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The real cost of hosting the 2016 Rio Olympics

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DEWS: Welcome to the Brookings Cafeteria, a podcast about ideas and the experts who have them. I'm Fred Dews.

The 2016 Summer Olympics in Rio de Janeiro, Brazil are the only games held in any South American country. When the site was chosen in 2009, Brazilians celebrated and looked for economic development and advancement of Brazil as a major player on the world stage.

However, while the sporting contests themselves were full of their typical excitement, corruption scandals reduced profits and local governments were driven into bankruptcy. Over 70,000 of Rio's poorest residents were forced to move. Hosting the Games cost Brazil \$20 billion. In this episode my colleague Bill Finan, director of the Brookings Institution Press, talks by phone with two of the contributors to a newly edited book from the Brookings Press titled "Rio 2016: Olympic myths, Hard Realities" that is about the social, political, and economic costs of hosting the 2016 Summer Olympics.

Juliana Barbassa is a journalist born in and now based in Brazil. She is the author of "Dancing with the Devil in the City of God: Rio de Janeiro on the Brink." And Teresa Williamson is a city planner and executive director of Cataleptic Communities, a Rio de Janeiro-based organization that provides media and networking support to favela communities.

In 2015 I had the opportunity to interview the editor of "Rio 2016," Andrew Zimbalist, about his Brookings Press book titled "Circus Maximus: The Economic Gamble Behind Hosting the Olympics and the World Cup." Stay tuned after the interview to hear from David Wessel in his monthly "Economic Update" and also a new "Ask an Expert" piece in which our questioner inquires about democratic norms and the Trump presidency. And now here's Bill.

FINAN: Thanks Fred, and hello Julianne and Teresa. The Rio 2016 Olympics have become infamous, but the main memories at least for me and I think for many other people, not have incredible records set by athletes but instead of bacteria infested waters, a sign held up a few weeks before the Olympic visitors themselves get at the

real airport by disgruntled firefighters and police officers that said "Welcome to Hell." There wasn't a very auspicious beginning or auspicious surrounding themselves. So my main question to begin with is what went wrong? If you could capture the essence in a couple of sentences what would each of you say?

WILLIAMSON: Well you know Rio is one of the most unequal cities in the world. It's famous for its beautiful beaches and so on, but it's also famous for its very visible inequality and you know when the investment's came into the city they were essentially misappropriated towards things that only exacerbated that inequality. And so the natural consequence of that is that the groups that have been marginalized historically would feel even more disgruntled at the end of the process. And then of course on top of that we had an economic recession by the end and all of that adds up to what we experienced the failure of the Olympic Games in terms of leaving a real legacy for the city.

BARBASSA: I would agree very much with what Teresa said. I feel like the Rio Olympics turned a grossly unequal city into more unequal city. And I think that part of what happened there was the confluence of Rio and Brazil specific problems with IOC and event problems

FINAN: The IOC being the International Olympic Committee.

BARBASSA: Yes exactly. You know we had the inequality in Rio, we had the companies that were in charge of doing all of the Olympic related construction, and the politicians who were in charge of managing the process. And many of those players, the politicians and the companies, were already involved in a longstanding corruption scheme that's now been unveiled and that started before the Olympics and involved Brazil's oil company, involved the big federal construction projects that were going on around the country. The Olympics simply slipped into this scheme exacerbated it.

So on the one hand, it's funneled more money into the hands of the usual winners in this process than Brazil. And on the other hand build a physical infrastructure that actively makes the city more unequal by serving some over others.

So there was that. Those are the Brazil and real specific problems. And on the other hand you have IOC related problems. I mean this is a global monopoly that has no accountability instruments to hold it to task. And so it moves around the world doing this, --you can look at previous Olympics as other authors did in this book and see examples of it. So I, unfortunately, I have to say that there was no surprise for me in what happened in Rio.

