Chapter 2
The New Brazilian Right: Radical and Shameless

Years before Jair Bolsonaro rose to power, a new right-wing activism began to occupy Brazil's social media and streets, astonishing political analysts who were used to associating social movements and demonstrations with left-wing groups alone. Some said that despite these activists' use of new techniques, the ideas they defended were basically the same as those of Brazil's traditional right, neoliberalism[1] and conservatism,[2] and therefore, no such "new right" existed. However, while there are certainly continuities with the right that has been active

[1] Neoliberalism is understood here as a group of social, political, and economic ideas and practices that emerged in an attempt to rehabilitate the old laissez-faire policies that sharply declined after the 1929 crisis. The use of the prefix *neo* is significant and signals an important change in relation to nineteenth-century laissez-faire policies (Boas & Gans-Morse, 2009; Jackson, 2010). Unlike laissez-faire economic liberalism, neoliberalism defends the State's active participation in free market promotion. That is, those who adhere to laissez-faire believe the State should have no role in the economy, while the neoliberal stance is that the State should actively regulate in order to create a judicial-legal apparatus that stimulates the good functioning of the free market (Morresi, 2008; Dardot & Laval, 2014). It is possible to say that in recent decades, neoliberalism gained such importance that it became, in the words of Pierre Dardot and Christian Laval (2014), the new way of the world, laying the ground for progressive neoliberals such as Bill Clinton and Tony Blair (Fraser, 2017) and conservative neoliberals such as Ronald Reagan and Margaret Thatcher. In light of the argument developed in this chapter, it is important to demarcate the differences between neoliberalism and more radical political strains that call for a free market, the latter of which had significant influence on the development of Brazil's new right. While economists Milton Friedman and Friedrich Von Hayek can be classified as neoliberals, we believe it is more adequate to consider Ludwig Von Mises a libertarian, as proposed by libertarian journalist Bryan Doherty (2009).

[2] Conservatism, more than a broad thought tradition, is an attitude toward the world that is necessarily reactive to advances in the spheres of values and customs. According to conservative philosopher Roger Scruton (2015), because of their refusal of the abstract, conservatives tend to present their own arguments in a plaintive way when seeking to preserve traditions at risk of substitution by something they consider worse. This goal of preservation is anchored in an understanding that certain social mores are not arbitrary but rather condensations of knowledge reached over a long learning process that favored society's reproduction. In the words consecrated by the great

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since Brazil's military dictatorship and redemocratization, this phenomenon is based on new ideas and new actors who seek a break with the constitutional pact of 1988 and who had important influence on Bolsonaro's ascent to power.

Beginning in 1988, a new democratic pact came into effect in the country based on the new constitution, known as the "Citizen Constitution," and on the practical necessity of building legislative coalitions in order to assure the president's ability to govern, dubbed "coalition presidentialism" by Brazilian political scientists.[3] This new order broke with the political model of the military dictatorship, which sociologist Florestan Fernandes called a bourgeois autocracy, and included pathways to gradually construct a post-bourgeois public sphere that aimed to increasingly include socially subaltern groups. Furthermore, the pact spurred right-wing groups that were active during the military regime to try to adapt themselves to its new constraints.[4]

The business community, accustomed to direct contact with ministers and bureaucrats from the highest echelons of Brazil's string of military governments, was compelled to seek new forms of political participation[5] after the 1988 pact. They had to circumvent the difficulty of interacting with right-wing parties, which were regionally fragmented and often had personalist leaders (Dreifuss, 1989), complicating efforts at building a common platform. In addition, there was still a "branding" problem. After redemocratization, openly identifying as right-wing became uncomfortable. The "fear of being marked by the regime" was common on the right.[6] Due to its association with authoritarianism, people shied away from

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critic of the French Revolution, Edmund Burke, this leads to a feeling of responsibility for the dead, for the living, and for those who are not yet born.

[3] According to Sérgio Abranches, the Brazilian political scientist who coined the expression, "Brazil is the only country that, in addition to combining proportional representation, a multi-party system, and 'imperial presidentialism,' organizes the Executive branch based on large coalitions. I will call this peculiar feature of concrete Brazilian institutionality, for lack of a better name, 'coalition presidentialism'" (Abranches, 1988).

[4] These attempts at adaptation came especially after President Fernando Collor (1990–1992) tried to govern without a broad coalition and was impeached, as pointed out by businessman Thomaz Magalhães, director of the pro-market think tank the Atlantic Institute, who said, "Suddenly, a comrade appeared saying different things. Everyone thought it was wonderful. Obviously, his government was good until the first day he took office, but from then on, it was a disaster" (Rocha, 2019, p. 93). The former director of the Liberal Institute, the oldest pro-market think tank in Brazil, Arthur Chagas Diniz, said, "Collor was liberal but he was crazy, a thief. Unfortunately, Collor was a disaster for Brazil" (Rocha, 2019, p. 94).

[5] This is well illustrated in a statement by the coordinator of the Brazilian Union of Businesspeople, Antônio de Oliveira Santos, made during the National Constitutional Congress (1987–1988) and transcribed by Dreifuss: "We lack experience in the democratic game. We lost the ability to maneuver. In the previous regime, a businessperson talked to, at most, four people: [president] Figueiredo, [finance minister] Delfim, [central banker] Galvêas, and the minister of the corresponding area, and a law by decree resolved the rest. Today the game is democratic. Our big interlocutor now is Congress" (Dreifuss, 1989, p. 44).

[6] This is according to the account of Alex Catharino, a historian who frequented the Rio de Janeiro Liberal Institute during the 1990s, served as a fellow of the Russell Kirk Center and of Atlas

self-identifying as right-wing and chose to use another milder term: "center." The same phenomenon occurred in Argentina, where it became well known in specialized literature as the "ashamed right" (Power, 2010).

The shame of asserting right-wing identity was not limited to politicians. It also occurred among ideologues, supporters, and voters. It was only between 2006 and 2010, during the height of president Luiz Inácio Lula da Silva's popularity, that the shame gradually began to dissipate and a new right began to emerge that was radical and unafraid of affirming itself. This began with its members' actions in discursive arenas, especially on the social network Orkut, which preceded Facebook in terms of popularity in Brazil.

To lay out how this process took place over time and trace its connections with the traditional right, we opt to divide this chapter into three sections. In the first, we briefly reconstruct the trajectory of the right that has been active in Brazil since the 1940s, considering its bridges with the new right that would appear years later; in the second, we show how the Internet allowed for the proliferation of counterpublics (alternative public spheres) and thus for encounters and debates between people who felt marginalized and unrepresented in the dominant public sphere, fueling the spread of ultraliberal writing and ideas; and finally, in the third, we describe how this discourse expanded toward a process of institutionalization of the counterpublics in the form of study groups, candidates for student government, new ultraliberal institutes, and an attempt to create a political party, increasingly influencing dominant publics. The chapter seeks to show how, in the midst of a series of political and social transformations in the country, a new constellation of actors and ideas developed that was fundamental in Brazil's turn to the right.

2.1 The Traditional Right: Hayek and the Fight Against Communism

The ties between leaders of the new right and those of the right of previous decades were mainly woven through contacts fostered over many years by Brazilian and foreign pro-market organizations known as think tanks.[7] In the late 2000s, the

Network in Brazil and, as of late 2020, was the editor-in-chief of LVM, the publishing arm of the Mises Institute Brazil.

[7] Think tanks can generally be defined as permanent organizations responsible for conducting research and/or disseminating ideas related to public policy proposals. That said, most pro-market think tanks tend to act in a manner that specialized literature considers political and ideological advocacy (Desai, 1994; Cockett, 1995), based mainly on the promotion of market freedom, sometimes combined with conservative values, and of public policies that aim to bring about such an orientation. In practice, this means that, in the words of Heritage Foundation CEO Mike Caroll, the "business" of this type of organization is "people," that is, the gathering of cadres ready to influence and eventually act directly in governmental bodies. For more information on the work of think tanks in Brazil post-redemocratization, cf. Gros (2002), Casimiro (2011), Hauck (2015), and Rocha (2017).

circuits formed by think tanks founded in the 1980s and 1990s grew, attracting figures ranging from anarcho-capitalists to ultramontanist monarchists, which facilitated encounters between older generations of intellectuals and businesspeople with young enthusiasts active on social networks, in student movements, and in street demonstrations, who began to constitute a new right.

The founding of the first pro-market think tanks in Brazil is intimately linked to neoliberalism's worldwide spread beginning in the 1930s through the activity of intellectuals, activists, politicians, and businesspeople (Cockett, 1995; Stedman-Jones, 2014). In Brazil, the promotion of neoliberalism took place amid a strong anti-left campaign between the 1940s and 1950s that united conservative Catholics and anti-communist businesspeople committed to the defense of private property. In 1946, Austrian economist F. A. Hayek's most popular work, *The Road of Serfdom*, originally published in 1944, was translated into Portuguese with the support of civil construction businessman Adolpho Lindenberg.

Lindenberg's intent in establishing contact with Hayek and sponsoring the book's translation and publication was, in his own words, to defend private property via "scientific bases" and to stop the advance of the Catholic left and its main agendas, such as agrarian reform:

> Here in Brazil, before the revolution,[8] in the '50s, there was a Catholic movement, leftist, very important, that wanted to form communist societies called base communities, [formed by] workers, laborers, priests, feminists, all of them grouped in these grassroots communities. [...] And there was another movement, which was where I participated, which was "Tradition, Family and Property," directed by Plínio Corrêa de Oliveira, and this movement was a conservative, traditionalist Catholic movement, and from the beginning, we opposed the movement of the left. Plínio Corrêa de Oliveira wrote a book: *Agrarian Reform, Matter of Conscience*, because agrarian reform was the banner issue of the Catholic left. They thought it was possible to divide large properties, to make only small properties, in short, to destroy the Brazilian agrarian structure. [...] I, at that time, wrote in a newspaper called *Catholicism* that had a wide circulation in Catholic circles, showing how the liberal economy is the true economy, it is the economy based on natural law and property rights, and that Catholics have an obligation to fight the left. [...] When I saw the Catholic left advance a lot, I looked for a movement that would combat the left, and I found Hayek. So I took a book of his, I got excited, and said: "I'm going to publish this here to give the thing weight, someone respected." So I wrote to him, to Hayek, and he authorized me to publish the book. And it was good, you see, because Hayek gives a proven scientific support, he gave a [scientific] basis for what we were defending. Then afterward Mises also appeared, and an American, Friedman. That trio is the main one. (Rocha, 2019, pp. 60–61)[9]

Alongside his cousin, Plínio Corrêa de Oliveira, Adolpho Lindenberg was one of the main founders in 1960 of the Brazilian Society for the Defense of Tradition,

[8] Term used to refer to the 1964 civil-military coup by some of its supporters.

[9] The interviews in this book with right-wing activists, businessmen, and intellectuals were conducted by Camila Rocha between 2015 and 2018 and originally published in Portuguese in her doctoral dissertation (Rocha, 2019). Excerpts used here include minor modifications of form, such as the elimination of repeated words, hesitations, and verbal tics, in order to increase fluidity without modifying content. The words or phrases in brackets were not explicitly spoken by the interviewees but were implied in the context of the interview; we include them for clarity.

Family, and Property, better known by its abbreviation TFP,[10] which had a close relationship with members of the Brazilian royal family and which also acted in other Latin American countries. At the time, there were many groups and organizations like TFP committed to fighting communism (Motta, 2002). The appeal of such discourse could be seen in the mass turnout to the "March of the Family with God for Freedom," which was organized by conservative Catholic women and drew around 300,000 people to the streets of the city of São Paulo on March 19, 1964. The demonstration was in response to a March 13 rally organized by President João Goulart, at which Goulart announced a suite of progressive policy changes that became known as "the Basic Reforms" (Cordeiro, 2009).

At the time, while Catholic conservatism had significant reach into broad sectors of society, neoliberalism was more restricted to certain elites who, like Lindenberg, were concerned with what they saw as substantial advances by Brazil's left. Among those elites were people such as economist Eugênio Gudin, who attended the ninth meeting of the Mont Pelerin Society[11] in Princeton, New Jersey, in 1958 (Boianovsky, 2018) and businessman Paulo Ayres Filho, who had important contact with the Foundation for Economic Education (FEE)[12] since 1959 and who later became a member of the Mont Pelerin Society (Spohr, 2012).

Ayres Filho was one of the main facilitators of the civil-military coup suffered by president Goulart on April 1, 1964, which Gudin also supported. In 1961, to shut down the left's advances, Ayres Filho had founded the Institute of Research and Social Studies (IPES) in the city of São Paulo, bringing together businesspeople, politicians, members of the military, and intellectuals.[13] The group included conservative Catholics and intellectuals linked to the Brazilian Institute of Philosophy (IBF) and the Conviviality Society,[14] as well as TFP members who drew close to Ayres at the time, as Lindenberg recalled:

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[10] As of late 2020, Lindenberg chaired the Plínio Corrêa de Oliveira Institute (IPCO), founded in December 2006. For more information, see: https://ipco.org.br/quem-somos/#.W-27UnpKhmA

[11] The Mont Pelerin Society was founded in 1947 by Hayek with the aim of stimulating the exchange of ideas between intellectuals aligned with the theses of *The Way of Serfdom* who came from different countries and academic contexts, such as Ludwig von Mises, Milton Friedman, Karl Popper, Wilhelm Röpke, Lionel Robbins, Walter Eucken, Walter Lippmann, Michael Polanyi, and Salvador de Madariaga, among others (Cockett, 1995; Stedman-Jones, 2014).

[12] The Foundation for Economic Education (FEE) was founded in March 1946 in the US city of Irvington-on-Hudson, New York. Conceived by businessman Leonard Read, the organization received financial assistance for many years from a millionaire fund, the Volker Fund, created by tycoon William Volker and managed by a free-market enthusiast. Because of this, the institution had relative autonomy from immediate political interests. It aspired to educate Americans about the advantages of free-market capitalism (Doherty, 2009).

[13] Subsequently, between the 1960s and the 1970s, IPES had branches in other Brazilian capitals. For more information, cf. Dreifuss (1987) and Ramírez (2007).

[14] The IBF was founded in 1949 in the city of São Paulo and was initially headed by jurist and philosopher Miguel Reale, later bringing together people such as Luis Washington Vita, Vicente Ferreira da Silva, Renato Cirell Czerna, Heraldo Barbuy, Vilém Flusser, Leônidas Hegenberg, Roque Spencer Maciel de Barros, Ubiratan Borges de Macedo, Antonio Paim, and Ricardo Vélez Rodríguez. Between the 1960s and the 1980s, the IBF began to work with Catholics from the

> I myself knew Paulo Ayres socially, you know, but I only got closer to him when I saw that he was defending [that position] too. He frequented São Paulo a lot. I was a friend of theirs, I had a card [from IPES], everything, but Plínio Corrêa de Oliveira was very worried about not wanting to give a political aspect [to our movement], so we never entered the UDN [National Democratic Union, a conservative political party]. IPES we supported, but we did not enter, [we were] collaborators. There is also Roberto Campos [economist who became a planning minister during the dictatorship], who is an important figure, Ives Gandra [conservative jurist] himself, but the main figure is Paulo Ayres. He was very smart, very active, very well connected. And there is also someone [who often accompanied] Paulo Ayres, who was a great industrialist from Ultragaz [Henning Boilesen]. He was very active, had money, financed [the institute] too. (Rocha, 2019, pp. 62–63)

In 1962, IPES opened offices in the city of Rio de Janeiro and in several other Brazilian states (Dreifuss, 1987). Theoretically, the units were autonomous, but in practice, they were led by the São Paulo and Rio de Janeiro nuclei, with the Porto Alegre and Belo Horizonte branches considered the most active (Ramírez, 2007). The organizational structure of IPES, which included an Executive Committee, a Steering Committee, and an Advisory Council, was occupied by businesspeople from various sectors who contributed financially, as well as by members of the military and intellectuals. The intellectuals were allocated among different working groups that formally acted on fronts, such as publication and dissemination, education, union work, social assistance, economic activities, political analysis, studies, editorial work, the Brasília office, and integration. The military participants, led by general Golbery do Couto e Silva, sought daily to investigate the content of press agencies, obtain information from different military bases, and produce hundreds of articles each month for distribution in the media or to serve as a basis for pamphlets and conferences. They distributed analysis of communist activities to members of the military without identifying its source, compiling dossiers of individuals and groups who were suspected of subversion. These suspects totaled 400,000 in 1964, forming the basis for the National Information Service (SNI) created by the military government right after the coup (Ramírez, 2007).

