

Global Issues

Lula's Third Term: National Reconstruction in Difficult Times

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Brazilian president Luiz Inácio da Silva, also called Lula, was inaugurated for his third term early in January 2023, accompanied by a multitude of 170 000 people. In two inauguration speeches, he vowed to ensure that every Brazilian citizen would be able to eat three times a day and called the return of hunger to Brazil a crime. Much of the focus of his speeches was on the fight against inequality, and he reiterated his promise for new legislation on work and labour. Since Jair Bolsonaro refused to pass the presidential sash to Lula, it was passed to the new president by a group of eight people: a boy from a poor neighbourhood in São Paulo; 90-year-old Raoni Mektutire, an internationally known leader of indigenous peoples and the only famous person in the group; a hip hop DJ and metal worker from São Paulo; a university professor; a cook who prepared meals for ten months at the vigil in front of the police station where Lula was imprisoned; a disabled person with brain paralysis who is an activist for the rights of disabled people; an artisan who participated for 580 days in the vigil during Lula's time in prison; and Aline Souza, a woman from Brasília who had worked as a waste picker since the age of fourteen and who is now president of a national union of waste pickers. The ceremonial sash went through the hands of all eight persons, and was given to Lula by Aline Souza. In this way, the absence of Bolsonaro was used to confirm the obligation of Lula to serve the interests of all the Brazilian people, and especially its poor majority.

Lula's election for his third term as president of Brazil completes a series of left-wing governments recently elected in several countries in Latin America – Mexico, Argentina, Chile, Colombia, Peru (recently ousted), Honduras, Panama, St. Lucia and Bolivia – in addition to left-wing governments in Venezuela and Cuba. This second wave of left and centre-left governments in Latin America faces a much less favourable political and economic context than did the pink wave in the 2000s: Latin American countries have been ravaged by the economic consequences of the COVID-19 pandemic, and suffered among the highest death tolls from it. In addition, the significance of the region for the world economy is diminishing rapidly. Latin America returns more and more to being a producer of raw materials like grain, meat and fruits, as well as minerals, gas and petroleum.

In Brazil, this tendency goes along with a long trend towards deindustrialisation since the 1980s, increasing the dependence of the country on the world economy. Extractive sectors provide lower wages in Brazil than jobs in industry and manufacturing, and the booming agribusiness pays lower wages than most sectors. In 2021, real wages in Brazil dropped eight per cent. In the same year, inflation was around 12 per cent and consumer inflation around 30 per cent, since it was mostly food items and fuel that saw the highest inflation rates. The period of Bolsonaro's government saw inflation of 72 per cent, while average wages in 2022 remained slightly lower than in 2018, at 2 784 Real per month (Vieceli and Gavras, 2023). In addition, the Bolsonaro government left a trail of destruction across areas like the health and education systems and in environmental monitoring and the containment of illegal mining and logging. The pandemic also

negatively affected the already low scores of Brazilian students in education rankings.

Although faced with these adverse general conditions, the third Lula government lacks a strong mandate, having won in the second round as an all-democratic coalition against the fascist threat with a razor-thin majority of less than 51 per cent. However, the Brazilian tradition is that the clientelist centre parties tend to lean towards any president who was elected and is therefore able to distribute funds. This means that some of the parties that formed the basis of the Bolsonaro government do support the third Lula government – including traditional clientelist party Movimento Democrático Brasileiro (MDB), the centre-right Partido Social Democrático (PSD) and the second biggest formation on the right, União Brasil (UB). This overall composition of the coalition around Lula is also reflected in the distribution of the thirty-seven ministries: ten ministers are from Lula's Workers' Party (Partido do Trabalhadores, PT), nine went to politicians from the centre-right parties MDB, PSD and UB, and seven went to politicians from left or centre-left parties like Partido Socialista Brasileiro (PSB), Rede, Partido Socialismo e Liberdade (PSOL), Partido Comunista do Brasil (PcdoB) and Partido Democrático Trabalhista (PDT). Eleven ministers are without any party affiliation. Only eleven of the thirty-seven ministries will be headed by women, a disappointment to the expectation that Lula would nominate female office-holders to at least half of all ministries; nonetheless, this is the highest number of female ministers ever in a Brazilian government.

The Workers' Party will control the key ministries of Finance (Fernando Haddad), Education (Camilo Santana) and Labour (Luis Marinho). Haddad as a representative of the moderate wing of the Workers' Party has good contacts with certain sections of capital, and his power will be held in check by the other two ministers in the area of the economy, who come from the right wing of the political spectrum. The Ministry of Economy was split up into two ministries: the Ministry of Planning, headed by centre-right Simone Tebet (MDB), a key figure in Lula's election campaign, and the Ministry of Development, Industry and Services, headed by Geraldo Alckmin, vice-president, who joined the Brazilian Socialist Party, but is traditionally a representative of Brazilian manufacturing employers and is co-founder of the centre-right Partido da Social Democracia Brasileira (PSDB). This relation of forces inside the Cabinet reflects the balance of forces in parliament where the coalition around the PT holds about 25 per cent of all seats, and therefore alliances with centre-right and far-right parties will be necessary to pass laws.

