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With Impeachment and Indictment, Brazil’s Partido dos Trabalhadores Falls from Grace

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After 13 consecutive years commanding the Palácio do Planalto, Brazil’s leftist Partido dos Trabalhadores (PT) has been forced out of power. Impeachment proceedings against former president Dilma Rousseff resulted in her ouster, with the Senate voting to remove her from office on Aug. 31 (NotiSur, April 10, 2015, April 29, 2016, June 24, 2016).

The 61-20 Senate vote capped a rollicking political scandal that has shaken the nation to its core and severely eroded the political gains of one of Latin America’s most powerful parties.

Further damaging the PT’s legacy, Luiz Inácio Lula da Silva (2003-2011), the charismatic and wildly popular union leader-turned-president who brought the party to electoral success, was indicted on corruption charges in September (NotiSur, Jan. 10, 2003, Sept. 9, 2005, July 14, 2006). He is expected to face trial over allegations that he led a bribery and kickback scheme involving the state-owned oil company, Petrobras.

The decision by a federal judge to accept charges against da Silva came the same day that Michel Temer, a right-wing politician with the Partido do Movimento Democrático Brasileiro (PMDB), gave his first address to the UN General Assembly. Temer, who served as Rousseff’s vice-president, became interim president after her impeachment and is now expected to remain in office until the end of 2018.

Rousseff removed
The vote against Rousseff made her the second president out of four to be impeached since Brazil adopted its 1988 constitution. She was accused of misrepresenting the budget to hide growing deficits, an act of malfeasance that helped her electoral prospects but did not enrich her personally. The debate that raged in the halls of the Brazilian Congress over the last several months has hinged on whether or not such a move was an impeachable offense.

Amy Erica Smith, an expert in Brazilian politics from Iowa State University, told The New York Times that the charges “don’t rise to the level of the kind of accusations that would merit impeachment,” adding, “It’s not a legitimate use of the impeachment proceedings.”

While the impeachment followed the steps as outlined in the 1988 Constitution, critics nevertheless derided it as a form of coup d’état by the country’s conservative elite. “When people talk about ‘coup mongers,’” said Smith, “they’re often implicitly thinking about, you know, a rich white woman who is upset that her maid now is entitled to labor protections that limit what this rich white woman can ask her maid to do.”

An image of a dark-skinned maid pushing the stroller of a white couple at a pro-impeachment protest in an affluent neighborhood went viral on social media in March.

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However, by the end of the impeachment saga, Rousseff’s popular support has sagged to untenable levels. In April, when the lower house of Congress held its impeachment vote, the polling firm Datafolha reported that 61% of Brazilians were in favor of the impeachment proceedings, and Rousseff’s approval rating was a dismal 13%. The final vote in August was not met with significant street protests or other popular signs of support for the embattled Rousseff.

**Lula’s luck runs out**

Once considered the most popular politician in the world, da Silva had been eyeing another run for president in 2018. He may be ineligible, however, if he is found guilty of either of two charges he now faces.

One, issued in September, accuses him of receiving over US$1 million in renovations to a beach house from a construction company, OAS, that in turn secured valuable contracts with Petrobras. When Judge Sérgio Moro issued the ruling in Curitiba, home of the Operação Lava Jato (Operation Car Wash) corruption investigation (NotiSur, Aug. 14, 2015, and May 6, 2016), he made it clear that the move to put the former president on trial was not a “conclusive ruling.” Moro had previously released wiretapped private phone conversations between da Silva and several high-profile politicians, an embarrassing move that led da Silva to accuse the judge of sabotaging his potential run for president. Prosecutor Deltan Dallagnol, however, called da Silva the “ultimate commander” of the illegal scheme, claiming that it was the main tool to keep the PT’s grip on power. The total amount of graft involved in payments to secure Petrobras contracts is estimated at over $3 billion.

Da Silva will stand in a separate trial on charges that he attempted to thwart the investigation into this scheme, known as the mensalão (monthly payment) (NotiSur, May 15, 2015).

Da Silva denies the charges. “Prove I’m guilty and I’ll walk to the police station,” he told the press. “Only Jesus Christ beats me here in Brazil,” he added, in a reference to his popularity, which remains high despite the scandal.

Meanwhile, the PT was dealt another blow by the courts on Sep. 26 when da Silva’s former finance minister, Antonio Palocci, was arrested in São Paulo. Palocci, who was in office from 2003 until 2006, and again as chief of staff for Rousseff in 2011, was accused of taking payments from the construction giant Odebrecht in order to facilitate access to lines of credit from the Banco Nacional de Desenvolvimento Econômico e Social (Brazilian Development Bank, BNDES) and guarantee lucrative contracts with Petrobras related to the pre-salt offshore oil deposit discovered during da Silva’s tenure. The deposit, which Da Silva once called it “the second independence of Brazil,” was expected to make Brazil one of the world’s largest oil-producing nations. However, the plunging price of oil and the high cost of reaching the oil has severely curtailed the optimistic prospects of a few years ago.

Palocci’s lawyer denied the charges and accused the Lava Jato investigative team of “arbitrariness” and “authoritarianism.”

**Temer takes office**

With the “interim” removed from his title, Temer has been free to move Brazil’s politics back to the right. He is focused on regaining control of the economy with an austerity plan to limit public sector spending and balance the budget. He has proposed a spending cap amendment to the legislature. In September, a coalition of six parties representing over 200 legislators wrote a letter of support for
Temer’s plan. “We reiterate our absolute and unrestricted commitment and support for the action of this government,” the letter said.

Temer, meanwhile, used his UN speech on Sep. 20 to defend the constitutionality of the impeachment process that catapulted him to power. “Everything happened with absolute respect for the constitutional order,” he said, calling the proceeding “an example for the world.” The delegations of Bolivia, Costa Rica, Cuba, Ecuador, Nicaragua, and Venezuela walked out in protest.

Despite a secure grip on power, the 75-year-old politician is not without his own skeletons in the closet. The Brazilian Supreme Court opened a corruption investigation on the same grounds as that of his PT rivals: accusations of taking bribes to secure contracts with Petrobras. As a sitting elected official, only the Supreme Court can investigate Temer, and he is immune from criminal prosecution while in office, but could in turn be subject to his own impeachment proceedings.

-- End --