The intellectuals, for their part, were responsible for producing a series of publications that promoted anti-communism, "democratic" values directly associated with support of a free market, and justifications for a military intervention aimed at overthrowing Goulart. Like Lindenberg, most of these intellectuals were conservative, and a significant number were Catholic, including priests. Among the intellectuals were members of the Brazilian Institute of Philosophy (IBF), founded in 1949 in the city of São Paulo and headed by jurist and former integralist[15] Miguel

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Conviviality Society, which was created in 1961 in the city of São Paulo by Father Adolpho Crippa of the Order of Salvatorians and included participants such as Paulo Mercadante, Creusa Capalbo, Antonio Paim, Nelson Saldanha, Ricardo Vélez Rodríguez, and Ubiratan Borges de Macedo (Gonçalves, 2017).

[15] The Brazilian Integralist Action, or simply integralism, was a far-right, fascist-inspired political movement founded in 1932, officially extinguished in 1937 (Trindade, 1979; Bertonha, 2014), and later rehabilitated by groups that formed a neointegralism (Gonçalves & Caldeira Neto, 2020).

Reale, and the Catholics of the Conviviality Society, created in 1961 in the same city by Father Domingos Crippa of the Order of Salvatorians (Gonçalves, 2017).

Although there were neoliberal intellectuals at IPES, spreading neoliberalism beyond elite circles was not its goal. Nor was it the goal of the economists brought together by the National Association of Economic and Social Programming (ANPES), founded in 1964 by economist Roberto Campos. Despite its responsibility for visits to Brazil by some foreign economists, including Milton Friedman in 1973, ANPES was exclusively focused on envisioning public policies for the country rather than spreading neoliberalism to a wider audience (Aranha, 2016; Boianovsky, 2018), just as IPES' main objective was overthrowing president Goulart.

Shortly after the coup, most Brazilian neoliberals supported and/or participated directly in the government of marshal Humberto Castelo Branco (1964–1967), such as Roberto Campos, who ran the planning ministry, and Otávio Gouveia de Bulhões, who became minister of finance. However, at the end of Castelo Branco's term came the start of a series of military governments guided by a developmentalist perspective that ran contrary to economically liberal principles, and the neoliberals lost their newly conquered space within the State. That space shifted, instead, to supporting conservative figures with anti-communist discourse linked to the IBF and the Conviviality Society.

Because the civil organizations housing the neoliberals had closed by that point, the neoliberals started to act in a more solitary way in civil society. This can be seen in the case of businessman Henry Maksoud, who owned a range of companies, including the engineering firm Hidro Service and the luxury hotel Maksoud Plaza. Maksoud was a pioneer in spreading Hayek's and Friedman's ideas in Brazil beyond elite circles. Through the publication of the magazine *Vision*, book translations, and the television program *Maksoud and You*, he sought to influence an audience of what Hayek called "secondhand dealers in ideas" (Fonseca, 1994). Hayek even traveled to Brazil three times at Maksoud's invitation, between 1976 and 1981 (Gros, 2002), and on his last visit, he lectured at the University of Brasília to an audience, including Eugênio Gudin, Roberto Campos, and Otávio Gouveia de Bulhões. Still, the activities that Maksoud promoted were never housed in a specific organization for that purpose, something that would only occur in the early 1980s during Brazil's redemocratization.

During the transition to democracy, conservative ideologues who had been supported by the military regime saw their influence fade. Businessmen and people in government had other priorities than fighting communism, and conservative speeches with a strong dose of anti-communism no longer had the same appeal. This unfavorable scenario meant that conservatives, whose discourse was worn out and who were unable to attract major financing for their organizations, started to defend the free market in a more organic and less pragmatic way than they had in the 1950s and 1960s. In the words of Ricardo Vélez Rodríguez, a Conviviality Society member who would later become education minister in the Bolsonaro government:

> In 1979, when I came to do my doctorate here in Brazil, [Father Adolpho] Crippa offered me a research position at the Conviviality publishing house. I affiliated myself, but I said: "Crippa, this is *démodé*. I think the commies have to be fought and criticized, but dedicating ourselves to that alone will only add up to something small. We need to present a proposal." [...] He was a staunch anti-communist, but he wanted to change. Why? Because he received financial support from the São Paulo businesspeople, but the São Paulo businesspeople didn't finance that anti-communist discourse anymore. That discourse was worn thin, and they started to help less. I said to Crippa: "Of course, businessmen are seeing that things are changing, that anti-communist discourse doesn't resolve the issue. We have to think about Brazil from a more radical angle and how to dismantle patrimonialism, so that Brazil can really go developing." (Rocha, 2019, pp. 79–80)

This spurred Vélez Rodríguez and other conservative intellectuals to seek out circles formed by the Liberal Institute (IL) and the Institute of Business Studies (IEE). The former was founded in Rio de Janeiro in 1983 by Donald Stewart Jr., a Brazilian businessman of Canadian origin, and José Stelle, Hayek's translator and an editor of the Maksoud-published magazine *Vision*. The latter was created in 1984 by Winston and William Ling, businessman brothers of Chinese origin. At the time, the institutes' main goal was to influence the direction of Brazil's redemocratization. A prominent pro-market figure of the period was University of Chicago-trained economist Paulo Rabello de Castro, who sought to actively influence businesspeople and politicians. Rabello de Castro was part of the Chamber of Economic and Social Studies and Debates (CEDES) founded in 1980. He understood that CEDES could provide a different response to the country's economic crisis than those offered by the dictatorship's authoritarian national-developmentalist model or by the democratic developmentalism touted by left and center-left groups:

> We had a vision that many things needed to be changed, liberalized, and [it was necessary] to have areas of liberalization, mainly price liberalization, because the regime was also authoritarian in prices and completely anti-liberal. [...] There were price controls, there was an Interministerial Commission on prices, currency was controlled by a fixed-rate system. In practice, it was a fixed exchange system. Dirigisme with state-owned companies, oil, steel, petrochemicals, cement, fertilizers. State control was much broader than what it is today. CEDES emerged in order to provide a response linked to Brazilian agriculture, promising that agriculture, if liberalized, would cease to be a supposedly lagging sector of the economy. Because that was the analysis at the time: a lagging sector, full of farmers exploiting the poor and the oppressed. All of the nomenclature came from the left. Nobody understood anything about agriculture, but there was a whole interventionist doctrine, a proposal for agrarian reform, which nobody knew what it was. The expropriation part was correct, but what would be done next was obviously not planned. And in the midst of all this, a group appeared that said that everything was wrong, that they were throwing away the potential of agriculture and that the agriculture sector would have to pay for the consequences. Obviously, it won't pay all the bills. Seeing that this sector has to be liberalized, we would also carry out a gradual liberalization of the whole economy, and that would result in a new economy and a new development cycle that we had already realized we were losing. (Rocha, 2019, pp. 70–71)

CEDES was composed of academics, mostly graduates of the University of São Paulo and many of its Institute of Economic Research Foundation (FIPE). It had great freedom to draw up public policy proposals despite the fact that it was housed in what Rabello de Castro himself called "the temple of national conservatism," the

Brazilian Rural Society, which theoretically was more resistant to neoliberalism. At the time, however, the Rural Society was chaired by Renato Ticoulat Filho and other agribusiness leaders who were, according to Rabello de Castro, more intellectualized and open to innovation. The group also included bankers such as Roberto Bornhausen, president of Unibanco, and the Andrade Vieira family, which owned a bank closely linked to the agribusiness community in the state of Paraná, Banco Bamerindus. According to historian René Dreifuss, CEDES was sustained by 50 companies and associations, Brazilian and international, and Ticoulat said that it limited itself to "academic activities, of an absolute apoliticism," although its objective was to "unite the business community in order to demonstrate that neoliberalism is not a savage capitalism, a creator of misery, but a lever for social development" (Dreifuss, 1989, pp. 52–53).

After leaving CEDES in 1984, Rabello de Castro returned in 1986. That same year, he was asked to present his ideas to a closed-door meeting of 140 businesspeople, which took place on October 4 and 5 at a hotel in Guarujá, on the coast of São Paulo state.[16] Among the attendees were Flávio Teles de Menezes of the Brazilian Rural Society; Werther Annicchino of Copersucar; José Luís Zillo of the São Paulo Sugar Union; Carlos Antich of Sanbra; Laerte Setúbal of Duratex; Jacy Mendonça, the director of Volkswagen and vice president of the National Association of Automotive Vehicle Manufacturers (ANFAVEA); Norberto Odebrecht of the eponymous construction company and his son Emílio; Flávio Andrade, president of Standard Ogilvy; and Jorge Simeira Jacob of the Fenícia Group, who served as president of the Liberal Institute's São Paulo branch. According to Rabello de Castro, the meeting aimed to discuss strategies for inserting liberalizing ideas into the Constitutional Congress that would begin the following year:

> I organized the economic debate at the request of CEDES, where Ticoulat was president, and a congressman attended who had been elected with lots of votes, Guilherme Afif Domingos. The speaker at the formal dinner was Marco Maciel [head of the president's civil cabinet], the backbone of what was then the Liberal Front Party, bringing a kind of liberalism to the party. This group would form the basis of the so-called Centrão ["big center"] as of 1987, providing a little bit of rationalizing guidance to total craziness that the left wanted to bring about at the Constitutional Congress. The executive secretary of this Centrão was a young Ph.D. in law, invited by CEDES, named Gastão Toledo. He was there, 30 years ago, helping people at the Congress make amendments and forming what would be the 1988 Constitution. (Rocha, 2019, p. 85)

At the time of the Constitutional Congress, a crisis of national-developmentalism loomed large in Brazilian politics, deepened by a debt crisis and an inflationary spiral. Most politicians could be divided into those who wanted to abandon developmental policies and those who called for their continuation, with modifications. The former, who identified more with neoliberal proposals, wanted to bet on economic opening, the integration of Brazil into networks of globalized capitalism, the slimming down of the state machine, and the elimination of "obstacles" to

[16] This can be seen in the article "Businesspeople Hear from Maciel in Closed Meeting," published in the newspaper *Folha de São Paulo* on October 5, 1986, Section 4, p. 41.

stimulating foreign investment. The latter sought to continue the developmentalist legacy by maintaining state-owned companies and protecting "national assets" but called for reforms in order to redistribute income and urban and agrarian property, as well as for democratizing measures that would allow the working classes greater political participation and freedom of organization (Sallum Jr., 1996).

These two ideological poles, the "neoliberalizing" and the "socializing," served as goalposts between which most of Brazil's lawmakers positioned themselves, in different blocs and groups (*idem*). In 1979, the country's party system fragmented. During the military dictatorship, only two parties were allowed: ARENA, the party of the regime, and the Brazilian Democratic Movement (MDB), which contained its opponents. During the 1987–1988 Constitutional Congress, a bloc known as the Centrão was formed by most members of the Brazilian Democratic Movement Party (PMDB, formerly MDB), who aligned with the "neoliberalizing" pole, and former ARENA members who now mostly belonged to the Democratic Social Party (PDS) and the Liberal Front Party (PFL). The PMDB members who identified more with the "socializing" pole, with rare exceptions, became part of the Movement of Progressive Unity (MUP) (Sallum Jr., 1996), which was known as "the left of the PMDB" (Assumpção, 2008), or, in the words of congressman Domingos Leonelli (PMDB, from the state of Bahia),[17] "the left rib of the PMDB" (Fleischer & Marques, 1999, p. 64). The MUP was considered a "close ally" by center-left politicians such as Miguel Arraes (PSB) and Mário Covas (PMDB),[18] which included around 40 lawmakers of the 559 who participated in the National Constitutional Congress (Fleischer & Marques, 1999; Sanchez, 2003) and formed a bloc with leftist parties, such as the Workers' Party (PT) and the Communist Party of Brazil (PCdoB), in order to submit amendments to the draft constitution.[19]

Centrão politicians succeeded in blocking the most controversial bills introduced by leftists at the congress (Dreifuss, 1989). Still, in Rabello de Castro's evaluation, the Guarujá meeting with businesspeople had been unvictorious, because most of them had departed unconvinced by pro-market discourse. Winston Ling, an IEE founder present at the meeting, recounted that it was also the scene of harsh disputes:

> Everyone was there, all of the important businesspeople in Brazil. It was a very serious meeting about the future of the country. I remember that the speaker was Paulo Rabello de Castro, and I remember that meeting well because there was an argument in public that I

[17] Leonelli "stated his belief that half of the MUP members could join a socialist party, as long as they could count on the support of important figures like PMDB senators Mário Covas and Fernando Henrique Cardoso, leaders in the Constitutional Congress and in the Senate, respectively" (Fleischer & Marques, 1999, p. 64).

[18] Cf. "What is the MUP" in *Folha de São Paulo*, July 31, 1987, available at the Digital Library of the Senate.

[19] See the articles "Consensus and 32 Only Differed on Two Points" from newspaper *Correio Braziliense* on September 6, 1987, and "Moderates Defeat Amendment That Would Allow Lawsuits Against Companies" from newspaper *O Globo* on October 4, 1987, available at the Digital Library of the Senate.

> had never seen before, a verbal argument between Donald Stewart and Emílio Odebrecht.[20] Because the purpose of the meeting was to discuss the direction of Brazil, and Donald Stewart, as president of the Liberal Institute, was pushing for liberalism. A lot of people were there, a lot of people connected to the Liberal Institutes too, and Emílio Odebrecht stood up and said something like: "You are some dreamers. The real world is not like what you are dreaming," and so on. And then Donald replied, and he replied back, and then they split, and so on. I'll never forget that argument. I was impressed! At that time, I was visiting lots of businesspeople trying to sell books, asking for donations, but no one ever spoke as aggressively against liberalism as Emílio Odebrecht did. (Rocha, 2019, p. 87)

At the end of the meeting, the head of the president's civil cabinet Marco Maciel told businessman Jorge Gerdau, who was linked to the Liberal Institute, that "the constitutional proposal prepared by the Afonso Arinos Commission[21] is not liberal and that many of its members would sign maybe part, but not all, of the text."[22]

Despite their failure to influence the new constitution, in the early 1990s, Brazilian pro-market organizations reached their heyday. The Liberal Institute had eight branches throughout Brazil and in 1993 hosted the Mont Pelerin Society's annual meeting in Rio de Janeiro. The Atlantic Institute, another pro-market think tank, was founded by former CEDES members led by Paulo Rabello de Castro and Rio de Janeiro businessman Thomaz Magalhães. Most of the organizations founded at the time could easily dialogue with the Liberal Front Party (PFL), which housed former ARENA politicians. Roberto Bornhausen, the brother of PFL politician Jorge Bornhausen, even chaired São Paulo's Liberal Institute, and the Atlantic Institute helped draw up platforms for the party. Intellectuals who had been linked to Conviviality Society, such as Antonio Paim and Ricardo Vélez Rodríguez, sought to ideologically influence the PFL and taught several courses to its members.

The pro-market organizations' boom began to fade after sociologist Fernando Henrique Cardoso of the Brazilian Social Democracy Party (PSDB) was elected

[20] Emílio Odebrecht would go on to lead his family's construction firm, which had a close relationship with the Brazilian federal government over the years and was later revealed to have participated in bribery schemes to earn public contracts in Brazil and across Latin America.