Overall, given the accumulation of neglect of the country's infrastructure and public services, the economic ultraliberalism by the Bolsonaro government, and the devastating consequences of the pandemic, it will be difficult for the new government to achieve much more than to rebuild the country and reinstall conditions as they existed before Bolsonaro's presidency. One of the pressing challenges is to reform the regressive tax system which earlier left governments did not touch, a huge challenge that Fernando Haddad promises to take on in the first year of government. Another challenge is to expand water and sewage systems to a larger number of Brazilians. The fact that only about 50 per cent of Brazilians are connected to sewage systems leads to a high number of illnesses, and an expansion of these systems would therefore massively decrease the burden the health system is facing. A third urgent challenge is to eradicate hunger, which was already achieved at the end of the 2000s but which returned in the past years. It is here that existing expertise of earlier PT administrations can be built on.

Another area where expectations have been built up is labour rights. It is unclear if the labour reform installed by interim president Michel Temer in 2017 will be repealed. Temer's labour reform removed a number of labour rights, led to lower wages and to more informal work. It established precedence of workplace settlement over labour law, leading to a fragmentation of labour regulation.

It rather looks like there will be a partial reform. During the election campaign, Lula mentioned he would create a new labour code, to replace the *Consolidação das Leis do Trabalho* (CLT) instituted by Getúlio Vargas in 1943. The CLT defines professions rather rigidly, in a way that often impedes unionisation of specific groups of workers. But the construction of a completely new labour code, while desirable, is a mammoth project and will take time. The new government sent a strong message to organised labour with the organisation of a meeting of Lula and several key ministers with around 600 representatives of trade unions as one of the first initiatives of the government, installing a permanent working group that will design new regulations for work and working conditions.

The most urgent legislation is a regulation of the work of gig workers in passenger transport and food delivery – with 1.5 million workers, presently one of the largest occupational groups in Brazil, and with a lower level of protection of rights than in other countries (Fairwork, 2021). Food delivery workers had announced a national mobilization for 25 January 2023, but, although the demands of the strike were directed at the main company in this sector, the labour leaders called it off after the new government promised to regulate the sector. One of the proposals for the regulation of gig work is to create an intermediate legal category which would include pension rights and social benefits, without a regular employment relation. There is much scepticism if such a solution will lead to satisfying results, since in Brazil there is already a huge number of intermediate legal categories (like micro-entrepreneur) which rather led to the proliferation of disguised waged work. There have been similar experiences in countries like Italy, with intermediate legal categories between waged work and self-employment (Seferian, Souto Maior and Souto Severo, 2023). One interesting proposal for the regulation of gig work is to establish a public platform managed by the Ministry of Labour at which all existing gig-work platforms and all gig workers have to register. This platform would integrate all information about platform work and apply the regulation of the CLT to those workers (Freitas de Almeida, 2023).

One of the first measures of the Minister of Education was to announce a 15 per cent wage increase for school teachers who had not seen wage rises in years. Eleven federal states had already paid those wages which were legally prescribed but not paid, and with the federal decree the other sixteen federal states are catching up. Recent research demonstrates that wages in Brazil have been on a downward trajectory since the changes in labour law in 2017 came into effect (Filgueiras and Dutra, 2022). Trade unions, especially in the urban sectors, have lost much of their former strength, and have had to invent new forms of funding since the mandatory union tax that all formal workers had to pay was abolished in 2017.

The events of 8 January 2023, when the Brazilian Congress, the presidential palace and the Supreme Court were invaded by radical followers of Bolsonaro, demonstrated the challenge by the right wing, which feels itself empowered by the fact that Bolsonaro gained more than 49 per cent of votes in the election. The violent attack and rampage was created by a group of about 15 000 protesters, of which around 4 000 participated in the invasion of the official buildings. These acts allowed the Lula government to detain around 1 500 right-wing attackers and to crack down on organisers and funders of the violent action. However, many open questions remain. The intelligence services had issued a very precise warning of what was about to happen, and the governor of the federal district had issued an adequate plan to avoid an invasion of official buildings. But the military police did not act on the plan, and the officials of the security apparatus who are held responsible, of whom several are currently under arrest, all point the finger at someone else in the hierarchy. A key figure is the security secretary for Brasília, Anderson Torres, who had served as Minister of Justice under Bolsonaro; he travelled to the United States one day before the attacks and met there with ex-president Bolsonaro. Lula responded with a federal intervention, suspended

the governor of the federal district for three months, and installed an official from the Ministry of Justice as provisional governor. Two weeks after the attacks, Lula dismissed the head of the Army, Júlio Cesar de Arruda (who represents 60 per cent of the Armed Forces, the other 40 percent belonging to the Marine and the Air Force) since he refused to remove Bolsonaro supporters from various posts. Lula replaced him with Tomás Miguel Ribeiro Paiva who had explicitly recognised the election results in a speech a few days earlier, something which Arruda had avoided so far.

