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Lula Announces Re-election Campaign

by LADB Staff

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Incumbent Brazilian President Luiz Inacio Lula da Silva made his campaign for re-election official on June 24. Vice President Jose Alencar will accompany him on the ballot as he seeks a second four-year term under the banner of his Partido dos Trabalhadores (PT). The presidential election will take place Oct. 1 and, if current poll numbers hold, sweep Lula back into office by a broad margin, possibly avoiding the necessity for a second round of voting.

Lula's fifth consecutive campaign

Lula said at the June 24 event, "I decided to submit my name and my government, with humility, to the judgment of my Brazilian brothers and sisters." This will be his fifth consecutive campaign for the presidency. The official announcement that he will be running for a second term means that he will be legally barred from participating in visits to public works or in their inaugurations. The country's first elected leftist president, Lula came to power four years ago on a platform of improving life for Brazil's tens of millions of poor, many of whom get by on less than US\$1 a day (see NotiSur, 2002-10-11 and 2002-11-01).

Lula, 60, is clearly favored to win the October elections, despite criticism that he has failed to deliver on promises that include redistributing land (see NotiSur, 2005-06-03 and 2006-05-19). He vowed to continue his efforts. "I know there's still a lot to be done to reduce poverty," Silva said in the speech to supporters. "But we are on the right track."

Lula pledged to push harder to eradicate poverty in Brazil if re-elected. He insists that the life of Brazil's poor has improved since he took office in January 2003, though he also acknowledged limitations. "We haven't done everything we wanted to do, but we've done a lot more than some people thought was possible," he said. "I'm becoming a candidate again because the poor are less poor, and they're going to continue to have a better life if the social programs we put in place are maintained and expanded."

Among those programs is Bolsa Familia, which gives poor families monthly stipends to keep children in school and in extracurricular activities, instead of sending them to work. A grade-school dropout, the working-class Silva is a radical change from Brazil's traditional upper-class leaders and from the 1964-1985 military dictatorship that jailed him for leading labor strikes. "All of you know how much it cost us to get here, how many obstacles we needed to remove, and how many traps we found ourselves obligated to dismantle," said Lula at his June 24 announcement. "In the last three and a half years we have shown the world that a worker can direct the destiny of Brazil."

A number of former allies have distanced themselves from Lula, particularly the more militant elements within leftist organizations like the Movimento dos Trabalhadores Rurais Sem Terra (MST)

and political allies alienated by ongoing corruption scandals in the top echelons of the PT and Lula's administration (see NotiSur, 2005-06-24, 2005-09-09, 2005-12-09 and 2006-04-07).

Opposition stresses corruption, slow economic growth

Partido da Social Democracia Brasileira (PSDB) leaders chose Sao Paulo state Gov. Geraldo Alckmin over Sao Paulo city mayor Jose Serra earlier this year (see NotiSur, 2006-03-24) to be their candidate to run against Lula. Alckmin will be the primary competition for the incumbent president, although poll numbers show him trailing by a very wide margin. Serra was popular with many potential voters but has been a two-time loser in prior presidential elections, the last race being Lula's 2002 victory. Polls suggest Silva is within striking distance of the 50% of the vote needed for a first-round victory in the Oct. 1 election. If no candidate gets half the vote, the top two go to an Oct. 29 runoff. Alckmin campaign ads and rhetoric have focused on corruption scandals in the PT, which plagued Lula through most of 2005. Yet Lula has generally managed to isolate himself in the public mind from the allegations against his party. Alckmin also hopes to sow discontent about economic development in Brazil.

Under Lula, Brazil has kept interest rates high, attracting foreign capital and slowing domestic growth to pay debts and control inflation. The move has paid off by making the country's typical boom-and-bust economic cycles a distant memory, according to financial news service Bloomberg. The president enjoys widespread popularity and supporters say he has boosted the economy with a conservative fiscal policy that set the nation on a path toward slow, sustainable growth.