FINAN: So Julianne I would stick with you for a moment because in your chapter on the book which you called "The rollercoaster the Rio Olympics," I want to back up the roller coaster a little bit to the beginning before this dismal scenario that you painted where things were when the Olympics came into place. But on October 2009 when it was announced that Rio will host the 2016 Olympics there was a different picture at the moment, it was, I think as you mentioned in your book too, it's as if the curse of the past that Brazil is the country of the future and always will be had been lifted. It was a shining moment. Can you describe that moment? Or is that overwrought to call it shining even?

BARBASSA: No, absolutely. I'm Brazilian myself and this is the moment that I decided to go back home because I wanted to be there for this moment as a journalist and as somebody who cares for Brazil and us for real. This was the moment when the economy was growing, that inequality that was spoken of was diminishing measurably, there was money coming in from a commodities boom and more money prospectively coming in in the future from this oil discovery off the coast of Rio. All this cash at a time when we also had a working class president who represented a segment of the population that had been under-represented in the past gave us an opportunity.

FINAN: And that was Lula da Silva who was president?

BARBASSA: Exactly, President Lula, yeah. Brazil's first working class president that essentially brought the face of a segment of the population in Brazil that had never been represented in politics to Brasilia, to the capital. So you had the money and the political will, the political moment, to make significant transformation in Brazilian society that would have made it a more equal place, a place where we're more benefited from the bounty that Brazil really has.

And so yes that was a shining moment it was a very exciting moment. In some cases that was some euphoria because there's only so much change that you can make in that period of one presidential term, or two, or even three. But the opportunity was very much there, and the bid for the Olympics very much used to hook into that. If you'll remember President Lula said things like "it's our turn," "our time has come," "this is Brazil's moment to shine," and it seems the IOC really bought that.

FINAN: And there was a moment when Brazil was the leading initial in BRICS, of those leading countries that were going to lead the world economy.

BARBASSA: Absolutely, yeah, I was just going to say the excitement was not just within Brazil, the excitement was outside Brazil as well. Foreign direct investment was booming. A lot of people were looking to Brazil as the next big thing.

FINAN: And then da Silva left office and Dilma Rousseff was elected President in 2011, and then it seems that things started to spiral downward and relatively quickly too.

BARBASSA: Indeed, one of the key elements that changed between that 2009 euphoric moment and dealing with impeachment was the economy. And I feel like that was actually a huge factor in her impeachment, much more than anything she did or didn't do, Brazilians are very unforgiving about that moment when the economy goes south. People my age who lived through the 80s and the early 90s remember hyperinflation. So for global factors largely had nothing to do with Brazil specifically, for example commodities prices went down, the price of oil specifically went down. There was this uncovering of this massive corruption scandal that distracted politicians from doing the things that we elect and pay to do which is, you know, govern and take care of the economy.

And the corruption scandal also hit the Petroleo Brasileiro oil company very strongly. So this company that was supposed to be tapping into those oil reserves and bringing in all of this cash for investment in social programs and other programs. This company was completely unable to function because it was dealing with the uncovering of a huge corruption scheme operating within it.

And so you add all of this together and Brazilians are really starting to feel the pinch at home and people are losing jobs, Inflation went up a little bit, a lot of those possibilities that had seemed within reach were now suddenly being pulled away from them. So the mood really, really turned. And as that mood turned Brazilians looked to where their Government was spending money, time, and effort and they saw these massive stadiums and venues that would have no use after the games and were costing the public a tremendous amount of money. There had been a promise at the beginning that this wouldn't happen. So they started to really question the whole enterprise.

We saw the beginnings of that questioning in 2013 during the Confederations Cup when Brazilians took to the streets and massive nationwide protests. This unhappiness lasted through the beginning of the World Cup surprisingly because Brazilians are generally the world's number one soccer fan. And this discontent continued strongly through the beginning of the Olympics in 2016 when, as the games are about to start, one in two Brazilians thought it was a bad idea to have the Olympics in Rio, and two out of three thought that this would only bring negative consequences to the city.

