the candidates and ensure the election of the best candidates, i.e. the ones who are least likely to damage the party and so on. The other candidates would then have a harder time. But from the perspective of the politicians there is concern about the *lista fechada* because Brazil does not actually have a national election, but rather 27 separate elections, and the elections in each state are really driven by the governor. The concern is that the governors would then make the lists and that the only thing you would be doing is create more oligarchy within the states than you already have.

Q: Would the creation of an effective threshold, for example of 5 percent, help?

A: That has actually been tried. It was passed in legislation in 1995 and Congress voted to postpone the introduction of the threshold twice but later introduced it in the 2006 election. Then three weeks after the election some small parties went to the Supreme Court and challenged it so it was struck down. What the Supreme Court said is that

countries that have a threshold put it in the Constitution. For example, in the German basic law you have a 5 percent threshold. You cannot put it in an ordinary law. In other words, they said “we are not against the idea, it is just that you have to make a constitutional amendment”. A constitutional amendment requires 3/5’s vote of Congress twice and any government who is in power relying on the support of small parties is not going to push that amendment.

Q: How big of a setback was the Brazilian Supreme Court’s decision last year to rule the Ficha Limpa law unconstitutional for anti-corruption forces in Brazil?

A: It was not ruled unconstitutional in the legal sense, it was ruled that the application of it was unconstitutional in 2010, which I think actually is the right decision. The Constitution says that you cannot change the rule of the election game within one year of the election. I think *Ficha Limpa* is an excellent law, it is really well-designed, and I think it is going to have a huge impact on Brazil, and the problem is that it did not get passed within a 12-month period prior to the election, because it passed the *Câmara* and the *Senado*, and then it was just sort of sitting there and then finally in the last push they signed it in June. The Supreme Court have to read the Constitution and decide what it means and I think they made the right choice. It is very clear that the spirit of the Constitution says that you cannot change the rules of the game in the middle, so by June most of the parties had already nominated all of their candidates. This created a situation called *insegurança jurídica* and so they had to strike it down. They only struck down the application for 2010 and not the law itself, so it is still valid. The question is whether the law will be in effect for next year’s municipal election. It looks like it probably will be. Then you will start to see the effect because lots of politicians have been convicted of crimes by a *colegiado*. Any electoral crime is judged by a *colegiado* so

any electoral crime you have committed means that you are out. I think it will make a big difference. It is just a shame the way it happened. It is a shame it had to happen like that.

Q: What role does the media play in the uncovering of corruption at the national level in Brazil?

A: It plays a huge role, although it does not tend to allocate credit for anti-corruption activities. For example, it does not tend to recognize victories very much. Rather, it tends just to emphasize the sensationalistic and the negative like the media everywhere in the world. For example, in American political science they have done research about negative campaigning. If two candidates are fighting against one another, and one is attacking the other one, it is a very effective strategy. It really damages the other candidate. What they find is that it depresses the overall aggregate image of the political class. I think that is what the media has done in Brazil. The reputation of the political class was already really low, but now it has been pushed down as low as it can go. It is very difficult for the press to acknowledge any successes. For example, instead of praising the *Ficha Limpa* law everybody is complaining about the Supreme Court. But people have not really come to terms with the fact that the *Ficha Limpa* law is the biggest single advance against corruption that Brazil has ever had. The glass can be half full, and it can be half empty, but the importance of the law is clear. Most of the allegations that have brought down a handful of Dilma's ministers have come from the same two places, *Veja* Magazine and the *Folha de São Paulo* newspaper. *Veja* Magazine has a clear political agenda. It wants to destroy the government. It hates Lula and it hates Dilma. *Folha de São Paulo* is also antigovernment but not quite as hysterical. It has close links to the PSDB but it is a little more balanced. So it is hard to generalize about the media because the *Globo* and *Veja* organizations are very much openly antigovernment, and

then there are these other magazines and papers that are a little bit more serious. Most of this is coming from print media, not really from television.

Q: In terms of the relationship between corruption and the media, how does the national level compare to the local level?

A: It is hugely different. The media at the national level have a major role in exposing allegations of corruption and this has an instant effect in most of the cases. At the local level, the reality is very different. There are parts of Brazil that do not have media at all, or they might have just one regional newspaper or one radio station. Political scientists have actually studied this statistically. There are a couple of papers that are quite interesting. There are 5,000 mayors in Brazil so you have a very large number of cases, and you can go to the TCA and get national corruption audits that are done by the *Ministério Público*. This enables you to look at allegations against corruption for every mayor, and then you can check how many corrupt mayors get reelected. These statistical studies have shown that in municipalities that have radio stations the mayors tend not to get reelected, while the ones in municipalities with no radio stations do get reelected. It is very clear. Media like *Veja Magazine* would put this down to the “*ignorância do interior*”, the ignorance of rural Brazil, but it is not that. Rather, it is just what I would call informational asymmetries. Capital cities have more political information available which helps to eliminate corrupt politicians a bit faster. But at the local level this is a very slow process. It is very difficult for the opposition in rural areas to get any traction. Brazil is a pluralist society but this does not mean that it is equally pluralistic everywhere in the country. Big cities have very skeptical and inquisitive electorates. Small towns tend not to. With regards to party fragmentation, in many small towns only one or two parties are really active. If you aggregate all of Brazil it is a very

fragmented system. But in the Northeast it is not. The Northeast usually have the DEM, the PMDB and the PT. That is pretty much it.