[21] "In September 1986, a few months before the National Constitutional Congress started its work in February 1987, a provisional committee created by the Executive concluded a draft Constitution that, nonetheless, ended up not being officially sent to Congress. Though it was called the Provisional Commission for Constitutional Studies, the group became known as the Afonso Arinos Commission, as its president was the jurist, former federal congressman, and former senator Afonso Arinos de Melo Franco. Among the 50 members of this group were businessman Antônio Ermírio de Moraes, political scientist Bolívar Lamounier, anthropologist and sociologist Gilberto Freyre, writer Jorge Amado, jurist Miguel Reale, unionist José Francisco da Silva, jurist Sepúlveda Pertence (then attorney general) and economist Walter Barelli (then technical director of the Inter-Union Department of Statistics and Socioeconomic Studies, Dieese). José Sarney (who would later become a PMDB Senator representing the state of Amapá) and Cristovam Buarque (who would later become a PDT Senator representing the Federal District) also participated in this process: Sarney, then president of the Republic, was the one who assembled the commission through Decree 91,450 on July 18, 1985; Cristovam, a professor who had not yet started his political career, was among the 50 members of the group." Retrieved from https://www12.senado.leg.br/noticias/materias/2008/10/01/comissao-afonso-arinos-elaborou-anteprojeto-de-constituicao

[22] Cf. *Folha de São Paulo*, October 5, 1986, Section 4, p. 41.

president in 1994 and a major currency reform finally got runaway inflation under control. The institutes started to struggle to retain funding; many businesspeople thought it was no longer necessary to finance the dissemination of pro-market ideas as the federal government, which was in alliance with the PFL, would likely incorporate them on its own. In the words of businessman Winston Ling, founder of the Institute of Business Studies:

> "What happened to the Liberal Institutes, are they all gone?" And then they told me what happened: "Look, the [currency reform] Real Plan happened and then no Institute was able to raise money anymore, because they went to knock on funders' doors and they said, Look, we were successful, we achieved our goal, we are already in liberalism. We no longer need the Institute. Inflation is zero, and now the deal is work and earn money. We don't need this anymore." (Rocha, 2019, pp. 96–97)

The 1999 death of Liberal Institute founder Donald Stewart Jr. accelerated this process. In the early 2000s, almost all of the Institute's offices closed, with only the headquarters in Rio de Janeiro and the branch in the state of Rio Grande do Sul remaining open. The Institute of Business Studies, for its part, focused on facilitating its annual Liberty Forum, which unites leaders from different sectors in the city of Porto Alegre. The Atlantic Institute temporarily distanced itself from party politics after having been close to the PFL in the 1990s and the party's would-be presidential candidate in 2002, Roseana Sarney, who stepped down after a scandal. Without question, among the surviving organizations, the Liberal Institute's Rio de Janeiro headquarters faced the greatest difficulties. Its activities through the first half of the 2000s were precarious, based on meager donations from a few Brazilian businessmen and foreign organizations, as recalled by historian and regular visitor to the institute Alex Catharino:

> The Liberty Fund usually gave an annual check for $5,000 to $10,000, at most, never more than that. The institutions' grants were small. For example, I worked at Atlas Network,[23] and at the time, I was the one who dealt with this, and Atlas donated $3,000 annually to the IL in Rio. For the rest, it was only $1,000. The one in Brasília received $500. So it was something that barely paid the institution's electricity bill, because these grantmaking institutions, they give small amounts to various institutions. There is never a really big donation. (Rocha, 2019, p. 100)

On top of the funding difficulties, lack of staff turnover was a challenge. Many staffers still carried the blemish of having participated in and/or supported the military regime, a legacy perceived as "uncomfortable" by the younger generation who started to visit the Liberal Institute in the 1990s, as Catharino recounted:

> What existed of liberal thought, or of conservative democratic thought, was killed in 1964 [the year of the coup]. In a way, 1964 gave more strength, a legitimacy even, to the left, which was being persecuted by an authoritarian regime, and the right was taken out.

[23] Atlas Network was founded in 1981 in the United States with the goal of facilitating more than 400 pro-market think tanks across the world (Rocha, 2015). It is the eighth-most important think tank in the United States, according to the index Global To Go Think Tanks 2014 developed by the University of Pennsylvania. For more information on the activities of the Koch brothers, cf. Doherty (2009).

> Because if you were a right-wing person, and you got involved in politics, the military was against it: "Politics is a communist thing." So there was a generation that was lost, because, unfortunately, [Chicago school economist] Og Leme himself worked with [planning minister] Roberto Campos in the Castelo Branco [first military president] government. When [second military president] Costa e Silva left power, and [vice president] Pedro Aleixo was not allowed to assume power, that's an important point in the '64 movement, in my view. The more liberal figures, Otávio Gouvêa de Bulhões, Roberto Campos, Og Leme, Pedro Aleixo himself, Milton Campos, these people supported the coup at first, thinking it was going to be a temporary coup, and it wasn't, [because] the general elections that had been promised never came about. That was the big mistake. Those people left the government, and that's the moment that the hard line entered. Delfim [Netto, economist] came in, things got worse again, and it was very heavy. These people who sort of carried out small services, [saying] "Oh no, I'm in a Secretariat," first they became marked by the regime, and then that older group was forever associated with the military. And [that] was people's fear, of being associated with the military. The Brazilian National War College asked the Liberal Institute several times to send guest lecturers to conferences there. Some went, but most felt uncomfortable, because in 1992 they were still people who had lived through that moment. (Rocha, 2019, p. 110)

Among the few people who approached the organization at that time was translator Márcia Xavier de Brito, who went to an event at the recommendation of a friend, the philosopher Olavo de Carvalho. Carvalho had a blog, begun in 1998, entitled *Sapientiam Autem Non Vincit Malitia* (Wisdom Is Not Defeated By Malice), and wrote articles, including opinion pieces, for outlets such as newspapers *Jornal da Tarde*, *Jornal do Brasil*, *Diário do Comércio*, *O Globo*, and the magazine *Bravo!* which he reposted on his website. By that period, he had also authored several books criticizing Brazil's left and Marxism in general, released with smaller publishers. They included *The New Era and the Cultural Revolution: Fritjof Capra and Antonio Gramsci* (1994), *The Garden of Afflictions* (1995), and two volumes of *The Collective Imbecile* (1996 and 1998), which strongly criticized Brazilian left-wing intellectuals and academics. Carvalho said that those works, especially *The Collective Imbecile*, opened space for conservatives and economic liberals within cultural circles from which they had been excluded since the 1980s (Borges, 2015).

Xavier de Brito and Catharino, too, were worried about the right's difficulty advancing in cultural arenas. In 2001, they had become Atlas Network's only two fellows in Brazil after having participated in the American organization's initiative "The Freedom Project." One year later, they and others close to the Liberal Institute founded the Interdisciplinary Center for Ethics and Personalist Economy (CIEEP), based on networks with other US organizations that had been built through the Atlas connection. The organization was active in Rio de Janeiro and São Paulo until 2010 and aimed to discuss the moral foundations for the free market with a cultural and conservative approach. This was in light of cultural advances by the left and especially the Catholic left, which had been very influential in founding the PT in 1980 and the Landless Workers' Movement (MST) in 1984:

> I think the thing is much more cultural and has much deeper roots. Economics and politics are consequences. We were always interested in training. I was always very connected with education, and we were seeing interest in the Liberal Institute fall. Brazil was in a "Fernando Henrique phase," and people thought everything was more stable. The church also had its

> liberation theology, and Rio de Janeiro was the least-affected place because of [cardinal] Dom Eugênio Sales, who was more conservative, so Rio seemed like the place to start with more cultural work. (Márcia Xavier de Brito) (Rocha, 2019, p. 106)
>
> Our view was that it was no use defending these ideas on a purely economic basis. We won the economic discourse. We united Catholics, Jewish people, Protestants, there were Methodists, there were Presbyterians. Our idea was to try [to fight] the left's advance in Brazil that had occurred due to liberation theology. The PT emerged on one side from unions and on the other from intellectuals. There were always these two arms of the party, but people forget about the work of figures like Dom Cláudio Hummes, the priest who accompanied the demonstrations at the ABC [industrial region of São Paulo where the PT was founded], [cardinal] Dom Paulo Evaristo Arns, [bishop] Dom Pedro Casaldáliga, the whole issue of Pastoral Land Commission [in which church figures defended the rights of rural workers]. The MST arose from the Pastoral Land Commission, so we had to turn to cultural discourse, to religion, to ethics, this is the field of debate, to the arts. And that's what we tried to do during that period at CIEEP, but we didn't have money. It's difficult to convince a donor, "Look, we are going to set up an ethics course here. Can you finance it?" "We're going to start a course on English Renaissance poetry and its influence on Brazilian romantic poetry." People are not interested, they lack this vision. So it was very limited. (Alex Catharino) (Rocha, 2019, p. 108)

The difficulties faced by Xavier de Brito and Catharino in the cultural arena repeated themselves for Carvalho. According to Xavier de Brito, in the late 1990s, Carvalho wanted to establish himself as a cultural critic. Using connections from his time as a journalist, he reached out to people in the pro-market circles of the period, seeking financing for his activities. He even said that it was Rio de Janeiro Liberal Institute founder Donald Stewart Jr. who first introduced him to the work of economist Ludwig Von Mises (Garschagen, 2013). But his own books were still little-known:

> At that time, he was simply a journalist who had released that book *The Collective Imbecil,* which circulated in a very restricted environment. Nobody even knew who he was. He was starting out as a cultural critic, because his thing at the time was to be a cultural critic, and he taught a course at [cultural center] Lauro Alvim, in front of the beach, a cool space, and there were Globo artists [connected to the television network] who started to attend. Take *The Collective Imbecil*. You don't see anything, absolutely nothing, in Olavo's discourse that is about politics. He talks there about social mores, eventually he talks about racism, "gayzism," but that's one or two articles. He had already released *The Garden of Afflictions*. Then he was praised by [journalist] Paulo Francis, a half-page of the newspaper, in *O Globo*, but he was still not successful. So he started looking for sponsorship. He frequented a specific circuit. He got along with Roberto Campos, met [ambassador José Osvaldo de] Meira Pena because of Roberto Campos, and went to the Liberal Institute. During the time that I was at the Liberal Institute, in 1997 or 1998, he came trying to get close to Professor Og [Leme] and Alex [Catharino]. (Rocha, 2019, pp. 101–102)

However, after attending a public course on social and political thought at the Rio de Janeiro Liberal Institute, Carvalho failed to make a good impression because of his aggressiveness toward ideological opponents.[24] According to Xavier de Brito,

[24] "He approached the IL and went there to do a project, [...] and Og [Leme] said to Alex [Catharino]: 'Go watch. I want to know your opinion about whether or not we should bring this guy into our circle.' And Alex went [...] and thought that he was disrespectful with the ideological opponent.

he still sought funding from cigar manufacturer Sousa Cruz, traditionalist Catholic group Opus Dei, and the American organization Atlas Network but was not successful. Thus, with his own money from book sales, journalism, and teaching private philosophy courses, Carvalho—who declared himself a supporter of free-market economics, traditionalist and conservative religious ideas, philosophical realism, anarchism in the sphere of morals and education, and nationalism and opposition to "global government" when it came to international politics[25]—shifted his efforts to spreading his ideas on the Internet.

As time passed, Carvalho abandoned the idea of cultural criticism and focused more and more on analyzing the political scene. He denounced the left-wing organization the São Paulo Forum,[26] which he claimed was the main organizer of a communist advance in Latin America. Together with other critics of Marxism and the Brazilian left, in 2002 he created the site *Media Without a Mask*, which published articles from several authors on politics, economics, and philosophy. Carvalho soon became increasingly well known among Brazilian users of digital forums of the era, especially on Orkut, a social network that preceded Facebook in terms of popularity in Brazil and that would become fundamental for the emergence of a new right in the country.

2.2 The New Right's Emergence: Mises and the Combat of "Leftist Cultural Hegemony"

The Brazilian business community and market analysts in Brazil and abroad complained little about the two presidential administrations of sociologist Fernando Henrique Cardoso (1994–2002), a scenario reflected in the decline of the pro-market think tanks. In the words of Atlas Network fellow Márcia Xavier de Brito, "Brazil was in a 'Fernando Henrique phase,' and people thought everything was more stable" (Rocha, 2019, p. 106). But as the 2002 elections approached, the Workers' Party, led by unionist and former metalworker Luiz Inácio Lula da Silva—or simply, Lula—started to look like a strong competitor, awakening suspicion in elites. Aware of this unease, the leftist party adopted two goals: to clarify to the Brazilian business community that it would not oppose their interests and to convince the

Can you disagree [...]? Of course you can, [...] but he went beyond the limits of respect. He didn't talk about ideas" (Márcia Xavier de Brito) (Rocha, 2019, p. 102).

[25] For the details of his ideological self-positioning, cf. Carvalho (1998).

[26] Carvalho's first criticism of the São Paulo Forum on his personal blog, on April 21, 2001, occurred in an article that was also published by *Época* magazine about genetically modified agriculture in Cuba. It was titled "Who Would Say? But Not Everything That is Good for Cuba is Good for Brazil" (http://www.olavodecarvalho.org/transgenicos-em-cuba/). The São Paulo Forum is a Latin American political conference founded in 1990 at a seminar organized by the Workers' Party in the city of São Paulo. As of late 2020, it included more than 100 leftist political parties and organizations from the region. More can be found at http://forodesaopaulo.org/

financial market that it would maintain the three-pronged economic policy enacted by the previous government (a floating exchange rate, fiscal targets, and inflation targets). They were not easy tasks.

Given the degree of market dread surrounding Lula's campaign, the party worked to smooth over his image with the slogan "Peace and Love Lula" and, most importantly, to make his intentions explicit. In June 2002, in an alliance with the Liberal Party, Lula appointed businessman José Alencar his running mate (Vaz & Dantas, 2002). During a meeting about the party's platform, Lula read the "Letter to the Brazilian People," a document which newspaper *Folha de São Paulo* described as aiming to "calm the financial market" (Folha Online, 2002). The letter affirmed the party's commitment to:

> [...] preserve the primary surplus as much as necessary to prevent the internal debt from rising and destroying confidence in the government's capacity to honor its commitments. But we must insist: only the return to growth can bring the country to a consistent, lasting fiscal balance. Stability and the control of public accounts and inflation are today assets of all Brazilians. (Folha Online, 2002)

But those efforts still appeared insufficient to calm the financial sector. As polls in September 2002 showed Lula might be elected, foreign market analysts voiced deep worry at Lula's declaration that central bank president Arminio Fraga would be replaced in a possible PT government. An employee of a large investment bank was categorical: "He [Lula] can say what he wants and the market's uncertainty will continue" (Benevides, 2002). Indeed, in September, the São Paulo Stock Exchange (Bovespa) had its worst moment of the year with a 16.9% drop, mainly because of uncertainty about the election (Portes, 2002). On October 10, 17 days before the presidential runoff, the dollar hit a historic high, mostly due to the possibility of a Lula victory.

In spite of the market's fears, Lula was elected president on October 27, 2002, with votes spread across all income brackets (Balbachevsky & Holzhacker, 2007; Singer, 2012), signaling a kind of convergence of the electorate. And despite not receiving the financial sector's support, Lula was faithful to the promises in the "Letter to the Brazilian People," maintaining an orthodox economic policy. A "market name," BankBoston international president Henrique Meirelles, was appointed central banker. Finance minister Antonio Palocci, despite being a PT politician with Trotskyist origins, was even more orthodox than his predecessor when it came to keeping the so-called economic tripod.

To that end, Palocci based his economic platform on a document called the "Lost Agenda"[27] created by economists, including former Princeton and University of Chicago professor José Alexandre Scheinkman and Marcos Lisboa of the Getúlio Vargas Foundation's Brazilian School of Economics and Finances (FGV/EPGE). It, in turn, was based on a plan drawn up for the PMDB's Ulysses Guimarães Foundation but refused by 2002 PSDB presidential candidate José Serra (who had a PMDB running mate) for being "right-wing." Scheinkman had been invited to help design a

[27] http://resenhadabolsa.com.br/portfolio-items/entrevista-marcos-lisboa-a-agenda-perdida/

presidential platform for candidate Ciro Gomes but instead, together with Lisboa, decided to "make a document that did not choose a party in the presidential dispute" (Cariello, 2012). Embraced by Palocci, the agenda was implemented from 2003 to 2005 by economists sympathetic to its proposals who began to join the government, such as Lisboa and Ricardo Paes de Barros, whose doctorate was obtained from the University of Chicago and who would become known for designing the cash transfer program Bolsa Família.

That was how, during Lula's first term, the PT stopped being viewed as a threat by the market (Patu, 2006) and started to enjoy approval levels similar to those of Fernando Henrique Cardoso (FHC) in his first term. After 2 years in office, in December 2004, Lula had a 54% approval rating, 40% of Brazilians rated his government as regular, and 13% disapproved of it. Those rates were practically identical to FHC's at the same point, but 54% of Brazilians also said that Lula was doing a better job. In spite of having received his lowest-yet approval rating of 35% in August 2004, by the end of the year, Lula had recovered his popularity, especially among Brazilians with college degrees, whose approval rose from 30% in August to 47% in December, and among Brazilians earning above ten times the minimum wage, whose approval rose from 36 to 50% (Datafolha, 2004). Still, Lula's growing approval among these groups would suffer a strong jolt in June 2005 from a corruption scandal nicknamed the *mensalão* ("the big monthly") in allusion to monthly payments to lawmakers in exchange for supporting initiatives of interest to the executive branch.

The *mensalão* became one of the best-known corruption scandals to Brazilians,[28] likely owing to its heavy mainstream media coverage, which was harsher than the media coverage of past episodes (Miguel & Coutinho, 2007). The medicine the press prescribed to contain the political crisis, especially punishments for those considered guilty, varied over the months of 2005. As the case unfolded, there were continued waves of denunciations against the federal government. In the first wave, in June 2005, presidential chief of staff José Dirceu resigned and months later had his legislative mandate revoked. In March 2006, finance minister Antonio Palocci resigned despite having become a key component for maintaining the government's economic policy (Miguel & Coutinho, 2007).