FINAN: Teresa, So I want to turn to you for a moment to talk about the chapter in your book which is about citizens reacting and acting with the impact of the Olympics and you specifically focus on the favelas, or on one specific favela. But before we go to that can you tell listeners what a favela is and a little of the history behind them especially in Rio?

WILLIAMSON: Sure, well Rio's favelas are 120 years old. In fact the oldest favela is turning 120 next month. It's called Providencia today. The community was formed when former soldiers were promised land in the capital, it was Rio at the time, and they came back in 1897 and didn't find that land available from the government. Kind of very typical promise made by the government that wasn't met. And so they squatted on a hillside and started a community. They called it Favela Hill named after a shrubby plant named Favela from the Northeast area of Brazil where they had served battle. But then over time other communities formed informal settlements around Rio in response to the

lack of housing and they were all called favelas. And that community eventually changed its name, but the words stuck.

So in Brazil in general but especially in Rio informal settlements are known as favelas. And because of a history of government neglect and lack of effective service provision, because also those today do have some level of public services, you know the water reaches the edges of the community and so they bring it in and the homes individually have plumbing. You know there's electricity in all the homes, for the most part, although they may go a day a week or two days sometimes where it gets shut off. Same thing with water.

And so services exist there will be clinics and some there will be schools attending to the students of these communities even though they may not be within the community, but the quality is precariously low to this day maintaining these communities in a state of neglect. But residents continue

So you can imagine over 120 years that would be many generations at this point of people building, rebuilding, improving, and so favelas are characterized I think for me at their core by this constant effort on the part of residents to improve their outcomes. And with the lack of outside support they've been able to develop quite a bit over this period. You know over 90 percent of homes are brick, concrete, reinforced steel they're no longer shanties. The conditions are no longer for the most part what we normally consider slum conditions. Unfortunately the translation problem makes it difficult. So often the media still translate them as slums which does them a disservice.

FINAN: Right. One of the things I took away from your chapter is that the perception as you put it of them being inherently illegal, criminal, precarious and unmanageable is the wrong perception to have. That the 2002 movie "City of God" which burned that image into many people's minds, that's not the favelas that you know and that populate most of Brazil.

WILLIAMSON: Yeah in Rio depending on the period 35 to 50 percent of favelas in the city have drug trafficking activity. So it's not even normally a majority of communities, and even in communities with drug trafficking very rarely do more than

one or two percent of residents are involved directly in drug trafficking. So it really does paint, the movies like that and the news in general which tend to concentrate on moments of sensationalist kind of violence, sensational violence, those paint a picture of these communities as inherently violent which isn't true. The reason there's so much violence in so many of these communities is because they've been kept neglected by the government which makes them easy targets for criminal activity.

There's a lot of institutionalized racism in Brazil and criminalization of poverty which makes it harder for favela residents to get jobs. So it also means that there's going to be a workforce potentially for these factions, these drug factions, and education is kept at a precariously low quality and so that also makes it harder for people to access good paying jobs. So for several reasons these communities end up targeted by criminal gangs which take advantage of them in that state of neglect. But it's not something inherent to the favelas themselves, their built environment, their residence, or their history that makes them criminals.

FINAN: Your chapter focuses on one favela in particular, the Vila Autodromo, which Rio's mayor targeted in his own way to be removed for the Olympic Games because it was too close to one of the stadiums. Your chapter is a fascinating description of people coming together and fighting literally city hall and in the end not winning but there's a strength that comes out of that loss I think. But what would removal have meant, in these consensual relocations he called it, what would it have meant? Can you just describe briefly just the story of the Vila Autodromo?

WILLIAMSON: Yes, so Vila Autodromo is a community it's been around for 40 years. It started with fishermen near the lagoon which ended up being next to the main Olympic Park in Rio. And so they actually had resisted previous attempts at eviction in the 1990s. They had been given 99 year leases by the State Government. They had a strong land rights, housing rights, squatters rights exist in Brazil and they really loved their community.

