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Brazil: The Troubled Rise of a Global Power by Michael Reid

Chapter 13: An Unreformed Leviathan

In 2013 there were protests in the streets of Brazil about the increased price of public transportation. This rage flowed over into the country's lacking public services that Dilma wanted to reform, but did not try hard for (Reid, 263). As matters got worse Dilma promised to spend more money on public transportation and education. She also decided to import doctors for lacking areas in Brazil (Reid, 265). Brazil spent way too much of its GDP on things that would not aid in the country's productivity at that specific time, like infrastructure. Also, its public services were still not up to par with first class countries.

On top of things, Brazil's intervention in income distribution was making inequality among its people worse (Reid, 270). Transfer payments are the big issue. After tax collection by the federal government, transfers are made to the states. In this process the federal government gains a whopping fifty-eight percent of these revenues (Reid, 272). After spending on things like debt, there is unfortunately and unfairly little left for public spending. A reduction in spending needs to be done on government machinery (Reid, 272). Pension spending also needs to be reduced, especially because the birth rate in Brazil has dramatically decreased, leaving the country with a bigger group to pay than there is paying in (Reid, 272). The constitution on pensions is very lenient and willing to pay, making this an imminent problem that Brazil must soon face. Brazil spends more money on its old people than on its young community (Reid, 274). Brazil needs to spend more on education and healthcare, and in doing so, more efficiently. Public money also gets stolen by political corruption, more commonly in local government, which is why it is rarely publicized in the country (Reid, 275). On the bright side, there were many

reforms made that battled corruption (Reid, 277). Brazil let fear of corruption hinder its acceptance of public contracts (Reid, 278).