Q: In terms of accountability, to what extent are institutions such as the Ministério Público, ad hoc investigatory committees within the legislative branch - the so-called CPI's - as well as the courts effective in the process of investigating corruption cases and prosecuting those responsible?

A: Within the architecture of these things there are a lot of different actors -including the Polícia Federal which has become very important in corruption - that can pursue corruption cases. My basic position is that each one of them is pretty individually impressive but the problem is that they all are autonomous actors and that there is no coordination between them. That is the main problem in Brazil. It is similar to the question of public security. Public security in Brazil does not have a single coordinating actor and anti-corruption activities in Brazil do not have a single coordinating actor either. This means that you can have two or three different actors simultaneously pursuing two or three investigations of the same exact case. They all have their own jurisdictions, they all have their own political rivalries, they have different budgets, and they have egos, which can obviously make a big difference in these things. In Italy in the 1990's, for example, there was this one judge in charge of the Clean Hands operation that basically made the same argument about Italy and thus tried to centralize everything under him. There is no figure like that in Brazil. No single actor has taken over this struggle against corruption.

Q: Finally, besides the persistence of corruption, what are the other major remaining challenges in Brazil's strive for a more mature democracy?

A: There are a whole lot of structural challenges of which I think education and human capital are the most important. In terms of political challenges, Brazil has found a way to govern itself that we call coalitional presidentialism. Cardoso, Lula, and Dilma have a very clear understanding of what the parties are about and how politics works. This is basically a parliamentary system with a prime minister dividing the government among the parties and so on. This has stabilized Brazil and made the country governable. It has produced legislative output, legislative productivity, policy consistency, and so on. But nobody has questioned the negative externalities of that system. The negative externalities of that system are clearly corruption and lack of accountability. It is also a huge problem for what we would call vertical accountability. In political science we use the term 'identifiability'. In the United States, you know that if you vote for Obama and he wins, you will get a single-party cabinet with 15 democratic ministers etc. This would give you a very good idea of what the government is going to look like. If you vote in Israel or Italy it is a gamble because you have no idea what kind of government is going to emerge from that. So one of the advantages of presidentialism is supposed to be that you have a high level of identifiability. In Brazil, you vote for Lula and you end up getting Edison Lobão as the minister of mines and energy, because you have no idea what deal is going to be made to form the government. In other words, you have the worst of parliamentarism and the worst of presidentialism combined in a way. You do not have the identifiability and then you have this problem that the president has to delegate different ministries to different parties, and when you delegate it is always a risk. You could have a great minister but more often than not the minister is going to embarrass you. So what Dilma is doing basically is just like a fire extinguisher pointing

at one ministry after the other. Political scientists have celebrated this system because they think that Brazil was ungovernable under Sarney, Collor, and Itamar and that we now have a very clear system of coalitional presidentialism. But I think the next step is how to improve that system in ways to make it more accountable. Coalitional presidentialism in Brazil is a way of coping with fragmentation, and it is a successful way of coping with fragmentation because it allows Brazil to be governed. I guess the only way to change it would be to change the fragmentation, because if you were to reduce the number of parties and make a more compact party system you would have less need to do this. Other South American countries admire Brazil for what it has achieved over the last ten years. Most of the other South American countries have become less governable and more unstable over the last 5-10 years. Brazil has moved in a different direction. People think that Brazil has developed a system that works quite well. However, if you look at countries that have coalitional governments like Belgium, Italy, or Israel, people have very low opinions of the political class. The same thing has happened in Chile. People do not like coalitions. It is good for legislation and policy, but it is not good for representation. There is a sense of powerlessness on the part of the voters. Even people in the PT will tell you that they are very unhappy with it as well. The *cúpula* of the PT supports this system, because they are like Machiavellian pragmatists, but the rank and file of the PT would prefer an alliance with fellow leftist parties based on ideology. But the alliances are not based on ideology. It is very clear. The PT is the only party that has ideological restrictions but those restrictions prior to 2002 meant that the PT lost the elections. In 2002, the PT began to make alliances outside the family of the left, and as soon as they did that they began to win. Lula's biggest contribution was that he showed the PT that they had to do this. So they made those alliances and it worked, but it also creates another set of problems like the *Mensalão*.