In addition to causing resignations of key PT government ministers, the scandal impacted the party's image and contributed to a rise in mistrust in the political system among some Brazilians. Between 2002 and 2006, the party experienced a 16% drop in polls about party identification (Paiva et al., 2007). The percentage of Brazilians who named the PT among parties that "only think of themselves" rose from 5 to 20, and the percentage of Brazilians who said the PT was the party with the highest number of corrupt politicians rose from 4 to 27, making it the leader in

[28] In an opinion survey carried out by the PT's Perseu Abramo Foundation in 2006, 76% of the population affirmed that the *mensalão* existed, which indicates low confidence in the party's own version of events regarding the scandal—that the financial transfers that were the original focus of complaints were due to money that former party treasurer Delúbio Soares had failed to account for (Venturi, 2006).

both categories in 2006. Previously, the PMDB and "all," respectively, had led those polls (Venturi, 2006).

In an article about Brazilians' political opinions and party sentiment between 1990 and 2007, political scientist Yan Carreirão wrote that the end of that period saw a generalized ideological dilution among more partisan voters. He argued that it was mostly linked to more ideological PT voters drawing back from the party, which many people believed had become indistinguishable from other parties when it came to ethics after the *mensalão* scandal (Carreirão, 2007). This distancing may be related to the 11% drop in the number of voters who said they felt represented by a political party between 2002 and 2006, as well as the drop over the same period in voters who said they liked any party, from 35% to 27%. Finally, the ethical deviations attributed to the PT appear to have impacted party sentiments and confidence in Congress, which declined in comparison with other institutions. Voters voiced a rise in general discontent with the political system from 2002 to 2006, which made it more difficult for them to distinguish between parties (Paiva et al., 2007).

It was precisely in the wake of the *mensalão*, in 2006, that the first movement related to the new right was founded. Called the Rightward Brazil Movement (MEB), it was formed primarily by young lawyers and led by Ricardo Salles, who would later become environment minister in the Bolsonaro government. Its aim was to carry out a campaign to impeach Lula because of the scandal. But according to historian Rodrigo Neves, one of the group's members, the idea did not take off because of Brazil's economic improvement at the time:

> Rightward Brazil emerged in 2006 as a little club of right-wing lawyers, with one or two engineers, one or two administrators. It was a group of Ricardo Salles' friends. It was Ricardo Salles and some friends from law schools, [the University of São Paulo's] Largo São Francisco, PUC [the Catholic University], Mackenzie, recent graduates who were opposed to the PT and had been shocked by the *mensalão*. At the time, they started out with an idea similar to the MBL [Free Brazil Movement, which would develop later]: "Let's build a mass movement." They were all young, and they had the same perspective as the MBL, at that time. But the project was too far at the vanguard for that period, because they wanted to be the MBL during the era of the *mensalão*. Their idea was: let's mobilize people to get Lula impeached. But at the time, it didn't take off, because it was 2006. Brazil was in the middle of that hype of the economic bubble that the PT created, with everyone's salary going up artificially, and the economy growing in a frenetic bubble. It didn't work. Everybody knew that Lula had committed a crime and everybody knew that Lula was corrupt and that the PT had bought votes, and nobody even cared. (Rocha, 2019, p. 117)

Like the Rightward Brazil members, most political analysts cited in the mainstream media, as well as members of the political opposition, said that after the *mensalão*, Lula would be out of play for the 2006 presidential election and that the PSDB's Geraldo Alckmin would be victorious. But Lula was reelected. One clue to how this was possible lies in a study coordinated before the election by the PT's Perseu Abramo Foundation. The survey, published in *Theory and Debate* magazine in the first semester of 2006, found that while the party had lost its reputation for ethical integrity, the rate of Brazilians who considered it the party that was most open to participation rose to 10%, and the rate that considered it the party that most

stood for social justice rose to 6%. The rate that ranked it the party that defended the poorest rose 10%, reaching 57% (Venturini, 2006).

Another factor that positively impacted the PT's image was its link to the figure of Lula, who was becoming more predominant within the party (Paiva et al., 2007). Even though the PT was becoming less distinguishable in terms of ethics, its other attributes were emphasized. This helps explain Lula's reelection, especially considering that in 2006, unlike in 2002, Lula's victory was mainly based on votes from poorer Brazilians (Balbachevsky & Holzhacker, 2007; Singer, 2012). According to political scientist André Singer (2012), the change in electoral pattern in 2006 revealed a realignment in which the poorest voters shifted to politically and ideologically support the platform headed by Lula, birthing a new phenomenon in Brazilian politics: Lulism.

Lulism was defined as a political movement in which the then-president served as a mediator of social and political conflict, combining measures that simultaneously benefited the poorest, through income transfers, and large capital holders, through the maintenance of orthodox economic policies. That is, it fostered social change without breaking with the socioeconomic order. In Singer's view, it coincided with an ideology of change among the poorest Brazilians, whom he called the "subproletariat."[29] In this line of thinking, the appeal of Lula himself was stronger than that of mere approval of the federal government at the time, triggering an electoral realignment in which the subproletariat, which since 1989 mostly voted for more conservative presidential candidates, shifted to vote for Lula and the candidates he supported, while most of the middle and upper classes shifted to systematically vote for the opposition.

If the phenomenon of the "ashamed right" was still in effect during Lula's first term, it became even more pronounced after his reelection, as remembered by Fábio Ostermann and Renan Santos, activists from what became the main movement of the new right years later, the Free Brazil Movement (MBL):

> People who are engaged today in spreading libertarian ideas have no idea what public opinion was like years ago. I realized that I was a libertarian between 2004 and 2005, and I remember very well how I felt at the time. Lula's approval rating was something like 90%. Even after the *mensalão*, he was able to get reelected. (Fábio Ostermann) (Rocha, 2019, p. 119)
>
> Being on the right in 2004 in a university setting was a much bigger taboo than it is today, especially considering that we were students of a law school [at the University of São Paulo] that had been actively engaged in the fight against the military dictatorship. So we tried to show that we were the right that made jokes, acting like independents, anarchists... (Renan Santos) (Rocha and Vrydagh, 2018)[30]

[29] The idea that the subproletariat was ideologically oriented based on "change within the order," that is, change that did not fundamentally alter the social order, was proposed by Singer (2000) based on a compilation of various opinion surveys.

[30] Interview conducted on November 21, 2016, by Fanny Vrydagh, Ph.D. in Political Science from the Free University of Brussels.

Due to the "taboo" of right-wing identification, in the words of Renan Santos, Rightward Brazil members were even advised to change their group's name, as being explicitly linked to the right in Brazil "left a bad impression." With this in mind, we could say that the height of Lulism, between 2006 and 2010, coincided with the height of the ashamed right.[31] Rightward Brazil chose not to change its name, but in light of the failed push for Lula's impeachment, its members opted to restrict the circles in which they appeared and focus on active participation in certain digital forums, where they would be protected from skepticism they might encounter with public exposure.

The Internet was a refuge for PT opponents, the right, and anyone who simply did not feel represented by the Lulist bonanza. Feeling targeted in dominant publics, these people found in digital realms a chance to sympathize and exchange ideas by

[31] Even those who were not explicitly identified as right-wing had difficulty organizing anti-PT/anti-Lula demonstrations amid the height of Lulism without being ridiculed in the public debate. That was the case for leaders and supporters of the movement I Got Tired, created in 2007 after an accident with a TAM airplane in order to protest what was viewed by its members as an "air chaos" provoked by poor management from the PT government. The movement—which attracted nearly 5000 people to the Sé plaza in São Paulo, where they prayed the Lord's Prayer, sang the national anthem, and cried "Out with Lula" and "Lula is a thief, his place is in prison"—said it was nonpartisan and peaceful, in spite of having threatened PSDB activists who unfurled party flags with cries of "No flags," "The PSDB is also guilty," "Bums, opportunists," and "Traitors of the people's conscience." Led by employers' unions and high-profile figures from the São Paulo elite, such as businessman João Doria, who would later become São Paulo governor, and Luiz Flávio D'Urso of the Brazilian Lawyers' Association of São Paulo, and supported by artists such as Seu Jorge, who criticized the country's rulers and cited the *mensalão*, I Got Tired also included the participation of six other civic entities: Citizen, Responsible, Informed, and Active (CRIA Brasil), Laugh to Not Cry Campaign, House of Zezinho, SOS Atlantic Forest Foundation, Brazil Truth Institute, Rukha Institute, and Movement Our São Paulo: Another City. However, because many of its members belonged to the country's elite, it quickly became an easy target for harsh criticism. Former São Paulo governor Cláudio Lembo of the party Democrats (a new name given to the PFL in 2007) said that I Got Tired was a movement of *dondocas*, slang for rich ladies who do not work. News portal UOL, which sent reporters to cover the Sé plaza demonstration, critiqued it in the headline "'I Got Tired' Movement Gathers Designer Brands and Cries of 'Out With Lula' at Sé." The report emphasized that it had been "a different kind of protest, with photographers from the celebrity magazine *Faces*, producers from the program *TV Fame*, Prada bags and Dior glasses for women, and blazers with cufflinks, hair gel, and white collars for men," saying also that the demonstration did not offer transportation for family members of victims of the plane accident, who arrived late and were blocked from going onstage. This information was also reported by *Folha de São Paulo*. Due to countless similar critiques, the consul general of the United States in São Paulo, Thomas White, who left his position in 2010, sent an official document to Washington on September 18, 2007, which said that "interviewed by *Veja* magazine, João Doria Jr. complained that public opinion discriminated against successful and rich people [...] and that his image of someone who never smoked, drank, or used drugs, does not fight, does not swear, and uses hair gel makes it different for common Brazilians to identify with his cause," concluding that "[...] the leaders of the movement, for all their sincerity and seriousness, became easy targets for caricature," and that former president Fernando Henrique Cardoso, in conversation with White, poked fun at the name of the movement, saying that I Got Tired is not something that Martin Luther King Jr. would have chosen to inspire his followers. By 2011, there were no more traces of I Got Tired, and the movement's webpage had been taken offline.

interacting on forums, blogs, sites, and online communities. The social network Orkut, founded in 2004, was especially important. Among the Internet's discursive arenas, it became the principal space of development that would give rise to the new Brazilian right.[32]

The first step in this direction had been in the late 1990s, with the 1998 creation of the previously mentioned blog by writer and journalist Olavo de Carvalho, *Sapientiam Autem Non Vincit Malitia* (Wisdom Is Not Defeated by Malice). *Media Without a Mask*, the site Carvalho founded in 2002 with other critics of Marxism and the Brazilian left, published articles by various authors about politics, economics, and philosophy, making Carvalho better known among Brazilian users of Internet forums. At the dawn of Orkut in 2004, it was possible to find two communities formed by Carvalho's readers and admirers, "Olavo de Carvalho" and "The Philosophy of Olavo de Carvalho," in addition to one made up by his detractors, "Olavo de Carvalho hates us" renamed later "I hate Olavo de Carvalho."

Initially geared toward Americans, Orkut became so popular in Brazil that in September 2006, nearly 75% of its users were in the country (Fragoso, 2006), signaling Brazilians' early engagement with this type of social network in comparison with other nationalities. But that did not mean all Brazilians could access Orkut. On the contrary, between 2005 and 2007, during Orkut's peak in Brazil, Internet access in the country was restricted to groups formed mostly by highly educated adolescents and young adults from the country's top two socioeconomic tiers,[33] located primarily in the country's South and Southeast, who had computers at home and/or frequented paid access centers (*lan houses* and Internet cafés)[34] and who used the network mainly to communicate, to seek information, and for leisure. Orkut offered these activities in a unified way.

On Orkut, communities could be formed around extremely diverse issues, with users creating different conversation topics in which they interacted. Fake profiles and anonymous accounts were not uncommon and contributed to discussions

[32] Downey and Fenton (2003) predicted at the beginning of the twenty-first century that the relationship between radical political protest and Internet communication would become increasingly relevant. They pioneered the argument that it would be wrong to focus attention only on training and action within digital counterpublics of the left and ignore the construction of right-wing counterpublics: they pointed to conservative dominance in the 1990s political chats, neo-Nazi sites, and thousands of other radical right sites "constructed by individuals and groups who see themselves as excluded from the mass-media public sphere and as engaging in counter-publicity" (Downey & Fenton, 2003, p. 198). They wrote that some sites and online discussion groups were enclaves and radical ghettos that allowed users to forego more moderate and balanced expression in mass media. The Internet thus allowed the construction of counterpublics for radical groups on both the left and right at practically no cost, offering a way for them to communicate with their supporters as well as the potential to reach beyond the "radical ghetto."

[33] From classes A and B in a five-tier classification system. Between 2005 and 2007, these two tiers accounted for less than 10% of the population, according to the Brazilian Institute of Geography and Statistics.

[34] This and other more detailed information about Internet access in Brazil during this period was published by the Management Committee of the Internet in Brazil and can be seen at http://www.cetic.br/media/docs/publicacoes/10/pal2007ofid-11.pdf

developing in an extremely free-form and sometimes violent manner (Fragoso, 2006), analogous to what Angela Nagle (2017) describes with respect to American alt-right forums. Orkut's highly free environment attracted exactly those people who did not feel represented in discussions occurring in dominant publics. Furthermore, if people felt unrepresented in a certain Orkut community, they could create their own new communities, as did philosophy professor Marcus Boeira during this period. Boeira, who was then working toward a postgraduate certificate in law, had spent time in the pro-market think tank circles in the 1990s, taken a course from Olavo de Carvalho in Porto Alegre in the early 2000s, and wanted to distance himself from the shallow and sometimes aggressive political analysis of communities where he initially participated:

> When I moved to São Paulo, I already knew Alex Catharino, the CIEEP people, and it was around the time that Orkut was born. With that opportunity, I created a group on Orkut called "Ethics and Political Philosophy" that aimed precisely to establish debates about controversial themes that would be reasonable debates within the limits of the tolerable about certain topics that at the time were very minimized in the Brazilian academy and cultural scene. At the time, it seemed to me like there was a much stronger Gramscian hegemony than there is today. Today, we are more widespread, but not then. It was really difficult. We were practically 20 people working in these areas, and the rest was practically 90 and then some percent of people saying the same thing. I remember the time, 2004 to 2005, when I and a friend started two communities. My community was "Ethics and Political Philosophy" and this friend's community was "Philosophy of Law and Ethics." When we started these two communities at the same time the idea was, without ideological or theoretical dressage, to start from the point of view of an author, be it Olavo or anyone else, so that we could submit the topics to a more rigorous debate. (Rocha, 2019, p. 122)

The "Gramscian hegemony" to which Boeira refers is related to an argument developed by Olavo de Carvalho about a supposed Gramscian revolution captained by leftist intellectuals and the PT. This appropriation of Gramscian theories of hegemony and counter-hegemony is not exclusive to Brazil's new right. According to Nagle (2017), "The French New Right or Nouvelle Droite adapted the theories of Antonio Gramsci that political change follows cultural and social change." Subsequently, in the United States, the emergence of the alt-right in the early twenty-first century brought together several alternative media sites and social media celebrities that shared a hatred of the mainstream media. In this line of thinking, media such as *The Guardian*, the BBC, and CNN are criticized as spreaders of so-called "cultural Marxism" (a notion that Brazil's new right also adopted), and the alt-right starts to introduce itself as a "new anti-establishment right." Ironically, although the new right criticizes Gramsci, their diagnosis—that mainstream media is culturally dominated by the left—is inseparable from an equally Gramscian political and cultural strategy of counter-hegemony, in which they aim to spread their ideas through online alternative media, such as *Breitbart*, *Infowars*, and others.

