

Lula's Return and the Legacy of Destruction

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The Results of the 2022 Election and the Lula-Alckmin Candidacy

On November 30, 2022, in the second round of the Brazilian presidential elections, Luiz Inácio Lula da Silva was elected President of the Republic for an unprecedented third term. The difference in votes in relation to his opponent, Jair Bolsonaro, was only 2,139,645, smaller than that which occurred in the contest between ex-president Dilma Rousseff and her challenger, Aécio Neves, in 2014. It was also the first time since the country's re-democratisation that a sitting president was not reelected. Compared to the first round, Bolsonaro increased his total votes by 7,134,009, and Lula by 3,086,495. To achieve this, Bolsonaro used all available means, including the politicisation of benefits aimed at low-income populations in some Brazilian municipalities and concerted attempts to prevent voters in the Northeast Region of Brazil from accessing polling stations by obstructing several roads. In the end, Lula received a total of 60,345,999 votes, and Bolsonaro, 58,206,354.¹



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Lula won in thirteen of the twenty-six states, particularly in the Northeast—one of the country's poorest regions—registering one state victory each in the North, Central-West, and Southeast regions. Compared to the result of 2018, when Bolsonaro defeated Fernando Haddad, Lula, the Workers' Party candidate, also increased his vote in the other states. Lula's win was due to both the overwhelming loyalty of his voters in the Northeast and to the growth of support in

¹ ↪ "Eleição Geral Ordinária 2022: Presidente," Justiça Eleitoral, resultados.tse.jus.br.

other regions of the country. The Southeast and South regions represent 42.64 percent and 14.42 percent of the country's electorate, respectively. Lula received 76.83 percent of the valid votes in the Northeast states of Piauí and 72.11 percent in Bahia, while Bolsonaro obtained 69.27 percent in Santa Catarina and 62.40 percent in Paraná, states located in the South. Pre-election polls indicated a predominance of intent to vote for Lula among those earning up to two minimum wages; among Catholics; among voters with poor education; and among voters aged 16 to 24, 45 to 59, and over 60. Bolsonaro received the highest percentage of voting intentions from those most affected by unemployment, including those aged between 25 and 44 experiencing job insecurity.²

The elections of 2022 also included those for federal deputies and a portion of the Senate. These results cannot be ignored, as the compositions of the Chamber of Deputies and the Senate need to be taken into account to understand the level of difficulty that Lula will face during his government. Those supporting Lula's candidacy failed to gain a majority in either house, while cadres identified with the denialist and retrograde policies of the Bolsonaro government won their elections, such as his former ministers of the environment (Ricardo Salles, for federal deputy), health (General Eduardo Pazuello, also for federal deputy), and women, family and human rights (Damares Alves, for senator). These individuals were responsible, respectively, for the abandonment of protections for nature and the environment, for the genocidal attitude to the treatment of the COVID-19 pandemic, and for setbacks regarding women's rights and human rights. Sérgio Moro—the former judge responsible for the farcical legal action against Lula that resulted in the politician's 580-day imprisonment—was elected to the Senate. One of the judge's accomplices in this debacle, Deltan Dallagnol, was also elected federal deputy. Furthermore, Bolsonaro's vice president, General Hamilton Mourão, was also elected to the Senate.

Lula was elected by the democratic group Frente Ampla (Broad Front), also known as the Coligação Brasil Esperança (Brazilian Hope Coalition). This coalition brought together extremely diverse political forces, including political leaders who until recently would not even speak to each other. It is not, therefore, a question of simply replicating Lula's 2002 candidacy, which was built on the strength of the Workers' Party together with trade unions, associations, and social movements. At that time, it was Lula's vice president, José Alencar from the impassive Liberal Party, that extended a hand beyond his political base. Lula's vice president in 2022, Geraldo Alckmin, until recently had been in the Brazilian Social Democracy Party, which has always opposed the Workers' Party and participated in the coup against Rousseff. Today, Alckmin is with the Brazilian Socialist Party, but his previous political trajectory was within the Social Democracy Party. For years, he governed both the state and city of São Paulo, the most populous metropolitan area in the country, where he implemented neoliberal actions and measures. Only time will tell how loyal he will be to Lula and his goals. In the second round especially, Lula also garnered support from the more radical left, from individuals embedded in neoliberalism, and from the countless demonstrations carried out by different segments of society, including, notably, those of the Catholic bishops.

