In the introduction to his excellent new volume, editor Ben Ross Schneider highlights a simple but important fact: Brazil’s democracy and macroeconomy have been stable for decades. This fact, he rightly suggests, provides an important backdrop for analyses of contemporary Brazil. Despite all the country’s political, economic, and social changes since the mid-1990s—including the present crisis—its basic stability has not been in peril. Instead, change has taken the form of “evolution within consolidated parameters” (1).

How has Brazil evolved since the mid-1990s? The economy has multiplied in size. Poverty and economic inequality have plummeted. The middle class has grown by half. The country has become more governable, and its party system has become more institutionalized and programmatic. Democratic participation has risen. Unfortunately, recent upheavals have temporarily halted some of these advances. Brazil is currently suffering through a deep fiscal crisis and its worst recession since the 1930s. Elites are engulfed in the largest corruption scandal in Brazilian history. Mass protests since 2013 reflect intense public dissatisfaction with the political system. President Dilma Rousseff was recently impeached—the first impeachment of a Brazilian president in two-and-a-half decades.

In light of these developments, scholars of Brazilian politics and political economy have focused their attention in recent years and months on a few broad questions: what factors account for Brazil’s progress over the last two decades? More topically, what are the causes and implications of the current crisis? How optimistic or pessimistic should we be about Brazil’s
future prospects? Ben Ross Schneider’s volume makes significant contributions to all these debates. Its chapters range across disciplines (political science, economics, public policy, history) and methodologies (historical narrative, crossnational comparison, econometrics) and are both theoretically interesting and impressively consistent in quality. Schneider’s introduction expertly contextualizes the chapters’ contents while also filling in the gaps between them. The result is a rich and illuminating work sure to interest and benefit scholars of political economy in developing countries.

The volume’s chapters make a particularly rich contribution to analyses of Brazil’s multifaceted progress over the last two decades. This progress has spanned the political, economic, and social spheres. Daniel Hidalgo and Renato Lima de Oliveira, in their outstanding chapter, focus on an understudied aspect of Brazilian political progress: suffrage expansion. According to these authors, Brazil achieved de facto universal suffrage remarkably recently, in 2002. The authors attribute increased voter participation in democratic Brazil to the recent advent of electronic voting. This technical innovation, they argue, has had a significantly larger impact on real suffrage than the 1985 abolition of Brazil’s literacy requirement, even though the literacy requirement has received more scholarly attention. The authors also find that as real suffrage has expanded, incumbent re-election rates have risen significantly; to use Robert Dahl’s terminology, rising participation has coincided with declining contestation. Although some observers lament growing incumbent advantage in Brazil, the authors note that a higher proportion of experienced legislators may help to bring about a more professional, higher-quality Congress.

In the domain of economic progress, the volume pays special attention to the role of natural resources, particularly oil. Natural resources have dominated Brazil’s export account since the beginning of the commodity boom in the early 2000s. The volume’s chapters agree that
the “resource curse”—whereby natural resource abundance leads to economic stagnation—has largely been avoided in Brazil, and that this has been critical for Brazil’s recent economic success. But the contributing authors disagree on why Brazil has avoided the curse. The chapter by Sarah Brooks and Marcus Kurtz argues that Brazil has been able to maximize oil discovery and extraction in recent decades because it developed an indigenous industrial and human capital base in the mid-twentieth century. The chapter by Tyler Priest takes a different view, arguing that Petrobras depended on foreign technology and expertise to discover and develop Brazil’s large offshore oil deposits.

The volume thoroughly analyzes the decline of poverty and inequality in democratic Brazil. Timothy Power’s chapter attributes this decline, somewhat conventionally, to social policies implemented by the Workers’ Party (PT) after 2003. Power emphasizes, however, that the PT’s rise to power and social policy accomplishments were predicated on a series of earlier achievements: the consolidation of democracy, improvements in governability, macroeconomic stabilization, and public sector reform. The chapter by Francisco Ferreira, Sérgio Firpo, and Julian Messina nicely supplements Power’s chapter by demonstrating that social transfers—Power’s focus—account for less than half of recent poverty and inequality reduction in Brazil. A major additional factor, they argue, is the shrinking of wage gaps between races, genders, regions, and the urban-rural and formal-informal divides. Marta Arretche’s chapter further enriches the discussion, arguing that expanded education and health policies have made a greater contribution to recent inequality reductions than PT social policies. Provisions of Brazil’s 1988 Constitution, combined with 1990s social legislation, have meaningfully reduced cross-municipal inequality in the provision of public health and education services. The Brazilian case thus demonstrates, Arretche argues, that contrary to a common line of scholarly argument,
federated countries can effectively combat territorial inequality.