Over time, Carvalho's argument, which can be summarized in the claim that there is a "leftist cultural hegemony," spread on the Internet to a wider public in Brazil, and a simplified version of it became the cornerstone of the new right's discourse. An overview of the original argument can be found in the preface of the first edition of *The New Era and the Cultural Revolution: Fritjof Capra and Antonio*

Gramsci, written in June 1994. It was the last year of Itamar Franco's presidency and shortly before Fernando Henrique Cardoso was elected to his first term:

> [...] the intelligentsia in this country is going downhill, while at the same time, on the streets and in the fields, a shadowy rumor is rising of a revolution on the march. Yes, Brazil is unequivocally entering an atmosphere of communist revolution. [...] The generation that, defeated by the military dictatorship, abandoned their dreams of taking power via the armed struggle and silently dedicated themselves to revising their strategy, through the teachings of Antonio Gramsci. What Gramsci taught was to give up overt radicalism to widen the margin of alliances; it was to renounce the purity of visible ideological schemes to win efficiency in the art of luring and jeopardizing; to retreat from direct political combat to the more profound zone of psychological sabotage. With Gramsci, it learned that a revolution of the mind should precede the political revolution; that it is more important to undermine the cultural and moral bases of the adversary than to win votes, that an unconscious, uncommitted collaborator, for whose actions the party can never be held responsible, is worth more than a thousand enrolled party activists. [...] Leftist intellectuals' conversion to the strategy of Antonio Gramsci, formal or informal, conscious or unconscious, is the most relevant fact in national History of the past 30 years. It is there, as well as in other concordant and convergent factors, that the origin should be sought of the psychological mutations of incalculable reach that launch Brazil into a clearly pre-revolutionary situation, that until this moment only two observers, in addition to the author of this book, knew to flag, and for that matter, very discreetly. [...] For some time, I nourished the foolish hope that the PT would expel the Gramscian poison from itself and transform into the great socialist or labor party that Brazil needs in order to offset, in defense of the interest of the small, the apparently irreversible neoliberal advance in the world, and bring about, through the healthy play of forces, the regular and harmonic movement of transfer of power that is the normal pulsation of the democratic organism. Moved by this illusion, I voted for Lula for president. Today, I wouldn't even vote for him for city councilor in São Bernardo. The fact is that, through the succession of events since the impeachment campaign [in 1992 against president Fernando Collor], the PT showed its vocation, surprisingly to me, of being a manipulative and putschist party, capable of taking the country down the fraudulent road of the Gramscian "passive revolution," using the most cowardly and illicit methods—political spying, psychological blackmail, the prostitution of culture, the boycott of remedial measures, the hysterical agitation that appeals to the lowest sentiments of the population—, and through adorning this package of filth with a moralist discourse that smells of the sacristy. [...] If the PT does this, it is because it lost its confidence in the majestic future which was destined to our democracy in formation, and, excited by signs of a momentary success that it fears it will never repeat again, it resolved to bet everything on the voracious and suicidal game of "it's now or never." It no longer wants only to elect the president, govern well, submit its performance to public judgement five years from now, to make History in its slow and natural rhythm of the windmills of the gods: it wants to take power, carry out a Revolution, dismantle the adversaries, expel those who could defeat it in future elections from politics forever. [...] What matters is taking advantage of the moment, carrying forward "Lulalá" [Lula's slogan in the 1989 presidential election, which he lost to Fernando Collor] at any price, carried on the shoulders of angry, insolent, and illiterate boys, and, before the "passive consensus" of the population has time to evaluate what is happening, tie the country irreversibly to the car bomb that rushes downhill on the road to Revolution. (Carvalho, 1994)

According to Boeira, there were three main types of Orkut users who circulated in communities dedicated to appreciating Carvalho's work. The largest was a group that consistently positioned itself against the left, especially in the *more market* vs. *more state* debate, and included people ranging from anarcho-capitalists to

neoliberals. The second, more dispersed group supported more conservative positions, such as monarchy and the military regime. The third group, smaller and less participative than the other two, was composed of Catholics. What united people in all three groups, despite their differences, was their feeling of not being represented in dominant publics that functioned based on the parameters of the 1988 pact. Those dominant publics were perceived as being hegemonized by the left, as Carvalho wrote. In Boeira's words:

> He said what everyone wanted to say to the journalists, university professors, people from media outlets, people who worked at NGOs, et cetera. [...] He said everything that a lot of people wanted to say and did not have a voice. So he, in a way, channeled all of these voices. Because he could access space in *Folha de São Paulo*, he could access space in [newspaper] *Zero Hora,* he wrote in the big newspapers, he wrote in magazines, he participated in television programs, gave interviews on [television channel] GNT, to [talk show host] Pedro Bial, and things like that. So he was a voice that channeled many voices that were scattered across Brazil, but that were not organized, you could say. It seemed to me like his success was due to that at the time, and, of course, that doesn't even begin to talk about the intellectual brilliance he has, and that is undeniable. A really impressive person, from that point of view. (Rocha, 2019, pp. 124–125)

Boeira's perception about right-wing people's isolation and lack of representation in some dominant publics of the period—especially in humanity circles within academia, book publishers, and the mainstream media—was shared by other visitors to the Orkut forums. Free marketeers, who Boeira said were the most predominant visitors to Orkut groups devoted to Carvalho, also had their own communities where they exchanged and translated writing that practically did not circulate in university environments at the time. Examples of these free marketeers were Cibele Bastos and Rodrigo Constantino, members of the Rio de Janeiro Liberal Institute (IL-RJ), and Filipe Celeti and Joel Fonseca, who wanted to create the Brazilian Libertarian Party (Líber), which was never formally registered. They all recall those early experiences in Orkut communities:

> In 2005, I was in the second semester of an economics degree, and there was a course called "Evolution of Social Movements," which was basically Marxism I and Marxism II. So I chose to do a seminar on neoliberalism, and in the complementary booklist there was a book by Hayek, *The Road to Serfdom*. That changed my path, and I started to want to deepen my knowledge a little more. Then, in the era of Orkut, I started to enter communities about liberalism and exchange ideas with the people there. People swapped material [...] There were a lot of people, at the time, who were translating things that didn't exist in Brazil, a lot of articles. (Cibele Bastos) (Rocha, 2019, p. 125)
>
> In the last year of college, I started to discover this new universe that, in a way, didn't show its face here in Brazil. The majority of the writing was in English, so it was difficult to access the information. And that period [2005–2006] was a moment when, due to people's interest, several movements started to occur to translate the work on their own. Several people set up blogs to translate shorter pieces, articles. So this necessity of sharing ideas that we didn't have in Portuguese was boiling up a little, and this is what brought people together: "Look, we're going to share these ideas, because we need this." Even more so with Orkut. You typed the name of the author that you found and there were communities there with 20 or 30 people. Most of them were not people from Brazil, [but] the Brazilians were trying to invade these spaces also in order to dialogue. So Orkut, with its communities,

> made possible the encounters among people, the exchange of information, and it fostered a big debate too about the ideas. (Filipe Celeti) (Rocha, 2019, pp. 125–126)
>
> I went to work in the financial sector and I had a boss who was a well-known liberal in Brazil, Paulo Guedes, with a Ph.D. from Chicago. And he started to really give me some tips, "Look, read this thing here, you'll like it," and this thing here was the Austrian School. So I discovered Mises, Hayek, those guys, really early. So I started, in parallel, working in the financial sector, which already is a conducive environment to confronting socialist ideas, [...] to go opening my horizon to theoretical readings, and with this, at 20, 20-something years old, I was already a liberal who was, let's say, radical. And I always liked a good controversy too, right? [...] I created some email groups and sent around controversies or things that I wanted to combat that I had read in the newspaper. So I had this need to debate, but I didn't have very much feedback from my friends. So when I discovered Orkut and these communities where everyone spent the day debating, for me this was a big help, and I really had unending debates there. It was an impactful time. I loved this back-and-forth, all those controversies, I loved it. And at the same time, this trained me in terms of debate. Orkut was really a life learning experience. Debating turned me on. I was turned on defending the ideas that I believed in, which was liberalism, and I found echoes. I found people ready to debate. (Rodrigo Constantino) (Rocha, 2019, p. 126)
>
> In high school, I was already a little more liberal than the rest of the class, but without many points of reference, and at college I discovered the American Mises Institute, and from there I got to know Mises' work, which I think is even better than the activist dimension that all of this took. And I started to become really interested. A group of friends also became very interested, and thanks to social media, Orkut at the time, I could meet more people who also participated in the communities "True Liberalism," "Capitalism versus Socialism," various discussion communities. And I think that they did have a role of putting people in touch who individually knew some points of reference. (Joel Fonseca) (Rocha, 2019, p. 127)

In the words of Bernardo Santoro of Rio de Janeiro, a frequent participant in online pro-market debates, "[...] we were having a discussion, and someone turned around and quickly saw that everyone there was very radical. Everyone there was more libertarian than liberal, strictly speaking" (Rocha, 2019, p. 127). It was exactly this radical nature—the defense of libertarianism, known in Brazil as ultraliberalism because it stood for more market freedom than did neoliberalism—that led the discussants of Orkut's liberal communities to identify with each other and elect the Austrian economist Ludwig von Mises as their main symbol. Mises is the Austrian economist considered to be the most radical by free-market capitalists, such that if Hayek and Friedman usually are classified as neoliberals and "Chicago-ists," Mises can be considered a libertarian (Doherty, 2009) or, in the pejorative term used by his colleagues, a "paleoliberal," that is, a Jurassic liberal, for defending nineteenth-century laissez-faire policies (Boas & Gans-Morse, 2009).

In Brazil, references to the intellectual legacy of Mises usually occur when defending ideas summarized by the slogans "less Marx, more Mises," "tax is robbery," "there is no such thing as a free lunch," and "privatize everything!" Olavo de Carvalho considers Mises his intellectual guru, which also helped spread the economist's ideas through the country,[35] considering the discussions in the counterpublics

[35] The description text of Episode 78 of the Mises Institute Brazil podcast, featuring Carvalho, reads "In a recent past, many liberals and libertarians arrived at Mises' work, especially at the book

that gave rise to Brazil's new right, above all on Orkut. The ultraliberals, as well as regular visitors to Carvalho-focused communities, were not represented in dominant publics, where defense of free-market logic was mostly carried out by neoliberals[36] (Guiot, 2006) who were more or less aligned with the PSDB.

The PSDB, founded at the time of Brazil's Constitutional Congress (1987–1988), was considered the PT's main opposition at the start of the century and has a more pro-market orientation than its rival. But the Orkut groups considered the PSDB a leftist party that did not defend "true" free-market capitalism, a view also held by the older generation of visitors to the pro-market think tanks founded in the 1980s and 1990s. Even in neoliberal circles, Brazilian ultraliberals considered themselves unrepresented between 2005 and 2006, when the ultraliberal Orkut communities were created. Although think tanks like the Liberal Institute had worked to spread Mises's writing in Brazil, ultraliberalism was still a minority political ideology, virtually nonexistent in the country until that point.

In addition to this, a significant number of the Orkut users linked to the emerging new right attended public universities, where organized student activism was indeed hegemonized by the left at the time. It did not take long for them to agree with some of Carvalho's ideas based on their own college experiences, which they felt were characterized by exclusion and silencing (Rocha, 2019). Fernando Fernandes and Luan Sperandio described this dynamic during their time as public university students in the states of Rio de Janeiro and Espírito Santo, respectively:

Human Action, through the praiseful references in the writing of philosopher Olavo de Carvalho. On his site, for some time, Mises has been part of a selected gallery of men of ideas identified as his intellectual gurus ('It is after you read Mises that you perceive how other economists are confused'). In a 1998 article in the now-extinct magazine *Republic*, Olavo affirmed that Mises might be the most philosophical economist that ever existed" (Garschagen, 2013).

[36] The third way is a denomination created by British sociologist Anthony Giddens to designate a position of "radical center" that implies "an attempt to demonstrate that the values dearest to the left have some 'validity' in contemporary post-industrial society" (Power, 2010). Giddens considered the third way a form of modernizing European social democracy, because "even in its most developed forms, the welfare state was never genuinely good. All of the social welfare states created problems of dependency, moral hazard, bureaucracy, the formation of interest groups, and fraud" (Giddens 2001 *apud* Guiot, 2006, p. 58). Giddens understood "moral hazard" as "a greater tendency to request social assistance, more absences from work for alleged health reasons, and a lower level of job search" (*Idem* ibidem); thus, "the new social contract, which links rights to responsibilities, should be based on a reformed welfare system [...] that should offer help, not charity" (Giddens 2001 *apud* Guiot, 2006, p. 61). Despite supporting a downsizing of the State to remedy this "diagnosis" and claiming that neoliberal reforms were necessary for modernization, Giddens wrote that "the third way identifies and aims to correct neoliberalism's 'Achilles heel,'" which is the fact that the results of market deregulation seriously threatened "social cohesion," through a partnership between the State and civil society (Guiot, 2006, p. 59). This partnership would imply "the replacement of the State, both in the production of public goods and services and in the provision of social services [...], it is in this sense that the importance of the so-called 'third sector' [of NGOs] arises, which has the role of substituting the welfare commanded by the State in the direction of a 'society of welfare' in which civil society organizations would have a central role in social service provision" (*Idem*, p. 62).

During college, we formed a group of five friends, and one thing was very clear. Four of the five were not Marxists. Soon [...] through articles on the internet, I was introduced to Olavo de Carvalho too. And that was when my vision of the world kind of opened. People didn't feel represented and started to draw away. It was a group of people that was silenced in the decision-making process. The student movement did not care about welcoming them in. It preferred that they stay out of decision making, because they were divergent. We were able to discuss and promote debate, but we were not organized. Even though there was a large group of supporters, actively we had five guys. (Fernando Fernandes, personal communication, 2017)

The discourse of intolerance exists. It's very strong. People look at you with a lot of prejudice without ever having spoken to you. People don't care about debating. There is a very strong myth that in the academy, you can discuss ideas. Last week, a professor who taught me two years ago, in 2014, deleted me from his social media. He was a PT supporter, a socialist, defended Cuba, criticized Aécio [Neves, 2014 PSDB presidential candidate] in all of his classes, and I always respected him academically. It's really sad to see this. I have a lot of childhood friends who deleted me and I sincerely do not know why. Because as much as people can disagree with me, as socialist as they might be, I don't see them as people who defend a certain ideology. I see them as individuals who deserve respect as such. I'm in a federal university and studying there is very difficult, because you're only there wanting to learn, study, and debate ideas, but people don't see it that way. They think you should not be there because you disagree with them. (Luan Sperandio, personal communication, 2016)

With time, the idea that there was a "leftist hegemony" in the country gained more followers among the emerging new right, as pointed out by economist Joel Fonseca and journalist and Liberal Institute director Lucas Berlanza:

A lot of people were influenced by him [Olavo de Carvalho]. Many liberals today have profiles that are much more right-wing than left-wing, and he has a big part in influencing this. I don't have the smallest doubt.

Interviewer: What do you think is the main theme, where he influenced people more in terms of content?

The thing about the leftist hegemony, about creating this combative instrument, I think there's a lot that is his there. Maybe it wasn't just him, but I think he helped to foster this. Without this kind of belief, maybe there would not be this excitement about growing and doing things. Maybe, on a more practical level, a more important thing was this vision of "we are a closed-off minority, somewhat educated, without representation, we have to fight to go there, and everything." (Joel Fonseca) (Rocha, 2019, p. 133)

Some voices, and me too, in spite of the disagreements that eventually appeared, recognize Olavo de Carvalho as one of the first sources of concepts that everyone uses today. They're on people's lips, but the person who first emphasized them and exposed their propaganda was Olavo de Carvalho. He was the one who made these concepts popular.

Interviewer: Which concepts, for example?

For example, the simple knowledge that the São Paulo Forum exists. Olavo was not the first one to say that it existed, but he was the first, in my understanding, to take that knowledge to the public about the importance of that institution, about the general design of politics, in ideological and structural terms, in Latin America. The person who brought this to more popular knowledge was Olavo de Carvalho. People sometimes want to say "Ah, it doesn't have anything to do with him," but they use these ideas. I, personally, do not deny that these ideas started to truly spread with him. He was one of the first people to have these ideas. They were taken up by some groups of intellectuals, especially among young people, who were open to encountering a different bibliography than what they had before. (Lucas Berlanza) (Rocha, 2019, p. 133)

As the notion of a "leftist hegemony" spread, the emerging new right also spread a counter-hegemonic discursive strategy to combat it: the politics of shock, or counterpublicity. Counterpublicity is a mode of address that is necessarily disruptive, indecorous, and shocking that seeks to call attention to and amplify certain counter-discourses that oppose a supposedly dominant cultural horizon. This shock politics is used in discursive arenas called counterpublics, given their radical opposition to dominant publics. The counterpublics question the premise of a supposedly universal rational-critical language that structures certain publics as dominant (Warner, 2002).

In the Orkut communities dedicated to Carvalho's work, users often expressed themselves in an aggressive way and used acid humor and exaggeration. This can be seen in the following excerpts from posts in the community "Olavo de Carvalho," which contain criticism of the "leftist cultural hegemony" users claimed was present in schools, in the media, and even on the collaborative site organized by Carvalho, *Media Without a Mask* (MSM):

MSM yields to Newspeak and leftism

Sérgio Marcondes – October 29, 2004

MSM yields to Newspeak and leftism

Not even in the formerly uncontaminated *Media Without a Mask* do we have a refuge from the terrible Gramscian intellectuals and their rhetorical distortions. An article was published there talking about hunger, poverty, social exclusion, social inequality, problems of capitalism. [...] How is this possible? I expect indignant protests from the members of this community against an evidently leftist article that taints MSM! After so many members here have said that concepts like "social inequality" are part of Newspeak, and the world is increasingly better with capitalism, this cannot go unmentioned!