The union of so many disparate groups and classes expresses a recognition of the absolute necessity of preventing Bolsonaro from continuing in government. The contest was presented as a struggle between civilisation and barbarism.

Not only did the Bolsonaro government promote the dismantling (using the word in its literal and not figurative sense) of the state—thereby implementing brutal, previously unthinkable, reductions in resources for education, for science and technology, and for programs aimed at women, among others—it also armed the population,

² ↪ Instituto de Pesquisas, "Intenção de voto presidente," Eleições 2022: Datafolha, October 29, 2022, folha.uol.com.br; "Brasil volta ao Mapa da Fome," Inclusão, tvsenado, 24:35, August 13, 2022, senado.leg.br.

promoted the largest deforestation of the Amazon region in Brazil's history, and inflamed racism, sexism, religious intolerance, attacks on Indigenous peoples, and hatred toward LGBTQIA+ groups.

On the economic and social plane, the destruction has been no less dramatic. As an indication, investment (private and public) has never been so low, and Brazil has reappeared on the Map of Hunger, Poverty and Food Insecurity.³ In the principal Brazilian cities, thousands of individuals and families live on the streets, scavenging for food in the garbage and queuing up to have access to bones (at first distributed free of charge by butchers and later sold by unscrupulous traders). In the labor market, not only is informal employment increasing, but the employment-insecure contingent is growing.⁴

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This situation, briefly described above, does not mean that nobody benefited from the policies implemented by Bolsonaro and, before him, by Michel Temer, who assumed the presidency when Rousseff was removed from office. Quite the opposite: in addition to serving interest-bearing capital in the form of large national banks, foreign pension and investment funds, and Petrobras shareholders, who link their pricing policy to the international market, they served the interests of agribusiness through the unprecedented liberation of the use of pesticides and the abandonment of surveillance and fines that previously inhibited exploitation of land in the Amazon Rainforest; of unrestricted mining and extraction firms through state-sanctioned trespassing onto Indigenous lands and the Amazon; and of those involved with the production and sale of weapons and with the criminality associated with, or developed by, militias in important capitals and cities. It is also worth mentioning that companies of all types benefited from the new reality of the labor market created through reforms during the Temer government that removed workers' rights and weakened the power of unions, allowing employers to expand through lower wages and degrading work conditions. In the cultural realm, evangelical churches were the main beneficiaries, achieving changes in legislation regarding abortion, mental health, and addiction treatment, as well as the modification of the content of primary and secondary education curricula, to name only a few examples.

The Frente Ampla, headed by Lula, formed against the backdrop of this contradiction of interests. For many representatives of the ruling class and important institutions of Brazilian society, it became unacceptable to witness the continuing deterioration of the social fabric, growing scientific denialism, and total contempt for human rights and democratic principles.

Regarding the political program of the Frente Ampla, which bears marks of the Workers' Party's ideas, it is necessary to differentiate the "campaign promises" to be implemented immediately from those intended to reverse the social and economic situation and the destruction of the state apparatus resulting from the last six years of conservative governance. There are also structural issues within Brazilian society that can no longer be tolerated, as they form the base for racism, femicide, extreme inequality, and the genocide of Indigenous peoples. Furthermore, there are aspects related to Brazil's continuing dependence on the interests of big international capital.

³ ↪ "Brasil volta ao Mapa da Fome."

⁴ ↪ See Sindicato dos Empregados em Estabelecimentos Bancários de Paranaguá, "Brasil perde 2,8 milhões de trabalhadores com carteira em 8 anos; informalidade e conta própria crescem," May 18, 2022, bancariosparanagua.org.br.

The Reaction of the Radical Right and Lula's Counteroffensive

After the 2022 election had been held and the winner declared, Bolsonaro remained completely silent. His first official speech was made on November 1. It lasted exactly two minutes and in it he omitted recognition of his opponent's victory. His second pronouncement was on December 30, in which he stated that all was not lost. A day later he landed in Florida, in the United States, and has remained there at the time of writing (March 2023).

In parallel, from the early hours of Monday, October 31—the day after the second round of elections—truck drivers, mostly from fleets belonging to large businessmen, blocked important highways in twenty-two states in protest against the election results. Minister Alexandre Moraes, president of the Supreme Electoral Court, ordered state and local police forces immediately to clear the highways under penalty of heavy fines, an order that was addressed to the director of the Federal Highway Police (who clearly supported the truckers' movement and who had allowed the obstruction of voters in the states where Lula had strong support). Moraes's decision was immediately endorsed by the majority of the Federal Supreme Court. On Wednesday morning, several roads remained blocked, mostly in states where Bolsonaro won by a large margin. In several places, roads were cleared by the fans who were traveling to watch championship football games. There were also cases where metalworkers and favela residents did the same.

