The Aftermath of President Bolsonaro's Visit to Washington and Prospects for Economic Reform

President Jair Bolsonaro wrapped up his first official visit to Washington as president yesterday, as his government looks to fulfill its promise of strengthening relations with the United States. Yet one of the most promising areas of bilateral dialogue—economic and commercial relations, including greater U.S. investment in Brazil—will depend heavily on the new government's capacity to deliver much-needed reforms at home, particularly the approval of meaningful pension reform in the Brazilian National Congress. Moreover, despite the show of friendship between President Bolsonaro and President Trump in the White House Rose Garden, substantial distance remains between the two countries on key issues, including China and Venezuela.

The day after President Bolsonaro's visit to Washington, experts examined prospects for the Brazilian economy, the current political environment, and Brazil-U.S. relations, three months into the new administration's tenure.

AGENDA

Panel I: The View from the IMF: Boom, Bust, and the Road to Recovery in Brazil

Antonio Spilimbergo, Assistant Director, Western Hemisphere Department at the IMF and Mission Chief for Brazil; **Krishna Srinivasan**, Deputy Director, Western Hemisphere Department at the IMF; and **Anna Prusa**, Associate, Brazil Institute (moderator)

Panel II: Assessment of President Bolsonaro's Visit to Washington and the Political Environment Back Home

Roberto Simon, Senior Director of Policy, Council of the Americas; **Nicholas Zimmerman**, Consultant, Macro Advisory Partners; **Thiago de Aragão**, Partner and Director of Intelligence, Arko Advice; **Mauricio Moura**, Founder and CEO, IDEIA Big Data; and **Paulo Sotero**, Director, Brazil Institute (moderator)

Written by Nicholas Burns, Taina Machado, and Livia Milani | Edited by Anna Prusa and Lara Picanço
Brazil Institute | Woodrow Wilson Center

Panel I: The View from the IMF
Boom, Bust, and the Road to Recovery in Brazil

Anna Prusa, Associate at the Brazil Institute, opened the event by noting that the presidents of Brazil and the United States had raised expectations for bilateral relations, and reminded attendees that the purpose of the event was, in part, to discuss whether these expectations could be met. Prusa argued that while Presidents Trump and Bolsonaro are perhaps unusually aligned in personality and ideology, many areas of proposed cooperation—from the new Energy Forum to the renewal of the CEO Forum, and U.S. support for Brazilian accession to the OECD—depend on Brazil's ability to address domestic issues, including pension reform and slow economic growth.

Antonio Spilimbergo, IMF Senior Economist and Mission Chief for Brazil, then introduced the recently-released book *Brazil: Boom, Bust, and Road to Recovery*, which he edited with IMF Senior Economist Krishna Srinivasan. Spilimbergo noted that the book omits two conspicuous topics: 1.) monetary issues and the exchange rate, and 2.) the balance of payments. Spilimbergo suggested it was a sign of the times that the book does not focus on Brazil's current account and instead has three chapters on governance and corruption, which were not considered major topics in economic circles ten years ago.

Spilimbergo, Antonio and Krishna Srinivasan. *Brazil: Boom, Bust and the Road to Recovery*. Washington, DC: IMF, 2019.

Spilimbergo began by providing historical context for the Brazilian economy's current state. Brazilian growth in the last three decades has consistently underperformed other emerging markets, averaging just 2.6 percent growth since the 1980s. He argued this is more a structural issue than a business cycle issue. Despite reforms in the 1990s, including currency reform, fiscal responsibility, and inflation targeting; as well as some financial reforms and privatizations, Brazil's economy did not grow as much as was hoped. Brazil's poverty reduction was impressive, however, at a time when poverty was increasing in much of the rest of Latin America.

Spilimbergo attributed this poor economic growth to low labor productivity growth, which averaged less than 1 percent per year, despite the fact that Brazil was benefiting from a demographic dividend. The unsustainable fiscal situation is a further drag on growth, as fiscal uncertainty leads to higher interest rates and less investment in the medium term. He pointed out that Brazilian debt is not only higher than other emerging markets, but that the gap is increasing.

Spilimbergo also highlighted the difficulty posed by mandatory public spending in Brazil. Almost 100 percent of public spending is constitutionally earmarked for one purpose or another, leaving very little room for budgetary flexibility and discretionary spending (such as public investment). Moreover, this structure makes making fiscal reform a legal and constitutional issue, requiring a two-thirds majority in the Brazilian National Congress.