Fernando Chiocca[37] – October 29, 2004

[...] I didn't think that article was yielding to leftists and Newspeak. It's more that it cites existing problems in the world. I don't know...the world is increasingly better with capitalism, but capitalism is increasingly less present in the world. It's obvious that this would result in catastrophic problems. (Rocha, 2019, p. 128)

Brainwashing in schools

Breno Toledo – May 10, 2005

[...] Marxists, the owners of the truth, every day gain more control of education and the media. [...] That's how our country, from north to south, has a powerful Marxist army doing brainwashing on young Brazilians. [...] The applause for the illustrious Hugo Chavez came from drugged people, lunatics, and failures who went to the communist MECCA [World Social Forum] to experience a kind of Brazilian Woodstock where no one belongs to anyone, Coca-Cola cannot be served, the main appetizer is marijuana and advertising paid for by a private bank. (Rocha, 2019, p. 129)

The new 7 p.m. *novela*: one more communist show

Antonio Luiz Ribeiro – January 6, 2010

The new 7 p.m. *novela* [soap opera]: one more communist show. The person who wrote it is that guy Brosco Brasil.

G.B. Schmitt – January 7, 2010

The last *novela* that I looked at was KING OF CATTLE. Look, that served as an argument in favor of the MST [Landless Workers' Movement].

[37] Fernando Chiocca was a founding member of the Mises Institute Brazil (IMB) and of the Libertarian Party (Líber) in 2007.

> [...]
> DORIAN ## – January 7, 2010
> Bosco José Fernando Lopes Rebello da Fonseca Brasil
> I haven't researched it, but from the size of the little girl's name, he is probably a daddy's boy from some traditional family, maybe related to bankers, whose "high sensitivity" kept him from taking over his daddy's business. Because it wouldn't work, he decided to be a communist. It's the same profile as Walter Salles, Buza Ferraz, Fernando Cardoso. (Rocha, 2019, p. 129)

While violent expressions were not uncommon in Orkut groups, the typical kind of performativity of the discourses in the "Olavo de Carvalho" community was similar to Carvalho's own positioning on his blog and on forums and social media. In 2009, Carvalho responded to a reader:

> [...] A good swear word shot in public at the face of a Tarso Genro, a Marco Aurélio Garcia [both high-ranking Lula administration officials], is worth more than 1,000 constructive words shot into the wind. [...] Brazil, at the moment, does not need good ideas, it needs action that is vigorous, unrelenting, opposed to the empire of evil, lies, and stupidity. [...] When nothing is done against evil, the defense of the good turns into mere disengagement—the affable and passive form of a lie on which evil sustains itself. (Carvalho, 2009)

Carvalho's articles and comments online routinely used expletives and aggressive and caustic discourse, especially against his adversaries. In 2006, Carvalho said he was directly inspired by the police reporter Luiz Carlos Alborghetti,[38] who had an active Orkut community called "Alborghetti/Prison Without Censorship" where he used profanity and crude expressions to defend the return of the military regime and anti-corruption measures that included shooting politicians and drug traffickers ("put them up against a wall").

According to Carvalho, vulgarities and an aggressive approach should be used consciously and are justified for the following reasons:

> THE USE OF SWEAR WORDS
> ==========
> I use these swear words because they are NECESSARY.
> They are necessary in the Brazilian context in order to demolish this polished language that is a straightjacket that traps people, obliging us to respect what does not deserve respect.
> So, sometimes, when you disagree with someone, but disagree respectfully, you are giving him more strength than if you agreed with him. Because you are going against his idea, but you are reinforcing his authority. Authority is respectability.
> The problem with these people, these thugs that I'm talking about, is not their ideas. It is precisely the fact that they are scumbags.
> They are scumbags, they are thugs, they are thieves.
> G-O F-U-C-K Y-O-U-R-S-E-L-V-E-S!
> (*Media Without a Mask*, September 2, 2013)[39]

[38] "[...] The only language which is still suitable for talking about this country and the people who inhabit it is that of police reporter Luiz Carlos Alborghetti, an admirable guy, but, unfortunately for me, impossible to imitate" (Carvalho, 2006).

[39] Post from August 25, 2015, on Carvalho's public Facebook profile, in which he refers to a post that was originally published on *Media Without a Mask* on September 2, 2013. Accessible at https://www.facebook.com/carvalho.olavo/posts/o-uso-do-palavr%C3%A3oeu-uso-esses-palavr%C3%B5es-porque-s%C3%A3o-necess%C3%A1rios-s%C3%A3o-necess%C3%A1rios-n/535327239952688/

In Carvalho's view, the use of polished language that is conventionally understood as more correct reinforced the authority and respectability of his adversaries. Thus, he was disinterested in debating ideas and consciously chose to use unconventional, disruptive language that emphasized the performative character of discourse to the detriment of rational-critical argument, viewed as more legitimate in dominant publics.

A deeper discussion on this topic is developed in Arthur Schopenhauer's book *The Art of Being Right: 38 Ways to Win an Argument*, the Brazilian version of which has a Critical Introduction and Supplementary Comments written by Carvalho. The book is a sarcastic catalog of (pseudo-)argumentative methods for winning a discussion at any cost. In Carvalho's understanding, Brazilian readers can appropriate this "eristic dialectic" to protect their beliefs against the culturally hegemonic left's rhetorical and discursive strategies, which he describes as false, malicious, and dishonest and mere "gibberish and trickery." In this sense, the translation of Schopenhauer's book could serve not only to clarify or vindicate this pseudo-argument but also to denounce it, especially when targeting a certain group of thinkers (Schopenhauer was aiming his critiques at Hegel and Hegelians; Carvalho at leftist and Marxist intellectuals). Carvalho also wrote that there was a line of continuity between Hegel, Marx, Lenin, the critical theories of the Frankfurt School, and Gramsci, who aimed to carry out a revolution "through subtle persuasion of all of society," a Machiavellian strategy with rhetorical and psychological processes that repeat, "on a monstrously amplified scale, the stunts denounced in this book by Schopenhauer" (Carvalho, 1999).

Two elements, however, complicate Carvalho's self-understanding. In the first place, Carvalho's normative horizon is not rational-critical argument but rather a call for protecting intimate, traditional beliefs against the pressures of the public sphere, a posture that appears very skeptical toward any kind of public debate whatsoever:

> Having inverted the natural and just hierarchy, making public opinion—queen of gibberish—the judge of human interiority, is perhaps the original sin of contemporary culture, where each man is obligated, by external pressure, to erase from his heart all that is not confirmed by the chattering of his neighbors [...]. (Carvalho, 1999)

Carvalho practically equates the public sphere with an original sin of modernity. His traditionalism (Teitelbaum, 2020), opposed to the public sphere, seeks to preserve what he calls the "primacy of interiority": supposed private truths of the heart. If public debate has only false and catastrophic consequences, if public argumentation leads nowhere and truth is only that which the heart intuits as sincere, how legitimate is Carvalho's own strategy of participation in the Brazilian public debate, supposedly oriented by the eristic dialectic and hegemonized by a dishonest and mal-intentioned left?

This leads to the second point: the public discourse practiced by Carvalho follows exactly the strategies that he and Schopenhauer aim to denounce rather than reproduce, especially strategies number 8 (infuriate the adversary by treating him with insolence and disrespect so that he cannot think straight), number 27 (provoke the adversary's anger using arguments that leave him upset, hitting his weak spot),

and number 38 (the final strategy, which says that if the adversary is superior, the object of discussion must be abandoned in favor of ad hominem attacks, including rudeness and personal insults and offenses).[40]

If, on the one hand, Carvalho's adherence to counterpublicity and aggressiveness toward his adversaries made it difficult for him to attract institutional financing between the late 1990s and early 2000s, on the other hand, his adoption of that rhetoric was crucial for the nascent new right. It was above all through Carvalho's influence and through the growing use of counterpublicity that debates within marginal publics—forums dedicated to conservative and/or ultraliberal perspectives on philosophy and economics with a predominantly rational-critical discursive style—could amplify their reach, as right-wing counterpublics took shape on and off the Internet.

Carvalho's influence extended beyond just shaping the positions of activists and supporters of what would become the new right. His site *Media Without A Mask* opened space for other voices to express themselves and eventually become, like him, writers in traditional media outlets. Such was the case of Rodrigo Constantino:

> Already, in this era of Orkut debates, I started to write things that were a little longer, that were more or less in the format of an article. [Then] I went to an event that was related to politics, organized by the Federalist Party. They had an Orkut page and Thomas Korontai[41] [leader of the Federalist movement] was there. A friend of mine said "Man, let's go there, to Rio," and I said, "Let's go." I met Thomas. We went to dinner afterward, and I liked him, and at this launch event I met a guy called Heitor de Paula, who is a pretty radical psychiatrist, linked to Olavo de Carvalho and company, and he told me about *Media Without a Mask*, which [until then] I [only] knew by name. And I said, "Hey, I write some anti-communist pieces," and he said, "Woah, want to send them to us?" I said, "I'll send them."

[40] The American communication studies scholar Whitney Phillips considers this Schopenhauer book a blueprint for modern trolling, as it was recommended by one of the trolls with whom she interacted in her field research. In her words: "Most trollishly, Schopenhauer urges his readers to push against any and all resistance, since anger almost always indicates insecurity and therefore argumentative weakness. The goal is to aim for the lowest possible personal blows, not just in relation to an opponent's argument but in relation to his person, family, friends, income, race, or anything that might appeal to what Schopenhauer calls the 'virtues of the body, or to mere animalism.' Regarding this last tip, perhaps the sharpest tool in the rhetorician's arsenal, Schopenhauer warns that an opponent is likely to respond in kind and begin hurling his own insults. If and when that happens, one must remind one's opponent that personal insults have no place in a rational discussion and request that he or she consider the issue at hand—at which point one may return to one's own insults and prevarications" (Phillips, 2015, Chap. 7). Given Carvalho's importance to the semantics and rhetoric of the new Brazilian right and his pioneering role in the Brazilian reception of this book by Schopenhauer, it is not surprising that the cultural logic of trolling—initially politically mobilized by the US alt-right—has found a home in the Bolsonaro government (about the controversy surrounding Bolsonaro's former secretary of culture, who flirted with Goebbels's Nazi aesthetic and discourse to the sound of a Wagner opera, cf. the analysis of Nunes, 2020).

[41] In 1996, Thomas Korontai, a leader of the Federalist Movement of Curitiba, started to make efforts to found the Federalist Party, which was registered in a notary's office in 1999 but has still not been made official at Brazil's Superior Electoral Court (TSE). The main aim of the Federalist Party is "the reduction of interferences of the Central Power in people's lives and in autonomic state and municipal structures, independent of the regime or system of government." For more information, see http://www.federalista.org.br/index.php

> I sent the first, which I remember to this day. It was "Flight of the Chicken," the first piece that I published that was a little more official, which was for *Media Without a Mask*, about Brazil's bonanza. This was maybe in the beginning of the PT [government]. And I remember an email that he sent me, saying, "The chicken flew," that is, it was published. It was my first piece for *Media Without a Mask*. And then I published more, in the format of articles, on *Media Without a Mask*, and an editor of a magazine from the state of Minas Gerais called *Just Read* asked permission to use some of my writing in a book of an author of theirs, called Le Grand, which was a pseudonym. The name of the book was *Utopia of Brazil.* And then I said to him, "OK, you can use the excerpts, but I have a lot of writing that I've already done. If you want, we could publish a book of mine." He said "Woah, it's OK by me.' *Prisoners of Liberty* [published in 2004] was born, which was my first book, a collection of articles, a lot of them from *Media Without a Mask*. (Rocha, 2019, p. 134)

In the middle of the 2000s, around the time that Constantino published his first book, some small publishers began to take interest in releasing titles related to right-wing ideas, as translator Márcia Xavier de Brito recalled:

> Edson [Jr.] was arriving in Brazil, wanting to open a publishing house to do something for Brazilian culture, and he launched It Is Achievements. I was at Olavo's house when I saw the publisher's first logo. At the time, Olavo was more "cultural" [in the early 2000s]. Edson was kind of financing Olavo, who suggested one thing or another and gave "It Is" its really reactionary tone at that first moment. It was exactly at the phase when Olavo was turning anti-left. But Edson thought, "No. It's not this that I want." He wanted a focus, not necessarily conservative, but a focus that was more academic and different, that had not yet come to Brazil, a lot of stuff that we could call right-wing. So he started to buy a lot of stuff along those lines.
>
> *Interviewer: This was more or less when?*
>
> 2005, 2006, around then. He started to buy slowly, to abandon this radicalism of books "against-against-against," "the left is evil," he kind of stopped with this. He started to discover those Brazilian philosophers that Olavo [publicized] and Edson got in touch and brought [books from Russell] Kirk, right? So an [admirer of Carvalho] called César Kim created Vide Editorial, and when Olavo left [publisher] It Is, [he became] Olavo's editor. And then César started to enter this little world. His wife did a course with us. There is a whole background connection in the sense of how these people got to know each other. (Rocha, 2019, p. 135)

It Is Achievements published several books by authors that Carvalho referenced in his work, such as Roger Scruton, Eric Voegelin, Theodore Dalrymple, and Christopher Dawson, which were among the publisher's bestsellers as of late 2020.[42] Vide Editorial, in addition to publishing Scruton and Voegelin, also started to release titles that were more explicitly critical of Marxism and communism, such as *The Leftist Mind*, *the Psychological Causes of Political Madness*, *The True Che Guevara*, *The Black Book of Communism*, and *Marxism Unmasked*, as well as publishing books by Brazilian right-wing authors.[43] During this period, the outline emerged of a small editorial circuit, populated increasingly by some members of old pro-market think tanks, such as Xavier de Toledo, and of counterpublics of the nascent new right, such as Carvalho and Constantino.

[42] See https://www.erealizacoes.com.br/mais-vendidos

[43] See https://videeditorial.com.br/index.php?route=product/category&path=9&limit=36

Even so, in spite of Carvalho's growing popularity in these spaces and online, his followers were unsuccessful in formally organizing themselves, and Carvalho's own measures to publicize his ideas were intermittent.[44] The activities in the counterpublics would spread to wider audiences by other means: through the actions of ultraliberal activists who, beginning in 2006, created new civil organizations, study groups, and electoral slates for student government, as well as seeking out the circuits of the old pro-market think tanks.

2.3 The Institutionalization of the Nascent New Right

Actions by members of the counterpublics gained more sustainability as new organizations, more connected with the type of engagement that occurred on Orkut, were founded. Hélio Beltrão Jr. and Rodrigo Constantino, active participants in the Orkut debates who already had contact with important figures in previously existing pro-market organizations,[45] participated in the founding of the Institute of National Reality in 2005, soon renamed the Millennium Institute. It was publicly launched in 2006 at the Liberty Forum, according to Constantino:

> Paulo Guedes, who was my boss at my previous job, called me, "Rodrigo, I have something here that I think you will like, from an Institute linked to the people there in the South [of Brazil] that I know you already know, the IEE, wanting to do the same thing in Rio. Want to go?" I said, "Definitely." I went to an event at the university, that was there on the Lagoon, in Rio de Janeiro [...] It was [with] Patrícia Carlos de Andrade,[46] and they didn't know very well what they were going to do. The original idea was to replicate IEE, [to create] the Institute of Business Studies in Rio. But at this meeting, which I attended without really knowing what [was going] to come of it, they said, "Who is interested in supporting, in taking the lead, of an idea like this?" and I was the first to raise my hand and say, "I'm in." And then Paulo Guedes even joked. He told Patrícia: "I said that I was bringing the right guy." And then I went, "What are we going to do?" Because in Rio, we thought that it

[44] In 2008, a proposal to create a virtual conservative forum was announced in the "Olavo de Carvalho" community, and in 2010 an Olavo de Carvalho Institute was created. However, the Institute only lasted for a short while, and its activities ended in 2012, after 2 years and 7 months, as announced by Emanoel de Araújo in the community "Olavo de Carvalho." In 2012, the transmission of Carvalho's podcast "True Outspeak" by the site *Blog Talk Radio* also came to an end.