Despite Moraes's order, in several states the clearance of blockades was followed by fresh ones in either the same locations or at different points on the highways. Videos on social media showed police officers failing to clear the obstructions and, in some cases, socialising with Bolsonaristas. The roads only returned to normal on November 23.

Simultaneously with the road blocks, Bolsonaro supporters gathered in front of Brazilian army headquarters in the main state capitals of the country (including Brasília, the national capital, in the Federal District). They remained there until January 9, 2023, the day after the invasion of and damage to the buildings of the Praça dos Três Poderes (Square of the Three Powers), the National Congress, Palácio do Planalto, and Federal Supreme Court. They remained in front of the headquarters for an extended period with full infrastructure camps, which in no way resembled those of the left-wing social movement. This was only possible because the army itself provided shelter and did not allow the police to evict them.

On December 11, 2022, the day before Lula's confirmation ceremony, Bolsonaristas attempted to invade the Federal Police headquarters under the pretext of rescuing a right-wing militant who had been arrested, burning cars and buses in the process. Police took a long time to arrive and disperse them, and there were no arrests. On Christmas Eve, a bomb was found on the access road to Brasília airport. At the time of writing, the three people involved in the attack were in jail on remand, awaiting trial.

However, the peak of actions by Bolsonaro supporters undoubtedly occurred on January 8, 2023, a week after Lula's inauguration. In addition to the severe damage, there was the destruction of famous paintings and unique, irreplaceable pieces of art. The Bolsonaristas who participated in these actions came from across the country, but mainly from the states in which Bolsonaro had resounding vote totals and where, not coincidentally, the population publicly boasts of being heavily armed. Coming from different income classes, but predominantly from the middle class, participants were, on average, over 46 years old, with a slightly larger male presence than female. There is, so far, no information regarding the jobs carried out by them, but videos posted on social media networks made it possible to identify, among other professions, military personnel, evangelical pastors, teachers, and those involved in the extraction of minerals in conflict regions.

The ease with which Bolsonaristas accessed the Praça dos Três Poderes, entered its facilities, and proceeded to destroy everything they found is only explained by the leniency (and in some cases the open support) from the security forces that were supposed to stop them, including the Institutional Security Office (Gabinete de Segurança Institucional) of the Presidency of the Republic. Video recordings—made by Bolsonaristas themselves or by security cameras—leave no doubt about this. Furthermore, although various intelligence agencies had predicted a possible large-scale act in Brasília by Bolsonaro supporters, the staff expected to contain the attack had been demobilised without Lula's Minister of Justice being aware of it.

The arrest warrants for those involved, as well as those who publicly called for a military coup and for the annulment of the presidential elections, continue to be pursued across the country.... Across society, numerous institutions and personalities took a stand against the invasions, and social movements and associations, unions, and parties called for demonstrations on the next day, January 9, in the main capitals and cities.

All indications were that the Lula government would respond to the chaos created by Bolsonaristas in Brasília with a decree of the Guarantee of Law and Order. However, that would have placed the capital under military control, which would have been reckless. Instead, Lula decreed federal intervention in the Federal District and removed its governor, a move that was soon after approved by both deputies and senators.⁵ Moraes reinforced these actions by authorising the arrest of those participating in the invasions of public buildings; opening an investigation to determine who was responsible for the demobilisation of forces and to identify organisers and financiers; the arrest of the commander of the military police and the secretary of public security of the Federal District; and the complete removal of any camps still existing in front of the federal police barracks. The arrest warrants for those involved, as well as those who publicly called for (and still call for) a military coup and for the annulment of the presidential elections, continue to be pursued across the country. Military police inquiries were also opened to investigate the conduct and failure to act of commanders, deputy commanders, and other police officers. Across society, numerous institutions and personalities took a stand against the invasions, and social movements and associations, unions, and parties called for demonstrations on the next day, January 9, in the main capitals and cities.