While discussing public expenditures, Spilimbergo emphasized that pension spending as a share of GDP is much higher in Brazil than in other countries, and much higher than Brazil's demographic profile would suggest. Public sector wages are also high compared to similar countries. Brazil adopted a public spending cap in December 2016, but for Brazil

Left-right: Anna Prusa, Krishna Srinivasan, and Antonio Spilimbergo

to remain below the cap will require serious fiscal reform. If the pension reform is ambitious enough, it will be sufficient in the short term, but not sufficient keep Brazil below the spending cap in the long run or achieve fiscal consolidation—an issue that Spilimbergo cautioned has not yet entered political debate in Brazil.

At the same time, Brazil has low levels of public investment. Whereas other countries in the region spend generously on public investment and have low wage bills, Brazil has the opposite situation. As a result, it is critical to attract private sector investment, as the government is currently constrained by the fiscal situation.

Krishna Srinivasan's presentation focused on structural obstacles to economic growth in Brazil beyond the fiscal situation. He noted that infrastructure quality remains significantly lower in Brazil than in its export rivals. Although Brazil relies heavily on road transportation, for example, the quality of its roads is quite low, negatively affecting Brazil's competitiveness. This problem relates to the fiscal challenge, since roads must be built either by the government (which does not have resources to spare) or by private investment (which faces its own obstacles to investment, leading to lower rates than found in much of the region). Greater private sector involvement will be essential to boost growth looking forward.

Another challenge is in the financial sector. Despite Brazil's size, the banking sector is highly concentrated: 45 percent of the sector is government-controlled and only 15 percent is comprised of foreign banks. Moreover, the banking sector is distorted, with much of the credit earmarked, lowering the amount of credit available for free enterprise and increasing the rate at which it is available. As a result, Srinivasan argued that reforming the banking sector is another important task to secure growth.

Srinivasan also pointed out that Brazil's economy ranks rock-bottom in terms of openness, especially with regards to import duties and non-tariff barriers, such as anti-dumping duties and local content requirements. This means Brazil did not benefit from the boom in global trade. However, Srinivasan recognized that reducing trade barriers will create winners and losers, regionally and across sectors, and the government will need to address the negative impact—yet he argued that greater openness will benefit the Brazilian economy overall.

Finally, Srinivasan addressed the "ease of doing business" issue. Brazil's tax regime is complicated, and its simplification could help attract investors. It is also difficult to enforce contracts in the country, which increases the cost of credit; judicial and enforcement reforms could help fix this problem.

Srinivasan also raised the issue of corruption as an impediment to investment and growth: although Brazil's overall level of corruption is not particularly high compared to other emerging markets, it is higher than its level of development would imply.

Srinivasan concluded by arguing that despite the country's sluggish growth, Brazil could return to high, durable, and inclusive growth through action along the five or six equally important areas that he and Spilimbergo had outlined. Partnership across all stakeholders is equally vital. Judging by the fact that banking sector reform is both estimated to increase total factor productivity (TFP) by a significant margin, and receive considerable popular support, Srinivasan argued this was a good place to start. Labor market reform, on the other hand, also promises to grow TFP, but is much less popular.

Panel I Q&A Session

Q: What role do public enterprises, especially Brazil's development bank (BNDES), have to play in economic reform?

Srinivasan argued that BNDES needs to be fixed, and noted that the government has conceived some reforms to try to make it more laissez-faire. He expressed cautious optimism on the government's plans regarding measures like pension reform, privatization, and opening the economy, which should yield dividends in the long run.

Spilimbergo agreed that the distortion caused by public banks is well known, and expressed hope that the new government will put together an agenda to address this issue.

Q: What is your opinion on the Boeing–Embraer merger and the new government's move towards privatization? Will this help jump-start the economy?

Spilimbergo answered that the IMF does not take a position on particular industrial decisions, but in general, the organization is skeptical of the government's ability to make industrial policy.

Q: How can these reforms be made inclusive—by region, class, and sector—and how does that relate to making them politically palatable?

Spilimbergo stressed that inclusivity and fair income distribution are key issues for the medium term. He emphasized that the current pension system actually worsens the income distribution in Brazil, and argued that, if done judiciously, pension reform should help reduce income inequality in Brazil.