[45] Hélio Beltrão is the son of the former planning minister of the same name who ran in the circles formed around the Rio de Janeiro Liberal Institute, according to an interview with Arthur Chagas Diniz, who was vice president of the Institute for 20 years. Constantino worked in the financial sector under the direction of Paulo Guedes, a University of Chicago-trained economist who in the 1990s had drawn up a platform for the Liberal Front Party (renamed Democrats in 2007) with colleagues including Paulo Rabello de Castro, the founder of the Atlantic Institute.

[46] Economist Patrícia Carlos de Andrade was one of the main founders of the Institute of National Reality. At the time, according to a source interviewed by Camila Rocha, she was a reader of Olavo de Carvalho's work. She is the daughter of journalist Evandro Carlos de Andrade, who served as editorial director of newspaper *O Globo* for 24 years and on the editorial council of Globo Group. In June 1995, he became director of the Globo Center for Journalism, as can be seen at http://memoriaglobo.globo.com/perfis/talentos/evandro-carlos-de-andrade.htm

> wouldn't catch on, at the beginning, this thing of meeting every Monday to debate ideas with business owners. And from there, a project emerged that is much more in the style of the Millennium Institute. So I'm a founding member of the Millennium Institute, because I was there at that meeting. (Rocha, 2019, p. 137)

Initially conceived as an affiliate of the Institute of Business Studies,[47] the Millennium Institute (IMIL) was founded by a group of academics, executives, and other professionals, among them university professor Denis Rosenfield and economists Patrícia Carlos de Andrade, Gustavo Franco, and Paulo Guedes (whom Jair Bolsonaro introduced as Brazil's future economy minister a year before he was elected president—cf. Caleiro, 2017). The institute aimed to spread pro-market ideas to a wider audience and was financed by several business groups and large media organizations, including the Abril Group, Globo Organizations, the Ultra Group, the Gerdau Group, and the Évora Group (Silveira, 2013). However, like similar organizations in the past, IMIL did not totally meet the desires of those in the Orkut communities, who called for a more radical free-market capitalism. They, in turn, made efforts to found new organizations that could better represent them.

For his part, Hélio Beltrão Jr. claimed it was necessary to have a utopian horizon so that he could win more people over to the causes he defended. He said that it was necessary to win hearts and minds, going beyond mere participation in complex public policy discussions. According to Beltrão, the idea that market logic is always the best solution to *any* social or economic problem because it is *morally superior* was much more simple, coherent, and easily understandable than excessively technical discussions with neoliberal intellectuals and technocrats. Imbued with that purpose, on June 2, 2006, he created what became one of the main forums for discussing economic liberalism on Orkut, the community "(True) Liberalism," where

[47] During this period, new affiliates of IEE were founded in other Brazilian states; however they soon began to act autonomously from the main office in the state of Rio Grande do Sul, as recounted in the IEE commemorative E-Book released in 2014: "The first opportunity occurred in 2005. After participating in an IEE event [University-Business Forum], the then-president of [car rental company] Localiza, Salim Mattar, wanted to take the model to the state of Minas Gerais. In 2006, after more than 20 years of existence, IEE opened its doors outside of Rio Grande do Sul. Breaking with tradition, the first Liberty Forum outside of Porto Alegre was held in the city of Curitiba. That same year, after a lecture for members, the São Paulo businessman David Feffer also showed interest in taking IEE to São Paulo, which occurred in 2007. In 2009, there were two chapters. The one in Belo Horizonte, already well structured, and the one in São Paulo, still organizing itself. In the subsequent years, they grew, and the first Liberty Forum happened in the capital of Minas Gerais. At this point, the chapters already were preparing to act independently. Linked to IEE, they would have to preserve everything that had been constructed over the years in the capital of Rio Grande do Sul and would have less autonomy. In addition, with time, it became difficult for the IEE directors in Porto Alegre to administer them. All of this resulted in the independence of the chapters in São Paulo and Belo Horizonte. They adopted the name Institute of Leader Formation (IFL) and they remained important partners of IEE, sharing the same values and principles, in addition to the priority of leadership training. Reference is due, as well, to Leaders of Tomorrow, an institute created in 2011, in Espírito Santo, which established itself very quickly, consolidating the importance of supporting liberty and of training people. IEE in Rio Grande do Sul was a kind of benchmarking for the young people of Vitória, who created their own model, absolutely autonomous" (IEE, 2014, p. 53).

he called for the establishment of a new think tank inspired by the Mises Institute in the United States.[48] In 2007, only a year after the creation of the digital community, the Mises Institute Brazil (IMB) was born with the help of brothers Cristiano and Fernando Chiocca,[49] who were among the community's most active members. It was the first ultraliberal think tank in the country, and Beltrão became its chair. In its first years, IMB had neither a headquarters nor paid staff; it was a webpage fed by contributions from members of the Orkut communities, forums, and blogs who were eager to spread their ideas to a wider public. Beltrão thought this was excellent, as it avoided the risk of the organization employing people who did not truly believe in the causes it defended.

Beltrão argued that there were two big ideological currents competing for hegemony in Brazilian society, namely, social democracy and neoliberalism. The first included the positions of economists, such as Luiz Carlos Bresser-Pereira and Luiz Gonzaga Belluzzo, who supported state enterprises; industrial policy; import tariffs; active exchange rate policy; state banks such as the National Bank for Economic and Social Development (BNDES), Banco do Brasil, and Caixa Econômica Federal; government support for companies understood to be "national champions"; public pensions; unemployment insurance; labor laws; and income redistribution policies. The second current, neoliberalism, included the ideas of economists, such as Marcos Lisboa, Armínio Fraga, Pérsio Arida, and Samuel Pessoa.

Ultraliberalism, according to Beltrão, differentiates itself from neoliberalism by calling for the abolition of several policies and institutions that neoliberals support, such as the government's monopoly on issuing money, the Central Bank, an active monetary policy, organs that protect competition (antitrust measures), state regulatory agencies, state investment in essential infrastructure such as roads and ports, public basic health and education, minimum income policies, and alignment of laws and taxes between states. In addition, some ultraliberals also call for a liberalizing approach to social mores, such as permission for common citizens to carry guns, abortion, same-sex marriage, illegal substances like marijuana, and liberalization of patents and copyrights, without any state regulation.[50] Between 2006 and 2010, these positions led to significant tensions with the conservatives who ran in pro-market circles. Still, despite their differences, the conservatives united with the ultraliberals to defend the free market and to oppose the leftism perceived as characteristic of the pact of 1988. Eventually, some of them were able to advance

[48] Founded in 1982 by Llewellyn H. Rockwell Jr., with the help of Margit von Mises, Murray N. Rothbard, Henry Hazlitt, and Ron Paul, the Mises Institute defends an order based on "a free-market capitalist economy and a private-property order that rejects taxation, monetary debasement, and a coercive state monopoly of protective services." For more information, see https://mises.org/about-mises/what-is-the-mises-Institute

[49] A few years after IMB was founded, the Chiocca brothers stopped being part of the Institute, mainly for ideological and strategic reasons, and decided to found their own organization in 2015, the Rothbard Institute.

[50] It is important to note that there are also many disagreements among ultraliberals, given the various strains that all radically defend the free market but have significant differences from each other.

specific initiatives related to their own agendas. Such was the case of Joel Fonseca, who was identified as Catholic and took more conservative positions in the late 2000s, but later minimized his emphasis on religion and took a more liberalizing point of view when it came to social mores.

In 2008, while a philosophy student at the University of São Paulo, Fonseca formed a study group about Plato where the idea of publishing the magazine *Dicta & Contradicta* emerged:

> I published a magazine with a more conservative profile called *Dicta&Contradicta*. It had ten issues. There was literature, philosophy. It was more directed toward philosophy and less toward discussing the political agenda of the day. Initially, we started with a group about Plato that we formed. [...] [We had] a concern of restoring, a little bit, the high-level cultural discussion in Brazil, which wasn't academic, but also wasn't low-level, vulgar. We wanted to recuperate the idea of a public that reads, that is cultured, intelligent, to elevate the debate. I wrote and thought with college-educated people in mind, a little more oriented toward the area of humanities, but trying to also reach people from the sciences, or those who were also interested in those themes, people who wanted more cultural information in their lives. That was the idea. (Rocha, 2019, p. 140)

Like Fonseca, other college students in the nascent new right formed study groups. The largest at the time was founded in the city of Fortaleza and dubbed "Dragon of the Sea," as mentioned by Cibele Bastos:

> In our little Orkut group, in these communities, I got in touch with some guys from Fortaleza. One of them had just entered the economics program at the Federal University of Ceará (UFC), Raduán Melo, [and the other was] Bruno Aguiar, and the [last one] was Jeová, who was studying law, but at UNIFOR, a private university in Fortaleza. Then we [thought]: "Hey, Fortaleza," and so on, "Let's get together, let's make a group." Because we didn't have the knowledge. Funny, right? I didn't know where to look for things. And we put together the study group, the Dragon of the Sea study group, in 2008, and our first focus was on [the book] *Human Action* by Mises. (Rocha, 2019, p. 141)

In addition to forming study groups at their respective colleges, Fonseca, from São Paulo, and Bastos, from Ceará—as well as people across Brazil—were able through Orkut to participate in a bold collective initiative that was born on the social network: an attempt to found an ultraliberal Brazilian political party inspired by the U.S. Libertarian Party.[51] Its name, Líber, was an abbreviation for "libertarian":

> **Brazilian Libertarian Party – Help found it**
>
> Alex – February 12, 2007
>
> For those who don't know, a project is ongoing to create a political party that represents us. The first step for the founding of this new political group is to get 101 founders in nine states. At the time this message was posted, 35 names are still needed. Stop complaining about the leftists and move into action! Participate! (Rocha, 2019, p. 142)

Two years after the announcement on Orkut, Líber had an official site, a platform, Twitter and Facebook accounts, and 500 members who paid annual dues of 100 Brazilian reais (around $50 at the time). But its members had immense

[51] Founded in 1971 by David Nolan in the US state of Colorado, the Libertarian Party exclusively defends libertarian ideas.

difficulties gathering the 500,000 signatures required for it to be officially registered, according to Cibele Bastos:

> We formed a study group in 2008 and one more person joined, Maris, who was more linked to the political aspect. He participated in the founding of the Libertarian Party and then we became a cell of Líber there in Fortaleza. I remember that we always had strategy meetings to collect signatures to officialize the party. We spent from 2008 to 2012 on that extremely gradual work, signing up people on Orkut, trying to attract people to the study groups. We didn't have money, right, it was a bunch of students doing things paid out of their own pocket. (Rocha, 2019, p. 142)

Because Líber emerged from Orkut and its members were mostly college students and professionals who lacked the money and expertise needed to found a party, even with nuclei spread throughout the country, the initiative did not prosper. Nor did its activists feel comfortable participating in other Brazilian parties, according to Líber's first president, Juliano Torres of Minas Gerais. At the time, Torres was a journalism and public relations student and defined himself as anarcho-capitalist:

> A few of them tried to enter DEM [Democrats, the name the PFL took beginning in 2007], but they stayed for less than a month. There was no freedom. The statutes were very closed. They guarantee power to certain groups. The model of the parties is very centralized in the national leadership. We could have been expelled. When we defended an idea that was against the party platform, the ethics commission could have expelled us. And I think that they would have expelled us. Our methods are moderate, but the ends are radical. (Torres *apud* Jelin, 2009)

Still, the Líber activists created important bonds of friendship during this attempt to create a party, which played a significant role in the institutionalization of the counterpublics that was in course, as Filipe Celeti explains:

> There was a lot of discussion, which led to the point where people met up, in an assembly, to approve the platform and the statute. So it was several years of gathering people, raising money, gathering ideas, formalizing this. Overall, due to Brazilian law, it is very difficult to found a party. A lot of people didn't even want to formalize it. They wanted to have an organization that acted politically, but not necessarily a political party that participated in elections, exactly because a lot of people didn't even agree with elections. But this got a lot of people together and various regional groups formed because of this, mainly in São Paulo, Rio, Belo Horizonte. Those cities had a lot of people who attended. Here in São Paulo, generally we met up at a café on Paulista [Avenue] for discussions. Some people got to know us at the café, hearing us debate about politics, and ended up joining the group. And one friend would bring another, and share an article, bringing more, and adding to the group. [Most were] entrepreneurs, professionals, law students, economics students, people, for example, from the tech sector, programmers, web designers, people from this autonomous professional universe, and people who were a little bit more revolted with politics, with more of a punk profile. I was the São Paulo coordinator, and I was active until last year [2015], and we would have meetings monthly here in São Paulo, generally a happy hour, and so forth. So on a weekday, at night, we'd get the group together to chat, discuss issues, discuss projects, discuss participating in something. This meeting always had a little of that. In a way, what keeps us together is this relationship of friendship that was formed over the years. (Rocha, 2019, pp. 143–144)

The online and offline meetings aimed at founding a new party led to a series of other new initiatives. YouTube videos and channels were created, as well as new

communities on social media and new pages dedicated to spreading the activists' ideas, attracting increasingly more people to their causes. As IMIL and IMB consolidated, members of the emerging new right also sought out older Brazilian and international pro-market organizations, such as the Liberal Institute, the Institute of Business Studies, and their affiliates, the Institute of Leader Formation,[52] the Friedrich Naumann Foundation,[53] the Foundation for Economic Freedom, Atlas Network, and the Cato Institute. This helped them reach new levels of exposition and support and the ability to act more continuously. As an example, Rodrigo Constantino began writing a weekly column for the newspaper *O Globo* between 2009 and 2010 and increasingly dedicated himself to activism. Fábio Ostermann, a regular on the digital forums, made contact with US pro-market think tanks and started to act more organically in defense of the free market:

> The Millennium Institute was born, and I started to become closer to the founders, among them, the Marinho family, of Globo. They put me in a showcase, so I went from Facebook to something where people from the media were watching, and then I received, one beautiful day, a call: "Rodrigo, I'm the editor of [newspaper] *O Globo*, how would it be for you to write some columns for us?" I said, "Man. Marvelous." So things started happening. I was an activist for the liberal cause on the instruments that were available. Orkut, then Facebook, then the Millennium Institute, lectures appeared at IEE, in Porto Alegre, and things started to happen. One thing led to another, and I was more and more in the limelight. I was invited to more and more things, based on something that had been a hobby. Until the day that I made the decision. I talked to them and said "Look, I want to live off of this. Let's make this viable." And I went 100% to activities of liberal activism. (Rodrigo Constantino) (Rocha, 2019, p. 144)
>
> I was always online looking up things, and in 2007 the Free Order site emerged, which was the Cato Institute's Portuguese language platform for spreading liberal ideas. From there I went, in the middle of 2008, to two seminars, one organized by Cato and the other by FEE, the Foundation for Economic Education. I met people who were starting to organize themselves in the U.S. under the name Students for Liberty. When I returned, I had deeper contact with Students for Liberty, and I was an intern for Free Order for two and half months through an internship program called the Koch Summer Fellow Program.[54] (Fábio Ostermann) (Rocha, 2019, p. 145)

[52] For more information about the Brazilian pro-market organizations founded in the 1980s and the 1990s, cf. Gros (2002), Casimiro (2011), and Rocha (2017).