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As events unfolded on January 8, it is worth noting that the commander of the army did not allow the arrest of the Bolsonaristas who had returned to the camp in front of the army headquarters in Brasília. His decision, and the fact that the appointment of one of Bolsonaro's aides to command the First Command Action Battalion in Goiânia (which abuts Brasília) was not annulled, led to him being dismissed from office on January 21. This battalion, like the special operations battalion, is an elite unit that can be deployed quickly to defend against conventional and unconventional threats within Brazil. This was a key strategic command, which would then have been occupied by Bolsonaro's principal advisor.

⁵ ↪ For more on the events of January 8, 2023, see Gabinete do Interventor Federal, *Relatório sobre os fatos ocorridos no dia 8 de janeiro de 2023*, Secretaria de Estado de Segurança Pública (Brasília: Governo do Distrito Federal, 2023). See especially the report's conclusion starting on page 53.

The invasion of the Praça dos Três Poderes also caused Lula to accelerate a change of command of regional superintendents of the Federal Highway Police (Polícia Rodoviária Federal) and to the heads of the federal police in twenty-six states, institutions known to be receptive to Bolsonarist ideas. In addition to reappointing directors who had previously been removed by Bolsonaro, it is noteworthy that nine women were appointed within the highway police. Regarding the Institutional Security Office, which is responsible for the security of the president, his family, and executive buildings, Lula had dismissed or removed more than sixty military personnel, including changing his executive secretary at the time of writing. In this way, the coup attempt has been controlled, at least to date.

Lula's Inauguration, the Work of the Transition Team, and the New Ministries

Lula's inauguration took place as scheduled on January 1, 2023. Despite a bombing attempt a week earlier by Bolsonaristas, Lula paraded in an open car and openly walked up the access ramp to the Planalto Palace. The public attendance for the event was much larger than at his previous inaugurations and those of Rousseff.

Lula climbed the ramp accompanied by representatives of the Brazilian people: 91-year-old Chief Raoni of the Kayapó people, one of the greatest Indigenous leaders in the country; a 6-year-old Black child; a disabled person; a metalworker; a teacher; a member of the Lula Livre Vigil (a movement that stood vigil in front of the place where Lula was imprisoned throughout his entire incarceration); and a collector of recyclable materials, who presented Lula with the presidential sash.

In his speech to the nation, Lula summarised the main points of his campaign, points reiterated by the working groups that formed his transition team. Starting in December 2002, Law 10.609/2002 guaranteed that the elected candidate form a transition team with fifty posts so that there would be no break between one government and the next. Lula's team was larger than the usual teams, including numerous people from diverse backgrounds and expertise working voluntarily.

The team, called the "Transition Cabinet" in its final report, was formed from thirty-two thematic groups of a sectoral and cross-sectoral nature, a political council, and a social participation council. This cabinet's main purpose was to diagnose the present situation and define actions and strategies regarding the positions of the organs and entities of the Federal Public Administration and of public policies. The results were startling. It found that in recent years, there had been deliberate institutional deconstruction, dismantling of the state, and disruption of public policies.⁶

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health, environmental preservation, and defence of Indigenous peoples, Bolsonaro had applied a veritable scorched-Earth policy, the effects of which will be difficult to reverse in the short term. To give an idea of the results, Brazil, which stood out globally for the quality of its vaccination programs, saw the rate of coverage against poliomyelitis in

⁶ ↪ Comissão De Transição Governamental, *Relatório final do Gabinete de Transição Governamental*, Gabinete De Transição, December 22, 2022, gabinetedatransicao.com.br.

target populations, for example, drop from 98 percent in 2015 to 52 percent in September 2022. The country also lost its measles-free certification in 2019.⁷

With regard to the environment and the treatment of Indigenous peoples, there is no better picture of destruction than the one taking place in the territory of the Yanomami people in the north of the country. The Yanomami live in the largest Indigenous reserve in Brazil, comprising 9.6 million hectares, located in Roraima and part of the state of Amazonas. This reserve was created on May 22, 1992, after a process that lasted fifteen years. During the military dictatorship, the Radam Project was developed to collect data on mineral resources, soils, vegetation, land use, and cartography in the Amazon region. Based on this survey, the region where the Yanomami live was identified as rich in ores, including gold and cassiterite, from which tin is extracted. This provoked a gold mining invasion, which, from 1987 on, became a gold rush. When the reserve was finally delineated, the mining activity decreased, but it has never completely stopped. Throughout the years of the Bolsonaro government, the brazen and ruthless presence of extractive industry, with no fear of restriction, became an everyday occurrence. Illegal miners caused the contamination of water and soil in the reserve and the rape and death of Indigenous people in what was clearly a systematic means of imposing the miners' presence. As for the government, Bolsonaro militarised the National Foundation of Indigenous Peoples (Fundação Nacional dos