President Lula would strive for economic growth of more than 4% a year in a second term, the head of the PT said on June 20. In a second term, Lula also would seek to keep fighting inflation and cut the nation's debt, PT chief Ricardo Berzoini said. Since Lula took office in January 2003, the annual inflation rate has dropped to 4.2% from more than 12%. GDP expanded 3.4% in the first quarter of this year compared with 1.5% in the first quarter of 2003.

"We're discussing the program internally to present it in July," said Berzoini, 46. "Our focus is on fiscal responsibility, combating inflation, improving social programs and conditions to boost economic growth to more than 4% every year." Lula also plans to invest 20 billion reais (US \$8.9 billion) in roads, ports, sewers, and other projects, Labor Minister Luiz Marinho said. The government plans to use reserves from Brazil's national unemployment and workers' compensation fund (Fondo de Garantia del Tiempo de Servicio, FGTS) to create a fund for the infrastructure projects, Marinho said in an interview in Brasilia. The reserves are not likely to be needed to pay guarantees and benefits to workers, he said. "We plan to invest in infrastructure because that's what Brazil needs to boost economic growth."

Economists forecast growth of 3.6% this year, up from 2.3% in 2005, according to a central bank survey of about 100 financial institutions released June 19. The same day, Alckmin criticized Lula for making US\$15 billion in debt payments the International Monetary Fund (IMF) at the end of 2005 (see NotiSur, 2006-01-13). Alckmin also said Banco Central president Henrique Meirelles was a "coward" for not accelerating the pace at which interest rates were being reduced. The basic

Brazilian interest rate was then at 15.25% too high, said Alckmin, to take advantage of favorable opportunities in the international economy.

Expanded middle class likely to buoy Lula

At least six million poor Brazilians have joined the middle class under the government of President Lula in an advance that could strengthen his chances for re-election. A poll published July 9 in the daily Folha de Sao Paulo also showed that Lula would get 45% of the votes if the election were held that day, compared to 29% for Alckmin. Another poll taken after Alckmin ran television ads focusing on corruption allegations against the government showed a slight narrowing of the gap between the two candidates. Lula would beat Alckmin by 44.1% to 27.2% in a first round of voting, according to a poll by the Belo Horizonte-based Instituto Sensus. Alckmin had closed the gap to 16.9% points from 22.4% points in a May poll.

"The new development here is the significant improvement for Alckmin, stemming mainly from his increased media exposure," Ricardo Guedes, the director of Sensus told reporters in Brasilia. Alckmin used 80 minutes of radio and television advertising in June to attack Lula for failing to act on allegations of government graft. The poll also showed Lula's personal popularity rating rose to 55.8% in July from 53.9% in May, Sensus said. Lula would win in a first-round vote, excluding undecided voters, the poll showed. "The poll makes it clear that Lula still has a strong advantage over his opponents," Guedes said. Lula would take 48.6% to Alckmin's 35.8% in a runoff, the poll showed. Sensus surveyed 2,000 Brazilians in 195 municipalities from July 4 through July 6. The margin of error was plus or minus 3 percentage points.

Alckmin's vice-presidential candidate, Jose Jorge of the right-wing Partido da Frente Liberal (PFL), attacked Lula as a "drunk" at a June 15 campaign event. "Today we have a president who doesn't work, he only travels and drinks a lot, as they say out there," said Jorge. Where the Alckmin campaign has made an effort to paint the Lula administration as corrupt and inactive, the Lula camp will probably hammer back with accusations that Sao Paulo has faced a bloodbath during a war between police and a prison-based mafia, the Primeiro Comando da Capital (PCC).

Hundreds have died in Sao Paulo since gangsters and police and prison guards began fighting in May (see NotiSur, 2006-05-26). Lula has made repeated offers to send troops into the megacity and state to provide more security. This leaves Alckmin vulnerable to accusations that he was not able to bring the state's prison system under control during his term as governor between 2001 and 2006.

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