[53] The Friedrich Naumann foundation, a German organization founded in the 1950s to spread economic liberalism, since 1992 has kept an office in São Paulo from which it acts together with the main Brazilian liberal think tanks, such as the Liberal Institute, the Institute of Business Studies, and the Millennium Institute, promoting and financing activities to spread pro-market ideas in civil society. See http://brasil.fnst.org/

[54] Libertarian oil billionaires David and Charles G. Koch's actions alongside the main US pro-market organizations and the Republican Party are public and notorious (Doherty, 2009; Moraes, 2015; Skocpol & Hertel-Fernandez, 2016). Charles Koch financed and helped structure several pro-market think tanks in his country mainly during the 1970s and the 1980s. They included the Cato Institute, created in 1977 with libertarian activist Ed Crane and which included Murray Rothbard, a well-known libertarian intellectual, and Sam Husbands Jr., a businessman who participated in the Reagan administration. As of late 2020, Cato worked in conjunction with Atlas Network, founded in 1981 in the United States with the goal of facilitating more than 400 pro-market think tanks across the world (Rocha, 2015). It is the eighth-most important think tank in the

Based on the Free Order platform, which was linked to the Cato Institute, Ostermann helped create the Free Order Institute in Brazil in 2009. That same year, the Institute facilitated a lecture series called Liberty on the Highway which was financed by Localiza Group[55] and took place at universities across Brazil. In its first five editions, Liberty on the Highway held events at almost 50 universities in 30 cities, connecting pro-market activists across the country even more, according to Cibele Bastos:

> In 2009, we started to be more active, because there was a project from Free Order, in Rio Grande do Sul, called Liberty on the Highway. The idea was to do lectures across Brazil, in each state capital, carrying out lectures about economic liberalism, and [then] they got in touch for us to organize Liberty on the Highway in Fortaleza, in 2009. That was when we organized the first liberal event here, and it was really cool. When we started to organize Liberty on the Highway, we organized it as Líber Ceará. The event was at the School of Economics, and its organizer was Lucas Mafaldo, who is from Rio Grande do Norte. He had this idea of traversing Brazil. He said that he got a car and was traversing Brazil. There was even a considerable audience. We filmed it and everything. But in 2010, we repeated it, but it didn't work out. There was not as big of an audience at UFC [the Federal University of Ceará], but there was a successful audience at another college [because] we did it at another time of day. (Rocha, 2019, p. 146)

Between 2009 and 2010, in addition to organizing lectures for the Liberty on the Highway project and study groups, the university students active in the Orkut communities, such as Rodrigo Neves, Lourival de Souza, and Fernando Fernandes, also started to mount electoral slates to dispute leadership positions in student government. They aimed to compete with leftists in the student movement:

> I launched the ticket Reconquest [in 2009 as part of the leadership elections for the University of São Paulo's (USP) student government]. It wasn't a clearly right-wing proposal, it was just an anti-strike proposal. We won the election. We had something like 700 more votes than the ticket from the PSOL [Socialism and Liberty Party], [but] there was a fraud orchestrated by the majority of the academic centers [smaller student unions corresponding to individual courses of study] which were linked to the PSOL, in which they contested some key polling places where we had won. And I, through Reconquest, started [in 2010] a ticket called Liberty USP, which was a right-wing, conservative political group.[56] And I started to post writing on the internet. I had a series of online discussions.
>
> *Interviewer: Where did you publish your writing?*
>
> Orkut, everything via Orkut. Sometimes I published documentaries from *Media Without a Mask*, sometimes I would send a blog link to one colleague or another. I even had a blog. I got to the point where I wrote an article for the Rightward Brazil site, which no longer exists today.

United States, according to the index Global To Go Think Tanks 2014 developed by the University of Pennsylvania. For more information on the activities of the Koch brothers, cf. Doherty (2009).

[55] Salim Mattar, who is from the state of Minas Gerais and owns Localiza Group, and the Ling family, owners of Évora Holding, are said by ultraliberal activists to be their main financiers.

[56] According to Rodrigo Neves, in an interview with journalist Reinaldo Azevedo, "since 2009 the USP Liberty Movement maintains contact with the [group] Liberty UnB [University of Brasília], and, since 2010, there is an alliance between the two groups, characterized by mutual support in opposition to the partyfication of the student movement and by exchanging experiences and information" (Azevedo, 2011).

Do you remember which communities you frequented?

"I'm right-wing, So what?" which was one of the biggest ones. The Olavo de Carvalho community. There was a joke group called "Marx, Hegel, my ass." That group was really funny. I went straight there to post parodies of Marxism. I literally created a fake [profile] and [thought], "Today I am going to simulate Trotskyism." I went and wrote something Trotskyist that contradicted itself in order to stimulate people to understand how idiotic that was. Incidentally, during that period I met Flávio Morgenstern,[57] who was the creator of that page. (Rodrigo Neves) (Rocha, 2019, pp. 146–147)

At that time, a tool that started to get very famous was Orkut. Orkut introduced the possibility for people beyond just [elected] student representatives to take a position. People who could previously only take a position in the context of a debate or student government meeting, in an election, could now constantly give their opinions. At that time, you could start to get to know the original groups, the Olavo de Carvalho community, the Liberalism Community. I didn't even participate in the Olavo de Carvalho community. I think I participated in the Liberalism Community, the first one, I'm old-school like that. But anyway, I didn't discuss politics too much on Orkut because I thought it was very tedious. As I'm kind of old-fashioned, I prefer to be in the corridors, eye to eye, speaking to people. I got to the point of participating in an election for student government, and I was successful. I was elected in 2010. Part of the ticket was people linked to the PCdoB [Communist Party of Brazil], [so I] kept my prudence, kind of Winston Churchill, aware that I was the minority in there. (Lourival de Souza) (Rocha, 2019, pp. 147–148)

I got to know some friends who mentioned Olavo and also Rodrigo Constantino to me. So I started to read some of their writing, and we discussed it. We started to read the bibliographies, not just what they recommended, but things that were our own initiative. I think I started to have contact with this around 2009 and 2010, which also coincided with my getting involved in politics at college. As soon as I saw that there was a single discourse, and as I was getting to know these other guys, we started to be more confrontational. "No, but wait, this here is wrong," or, "Wait up, you're speaking in the name of the student movement, but the decisions are not being presented to the students." You see that people don't feel represented, and they start to withdraw. After we went to Facebook, there started to be debates. Before, it was [on] Orkut, and you had X number of people who did not agree with a certain type of thinking, whether it was in terms of ideology, or pragmatic terms. It was a group of people who were totally alienated in the decision-making process.

Interviewer: And then how did you guys deal with it? Did you create your own ticket to run for student government?

We created a ticket, we made a ticket. There were lots of supporters, but there were only five people who really organized it. It's impossible to mount a strong electoral dispute with five people without money, right? It was funny, because we passed around a sack [for donations] and it was a huge cost, a huge difficulty to get money to make some black-and-white material, really basic, and all of a sudden you looked to the side and there was a guy with a super material, in color, huge type, with a bunch of stickers. And then [you thought], "Man, where did they get the money for that?" (Fernando Fernandes) (Rocha, 2019, pp. 148–149)

Aiming to provide more organizational support to the study groups and student government slates that were forming, Juliano Torres, who had served as Líber's first

[57] Flávio Morgenstern was a literature student at the University of São Paulo, where he was part of the "Reaction" ticket alongside Rodrigo Neves, in 2011, running for leadership of student government. A reader of Olavo de Carvalho, currently he is a political analyst, speaker, and translator. He writes for newspaper *Gazeta do Povo*, as well as sites like *The Tease*, *Uncommon Sense*, and the sites of the Millennium Institute and the Liberal Institute. His first book published with Record was *Behind the Mask*, about the 2013 protests. See more at https://www.institutoliberal.org.br/autor/flavio-morgenstern/

president, assumed the presidency of an organization that had been created in 2009 by Fábio Ostermann. Called "Students for Liberty" in Portuguese, abbreviated EPL,[58] it was inspired by the US organization of the same name, according to Ostermann:

> During the July 2008 holidays, I went to FEE's Freedom University and got to know people who were starting to get organized over there in the United States under the name Students for Liberty, and I met Alexander McCobin, who was the president of Students for Liberty. They said they had recently done their first national meeting and everything, that it had snowed, and they said, "Come to New York," and even so, they were able to gather, like, 50 people from so many states. So I thought: "Man, interesting, I think in Brazil we need something like this." So I returned here, and I mentioned it to everyone, and they said: "Man, cool, cool," but it didn't end up evolving. [...] In January 2012, I went to participate in Free Order's first summer seminar. At this seminar, the participants were divided into groups based on theme. One group was going to talk about ways to develop liberal thought in the academy, another about how to develop it in the press, another in politics through political parties, and another via student activism. I went to the student activism group. With me were Juliano Torres and Pedro Menezes, and I said, "EPL is a cool idea, but it needs people to organize it, are you available?" And Juliano, who had recently left the presidency of Líber, decided to lead it. And I became president of the advisory council. At the time, I was at the end of my directorship of IEE and I had been invited by Free Order to be the manager of operations here in Brazil. (Rocha, 2019, p. 149)

With EPL's founding, the spread of pro-market ideas within universities became more institutionalized. By 2018, EPL had carried out 650 events in public and private universities and created around 200 study groups. In 2014, it had 600 volunteer leaders,[59] such as Luan Sperandio, Cibele Bastos, and Gabriel Menegale, who began to coordinate the organization's activities in their respective states:

> In the mid-2010s I was reading several books, mostly by Luiz Felipe Pondé, and later, I participated in the Liberty and Democracy Forum in Vitória, in October 2013. Paulo Guedes and Rodrigo Constantino were speakers. What they said about economic liberty made a lot of sense to me, as I was already in the process of becoming liberal. At that event, I bought some books from the Mises Institute Brazil, and I started to study. In the first semester of 2014, I started to write frequently for the [site of the] Liberal Institute, and, in the middle of August, the network Students for Liberty (Brazil) was trying to organize here and we ended up creating the Domingos Martins group, which is the largest group of liberal studies here in the state of Espírito Santo. (Luan Sperandio) (Rocha, 2019, p. 150)
>
> In the middle of 2012, Raduán said: "Look here, there was a Free Order winter seminar in Petrópolis, and they created an institution called Students for Liberty (Brazil). The idea is to create a network of students, with local nuclei, and I said that they could count on us." Because the first study group in Brazil, like, in institutional terms, was ours. And then Raduán [said]: "You'll carry out this idea, right?" and me: "What do you mean, I'll carry it out?" "Yeah, you'll coordinate it," [and] I [responded], "OK." Then, they got in touch with me, and I became the local coordinator of EPL in Fortaleza. (Cibele Bastos) (Rocha, 2019, p. 150)
>
> Although I was a super novice liberal, EPL had a goal of dissemination, and Juliano is a guy who chooses the right people. At the time, I was in a vibe of the youth wing of the party [Democrats]. I was up for it. And for me, it was a really good experience in several

[58] Henceforth referred to as Students for Liberty (Brazil) or EPL

[59] Information from the site http://www.epl.org.br/sobre/, accessed February 2, 2018.

> aspects. I hadn't met him [Juliano Torres] in person, and the first mission was to organize an event in Rio, if I'm not mistaken, in April 2013. When I assumed the state coordination of EPL, that's when I got to know a lot of people. At the conference that we organized here in Rio, 50 people came, [and as] I had dealt a lot with creating websites for a long time, at the time, we also created the EPL site. We had an event in April at the Millennium building. There, I met Juliano in person. (Gabriel Menegale) (Rocha 2019, pp. 150–151)

While former Líber president Juliano Torres became a well-known leader among ultraliberals through EPL, a subsequent Líber president, Bernardo Santoro, began to stand out in pro-market circles. In 2012, Santoro ran for Rio de Janeiro city council as part of the Social Liberal Party (PSL), earning 1200 votes. Despite not being elected, the candidacy attracted attention, and Santoro was invited to be part of the Rio de Janeiro Liberal Institute:

> In 2012, I was invited to be Director of Institutional Relations of the Rio de Janeiro Liberal Institute. The IL was dying, and I was a guy who knew everyone in all of Brazil from the point of view of the liberal world. I knew everyone from the Institute of Business Studies, from the Institute of Leader Formation, from the Friedrich Naumann Foundation, from the ongoing attempts to form liberal parties, the NEW Party,[60] the Federalist Party,[61] Líber. I was the president of Líber at the time. [...] My first event as president was a Friedrich Naumann Foundation event that gathered everyone from liberal institutes in Brazil to have a chat, to do a workshop about how to raise money and all that. And so I went as a representative of the Liberal Institute, and I presented a restructuring plan for the Liberal Institute. Everyone thought it was the best, but no one gave a cent. Later, I presented that plan to local businesspeople in Rio de Janeiro, and to Rodrigo Constantino, and he liked it. Afterward, there was another liberal event in Rio Grande do Sul [Liberty Forum], and he brought the plan, spoke with some more people, and came back to me and said: "Bernardo, the plan is approved. We have funds." So I left my job. I had passed an exam to be a legal advisor at the Development Agency of the State of Rio de Janeiro, and I went to the Institute. [Afterwards] a close friend of mine, who also knew everyone, became the new Director of Institutional Relations, Fábio Ostermann. (Rocha, 2019, pp. 151–152)

In 2013, the Rio de Janeiro Liberal Institute officially transferred its directorship from Arthur Chagas Diniz to Bernardo Santoro. Rodrigo Constantino became the organization's president. From that point on, Santoro began to bring people he knew from Líber, the Orkut communities, and other recently founded organizations to the Institute, such as Fábio Ostermann, Gabriel Menegale, and Cibele Bastos. In a departure from the centralized operating style of the first Brazilian pro-market think tanks, the new organizations formed beginning in 2006, with the exception of the Millennium Institute, started to operate in a more horizontal and decentralized way.[62] In part, this is because most lacked physical headquarters, more than two

[60] The NEW Party's main leader is João Amoêdo, a former executive from the financial sector who ran for president of Brazil in 2018. The party was founded in February 2011 and officially registered in September 2015. It stands for a liberalizing platform based on more autonomy and liberty for individuals and reduction of the areas of state activity. For more information see https://novo.org.br/partido/quem-somos/

[61] See note 44.

[62] So much so that in 2015, the need was felt to create a device linking the organizations and groups, the Freedom Network, presided over by lawyer Rodrigo Saraiva Marinho.

employees, and significant funding. They were normally created by professionals, small and medium-sized business owners, or even college students. As such, the founding of new liberal institutes in other cities, such as São Paulo and Fortaleza, did not follow a centralized model and occurred in a more autonomous and spontaneous way than the style of precursors in the 1980s, according to Bernardo Santoro and Rodrigo Saraiva Marinho:

> Now, the Liberal Institutes started to blossom again, in a totally autonomous way, not linked to the IL-RJ. [Before it was] really centralized. There was even a Council of Liberal Institutes. Now the Institutes are there, autonomous, free, light, and loose. Today, we have an organization that we call the libertarian network, which is just a way to help with communication, but without any management, just through the internet. [...] I don't know how much money a guy is raising, what he spends it on, where his headquarters is. Sometimes I don't know, if people ask me, where the Liberal Institute of the Central-West is. I'll say: "I don't know, I've never been." (Bernardo Santoro) (Rocha, 2019, pp. 152–153)
>
> They [the old think tanks] were centralized. That is, Hélio's idea of a starfish that grows several arms, goes, and works independently, is the big advantage of this third-generation movement. They think a lot like a starfish. Like, the Liberal Institute of the Northeast, when I created it, people called me crazy at the time, and it worked out, you know? It's a strong and consolidated brand today, but at the time, it was craziness. It was done completely independently of any kind of big center. The Mises [Institute] didn't arrive and say: "We're going to start the Liberal Institute [of the Northeast]," nor did IEE. No one. That did not happen. Before, the ILs were formed as if they were branches of IL Rio, and Donald was really rich, so people built homes, structures, they backed them, they published them. But it's really expensive to maintain structures. So much so that the Liberal Institute of the Northeast was in my office. The Mises Institute is in Hélio's office. The big advantage of the IL is that the IL published a lot, so much that it has various copyrights, some of which were bought by the Mises [Institute]. There are two problems with this earlier generation, the centralization of the Rio de Janeiro Liberal Institute and of the Liberal Movement of São Paulo, which was very criticized at the time because it shifted to being Social Democrat. As the PSDB in São Paulo was very strong, you had strong influence from the São Paulo PSDB. And the people from Rio Grande do Sul said: "The Liberal Institute of São Paulo is no good, because it's a Social Democrat Institute." And with the money running out, this generation dies with their centralization, which is a serious problem that you will have in the IFL [Institute of Leader Formation] later, right, because of the centralization of spending and the centralization of content. Because IEE builds chapters, but it does not allow people to grow. They break with this idea of thinking in a decentralized way and permitting the free market of ideas to truly function and each one to establish themself with their local position, which is the great advantage of today's liberal movement. (Rodrigo Saraiva Marinho) (Rocha, 2019, p. 153)

To describe the work of today's network of liberal organizations, Hélio Beltrão Jr., as ILIN founder Rodrigo Saraiva Marinho pointed out, aptly refers to the metaphor of a starfish. With an extremely high capacity for regeneration, a starfish can lose one of its "arms", and not only can it grow it back, but also the separated "arm" can spontaneously generate another starfish. Contrary to the pro-market think tanks that existed before the mid-2000s, which centralized their actions around specific businesspeople and depended on them in order to function—well illustrated by the effect of Donald Stewart Jr.'s death on the Liberal Institute's decline—today, activists organize in a decentralized way and can mobilize without high initial costs, making intensive use of their networks on and off the Internet.

This decentralized organization style is not unprofessional, on the contrary. The activists who first became involved through the counterpublics professionalized themselves through political education courses and specific training offered by US organizations, such as Atlas Network and Cato, among others. They also began to adopt forms of intervening in the public sphere that are completely different from those of previous generations of free-marketeers, such as protests and street demonstrations aimed at winning everyday people's hearts and minds, paving the way for actions beyond the Internet and opinion-shaping roles in public policy discussions.

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