

# Brazil's tightrope artist keeps his balance

*When former worker leader Luis Inacio da Silva became president of Brazil a year ago it was seen as a victory for left-leaning political parties worldwide. The world sees Lula as having introduced a supported left agenda – but is that the case domestically?*

***Gay W Seidman*** reflects on his first year in office.

In his first few days in office, Brazil's President Luis Inacio da Silva – universally known by his childhood nickname, Lula – was already engaged in a balancing act that marked his first year in office. Shuttling between the activist World Social Forum in Porto Alegre, Brazil, and its business counterpart the World Economic Forum in Davos, Switzerland, Lula has tried hard to fulfill his campaign promises of redistribution and growth, while placating the global investors who demand economic stability.

Keeping the balance has not proved any easier in Brazil than in South Africa. As founding leader of the militant democratic socialist Workers' Party, Lula ran under the slogan 'Another world is possible'. His victory raised expectations across Brazil that poor people's concerns – from labour unions to the activists of the landless movement, from the slums of Rio to the



*Current and former Cosatu leaders meet with Lula during a visit to SA last year.*



rubbertappers of the Amazon - would finally be addressed. In the 1970s, Lula led the unions' efforts against Brazil's savage capitalism. In the 1980s, Lula helped lead the struggle for democratic elections against an authoritarian regime that had been in power since a 1964 military coup; and through the 1990s, as Brazil became increasingly integrated into the global economy, Lula served as the major voice of the left-wing opposition.

But in the 2002 election, Lula ran a different campaign. Through the

1990s, while Brazil experienced both democratisation and globalisation, the Workers' Party was a consistent critic of social-democratic President Fernando Henrique Cardoso, arguing that his policies exacerbated inequality and ignored the needs of the poor. But Cardoso retained broad popular support: although he promoted Brazil's integration into the world economy through privatisation and trade liberalisation, his policies ended decades of hyper-inflation and included innovative social programmes,

providing universal health care (including free AIDS drugs to every HIV-positive Brazilian) and greatly expanding primary education.

Throughout the decade, Lula's electoral support appeared confined to urban workers and sympathetic intellectuals, and although the Workers' Party was perceived as a clean and incorruptible one -- winning municipal and even state offices through the decade -- at the national level, the Partido dos Trabalhadores seemed destined to remain in opposition.

In 2002, however, the popular Cardoso was constitutionally prohibited from serving a third term, and this time, Lula's campaign took a different tack. Moving away from a strict working-class platform, the Workers' Party appealed to disaffected middle-class voters and even liberal manufacturers who had been hammered by the cold winds of global economic integration, forming coalitions with several centrist parties it had previously spurned. In the weeks just before the election, Lula worked hard to reassure international investors, promising that if elected, he would neither default on loans or renege on Brazil's international commitments.

By the end of his first year in office, the pattern of Lula's presidency has begun to take shape: strict fiscal discipline, expanded social programmes, and an outspoken foreign policy built on principles of third world solidarity. Interest rates and unemployment remained stubbornly high, but the government tripled payments for school enrolment, raising already-existing payments to poor families whose children attend school regularly to about R180 monthly. After a rather rocky start, Lula's other efforts to create new social programmes under the rubric 'operation zero hunger' have

begun to gain more credibility and substance.

At the international level, Brazil has fought fiercely against the double standards imposed by developed countries, helping lead the fight at Cancun over American and European agricultural subsidies. Arguing that the global trade system consistently favours already-developed countries, Lula has spoken eloquently of the need for expanded trade and co-operation between developing countries -- including especially South Africa and India, which, like Brazil, have enough industrial base to expand trade with each other, providing new markets and opportunities for each.

In what may be an indicator of future co-operation, Brazil will help build a pharmaceutical plant in Mozambique, simultaneously creating jobs, transferring know-how and skills, and providing a cheap source of antiretroviral medicines for the region. Meanwhile, Brazil has continued to expand co-operation in Latin America, continuing to build the regional trade block Mercosur, and supporting ongoing efforts by Argentina, Venezuela, and Cuba to chart their own path.

With Lula's election, the Workers' Party's traditional supporters were ecstatic, while investors took a wait-and-see approach. Nearly one year into his term, however, these positions had shifted: investors appear supportive of Lula's programme of strict fiscal austerity, while longtime Workers' Party militants express dismay at rapidly rising unemployment and continuing privatisation. Political decisions are hotly contested within the party -- including, quite symbolically, the government's refusal to open files on 1970s human rights violations, citing the army's opposition. Indeed, several

leading dissidents were expelled from the Workers' Party for challenging party decisions -- a marked departure from the party's two-decade tradition of internal democracy and ferocious debate.

By late 2003, long-time rank-and-file activists were circulating electronic messages of despair, complaining that party activists now working as government bureaucrats had lost their way, bemoaning the loss of their idealism and innocence.

But most Workers' Party supporters are probably more realistic, recognising that while another world may be

remains an open one: is the current austerity programme a temporary tactic to attain economic stability or has the former labour leader moved further toward business.

And, of course, cynics should remember that Lula's presidency represents more than just policy choices. Ordinary Brazilians also see in him a different kind of success. Their president is a former factory worker from a poor migrant family. His success dignifies their daily struggles, and his political discourse acknowledges the validity of their concerns. For years, news commentators in Rio or Sao Paulo

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possible, those possibilities are still constrained by the realities of power and a relentless global order. Some activists are restless, of course -- especially, perhaps, those working in the landless peoples' movement or the human rights movement, who tend to have fewer personal ties to Lula and other Workers' Party leaders than union activists -- but most have adopted a more pragmatic stance, recognising that Lula's presidency is still finding its way, carefully balancing its constituencies.

Global investors, on the other hand, apparently consider the shift more permanent. Harvard economist Kenneth Rogoff recently described Lula as a 'leftist turned centrist'. The question

have insisted that Brazilians would never elect a poorly-educated worker, a person who could not speak the flowery language of the elite. Lula speaks in plain Portuguese, and his background intersects with those of ordinary Brazilians. Perhaps, in power, the Workers' Party has changed its views about the limits of what may be possible; but for many of his supporters, Lula's very presence in Brazil's presidential palace will serve as a reminder that sometimes, those limits can be challenged.

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