However, he noted that other reforms could present issues with regards to income distribution. Trade, as Srinivasan pointed out in his remarks, can have a large effect on income distribution, especially if there is not enough labor flexibility within regions, so that people displaced from their jobs can find another. Spilimbergo pointed out that this is why their book has a chapter advocating for active labor market policy in conjunction with trade liberalization. It is unwise to move forward with trade liberalization without thinking of the implications, because it could cause negative social effects that would eventually lead to a backlash.

Srinivasan emphasized the great strides Brazil has made in combating poverty, and stressed that the IMF would like them to build on this progress through creating conditions for sustainable economic growth.

Prusa noted that one of the big issues facing Brazil is how to achieve strong and durable growth that can lift people out of poverty.

Q: One notable thing about Brazil is that the best and brightest of the country gravitate towards the public sector, opting for lucrative judgeships and early retirement. What is the impact of that on the productivity of the country, and if Brazil is to open to trade, how can the private sector attract better minds?

Srinivasan offered his own country, India, as a good example. Shortly after the Indian economy opened in the 1990s, people began to move from government to private-sector jobs. He contended that the shift happens naturally following reform.

Q: Are there reforms underway that will address the structural problems that require legal and constitutional solutions?

Spilimbergo noted that these problems have been understood for some time, and the current Minister of Finance, Paulo Guedes, wants to put them on the table. However, there is a need for consensus-building because constitutional reform is necessary. He deferred to the next panel [on the political environment] for a prediction on what will happen.

Q: You highlighted banking sector reform as one relatively "low-hanging fruit": what else should the government tackle?

Srinivasan argued that opening up the economy, especially for trade, could be an important reform. Trade alone will not increase TFP much, but trade liberalization along with, say, financial sector reform could have a large impact on productivity. Financial reform can also help with the impacts of trade liberalization.

Panel II: Assessment of President Bolsonaro's Visit to Washington and the Political Environment Back Home

Paulo Sotero, Director of the Brazil Institute, opened the second panel by noting that Bolsonaro's visit to Washington had been an overall win for both governments, although there are legitimate questions about whether the visit will lead to substantive strengthening of the relationship. Sotero noted that the Boeing-Embraer merger, one of the most consequential Brazil-U.S. agreements in the last few decades, was the product of private sector dialogue with minimal government involvement. However, it remains unclear whether this agreement is part of a new, stronger bilateral relationship or an isolated event. Sotero then opened the floor to the four panelists, asking them to provide their impressions of the outcomes of the meeting as well as expectations for Brazil-U.S. relations moving forward.

Thiago de Aragão, Director of Strategy at Arko Advice, was optimistic about President Jair Bolsonaro's visit, stating that regardless of one's political position, most would agree that the results were "productive and reasonably good." He observed that there are several layers to a presidential trip, including its important symbolism. The two leaders share a similar political approach and perspective, which sends a strong message to the rest of the world. Aragão argued that for Trump, domestically, this meeting was necessary to "demonstrate that somehow his ideas and modus operandi is gaining traction outside the United States....He is not alone in this type of behavior and perception of the world."

Aragão stressed that Brazil and the United States both gained: there were no freebies. One major gain for the United States, for example, was Brazil's agreement to eliminate tariffs on the importation of U.S. wheat. And Brazil, for example, gained assurances of U.S. support for its ascension to the OECD, which has the power to shift the way investors look at Brazil.

Aragão also argued that the presidential visit sent a message to China, that Brazil has other potential partners and China must tread carefully—especially in sectors like telecommunications, infrastructure, the banking system, and other industries that China is interested in. In this respect, Aragão viewed the visit as a silent victory for Trump.

Left-right: Paulo Sotero, Nick Zimmerman, Roberto Simon, Mauricio Moura, and Tiago de Aragão.

Roberto Simon, Senior Director for Policy at Americas Society and Council of the Americas, suggested a different approach to analyzing presidential meetings like that of Bolsonaro and Trump: looking at a visit as a framework, as opposed to a checklist, in order to focus on the trajectory and sustainability of the relationship moving forward. Simon argued that Brazilian government's situation is extremely challenging at present. The narrative in the Brazilian media is that Brazil made too many concessions during the visit, but Simon maintained that this remains to be seen. "If the Paulo Guedes agenda does not take off pretty soon, what was discussed here will not deserve a line in future history books."

However, Simon expressed concern over the Brazilian government's partisan approach to the visit and to the bilateral relationship itself: "When you have the son of the president wearing the hat 'Trump 2020,' when you have the president of Brazil at the White House saying he is confident that Trump will get reelected, you are taking sides." Simon considered this approach a key mistake, noting that the 2020 election results in the United States could have a significant impact on Bolsonaro and Brazil's foreign policy agenda.