One thing that always was clear to me whenever I interviewed residents there was how they were there by choice. It was a community comprised of people who had moved often from other favelas but had found this oasis of tranquility in Rio by the



lagoon and they'd moved there. So people they did not want to move. It was a very small percentage of residents who were living in more precarious dwellings, less than 10 percent, that were interested in the different options.

And so what happened was when the Olympic decision was announced the residents who had already organized against eviction in the 90s and beyond they reorganized and they brought forward the resources they knew about, the public defenders, and started networking with other organizations community organizations universities and so on to resist.

Meanwhile the city was adamant about removing this particular community. There's a longstanding desire on the part of that particular mayor to remove that particular favela because he was sub-mayor for that region of Rio previously he already knew that community and he had tried to it in different positions. So they were familiar with him, he was familiar with them in that sense, but he never set foot in the community during the entire pre-Olympic period and instead made commitments to the real estate companies that were going to build the Olympic Park or so is the assumption because there's nothing explicit but it's obvious in a sense to everybody involved in the struggle from all sides.

FINAN: He knew which political constituency was his.

WILLIAMSON: Exactly, he has always been very much involved with the real estate interests in the city. They were the ones who funded his political campaigns and so on. And so he targeted the community yet the community resisted, and in the chapter I tell this whole story of how it unfolds and all the interests and the role of different community organizers and the media and the public defenders in the legal disputes.

And as it unfolded essentially, to summarize, the city government found out exactly who those 10 percent of residents are so were that were willing to negotiate and they targeted them very explicitly with public housing offers nearby which they took because those were the people living and more, like I said precarious dwellings, and then from there they created a sense of panic and inevitability that other residents felt they had to negotiate because it was a matter of you know time. And you know people

with kids that were living in uncertainty, fear, you know they would tend to go. Or families where they were maybe elderly residents in the home but their kids would pressure them, well we could get several apartments so all of us could have our own unit, and so they might go because they think they're doing a good deal for their children.

So there were a lot of people who in the course of events, and the evangelical church left and then all of their faithful left, and so there were these waves of people who took different levels of negotiation. The city negotiated differently with everybody in what we call a divide and conquer approach. They never met collectively with the community which was the demand of the residents association from the beginning. Instead they went door to door figuring out what was the minimum they could offer each family to get them to go.

And in the end the city spent over 300 million real evicting this community between the public housing they built, the compensation they offered, and the rebuilding of the 20 homes for the remaining residents at the end. And it would have only cost 14 million real for them to upgrade or bring the entire community to standard where it was originally in its original blueprint.

It was not a hard community to upgrade, there were only 11 roads, they were wide, it was quite a developed community and obviously would have been much more cost effective to go there instead and much more humane. So now actually, there's a court battle among over 100 of the families that were evicted that feel that in the process of these changing negotiations they actually got a bad offer and they want more from the city.

On the positive side there were actual number of successes for the community that made it into an international icon now of resistance and these include the fact that they did resist to the end against these huge real estate interests, the IOC, and the real governments. There were 20 families that were able to stay on the land as they had hoped. They showed that resistance pays off, so other communities are now much more likely to resist because they saw what those families were able to do when they did work till the end. The families that did get compensation, some of them got market

rate compensation for first time in real history with what's happened for favelas, and the public housing that was built for residence was built fairly nearby which is also unique in this pre-Olympic period where most evictees were sent one, two hours away from their homes.

So there were lots of things where the community became a beacon of hope essentially or an example, and now it's become the center for organizing and people from all over the city but also from around the world come and visit the Vila Autodromo to learn some of the strategies that they've employed and they now have an evictions museum where they keep track of this history.

FINAN: Wow, an evictions museum?

WILLIAMSON: Yep.

FINAN: I wanted to get a sense of how many people in total were removed because you know in the chapter that the Vila Autodromo it was not the only community that suffered this forced eviction. So how many in total were forcibly removed from their homes?

