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Brazil

Lula's great comeback, a balancing act

- IV Online magazine - 2023 - IV578 - March 2023 -

Publication date: Friday 31 March 2023

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It was after four years of neo-fascist far-right government that the former metallurgist was re-elected as president of Brazil for his third term. If the hopes are high, the challenges are just as high.

Indeed, Lula's return is accompanied by three major challenges: to bring concrete improvements in the living conditions of the population, to recover the country from the economic and social crisis in which it is plunged and to put an end to the threat that the far right continues to represent in Brazil. Let us take a look back at the first two months of the government.

A narrow victory in a polarized electoral context

It was in a context of economic, political and social crisis that the October 2022 election took place. This multidimensional crisis is not new, however: it is part of a sequence opened by the popular uprisings of 2013, which led to the impeachment of Dilma Rousseff (Workers' Party, PT) in 2016 and the rise of the far right in its Bolsonarist form.

But it was accentuated during the Covid-19 pandemic: Bolsonaro's denial led to the death of more than 700,000 people, the Amazon rainforest was in flames, indigenous peoples were driven out by illegal gold panning, members of the LGBTQIA+ community were attacked and killed in the street, as well as black and poor populations crammed into favelas, regularly victims of militarized police interventions resulting in the death of dozens of innocent people. The pandemic also marked the great return of mass unemployment, hunger, the shift from poverty to misery for thousands of families forced again to live on the streets, not to mention unprecedented inflation rates.

Despite this catastrophic record, Bolsonaro still managed to win support from the army, evangelical churches, several sectors of the employers as well as the adherence of a significant part of the population to a neo-fascist political project that he did not manage to implement by legal means during his mandate.

In this scenario, where it became urgent to take power away from Bolsonaro, Lula was the only one to measure up to the challenge. In fact, Lula and the PT were already capable of blocking Bolsonaro during the pandemic, if the party had decided to mobilize and support the impeachment protests. However, while the entire left, social movements, trade unions and even the right took to the streets despite the high risks of spreading the virus, the former metallurgist preferred to opt for a tactic that aimed to keep the far-right president in power, isolate him politically and kill him slowly, in order to construct an electoral scenario in which a weakened Bolsonaro would have faced a Lula built up as a hero and a symbol of the struggle for democracy.

It was therefore a question of building the conditions for an electoral victory by ruling out the possibility, for the employers' circles, of presenting a third liberal candidacy capable of defeating Lula. The bourgeoisie tried it, without success, by turning to the former Bolsonarist Minister of Justice and public figure of the "Lava Jato" operation, Sergio Moro [\[1\]](#) who could have embodied opposition to the other two candidates, had his popularity and credibility not been widely damaged since then. With Bolsonaro in the race, however, there was no space for a third strong candidate.

Thus, the 2022 elections took place in an extremely polarized context where employers found themselves making a

choice between Lula and Bolsonaro. At the same time, Lula was faced with a dilemma: unite with the entire left and present a social programme that met the urgent needs of the population, while seeking the support of the business circles with which he has always allied.

The contradictions of Lula's government

To see a broad pro-Lula front emerge from left to right was therefore not surprising. First of all, because Lula has always led a government of class collaboration. It was precisely to seal his commitment to the bourgeoisie that he appointed as vice-president Geraldo Alckmin, who, it should be remembered, had supported the institutional coup against Dilma Rousseff in 2016. Few lessons have been learned at this level. Then, it should be remembered that part of the Brazilian employers turned their backs on and gradually dissociated themselves from Bolsonaro following his attempts to destabilize democracy over the past year. To cite just one example, we can mention the organization of a Bolsonarist demonstration on May 1, 2022 as part of a fierce anti-democratic campaign whose two main demands were the abolition of the Supreme Court and a reform of the electoral system. Two months later, a manifesto in defence of democracy was published and supported by industrial and banking employers' associations.

If tactical unity with the right was necessary in the mobilizations in defence of democracy, its prolongation in the government was a serious mistake for several reasons. First, the historic moment that Brazil is experiencing requires that all forces be deployed to roll back the threat of the extreme right. To do this, there are no shortcuts: radical social measures must be taken in order to concretely improve the material conditions of existence of the population and weaken the Bolsonarist social base. Then, we must keep in mind that the rise of the extreme right emerged thanks to a political crisis, flowing from the loss of confidence in the PT governments. At this historic moment, when the danger of a rise of the far right is still present, we cannot afford to reapply the same recipes in the hope of obtaining a different result. In the end, broad unions composed of the right and the left contain contradictions: the most left-wing sectors will try to tilt the government's policy to the left while the liberal sectors will try to position it as far to the right as possible.

These contradictions are already finding expression in this first quarter: while a real and considerable increase in the minimum wage would have been necessary to allow a huge part of the population to get their heads out of the water, the increase in it remained marginal, even derisory, barely compensating for the increase in the cost of living. Added to this is the fact that interest rates are among the highest in the world, at nearly 14 per cent, thus cutting off credit to the population. The example of monetary policy is very representative of the contradictions of the government: the Brazilian Central Bank, which sets these rates, is an independent body whose president is not elected in the same temporalities as the federal government.

However, its current president, Roberto Campos Neto, is nothing more than a loyal Bolsonarist and the grandson of a notorious technocrat of the military dictatorship, Roberto Campos, former Minister of Planning from 1964 to 1967. The Bank's "autonomy law", adopted in 2021, crystallizes the separation between this institution and the government, and allows Campos Neto's mandate for a period of four years. For his part, Lula does not hesitate to publicly denounce the indecent rise in interest rates, without revoking this law allowing the confiscation of the Central Bank by financial circles, which are among the largest sectors of the bourgeoisie to have supported him [\[2\]](#).