Regarding China, Simon argued that despite the rhetoric, China will undoubtedly play a significant role in infrastructure investments, privatization, fresh capital, and trade in Brazil. He also noted that a China-U.S. trade deal could prove detrimental to Brazil's exports to China.

Nick Zimmerman, a consultant at Marco Advisory Partners, admitted that the visit had a high degree of "geopolitical symbolism." He also expressed concern about the politicized nature of the visit, as traditionally Brazil has avoided taking sides, in favor of a more autonomous, multilateral approach. Zimmerman stressed that this new posture does not serve anyone's long-term interests.

Zimmerman argued that the defense and security relationship is likely to improve following the visit, as both sides are creating infrastructure for a level of cooperation beyond what previously existed.

He also addressed the issue of concessions, saying that "It is not about who gave more or less, it is about what is being done structurally and institutionally between these two countries in advancing mutual interests," as well as to advance their own interests. Given the short amount of time to prepare the trip, both countries accomplished a great deal. He expressed some skepticism that the relationship will be more meaningful this time around, but agreed that a framework is being implemented that could lead to deeper cooperation.

Mauricio Moura, CEO and Founder of IDEIA Big Data, focused on the repercussions of Bolsonaro's visit within the context of Brazilian public opinion. He explained that foreign policy is not typically a topic of concern among Brazilians, although they do care about visa requirements for travel to the United States. A public opinion conducted two weeks before Bolsonaro's visit found that 82 percent of Brazilians believed that a tourist visa waiver on travel to the United States would represent a real foreign policy win for Brazil; and 76 percent agreed that Bolsonaro should waive tourist visas for Americans as well. After Bolsonaro's visit, Google trends indicated that millions of Brazilians wanted to know if there would be reciprocity for the visa waiver granted by President Bolsonaro to Americans. Moura suggested that it will not play well for the president once the public finds out that the visa waiver was a one-way street.

According to Moura, the big question is Bolsonaro's more recent approval ratings. A recent survey measuring the public's evaluation of the president showed that 34 percent of respondents found the president's performance to be "very good" or "good." This number compares poorly to past presidents at the same point in their mandates: Cardoso polled 41 percent; Lula at 51 percent; and Dilma at 56 percent. More strikingly, Bolsonaro was polling at 45 percent when he took office in January and has fallen 15 points in only two months. He has retained strong support among high-income Brazilians (largely men in the south and southeast of Brazil), while losing some of the support he originally had among lower income residents of big cities.

After their initial remarks, the panelists debated key themes that had emerged and addressed several overlooked issues.

Aragão seconded Simon's idea of viewing the visit as a framework, noting that both countries seek ambitious tasks that will outlive the first term of both presidents. He reiterated Zimmerman's point that the Bolsonaro administration may face real difficulties in the bilateral relations if Trump is not reelected. A bilateral relationship is meant to be between two countries, and Brazil should not solely depend on the good relationship between two presidents.

Simon raised the issue of the crisis in Venezuela, which had not yet been addressed by the panel. He noted that, when asked about the possibility of military intervention in Venezuela, Bolsonaro replied that he would not expose his strategy (and thus loose the element of surprise). Some interpreted this statement as Bolsonaro allowing Trump to more overtly threaten Venezuela militarily, while others suggested he was simply "being nice" to Trump. Simon acknowledged that in reality, both countries' militaries are concerned about the situation in Venezuela. However, the more radical elements within the Brazilian government have been pushed aside, and Vice President Hamilton Mourão and other generals have been tasked with establishing direct channels with Maduro's military to negotiate an end to the crisis.

Moura noted that a survey conducted last month in Venezuela found that more than 80 percent of Venezuelans are against U.S. intervention, even those who support National Assembly leader Juan Guaidó's being declared interim president. Even though many support Guaidó, 52 percent of Venezuelans still view Maduro as the president.

Sotero argued that, even though President Bolsonaro left things vague at the White House, his position is not at all vague in Brazil. Military intervention in Venezuela with Brazilian participation is not on the table. Vice President Hamilton Mourão has stated publicly that an intervention would only complicate the situation, and the goal is to help the Venezuelan people resolve the crisis as peacefully as possible.