WILLIAMSON: The bottom estimate is 77,000 people were evicted from their homes in the lead up to the Olympics. That's from official data. So there may well be more that are not registered. And they were from all over the city.

FINAN: All over the city, sort of this form of eminent domain cleansing. I wanted to pull back to look at the entire book. The oral argument the book "Rio 2016" is at the Olympics are a net loss for a developing country. Can each of you describe for me what you think the net loss for Brazil was with the Rio 2016 Olympics? Juliana do you want to begin?

BARBASSA: Sure. I've described this a little bit, but there's a lot on multiple levels. There's the obvious. There's the money that was spent, public money that was funneled into private pockets either directly by public entities having to pay for things that private entities were not able to pay for or did not pay for, significantly subsidized

government loans to these huge corporations that did a lot of this building. That's the cash directly spent.

And then there's the opportunity cost. What did read not do with this money and with this political will, right? We had a moment in Rio when the municipal, the state, and the federal government are all working together to push this specific project. What could we have done in the city, in the country if this kind of effort were directed at things that the population really needs and said specifically that they need at so many protests over the past few years. Things like hospitals, and school, you know basic services, decent public transportation, better roads things like that.

And then there's of course the softer elements that are harder to quantify. Things like what's the cost of embedding into the physical infrastructure of the city transportation routes that serve the wealthy and not the poor. When you change the physical face of a city like that, you remove entire communities, you build a more unequal city, you're going to live with the consequences of that for the next what 50, 60, 70 years.

FINAN: So it's dysfunctional urban planning it sounds like

BARBASSA: Exactly dysfunctional urban planning that intentionally benefits the ones who have usually benefited in Rio and not the ones who were ostensibly going to benefit from this moment of urban transformation.

And then there were again even harder to quantify elements like Brazil's image. These mega events, the World Cup and certainly the Olympics, were supposed to be the cherry on the Sunday, the moment when the world was going to look at Brazil and see Brazil being modern, efficient, shining, really showing the best that it has.

The motto was, you know, live your passion. This is the thing that people think of when I think of Brazil and Brazilians. And instead what are the images that are left in people's minds; that algae-green swimming pool, the polluted bay, the problems with lines and inefficiencies and security concerns. What damage does that do to Brazil and Brazilians? And the exacerbation of corruption, what's the cost of that? You know how can even quantify that.

Those are the headlines that are related to Brazil right now. And I have to say, to the IOC as well, I think that Brazil's Olympics had a significant cost to the IOC because it was such a clear reminder of the negative impact that an event like this can have on a place. All of these descriptions that we've been giving you of how much the Olympics cost Rio, you have to keep in mind that the IOC made record revenues off of the Olympic Games. They made, I believe, 5.6 billion or something unheard of revenues off of the games that cost a locality and its people so much. So the costs are multiple.

FINAN: Andy Zimbalist in either is introduction or conclusion, he's the editor of the book, said that by his estimate the Rio Olympics ended up costing Brazil itself 20 billion dollars and the costs continue to rise. Theresa I wanted to ask you what did you think of a net loss for Brazil was?

WILLIAMSON: Yeah, I mean I think Juliana did a great job just summarizing everything. The only thing I would add from kind of a very local perspective is what it did to hope, you know?

I think everybody talks about how crime rates were coming down in Rio because the economy was going up, because the pacification police were being implemented. That was the shiny moment of 2009, '10, '11, but then they talk about the decline of the economy and the pacification police of reasons for the increase in crime. And I really believe that we ignore the factor of hope and hopelessness in crime.

Our organization works with favelas, we've been doing this work for 17 years, and we never saw people in community organizers more hopeful than that early period 2009, '10, '11. It was palpable. Community organizers, especially young leaders, taking courses, night school going to university, doing trainings to take advantage of this new moment. All these policies being introduced in favelas for the first time essentially in history on that scale in terms of infrastructure or potential upgrading. And the police itself, which initially seemed like it was being effective, all with the economy booming. And so we saw you know crime go down naturally. I think when people are hopeful they're less likely to take the kinds of risks that lead to getting involved in criminal activity.

