



Written by [Bob Adelman](#) on April 19, 2016

Brazil's Lower House Votes to Impeach President Rousseff; Little Likely to Change

Shouts of “Anybody but Dilma” resonated in Brazil’s lower house on Sunday as that body voted 367-137 to impeach President Dilma Rousseff (shown). After the dust settles, that is very likely what they are going to get: a change in name only. The corruption and anti-capitalist policies will remain.



Rousseff promised to fight impeachment every step of the way:

While I am very saddened by this, I have the force, the spirit and the courage to fight this whole process to the end.

This is just the beginning of the battle, which will be long and drawn out.

Instead, odds are increasing that her departure will be noisy and swift, with her presidency appearing as just a footnote in Brazil’s long and continuing history of political corruption and economic insanity.

Too many things are working against her, many of them self-inflicted. Under her predecessor, Brazil’s economy rode the commodity boom (the country’s primary exports are soybeans, iron ore, and sugar) to the point where Brazil was touted as one of the BRIC countries likely to overtake the West’s developed nations within a decade.

But once in power, Rousseff put in place various interventionist strategies that turned 10-percent annual GDP growth into four-percent annual GDP shrinkage. Government spending currently absorbs more than 40 percent of the country’s economic output, while revenues collected by government are 35 percent of economic output. That leaves the country with a deficit (as a percent of GDP) that’s larger than that of any other nation in the world.

And that deficit has forced all three credit rating agencies to reduce Brazil’s sovereign debt of \$1 trillion to junk.

With inflation running at 10 percent and unemployment in double digits, the average annual household income has dropped from \$13,000 to just \$8,000 under Rousseff’s administration.

Part of the problem — perhaps the main part — is the welfare state fastened onto the hapless and increasingly restless citizens. State workers retire at age 54 for men and 52 for women, at 90 percent of their final salary. Various infrastructure projects, including building out the facilities for the upcoming summer Olympics in Rio de Janeiro, are increasingly likely to have no positive net return but instead will simply be more wasted “investments” by a government trying to fix problems it itself has created.

The lower house voted to impeach Rousseff over charges that she manipulated the financial condition of the country, with the help of state bank loans, to help herself get reelected in 2012. But her position as head of Petrobras when extensive pay-to-play schemes were operating — and her insistent denials that she knew anything about them — have led to Brazilians no longer trust her for answers and solutions.



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When the Senate meets later this week, it will take only a majority to agree to put her on trial. That will automatically remove her from the office of president, which will be occupied by another corruptocrat, her vice-president, Michel Temer. Temer will have lots of company: The speaker of the lower house and the majority leader in the upper house are both under investigation in the Operation Car Wash scandal, along with nearly half of the lower house. In fact, public polls show that more than half of Brazilians think Temer ought to be impeached for his various crimes, along with Rousseff.

The impending departure of Rousseff has had one apparent positive: The Bovespa index of Brazilian stocks has skyrocketed by nearly 50 percent since late January on expectations that the change will be good. Those expectations that anything substantial will change for the better will shortly be dashed on the rocks of reality. Temer's party enjoys scant public support, and Rousseff's hard-left Worker's Party will work to stymie anything that smacks of common sense. Any efforts to pare back Rousseff's welfare state, including cutting pension benefits or other social spending, will be opposed by labor unions, left-leaning political activists, and, of course, by those Brazilians already dependent upon government largesse.

An editorial in the *O. Estado de S. Paulo* newspaper explained that "Dilma will be removed from the presidency because her arrogant and inept administration resulted in inflation, which eats the earnings of the poor, and in recession that steals jobs from heads-of-households and the young alike."

In the absence of any statesman who doesn't have his hand in the government till, there is little likelihood that electing or promoting new politicians, who will be as polluted as Rousseff or Temer, will improve anything in Brazil.

Statesmen who know that, when it comes to government, less is always better than more, are a class distinctly missing in South America's largest country.

Photo of Dilma Rousseff: [Rede Brasil Atual](#)

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