A different kind of spring

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IN AN UNPRECEDENTED CHAIN OF events, protests over a modest bus fare hike in the city of São Paulo last month swelled into Brazil's largest demonstrations in nearly two decades. Like recent events in Tahrir Square in Egypt and Taksim Square in Turkey, millions of people hit the streets of Brazil's major cities to voice their discontent with the country's political class.

Though there are many similarities between the urban movements in the Middle East and those in Brazil, there is a major difference: While what became known as the Arab Spring consists mainly of movements against government oppression, recent protests in Brazil are chiefly against corruption and government incompetence. The former type of protest usually targets the head of state and the ruling party; the latter type is more diffuse, targeting all levels of government and every major political party after years (generations?) of disregard with the quality of public services.

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It is difficult to pinpoint one single factor that triggered the recent demonstrations, but a demographic shift with major repercussions was brooding over Brazil's political landscape. In an attempt to analyze the high turnover of mayors during last year's local elections, I wrote in the November 2012 issue of *The Brazilian Economy* that

> One very plausible explanation is that several years of rapid economic expansion in Brazil have been accompanied by changes in the political sphere. To start with, economic growth in the past decade or so—and the rise in consumption it brought about—played a role in deepening a few urban problems, such as traffic congestion and pollution, which have generated dissatisfaction with local governments. More importantly, economic growth has also led to the rise of a new middle class that has higher political expectations and demands.
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> The challenge for local governments in these cities today is to respond to these rising demands for better public services. But as growth slows and revenue dwindles,

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local governments must adjust to a more challenging economic environment while juggling the new political and socioeconomic challenges. In the longer term, the message produced by the local ballots this year may be a harbinger of a more profound shift of political behavior at the national level. In other words, a middle class with higher expectations can easily become frustrated with the status quo.

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More and more the middle class is focusing on the quality of life agenda. Newly enfranchised Brazilians don't just want cell phones; they want cell phones that work well. They don't just want cars; they want cars that can ride on a street without traffic jams or potholes. In other words, governing becomes less a matter of facilitating access to goods and more an issue of improving the services that make those goods more useful. It is not only about cash transfer programs and creating jobs but also about providing better education, healthcare, and public transportation.

From a political perspective, this revolution translates into a challenge to governance. In a more unfavorable global economic environment, or at least less favorable than in the first decade of the century, leaders will have to deliver more to this new middle class, but with less.

So what is next? For starters, expect political volatility in the next few months. And recent polls suggest that the president's hyperpopularity is probably over. While President Dilma Rousseff's approval ratings have plummeted, however, it is too soon to say that someone will tap into the popular discontent and benefit politically from these demonstrations. In general, the polls show that most leaders at every level of government have suffered politically. But what has been an anti-political movement so far may be expressed as political apathy in next year's elections. In this situation the possibility of a major surprise or a dark horse candidate is definitely growing.

Until then, the risk for President Rousseff, and politicians in general, is that it will be tough to govern over the next couple of years. Although protests will probably dwindle or fragment into the fringes of the political system in the next several weeks, the environment will be tension-prone until next year's presidential election, with a reasonable chance of protests rekindling during the World Cup, which will be held less than four months before the election.

However, while Brazilians are finally coming to terms with the cost of hosting major international sporting events, in the end the government will probably pay the price of delivering beautiful and expensive stadiums and not the much-needed infrastructure to surround them. Lessons learned for the next generation of leaders: in the long run, policy options must go beyond bread and circuses.