Brazil's changing political landscape

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AS BRAZIL GETS READY for another election, presidential hopefuls are polishing their résumés and rehearsing their pledges. At this point, however, the promises are as hollow as they are hopeful. After all, as the dictum goes, candidates campaign in poetry, leaders govern in prose.

Yet, for what is expected to be one of the most competitive elections in nearly two decades, the messages from the campaign trail so far haven't been particularly lyrical. This has probably less to do with uninspiring candidates and more to do with the context: deteriorating macroeconomic conditions and growing popular discontent.

In such an environment presidential contenders are pressed to offer quick-fix solutions to Brazil's problems. But to avoid undermining their chances on the street with voters and arousing suspicion among investors, a cautious—and far from detailed—approach to campaign promises has been the norm. Vague calls for structural reforms (political and tax, to start with) and general promises to correct some policies (fiscal policy, for example) have understandably punctuated the pre-electoral landscape.

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But beneath the recent market jitters and the cries from the streets lies a more profound story that will sooner or later reshape Brazil's political landscape in a more meaningful way. While some degree of healthy skepticism is no doubt warranted, the much-talked-about growth of the middle class and Brazil's rise as an emerging power prefigure to coming structural changes in the country's demographics and global economic clout, which will have long-term consequences for the policymaking debate. Growing malaise with the quality of public services is an obvious example of the shifts in popular demand that require fresh answers from the political class.

Brazil's rise in recent years has brought growing pains. Increasing demand for energy to fuel higher levels of consumption, and production, will continue to push the limits of energy development. Vast natural resources give Brazil

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a comparative advantage in pursuing a mixed energy matrix. But regardless of whether the focus will be on renewables, hydrocarbons, or nuclear power, future energy generation will bring environmental issues closer to the center of the public agenda. "Traditional" concerns, such as pollution and deforestation, will likely compete with a new set of concerns about, for instance, water scarcity, oil spills, and perhaps fracking.

Another emerging issue in Brazil's political landscape will be migration. Years of sustained economic growth have transformed Brazil into a new land of opportunity in the Americas. But a negative externality of this influx is illegal immigration and the challenges it poses both from a security and a humanitarian perspective. In the longer term, the imperative to keep the economy growing and the need to start replacing an aging workforce will also draw more policymaker attention to immigration flows. Presently, the shortage of skilled labor is beginning to push Brasilia for creative solutions because it is already a bottleneck for investments in strategic sectors. For a country that wants to innovate, rather than just sending Brazilian students abroad it will be increasingly necessary to attract talented researchers or skilled labor from other countries as part of a broader policy initiative of "reverse brain-drain."

Brazil's greater economic clout—despite the recent souring of investor enthusiasm—is also likely to usher in new challenges that could start to reshape the country's international economic relations. As burgeoning middle classes demand more from the government, leaders will have to prioritize policy options in order to generate enough efficiency to meet expectations. The widespread desire for better and cheaper goods and services, therefore, will create incentives for a more liberal foreign trade agenda. Pressure in the same direction will probably come from some Brazilian companies that have become major sources of investment abroad in recent years as they start to see the other side of the coin—in terms not only of free trade deals but also of measures to protect investments and intellectual property.

Although most of these issues have already debuted in Brazil's public debate, mainstream political parties and leaders haven't yet given them their full attention, let alone attempted to assimilate them into actual policy proposals. While many of these challenges may still be incipient—and therefore less of a threat to political survival—they clearly imply that Brazil's rise was not an end in itself. It was the beginning of a new cycle that ultimately may very well reshape the country's political landscape.

Unfortunately, these issues haven't yet inspired presidential campaigners to address them. Hopefully that will change in coming months. ■

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