

# Terminus at Brasília. Political Crisis and Election Campaigning in Latin America's Largest Country

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## Executive Summary

The presidential campaign now going on in Brazil recalls the fateful match between the country's national team and the French eleven at the recent world championship: The two protagonists of the campaign – the current incumbent, Mr Lula da Silva, and his challenger, Mr Geraldo Alckmin – move just as painfully and clumsily as the overweight Ronaldo moved on the pitch. Be that as it may, the performance of the Brazilian world championship team is not likely to affect the presidential elections. Together with the greater purchasing power of the Real, what counts for the Brazilians is the feeling that their lives have improved noticeably, and that they are better off than they were four years ago. And indeed, recent polls suggest that the Brazilians will probably confirm their current president in office, in spite of recent corruption scandals and the political and moral crisis they caused. It appears rewarding to take a closer look at a country where such things can happen.

Brazil has witnessed the collapse of its only party with a political programme, the Workers' Party (PT). It was caused by a series of corruption scandals which could not have been greater, and in which the parties of the government coalition were most prominently involved. Numerous members deserted the PT, old veterans of the party regrouped to form new parties, and the fury of the intellectuals among Lula's voters knew no bounds. After all, the president had been regarded as a symbol of hope particularly for the poor, a man who had aroused hopes for a more equitable and less corruption-prone Brazil among the middle classes and the educated segments of the population.

When details came to light, Lula himself as well as the PT fell into a bottomless pit: MPs had received illegal monthly payments to move them to vote with the party, an enormous bog of corruption had obliterated the reform of the political system, ambulances had been sold to local governments at exorbitant prices. The PT, which had originally pretended to fight the culture of corruption, had revealed itself as part of it.

And yet – although the citizens would not buy Lula's statement that he had known nothing of all this, they hardly associated his name with these events, and a majority spoke out for keeping him in office to pursue the course he had set. Very probably, one reason for this lies in the economic development of the country. Brazil's economy was given an unprecedented boost by a consistently stability-oriented financial and monetary policy, the constant revaluation of the Real, the growing purchasing power of the citizens, and the social support which the state could now provide. Governmental assistance that now enables children to go to school and see a doctor regularly, as well as the blessings of the *bolsa familia*, are seen by about eleven million relatively poor citizens as a hand stretched out by the president, taking the sting out of the opposition's attacks against Lula's 'misguided' financial policy.

Some important persons who had been part of Lula's team when he stood for election in 2002 were swept away by the scandals: The finance minister, Mr Palocci, was the first to take French leave, followed by nine other members of the cabinet. Three MPs were divested of their mandate in the course of legal proceedings dealing with the scandals, eight others were acquitted. The investigation of the crisis was bogged down in a mass of detail, while Lula himself – amazingly enough – emerged from it with his feathers almost unruffled.

Although the crisis certainly did offer an opportunity to reform the law on parties and elections, the reforms that actually emerged were minuscule, tackling the symptoms but not the causes of the problem. It is hard to call this a success as only hesitant steps forward were taken at best. They include some new rules on campaign marketing which, for example, restrict election propaganda on T-shirts, caps etc., impose conditions on the endorsement of certain candidates by popular artists, and enhance the accountability of the parties towards the electoral tribunal. At the same time, government campaign expenditures were increased, and the pay of the 1.7 million civil servants was raised.

The election of 2002 occasioned a process of verticalisation in Brazilian politics: Campaign alliances concluded at the national level now have to reach down to the state level. However, as most parties in Brazil do not have much of a programme, a multitude of potential alliances might be formed, which undermines the declared objective of achieving coherence and exacerbates the problem. In point of fact, the verticalisation of Brazilian politics polarised the election campaign: At the national level, there are two candidates competing for power, with president Lula and the PT confronting an alliance between Mr Alckmin's PSDB and the liberal PFL.

Another innovation is a five-percent hurdle called *cláusula de barreira* which outraged especially the smaller parties but was actually introduced to combat fragmentation in the house of representatives. In concrete terms, only those parties may retain their parliamentary status which, first having obtained more than five percent of the vote, are able to demonstrate that their share is spread around nine federal states, with a mandatory minimum share of two percent of the vote in each. What is more, parties that do not meet these criteria may expect a sharp decline in the funds allotted them from the party support budget. It is said that no more than eight of the 17 parties currently represented in the house of representatives will be able to jump this new hurdle.

According to the supreme electoral tribunal, the candidates are fighting for the votes of 125.9 million people. A large proportion of the – mostly female – electorate has never completed a formal education, and no more than 3.3 percent hold university diplomas. It is anything but amazing, therefore, that campaigns should focus on a few simple messages communicated by radio or television. The most important state in the elections will be São Paulo, home to many candidates, where no less than 7.5 million voters live in the eponymous city alone. The challenger, Mr Alckmin, is a former governor of São Paulo, and Lula himself built his political career in that city.

Until now, nobody doubted that the incumbent, Mr Lula, would be declared winner in the first round of the elections, as he constantly increased his lead over Mr Alckmin until June this year. Mr Alckmin's problem lies in the fact that he is known to relatively few people: According to the pollsters, 33 percent of the voters do not know much about the challenger, 31 percent have barely heard his name, and 15 percent do not know him at all. Lula's name, on the other hand, is

familiar to 99 percent of the population. The other candidates, Heloísa Helena and Cristóvão Buarque, follow in third and fourth place at no more than 7 and 1 percent, respectively.

To reach the second election round, Mr Alckmin will have to enhance his popularity with the voters and reduce Lula's still-substantial lead. The Brazilians are still waiting for inducements to vote for him. There are no marked differences between the election platforms of the two candidates. Like the president, Mr Alckmin stands for a liberal economic policy with a social component, but he lacks the profile that is Lula's.

Although it lacks identity on the national plane, the Partido do Movimento Democrático Brasileiro (PMDB) is another party of particular importance next to the two main parties. Strongly rooted in the regions, the party supplies the governors of several important federal states including, for instance, the highly influential state of Rio Grande do Sul. However, the PMDB is torn by internecine struggles. While one faction professes faith to the government, has no candidate of its own, and supports Lula, the other gives itself independent airs and favours nominating its own candidate.

Having announced his candidacy rather late, namely at the convention of the PT on June 24 of this year, Lula was able to use the entire apparatus of government for his own purposes until the very last, although this repeatedly brought him into conflict with the supreme electoral tribunal. In the hot phase of the campaign, the president, whose period of isolation after the scandals appears to be over now, will probably bank on the social profile of his government. Moreover, reducing the campaign to a contest between individuals will probably serve Lula's purpose because it enables him to present himself as the man who successfully grappled with the country's key problem, poverty. Lula's party, on the other hand, will probably be constrained by its past history to content itself with a slimmed-down version of the government alliance. Should Lula be re-elected, he will probably not be able to rely on a parliamentary majority of his own to help him implement his reform policies.

A mountain of problems awaits the incoming government. It will find that a large proportion of the budget has been gobbled up by the election campaign. We will have to wait and see what it does in the situation, and how it is going to secure for itself a majority in the senate and the house of representatives. While it is certain that the next parliament will not do away with corruption, it is to be hoped that it will recognise the urgency of political reform and take steps accordingly. Should it fail in this regard, it would gamble away an enormous chance of rebuilding the Brazilians' confidence in the political class of their country.