

Brazilian politics

Jair Bolsonaro treads line between pragmatism and culture wars

Trade and pensions victories do not necessarily signal less ideological style, say observers



Jair Bolsonaro (third from left) has overseen two policy breakthroughs that have eluded Brazilian leaders for years © AFP

Bryan Harris and Andres Schipani in São Paulo JULY 24 2019

After a [turbulent six months](#) in power, President Jair Bolsonaro has achieved two of the biggest breakthroughs in Brazilian policymaking in years, with a new EU-Mercosur trade deal and the likely passage of pension reform in the coming months.

“The dogs bark, but the caravan passes on . . . We are changing Brazil for the better!” said Eduardo Bolsonaro, the president’s son who is also a congressman and has been tipped as Brazil’s [ambassador to Washington](#).

The question now is whether Mr Bolsonaro’s victories will mark a turning point in his embattled presidency, ushering in a more pragmatic, less ideologically driven leader.

Pragmatism would enable him to cement much-needed economic reforms at a time when Brazil faces the threat of a new recession. For many analysts, though, Mr Bolsonaro faces the same problem that has dogged his presidency since inauguration — his [antagonism](#) towards the nation’s institutions, mainly Congress and the Supreme Court. He will need to change his approach if he wants to push through the rest of his agenda, they say.

The rightwing leader’s approval rate has plunged to 33 per cent as political infighting between his sons, cabinet and Congress has worn down his popularity. Amid repeated controversies and little policy progress, the president’s political future at one point this year looked precarious.

“Bolsonaro thinks he will get elected for another term by fighting culture wars. He thinks creating a conservative cultural movement will help [his prospects],” said Eduardo Mello, a

professor of politics at the Getúlio Vargas Foundation, referring to the president's propensity to disparage gay people and leftist politicians.

"He does not have the will to champion causes that don't resonate with his base voters," he added.

Rather than culture wars, what Brazil needs, investors say, are the economic reforms being pushed by Paulo Guedes, Brazil's economic tsar. These include much-needed changes to the generous pension system, deregulation of the banking and energy sectors and a comprehensive privatisation drive.

Although the president supports his economic team's reforms, they are not close to his heart, analysts say. In fact, in his almost three decades as a congressman he voted against moves to cut pension benefits on several occasions.

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Maria do Socorro Braga, Federal University of São Carlos

Mr Guedes is also planning to overhaul Brazil's byzantine tax system, a cause being championed by Rodrigo Maia, the speaker of the Chamber of Deputies. Mr Maia has grown increasingly powerful and is in tune with the government on the need for economic reforms, but not much else. Many give Mr Guedes credit for putting pension reform on the table but say Mr Maia was responsible for its passage.

"The government had merit for making the issue a priority, but without the work of Rodrigo Maia the agenda would not have advanced," said Rebeca

Lucena, at BMJ Consultants.

Mr Maia, who hails from a political dynasty, emerged from the pension vote a congressional kingmaker, having whipped the lower house into a landslide vote in favour of the motion. "Maia came out as the most powerful man in Brasília," said Mr Mello.

This poses a challenge for Mr Bolsonaro's conservative cultural agenda. The president has battled with Congress since the start of his term. The Senate overturned a presidential decree loosening gun controls. Much to the irritation of the former army captain, who rails against homosexuality, Brazil's top court in May also criminalised homophobia.

"I do not think Bolsonaro has more political capital to pass his bills through the House, mainly because many of them focus on moral issues," said Maria do Socorro Braga, a professor of political science at the Federal University of São Carlos, referring to, for example, changes he proposes to the education system and his obsession with guns.

Others say that Mr Bolsonaro cannot claim too much credit for his recent victories given that both the trade deal and pension reform had been pursued by previous Brazilian governments — Mr Bolsonaro was simply in the right place at the right time.

The Brazilian leader himself suggested as much when he credited his predecessor, Michel Temer, for his work on the [Mercosur deal](#). He is also widely acknowledged for laying the groundwork in Congress for the pensions bill. “Pension reform was certainly not purely due to the Bolsonaro government, but it played a role no doubt,” said Sergio Fausto, the director of the Fernando Henrique Cardoso Foundation. “Brazilian society is maturing and the political conditions were right.”

The Brazilian president’s opportunity to capitalise on his victories depends to a large extent on whether the nation’s economy picks up steam and people’s livelihoods improve. Brazil is facing a [technical recession](#) in the second quarter of this year, with unemployment high and public discontent rising. Several of the country’s largest states are bankrupt. On Sunday, Mr Bolsonaro floated the idea of making it less expensive for employers to fire workers as a means to stimulate the economy.

If ratified, the EU-Mercosur trade deal could provide a boost to Brazil’s cattle and crop farmers, a demographic that forms a strong base among Mr Bolsonaro’s electorate.

But pension reform, economists warn, does not guarantee economic growth. The bill seeks to save the government \$200bn by cutting social welfare obligations, a development that would restore confidence in Brazil’s fiscal position and its broader economy. Last year, pension payments cannibalised 56 per cent of the country’s budget.

“If the economy recovers, the president can say it happened thanks to his government,” said Lourdes Sola, an analyst at consultancy MB Associados. “If it continues in its current state, he will tell the population it is the fault of Congress.”

Additional reporting by Carolina Unzelte

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