

## The PT in Power: Prospects for Change in Brazil

Report by Christina Polzot

On January 14, 2003, CERLAC hosted a panel discussion exploring issues surrounding the taking of office, following his victory in Brazil's most recent presidential election, by Luiz Inacio Lula da Silva (Lula) of the Workers' Party of Brazil (PT). Lula assumed office just two weeks before this event, on January 1, 2003.

Of central concern to the discussion were the prospects for change under this new government in Brazil, a country characterized by striking socio-economic inequality, in light of the challenges and constraints confronting the new administration. Carlos Torres of the Centre for Social Justice facilitated the panel, which featured Leo Panitch of the Department of Political Science at York University, Cecilia Rocha of Ryerson University, and Daniel Shugurensky of OISE, University of Toronto.

**Daniel Shugurensky** opened the discussion by noting the symbolic importance, in Brazil and Latin America more broadly, of Lula's victory. A former factory worker by trade, with no formal education or diplomas, Lula is the first regional president of working class background. However, Daniel was quick to assert that Lula's electoral success was attributable to much more than to his persona, his charisma, or perseverance.

More significant factors were his party's long-term, broad-based connections with the popular classes – through the labour movement, social movements, and Marxist groups – as well as Lula's skill as a consensus-builder and negotiator. This latter quality, observed Daniel, allowed him to win the critical support of sectors of the Brazilian middle class and national industry.

Daniel also underscored the relevance, in this case, of the distinction between government and power. To what extent, he asked, can we talk of "the PT in Power" when the new government's latitude for action is very limited, considering that:

The PT is weakly represented in the Brazilian Parliament and Senate, having won only 120 seats out of 513 seats country-wide. Government action will have to emerge from compromise and coalition building with different parties. Economically powerful members of the international community, as well as the international bodies (especially financial institutions) in which they predominate, have the capacity to exert considerable pressure, especially considering Brazil's debt and its economic fragility after years of neoliberal, and anti-labour rule. Media ownership in Brazil is highly concentrated in the hands of sectors that have been consistently antagonistic towards the PT. The US military shadow remains suspended over the hemisphere, as does US hostility to independent nationalism and efforts to promote progressive change.

Lula's victory does not herald revolutionary change for Brazil, Daniel opined. Instead, he expects Lula to pursue a moderately reformist agenda. Lula's presidency will probably play out as a delicate balancing act, as he attempts to reconcile conflicting demands from opposed interest groups. He will be asked to increase wages while controlling inflation, for example, and will be pressured by international interests to accept a version of the proposed FTAA that will contradict the expectations of Brazilian national industry. In light of the prodigious forces involved and the staggering challenges that lie ahead, Daniel remarked that it is no wonder that many expect Lula will eventually lose his balance and gravitate to the right.

Daniel, however, is more hopeful. He is of the opinion that Lula's ascension to office will encourage and facilitate a critical mobilization of grassroots activism and civil society mobilization. Hence, at least initially, direct government action may be less significant than the politicization and activism it enables. In terms of concrete policy, Daniel predicts that Lula's government will focus initially on emergency assistance and job creation, later

turning to its proposed Fome Zero (Zero Hunger) and Favela Zero (Zero Slums) policies. The measure of the government's success in realizing these goals, expects Daniel, will determine Lula's eligibility for a second term in office. If attained, Daniel suspects that in his second term Lula will then pursue deeper structural changes.

**Leo Panitch** began by pointing out that the PT has been broadly considered to represent "the new working class organization of the twentieth century." Founded in the 1980s, the PT distances itself from both the non-democratic model of centralized state Communism as well as the formalism of parliamentary social democracy. Leo noted the novelty of the PT's approach to governance, one that is based on the mobilization and organization of the masses, empowering them to organize from within the state system. In this light, Lula's victory is clearly of immense importance. Moreover, the success of the PT proves that it is possible to change the landscape of politics in just twenty short years.

Leo reiterated, however, that the PT does not hold a position of majority within Brazilian government and hence its victory is not a complete one. Indeed, the need for compromise is imminent especially considering the speed with which major banks – such as City Group and JP Morgan Chase – sold their investment assets in Brazil as the election approached. Moreover, signals of Lula's readiness for compromise could be seen as early as October 2002, as, in the course of the election campaign, he modified his image and attempted to build bridges with the Brazilian bourgeoisie.

At the same time, party technocrats were being wined and dined by major US financial institutions toward the end of "socializing" them into corporate culture and values. Since his election, Lula has made certain controversial cabinet appointments (apparently without consultation with the party) of major figures from

the Brazilian economic elite and political right, seemingly an indication of his desire to placate the opposition.