President Dilma Rousseff’s impeachment on August 31, 2016 brought to an end more than 13 continuous years of PT government. To what degree does the PT bear responsibility for Brazil’s recent economic troubles and social unrest? Has the PT improved or worsened Brazil’s future prospects? Taken together, the volume’s chapters provide mixed answers to these questions.

Some chapters take a critical view of the PT. Barbara Nunberg and Regina Pacheco, for example, argue that after the PT took national power, the Brazilian state grew in size but not in effectiveness. Although the PT streamlined human resource protocols, it also politicized numerous agencies and failed to make important managerial and performance-oriented reforms. Brazil’s federal bureaucracy remains uneven in equality, characterized by pockets of dysfunction and “archipelagos of excellence” (e.g., the Central Bank; the development bank, BNDES). Tyler Priest’s chapter, echoing Chalmers Johnson, argues that Brazil’s military dictatorship played a critical role in professionalizing Petrobras but that under democracy, and particularly under the PT, Petrobras’s commercial relationships have been driven largely by “political calculations and pay-to-play schemes.” The ongoing Petrobras corruption scandal has troublingly exposed these truths.

On the other hand, Timothy Power’s chapter credits PT social policies with reducing poverty and inequality, and the chapter by Kevin Gallagher and Daniela Magalhães Prates argues that both PT administrations (Lula da Silva’s and Dilma Rousseff’s) managed Brazil’s economy reasonably well in the 2000s and 2010s. During the commodity boom, the Lula government kept the exchange rate under control, partly under political pressure from exporting firms and their workers. When Brazil sank into recession in 2014, the Dilma government reacted swiftly and
countercyclically, with moderate success.

Some commentators have expressed concern that the PT, in government, shifted the economy in an overly statist direction. The chapter by Sergio Lazzarini and Aldo Musacchio usefully contributes to this debate. The PT’s interventionist policies, they argue, did not constitute a “complete rupture” from market reforms implemented in the 1990s. During the era of import substitution industrialization (ISI), the Brazilian state owned and operated hundreds of state-owned enterprises (SOEs). By contrast, Brazil’s “new developmental state” owns only the most important SOEs (e.g., Petrobras) and uses several banks (e.g., the National Development Bank, BNDES) to support select firms, or “national champions.” In addition, the new developmental state does not wholly own its SOEs; instead, it is a majority investor. These differences make the new developmental state less prone to political interference and principal-agent problems than the old ISI state. Musacchio and Lazzarini also argue, however, that state interventionism in Brazil is no longer as necessary or beneficial as it was in the 1990s, when financial markets were shallower and market failures more widespread.

The volume also provides insight into the recent spate of mass protests and Rousseff’s impeachment. Several chapters observe that Brazil’s various mass protests since 2013 have been middle-class protests, and in this sense, reflect a positive development: the rapid growth of Brazil’s urban middle class during the 2000s and 2010s. Marcus Melo’s chapter, in a fascinating way, attributes middle-class mobilization, both in 2013 and more recently, to public dissatisfaction with the state of Brazil’s “fiscal contract.” The Brazilian state collects over a third of GDP in taxes—more, in proportional terms, than most developing countries and some advanced ones (e.g., the United States). Yet public services (e.g., health, transportation) have long been underfunded and are widely perceived as deficient, and the ongoing Petrobras scandal,
which followed on the heels of another major corruption scandal in the mid-2000s, has revealed the illicit misuse of billions of taxpayer dollars. High taxes, deficient public services, and endemic corruption make for a toxic brew. According to Melo, they lie at the root of middle-class fury and President Rousseff’s ignominious fall.

In summary, this volume makes a highly valuable contribution to existing literature on contemporary Brazilian political economy. It skillfully examines the context and causes of recent political, economic, and social change in Brazil; it identifies many of Brazil’s current challenges; and it helps readers to gauge Brazil’s future prospects. Its chapters are not only readable but also content-rich, analytically nuanced, and illuminating. Scholars of Brazilian, Latin American, and global political economy will find the volume enriching, and professors at the graduate and undergraduate levels will be sure to include its chapters in their syllabi.

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