

## Can't We All Get Along in Brazil? Otherwise We Will All Sink Together

Written by Fernando Henrique Cardoso  
Tuesday, 03 September 2013 15:34

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It does not take a lot of imagination, and you won't need to get into details, in order to realize that we are experiencing a difficult phase in Brazil. Let's start, however, by the international situation.

The events open increasing spaces for the emergence of important regional influences. Even the mess in the Middle East, from which the United States come out with less and less influence in the region, increases the Gulf monarchies' capacity for action.

They have money and want to preserve their authoritarianism, the same going for Iran, which makes a counterpoint. The struggle between Wahhabis, Shias and Sunnis is behind almost everything. And Turkey, on the other hand, finds gaps to dispute hegemonies.

Meanwhile, we keep losing spaces of influence in South America. Our diplomacy, paralyzed by the undeniable fondness of the "Lulopetismo" for the "Bolivarianism," zigzags and stumbles. Now we give in to illegitimate pressures such as the recent one from Bolivia, which wouldn't give a safe passage to someone who asked asylum in our embassy.

Sometimes we are the ones putting undue pressure, as in the case of Paraguay's withdrawal from Mercosur and Venezuela's entry. At the same time, we pretend not to see that the "Pacific Rim" is a counterweight to the Brazilian inaction. Diplomacy and government without a clear will for regional power, stunned officials and fiascos everywhere - this is the balance.

What about the energy issue? The plants expansion is delayed and there's no real support from the private sector, except for building them. Electricity companies are broken, thanks to regulations, which even when necessary are done haphazardly and without looking at the long-term interests of investors and consumers.

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Petrobras, now in the hands of someone more competent, has very little credit available to invest and has little money due to the low price of gasoline. What was loudly proclaimed by president Lula, the self-sufficiency in oil, vanished with the increase in the deficit of gasoline imports. Now, with the American revolution of the shale gas, who knows where it will stop the equilibrium price of oil to be extracted from the pre-salt?

As for the issue of infrastructure, after a decade of delay in the submission of tenders for roads and airports, besides some botched attempts, the government became inventive: now privatizations are made, disguised under the name of concessions, with the government offering cheap credit to interested private companies. Money, it should be said, from the National Bank of Economic and Social Development (BNDES) - with interest subsidized by the taxpayer - and, moreover, the government offers to use private banks for the undertaking.

Who knows what kind of benefits they have to be offered in order to get into the PAC's (Growth Acceleration Program) rhythm, ie, slow and poorly done. These are all unheard of: concessions receiving pecuniary benefits yielding nothing to the government, like the railroads whose builders received cash allowances per mile built. There is only a place where this could happen: Gabriel García Márquez's surrealist Macondo. I hope that, here, the solitude of executive disability and financial mismanagement will not last one hundred years...

If we turn to macroeconomic management, the back and forth is no different. The industry, they used to say, does not export because the exchange rate is unfavorable. Now we had a megadevaluation of over 25%. If we don't do anything to reduce the structural weaknesses and inefficiencies of the Brazilian economy, and if the government does not have the courage to prevent that the devaluation become inflation, the new level of the nominal exchange rate will be of little help to the industry.

Before, the pro-government crowd used to boast about low interest ("Ah, these tucanos - toucans, PSDB party politicians - always hand in hand with high interest rates!" They used to say). Suddenly, it's the PT (Workers Party) administration that leads the new onslaught of interest. And they won't learn that it is not the will of the ruler that dictates the rules on interest, but many conflicting wills battling it out in the market. They can't look at their own navel.

I'm tired of writing about these and other evils. Every day the media reminds us of the deficiencies in providing services in the areas of education, health and safety. Let's not even talk about the follies about political party's life. Just look at the last one, keeping a congressman

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in the House who has been sentenced by the Supreme and is already in jail!

Nevertheless, given the extent of the breakdowns, it seems inevitable to recognize that the central issue is leadership. I say this not to accuse a person (it's always easier to blame the president or the government) or any party specifically, although it is possible to identify responsibilities.

It is fair to recognize, however, that the mismatch, the knocking of heads within and between the parties, leads more to uproar than to the creation of paths. This brings a naive question: can't you utter a collective mea culpa while keeping our political and even ideological differences, realizing that when the ship sinks we all go down together, government and opposition, employers and employees, those who are at the helm and those who are at the stern?

It takes greatness to put people's and the country's long-term interests above the disagreements and to agree on some reforms (a few, not many, just partial, not global) capable of creating a better horizon, starting with the one dealing with parties and election since the ukase presidential failed in this matter, as expected.

If those who lead the government have neither vision nor the necessary strength to talk to and in the name of the country, at least the opposition starting now should cease the infighting and bridge the differences between parties. Only thus, forming a reliable block with a strategic vision and able to follow practical paths, we will build a more prosperous, decent and equitable society.

Fernando Henrique Cardoso was the president of Brazil from January 1, 1995 to December 31, 2002. This article appeared in O Estado de S. Paulo.