Now we feel a sense of hopelessness in the city. It's generalized. And I'm not quite sure how we're going to recover from that. So I think that's really key.

However, there were some good things in terms of the visibility generated. Some of these are deep issues that we're going to have to come up at some point, pollution in the bay, the racial underpinnings of inequality, these were issues that actually nobody talked about before the Olympics lead up but they were brought out by the international media and now they've become local issues people are really talking about regularly.

And of course those you know especially race generate a lot of frustration as people become more and more aware of the role and the lack of action. But you have to be aware to do something, and so were the very beginning of a process I think of recognizing the racial history and legacy that have led to where we are today and that are related to all of this inequality that we've been talking about.

FINAN: Juliana and Theresa, thank you so much for talking to us today about "Rio 2016." It was an eye opening conversation.

WILLIAMSON: Wonderful, thank you for having us.

DEWS: You can find "Rio 2016" on our website Brookings.edu. And now here's senior fellow David Wessel, director of the Hutchins Center on Fiscal and Monetary Policy.

WESSEL: I'm David Wessel and this is my economic update. Like the tax code itself, tax reform is complicated, almost too complicated to understand in one bite. So I'm going to focus on one aspect of the tax reform debate.

U.S. multinational corporations have more than 2.5 trillion dollars in overseas profits that they're reluctant to bring home because they'd have to pay taxes on them if they were repatriated as the word goes. The tax reform framework that President Trump and Republican leaders of Congress would change that. The U.S. taxes multi-nationals on their worldwide profits at a rate as high as 35 percent minus what they've paid to foreign governments. But firms can defer taxes if they leave the money overseas. So many companies do that.

Congress has always flirted with the idea of “well we'll let you bring the money home and we'll charge you a lower rate,” and that would be a way to encourage companies to bring the money here. Now there's a lot of misunderstanding about this these companies, General Electric, Amazon, Pfizer, Microsoft, they don't stuff money into vaults in Zurich. In fact much of it is invested in U.S. Treasury bills or other dollar denominated securities or even deposited in U.S. banks. But they do leave it on the books of their overseas subsidiaries as long as they can. And that's what Congress is trying to change.

The Trump-Republican framework would change the law so all past profits now parked overseas would be immediately taxed but at a rate lower than the basic corporate tax rate, then firms could use the money freely.

Now for companies, this is a tax cut. For the U.S. Treasury, It would be a short term windfall because it could collect taxes on all those two and a half trillion dollars overseas, the taxes that have been deferred. That's why it's so popular in Congress. It raises revenue in the near term that they can use to pay for other things.

Now President Trump says this change would “spur billions of dollars in new investment in our struggling communities and throughout our nation.” But that's only true if the companies are holding off on investing because they're low on cash or can't borrow. Now the companies with the most profits in these overseas accounts are Apple, Microsoft, Google, Cisco, General Electric, and Pfizer. Companies that don't appear to be unable to invest for lack of funds. So what happens if this passes?

Well we've got a bit of history to draw on. In 2004, Congress passed a temporary tax break telling companies they could bring money home and a lower tax rate. There was a lot of talk about how this would increase investment and create jobs. Indeed the law was called the American Jobs Creation Act. But research by Kristin Forbes, an MIT economist who actually was on the Bush Council of Economic Advisers, found that nearly all the money was used to pay higher dividends to shareholders or buy back stock. There was no significant increase in business investment, in hiring, or research and development. Essentially the money moved from the bank accounts of the corporations to the bank accounts of the shareholders.