This stranglehold of financial circles on Brazilian monetary policy, however, does not date from Bolsonaro. In his first term, Lula appointed Henrique Meirelles, who had chaired BankBoston internationally, as head of the Central Bank. In particular, he was one of the first to publicly declare his support for Lula's candidacy for the 2022 presidential elections, seeing in him the guarantee of a continuation of this policy.

A strong social agenda to move from promises to reality

Still, despite this historic policy of class collaboration, a new PT government still offers high hopes for the working class, who expect a lot from Lula in terms of renewed purchasing power, access to employment, the right to housing, massive investments in health and education in particular. This new government also offers a more favourable framework for the left and social movements to take to the streets and make heard the demands stifled by the previous government. Lula did not miss the boat, by making a historic entrance to the inauguration ceremony, surrounded by activists from social movements that have become the target of Bolsonaro. Some figures of these movements also take part in the government, such as Anielle Franco – sister of Marielle Franco – appointed Minister of Racial Equality, and Sonia Guajajara, figurehead of the Association of Indigenous Peoples of Brazil (APIB) and MP elected by the PSOL in Brasilia, who took the head of the Ministry of Indigenous Peoples, becoming the first indigenous woman minister in the country's history.

These investitures give significant visibility and recognition to historically oppressed categories of the population and restore hope and capacity for action to these movements. For them, getting the former trade unionist elected and ensuring that he could take up de facto functions were the first two challenges. He must now succeed in implementing his programme. There is also the permanent struggle against the extreme right, which must be pursued relentlessly. In this regard, Lula reaffirmed his commitment after the coup attempt of January 8, naming the neo-fascist putschists and taking severe measures to punish the culprits.

However, it is clear that Lula's support for the camp of the oppressed and exploited remains for the moment more symbolic than material. We have already mentioned the rise in interest rates and the small increase in the minimum wage, despite the fact that the government is working at the same time with the trade union confederations to develop a new policy for wage increases. In the current government configuration, adopting ambitious social measures inevitably involves confronting the interests of one's own allies. As we mentioned earlier, Lula winks at both the left and the right.

On the one hand, the former metallurgist walks hand in hand with the Landless Movement and appoints environmental activist Marina Silva as head of the Ministry of Environment; on the other hand, he entrusts Planning to former presidential candidate Simone Tebet, who embodies the interests of agribusiness and large landowners. The challenges are therefore as great as the hopes because we cannot redistribute wealth while preserving the interests of a privileged minority.

Lula certainly took a step toward redistribution by rightly revoking a law enacted under the Temer government that introduced a cap on public spending. But this is still insufficient if we do not put in place a major tax reform that will finally make large fortunes, inheritances, profits and dividends taxable. This is the only way to fight against social inequalities and release the necessary means to guarantee quality public services to the population. In Brazil, one of the most unequal countries in the world, more than 60 per cent of taxpayers subject to income tax earn less than R\$ 6,000 per month (about €1084). While, during the electoral campaign, Lula promised to exempt this layer of wage earners from income tax, this measure currently only applies to incomes below R\$ 2640 (about €477).

In the same way as the economic questions, other social and environmental questions remain open. Just like the issue of safeguarding the Amazon rainforest, the protection of the Yanomami peoples is extremely urgent. Through its actions and commitments, the government has earned trust and support on the international stage. Nevertheless, the provision of food and care to the victims of the massacre of indigenous people is not sufficient if it is not accompanied by a repeal of the law of presumption in good faith, facilitating the illegal gold panning that is the main cause of the Yanomami genocide. This law, which was promulgated in 2013 by a PT deputy, stipulates that simple declarations on the legality of the origin of gold are sufficient to market it, while it is estimated that about 30 per cent

of the gold sold in Brazil comes from illegal gold panning.

In the education sector, it is urgent to withdraw the counter-reform known as "new high schools" which, by lowering the level of training necessary to be able to teach in high schools, degrades the working conditions of all teachers. The refusal of the new Minister of Education, Camilo Santana (PT), to touch this reform, shows not only a contempt for education workers, already underpaid and paying the price for the scarcity of resources in the sector, but also a continuity of the policy of Michel Temer, by whom the reform was proposed in 2017.

Mobilization as the only way to win significant victories

In the end, if Lula's re-election is synonymous with hope, we cannot have any illusions about the implementation of a programme of radical reforms that will lead to significant improvements in the living conditions of workers and poor people. On the contrary, it is up to the left and social movements to take advantage of the space opened up by this new political sequence to win victories. The mobilization in the streets, workplaces and places of study will serve to put pressure on the government not to give in to the demands of the right that is trying to achieve its neoliberal agenda. For its part, the radical left must maintain its political independence in order to participate in and support popular movements in defence of a programme of rupture with any form of class collaboration.

Democratic and social struggles are also essential to eradicate any legacy linked to Bolsonarism, because if an electoral victory was necessary, the fight against the extreme right is absolutely not over. Only permanent popular mobilization can make it possible to roll it back for good.

Published in the review *L'Anticapitaliste* n°144 (March 2023)

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[1] Sergio Moro is the magistrate who, in 2014, launched a fake anti-corruption investigation called "Lava Jato" ("express wash") that turned out to be a huge judicial scandal. Moro then became Jair Bolsonaro's justice minister.

[2] For more information on the confiscation of the Brazilian Central Bank by rentiers, see in particular the PSOL article: "É preciso lutar contra o rentismo encastelado no Banco Central", *Revista Movimento* (movimentorevista.com.br)