Aragão added that there are at least two thousand Russian soldiers in Venezuela and he does not see a situation in which U.S. and Russian soldiers will end up stationed within the same territory. He also explained that at least 70 percent of the military remains loyal to Maduro, making foreign military intervention essentially impossible.

Zimmerman argued U.S. troops in Colombia are a rather transparent scare tactic, as the United States has all but admitted that military intervention is not on the table. Thus Washington has no issue with Brazil's hesitancy to intervene in Venezuela, as it has no real plans to take military action.

On the question of China, Zimmerman added that, even though there seems to be a symbolic re-anchoring of Brazil's politics in the US direction, Paulo Guedes recently gave an interview in which he suggested Brazil-China relations would not be abandoned. Zimmerman stated that Bolsonaro's comments on China in the Rose Garden were very discreet and noted that the Brazilian president mentioned that he would be visiting China later in the year.

Left-right: Paulo Sotero, Nick Zimmerman, Roberto Simon, and Mauricio Moura.

Panel II Q&A Session

Q: There has been a sense of benign neglect in the Brazil-U.S. relationship for some time. Now there is a sense of optimism. Will Brazil open up and will the relationship become stronger? And how does U.S. support for Brazil's entry into the OECD affect this?

Aragão stated that key decision-makers and the intelligentsia in Brazil have always paid lip-service to greater openness and and diminishing the size of the state, but their actions are usually in the opposite direction. He pointed to the IMF's comments on the concentration in the banking industry, and how the government deters investment in infrastructure through its own unwillingness to invest and bureaucratic obstacles. He argued that "for you to open, you have to clean; and for you to clean, you have to throw things out; but our administration has become an accumulator."

Moura argued that greater openness would have popular support if people are able to see the results on a daily basis. However, politicians have not even attempted to make the case to the public. He also noted that Brazilian voters do not reward their presidents for good relations with the United States. For example, Barack Obama was widely liked in Brazil, but Dilma Rousseff's popularity rose when she refused to visit the United States after the NSA spying scandal.

Simon characterized the bilateral relationship to date as a series of missed opportunities, noting that there were high expectations for Rousseff and Obama, until Brazil discovered from the Snowden leak that the United States was spying on Rousseff. There was optimism for Obama and Lula, until the disagreement over Iran and the coup in Honduras derailed relations; and before that, for Bill Clinton and Fernando Henrique Cardoso, until Plan Colombia. Simon noted that this cycle dates back decades: In the 1970s, President Nixon wanted to work with President Médici to fight communism in the region, but four years later Geisel came to power in Brazil and shifted policy away from the United States. He contended that these cycles of positive engagement tend to last for two to five years until an external shock or changing preferences within Brazil shift the balance back to the norm. This time there is the possibility of structural change—a treaty that allows for increased intelligence sharing, the Alcântara agreement—but history is not on Bolsonaro's side at this moment.

Zimmerman argued that the relationship matters domestically largely in terms of the results it delivers on the ground. He contended that it is important to create institutional connections, rather than basing the relationship solely on the charismatic affinity between leaders, so that it endures. Each presidential visit is an opportunity to build these connections. However, he cautioned that a good outcome would be to achieve some progress in a few sectors—and that this moment is likely to be another missed opportunity.

Q: There was discussion prior to the visit that the administration would be amenable to a Brazilian effort to deregulate commodity production, relax deforestation protection, and make mining on indigenous land more flexible—but it seems this was not touched on or reported. Why not?

Sotero pointed out that in their joint communiqué, the two leaders "welcomed the creation of a $100 million Biodiversity Impact Investment Fund that will catalyze sustainable investment in the Amazon region," although we know little about what this will mean from a practical, implementation perspective.

Zimmerman noted that he was unaware of any conversation on this topic. As part of the Obama administration, his focus in the lead up to Dilma's 2015 official working visit to Washington was building consensus on climate change. The Obama administration saw the visit an opportunity to develop a new kind of strategic partnership, and the project received its own joint statement, as well as being included in the larger joint statement. He stressed that these shifts demonstrate the importance of political elections to foreign policy.

Moura underscored that among communities in affected areas (e.g., the Amazon and Pará), there is significant concern regarding the Bolsonaro administration's policies. He lost in these regions during the election, especially in cities close to the rainforest. However, this is a very localized issue for Brazilians.

Aragão states that every bilateral meeting with a Brazilian president, regardless of the other country involved, includes the rainforest somewhere on the agenda. However, for it to go further than a mere mention, both sides must be genuinely interested in the issue.