Larry Summers, the former Treasury secretary, describes this with a metaphor. A library with overdue books, he says, might sensibly decide to offer an amnesty from library fines. Or it might decide to announce they would never be an amnesty so people would save money by bringing in their books as soon as possible. But only a crazy librarian would put up a sign saying “no amnesty now, but thinking of one next month.” Yet that's exactly what the U.S. has been doing. It's why companies have every reason to delay bringing profits home.

Now going forward, the plan is to end this repeated amnesty, tax multinationals not on their worldwide profits but only on the profits earned in the U.S. with a twist designed to prevent them from escaping taxes altogether by booking profits in overseas tax havens. Essentially it sets a low minimum tax rate. It isn't specified in the framework so the companies would have to pay at least some tax to some government somewhere. Of course for any of this to happen. Congress has to actually pass the tax reform bill. And that's a real big lift.

DEWS: Listener Peter Dunphy said in a question about democratic norms in the Trump presidency. I'm grateful to senior fellow Bill Galston for coming into the studio to offer his thoughts on the matter.

DUNPHY: Hi Fred, my name is Peter Dunphy and I'm a senior at Wesleyan University. My question concerns democratic norms in the Trump presidency. Whether it is Donald Trump's firing of FBI Director James Comey, Democrats going nuclear over the nomination of Neil Gorsuch, or the swift and secretive reconciliation process that ultimately led to the demise of the Republican repeal and replace bill in the Senate, democratic norms or unwritten rules seem to be on a full blown assault. My question is, what is the role of democratic norms in the Trump presidency and in the greater context of deep political polarization? And what options do policymakers have to preserve some semblance of these norms in order to maintain stable governance? Thanks.

GALSTON: Peter, good question. Thanks for asking and I wish more people were asking that question including more young people. I'm Bill Galston, a senior fellow in Governance Studies at the Brookings Institution. The question of democratic norms is something that goes all the way back to the beginning of our republic. If you look at the



father of our Constitution, James Madison, on the one hand he was a strong believer in institutions, relying on institutions rather than on individual motivation to prevent bad things from happening and to create as many incentives as possible for good legislative outcomes that would serve the public interest, but he wasn't satisfied to rely completely on institutional devices however artful. He also said in one of the Federalist Papers that every political system relies on a certain amount of virtue in its citizens and leaders and republican political systems, systems that derive their legitimacy and authority from the people, do so to a greater extent than any other form of government.

So you're quite right to suggest that in addition to laws and institutions we do rely and must rely on unwritten, informal norms. And we frequently recognize them only when they're being breached or when they're in the process of disappearing because under those circumstances the sorts of bad things that informal norms are there to prevent begin to happen. It begins to become obvious what we are losing and we're clearly living in one of those times.

Political polarization, which is intense not only intellectually but also emotionally, has put enormous pressure on the kinds of informal norms that use to shape the governance process in Washington and around the country. Norms of restraint in speech, norms that restrain majorities from pressing their advantages to the hilt, norms that council members of both political party to look to the long term interests of their party and the country rather than the maximization of short term gain. All of those norms have become much weaker in the past generation and the weakening has been accelerated by recent political events including the election of Mr. Trump to the presidency.

The way forward I think is going to have to depend both on bottom up processes, citizens protesting the disappearance of norms they cherish, and top down processes in the form of political leaders in both political parties who are willing to take some risks in order to break the cycle of action and reaction and to create a new foundation for the kind of compromise that our political system relies upon.

Our system of checks and balances, divided power and authority unlike parliamentary systems, depends on the ability of people of different political persuasions

to work together. There's an old fashioned word for working together, it's called compromise, and it's virtually disappeared; we need it to come back, we need a lot more of it.

DEWS: Thank you Bill for answering, and thank you Peter for taking part. I'll be sending you a Brookings coffee mug as a token of my appreciation. And that does it for this edition of The Brookings Cafeteria brought to you by The Brookings Podcast Network. Follow us on Twitter @policypodcasts. My thanks to audio engineer and producer Gaston Reboredo with assistance from Mark Hoelscher.

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