Due to such gestures as these, Leo fears a worse case scenario in which Lula and the PT ultimately defend the neo-liberal status quo, perhaps using the party's connections with unions and civil society organizations to stifle dissident. Nonetheless, so long as such a betrayal remains only a fear, Leo feels that Lula and the PT should be strongly supported both in Brazil and internationally. We should endorse this victory and bear in mind what effects Canadian promotion of neo-liberal policies might have on the PT - as on other counter-hegemonic political struggles around the globe.

**Cecilia Rocha** began by referring to Lula's election as president of Brazil as a "personal triumph." Born in poverty in the poorest region of the country, through this personal triumph, Cecilia stated, Lula has also become a true "working-class" hero in Brazil.

Cecilia sees Lula's election as an important step forward in the process of building democracy that Brazil has undergone over the last ten years, through the cultivation of "cidadania" or "participatory citizenship." Participatory citizenship has been cultivated to such an extent that in many parts of Brazil local government councils have formed through the establishment of partnerships between civil society and government. The benefits of this inclusive form of politics have become manifest in many social advances, such as a one-third decrease in infant mortality, and a significant decrease in the spread of HIV.

Moreover, in Cecilia's opinion, Lula's victory does not so much represent a break from past Brazilian governments as a logical extension of established trends. She feels that in popular perception and in his own political posturing, Lula promises continuity and moderate reform rather than radical change.

Cecilia went on to cite a few examples of these past trends and the important players involved: Tancredo Neves and Ulysses Guimarães were politicians that galvanized the yearning for democracy in the country, especially among the middle-classes, during non-democratic times; the government of Fernando Henrique Cardoso, which, despite many shortcomings, actu-

ally moved this process forward; the Brazilian Catholic Church, which, through many of its programs through the years ("Comunidades de Base", "Pastorais") has supported, encouraged, and fought for the need for political participation by the poorest in society; and the sociologist Herbet de Souza (Betinho), with whom some had the privilege to work and count as friend during the time he lived in Toronto.

In the early 1990s until his death in 1997, Betinho was an inspiration for a whole social mobilization in Brazil against hunger and poverty. For Cecilia, and those working in food security, it was, therefore, a "thing of beauty", to recognize Betinho's message as the topic of priority in Lula's first official speech as elected president. In that speech last week, Lula announced the creation of a Social Emergency Secretariat, and the "Zero Hunger" program with these words (in Cecilia's translation): "If at the end of my government each Brazilian is able to have three meals a day, I will have accomplished my life's mission."

Cecilia recognizes that Lula faces many challenges, including: the expectations of 44 million people in Brazil who currently live in poverty; pressures to honour contracts established by the Cardoso government, to control inflation, maintain fiscal responsibility, and meet obligations to the IMF and the international financial community; the severity of the uneven distribution of wealth within the country, which could mean "requiring the top 20-30% of the population (the Brazilian economic elites) to bear the costs of social programs"; and the high expectations that Lula's victory has created for the Left and the PT party of Brazil, and even the Left across Latin America. Such expectations pose the greatest challenge to Brazil's new government. However, Cecilia noted that a more in-depth analysis of PT programs—including Fome Zero, and the creation of a Ministry of Food Security with a clear social agenda—offers cause for great hope for the future of Brazilians.

Following the panel's presentation was an open **question-answer period** where two issues dominated: the proposed Free Trade Agreement of the Americas (FTAA), and the current situation in Venezuela and possible parallels that could be drawn between Chávez and Lula.

With respect to the FTAA, the panel concurred that Lula's position on this issues is still not clear. When Lula visited Canada back in 1996 he spoke in support of free trade; however, in the past Lula has also been known to refer to the FTAA as "an extension of the US economy" and has been an adamant promoter of Mercosur, or stronger trade relations between the southern-most countries of Latin America. The panel members predicted that Brazil will continue to be involved in proposed FTAA talks, but that negotiations will take place especially with respect to subsidies, GMOs, and intellectual property rights. Cecilia pointed out that Lula is not against trade, but that he seeks "negotiated trade" (i.e., trade that will benefit the Brazilian economy and Brazilians) rather than free trade.

Lastly, the panel agreed that Venezuelan president Chávez, unlike Lula, did not and does not have the broad-based organizational support – from the grassroots to the industrial elite – that Lula has in Brazil. This greatly limits Chávez's ability to build alliances, whereas Lula is clearly a reformer whose strength lies in creating alliances and organizing civil society. The current government in Brazil is a broad-based coalition that is one-third socialist, two-thirds alliances. This ability to build bridges and common cause brought Lula to victory, and, so it is hoped, may allow for a system of government unprecedented in Brazil: one that promotes civil mobilization rather than limits it, and one that will re-distribute power and resources among the Brazilian population.



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