Piero Leiner (2023), anthropologist and expert on the Brazilian Armed Forces, sees the military behind the attacks on January 8 and also behind the project of Bolsonarismo. The Armed Forces did not mobilise against the right-wing insurgency on January 8, and a camp of radical Bolsonaro followers had been installed right in front of the army headquarters in Brasília after Lula was elected. Local police tried several times to evict the encampment, but the army prevented the police from doing that since the camp was on army territory, even in the night after the attacks on January 8. Many retired army officials and family members of army officials participated in the camp. The current Minister of Defence mentioned days before the attacks, with a giggle, that some of his family members were participating in the camp. The presidential guard, which protects the palace and is part of the Armed Forces, was nowhere to be seen when the palace was invaded on January 8.

The attacks can therefore be interpreted as an indirect warning by the Armed Forces not to touch their traditional privileges and their political autonomy. Not only has the Bolsonaro government installed thousands of army officials in the public administration of the country, but the special rights of the Armed Forces go much further. Parts of the civil intelligence services are under military tutelage, something that Dilma Rousseff had reversed, and the curricula at military schools still teach that the 1964 coup was not a coup but a civil movement. The looming question is how far the Lula government will be able to go in putting the military under the rule of the civilian administration, including reforms of their education system. The Brazilian Armed Forces are very far from engaging in an outright coup, but have many other ways at their disposal to destabilise the current government.

The right wing of the political spectrum is facing the challenge of building on the popular support for Bolsonaro and at the same time drawing a clear line towards violence and anti-democratic tendencies. This might take some time, and a Brazilian Ron DeSantis, Governor of Florida and competitor for the leadership of the Republican Party in the United States – that is, a more professional right-wing populist than Trump or Bolsonaro – is not yet in sight, but might not be too difficult to find over time. The unrelenting electoral support for Bolsonaro shows that there is potential for right-wing populism in Brazil, and a considerable faction of owners of medium-sized businesses are ready to support this political current.

For left-wing grassroots movements, the situation is not easy. Resistance against the Bolsonaro government from the left has been rather timid, and was additionally hampered by the pandemic. Movements of urban workers, small farmers and traditional communities will have a hard time mobilising successfully against business interests, which have a strong standing in the third Lula government, and will be faced with the difficulty of criticising their “own” government. The centrifugal forces inside the government are already quite strong, and this tension might increase in the face of protests from the popular masses. To a considerable extent, many workers who were disappointed with the governments of Dilma Rousseff and the economic difficulties that started in 2011, flocked to vote Bolsonaro in 2018, and a repetition of this scenario with a new right-wing candidate is not impossible. In addition, the centre-right will aspire to position itself for the next election in 2026, and Simone Tebet, the new minister of Planning, will be a serious contender against the PT candidate who will be Lula’s successor. Therefore, the centre-right might

be interested in increasing tensions within the government in order to create a situation where they can take over the presidency again. (Since 2003, the centre-right has been a co-governing junior partner of centre-left or extreme right-wing presidents, with the exception of the brief interlude between 2016 and 2018 when Michel Temer was interim president.) The inability of the centre-right to field a convincing candidate against Bolsonaro in 2018 and in 2022 still weighs heavy on this political current.

One area which will provide more opportunities for symbolic and ideological success for Lula is international politics: it will be interesting to see in which way Lula will rally left Latin American governments towards common initiatives and how he will design relations with the US, Russia and China. Lula has announced various times that international politics will be a focus of his mandate. In the time of a slow demise of the untrammelled power of the United States, one can expect Lula to re-establish links with other emerging economies, and establish some amount of equidistance to Russia and the US. The dependency of Brazil towards China is growing, and 2021 saw the highest amount ever of Chinese investment in Brazil, increasingly focused on transport and energy infrastructure. Both in terms of relations with China, as with the European Union, Lula will try to re-establish the role of Brazil as a producer of industrial products, which will not be an easy task given the lack of productivity development in the country since the 1980s.

Lula as president aims to reindustrialize the country, to reduce poverty and inequality and to expand the quality of public services. The feasibility of a scenario that benefits workers and capital at the same time, as he managed to install in the 2000s, is highly questionable, given the new adverse conditions of a much more powerful Brazilian agribusiness and the unfavourable conjuncture on the world market. The expectations within Brazilian society towards a just development have grown, and the resistance against those expectations have grown as well. Much of this conflict will take place within the new government, and it will not be an easy task to hold it together.

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BIOGRAPHICAL NOTE

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