Q: Do you think Trump's support for Brazil's OECD membership will put them at odds with Argentina's concurrent accession process? In return for U.S. OECD support, Bolsonaro said Brazil would no longer seek special and preferential treatment in WTO negotiations: is this a good trade for Brazil?

Simon noted that there is a difference between supporting a country's accession to the OECD, and really advocating for that country. Although there is a good rapport between Argentine President Mauricio Macri and Trump, Argentina is headed into a difficult election process. Moreover, the country's economic troubles weakens its bid to enter OECD. He argued that Brazil's accession to the OECD only makes sense if Paulo Guedes's economic agenda takes off. Simon also contended that Bolsonaro might have done better to stick with tradition and visit Argentina first, given that the future of Brazilian trade policy runs through Mercosur.

Q: How will the optics of the visit translate to the working level, or to the legislatures? How will the U.S. Congress respond to Bolsonaro's partisan signals?

Zimmerman emphasized his discomfort, as a Democrat, with the partisan nature of the visit, including Bolsonaro's assertion on the possible results of the 2020 election campaign. However, he also stressed that much of what is being pursued is in the U.S. interest. If Brazil pursues macroeconomic reform and joins the OECD, the Democratic caucus will largely recognize that this is a good thing for the United States, although there will still be criticism on the margins (as evidenced by Congresswoman Ilhan Omar's tweet criticizing Bolsonaro on human rights). He noted that there is room for more oversight from U.S. Democrats, depending on what

Bolsonaro does, but there is limited leverage unless Brazil-U.S. economic ties strengthen.

Zimmerman also called the WTO announcement "a smart hedge" for the United States. If Guedes moves forward with economic reforms, it will stimulate U.S. investment and the Brazilian economy in general; and without economic reforms, Brazil will not gain entrance to the OECD. On the Brazilian side, the decision makes Bolsonaro appear serious about reform, which should help give him some breathing room.

Aragão agreed with Zimmerman but noted that the risk lies in the follow-up. Brazil will be entirely focused on approving pension reform before the end of this year, and as soon as the delegation lands in Brasília, domestic concerns will take over once again. Unless dialogue with European OECD members is prioritized, accession will not happen.

Q: In a highly polarized political environment like Brazil's, it seems highly unlikely there will be buy-in from all the major stakeholders for major macroeconomic, structural, and political reform, as the first panel recommended. Can you comment on that?

Moura contended that the IMF makes the same recommendations for every country. The difference between Trump and Bolsonaro is that Trump has a solid voter base on economic issues, whereas Bolsonaro does not. The legislators who support Bolsonaro were elected to improve public security and fight crime, not to pass pension reform. Bolsonaro will have to communicate outside his core base and build a coalition in Congress, which he does not yet have. Right now, 40 percent of Brazilians think Congress will approve some type of pension reform. Moura states that when pollsters ask whether people support the reform, they do not answer because they do not know what is being proposed. However, Brazilians tend to support pension reform when it is framed in terms of ending privilege in public and judicial jobs.

Q: Why meet with Steve Bannon and Olavo de Carvalho? Does Bolsonaro have an interest in agreements with other nations ruled by what they call the "New Right?"

Sotero remarked that this is an example of Bolsonaro and people close to him communicating to their base.

Simon stated that foreign policy is one area, along with the environment and education, where the "true believers" have strong control or are fighting for it. The Foreign Minister, Ernesto Araújo, is personally close to Olavo de Carvalho and wrote that Trump was the "Hail Mary pass of Western civilization" (which was one reason he was picked for the post). Bolsonaro's son Eduardo, also close to Olavo de Carvalho, also wants to have a say in foreign policy. Simon contented that foreign policy is an efficient way for Bolsonaro to mobilize his base. However, the military—which tends to be more pragmatic than ideological—is also fighting for influence over Brazil's foreign policy.

Simon agree with Moura that Bolsonaro does not have the equivalent of a Republican Party standing behind him. The meetings with Bannon and Carvalho may be very useful in terms of playing to his base, but might prove a distraction when it comes to pushing forward policy.

Wilson Center

One Woodrow Wilson Plaza
1300 Pennsylvania Avenue, N.W.
Washington, DC 20004-3027

www.wilsoncenter.org/program/brazil-institute
brazil@wilsoncenter.org
facebook.com/brazilinstitute
@brazilinst
202.691.4147