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Povos Indígenas, or Funai), so that thirty-seven of the thirty-nine regional coordinating groups were headed by military personnel and only two by career civil servants. Bolsonaro drastically reduced the number of civil servants tasked with the preservation of the territory, health, and culture of Indigenous peoples. The government also colluded with the spread in mining and failed to guarantee the Yanomami's access to health and services. The most

recent denouncement, which is being investigated by the Ministry of Health and the Federal Police, relates to the diversion and sale to miners of anti-malarial drugs intended for the Yanomami. The results of these actions are now internationally recognised: the Yanomami were being subjected to genocide and dying of starvation and disease.

From the very beginning of its administration, the response of Lula's government was to tackle this issue as a priority, forming a task force involving several ministries. In addition to the immediate priority of providing food and health care, the government dismissed the military personnel who were heading the regional coordinating groups, appointing the Indigenous leader Joenia Wapichana to chair Funai, and took measures to increase staff numbers and tackle illegal mining. It is the first time that Funai will be chaired by an Indigenous representative and a woman.⁸

The work of the transition team has been comprehensive. They addressed the dismantling of the state and social policies; economic development; socio-environmental and climate sustainability; and the defence of democracy, reconstruction of the state, and sovereignty. This was complemented by a mapping of fiscal emergencies and the public budget, suggestions of measures for reversal and revision, and a proposal for a new organisational structure of the ministries.

As a result of the worsening economic and social situation caused by the two years of Temer's government and the four of Bolsonaro's—more than 33 million Brazilians were malnourished and 125.2 million were living with some form of food insecurity—one of the emergency issues was the need for resources so that the distribution of income directed at

⁷ ↪ See "Brasil atinge 52% de cobertura vacinal contra a poliomielite; entenda a importância da vacinação," Ministério da Saúde, September 26, 2022, and "Ministério da Saúde lança Plano de Ação para Interrupção do Sarampo no Brasil," Ministério da Saúde, September 9, 2022, both at br/saude.

⁸ ↪ To read the full final report, see Comissão De Transição Governamental, *Relatório final do Gabinete de Transição Governamental*.

the population most in need could continue.⁹ This emergency arose from the fact that Bolsonaro had not included this expense in his proposed 2023 budget (along with, for example, reducing funding for the purchase of medicines for the Popular Pharmacy Program by 60 percent). Faced with this, before he even took office, Lula had to negotiate with the National Congress for both Houses to approve a constitutional amendment (Emenda Constitucional) to guarantee resources to meet this cost. To date, the new deputies and senators elected in 2022 with their aforementioned more right-wing profile have not yet approved the measures.

The need to approve a constitutional amendment stems from a previous amendment, 95/2016, which froze federal government budgets for twenty years, with the only permitted readjustments being to bring the payments in line with inflation. In practice, since its approval, this spending ceiling has been breached five times. On two occasions, these breaches were motivated by the health, social, and economic emergency resulting, principally, from the COVID-19 pandemic. Though the last breach in 2022 addressed the most disadvantaged, the readjustments also benefited other segments of the population, such as taxi and truck drivers, and was widely condemned as an electoral ploy aimed at increasing the Bolsonaro vote.

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Lula formed his government with thirty-seven ministries, headed by twenty-six men and eleven women (one more than under the first Rousseff government). Of these, eleven were Black and two were Indigenous (appointees to the Ministry of Indigenous Peoples and Ministry of Social Development). For the first time in Brazilian history, the Ministry of Health will be led by a woman, Nísia Trindade. During the pandemic, she headed the Oswaldo Cruz Foundation, an important national health research institution, and countered the negativism generated by Bolsonaro while producing the AstraZeneca vaccine within the country. Women are also to be found in other prominent positions. In addition to Funai, we highlight the leadership by women of the two main public banks, Banco do Brasil and Caixa Econômica Federal, and of the National Secretariat for the Promotion and Defence of the Rights of LGBTQIA+ People, which is now headed by a trans woman.

These highlights are not trivial. After years of misogyny, racism, and intolerance, shored up by the attitudes and words by the lead executive of the country, witnessing diversity represented in the policy-making bodies of the federal government is an encouraging and hopeful sign. However, to erase the recent retrogressions and to advance toward the recognition of the other, much progress is needed, which will only be possible if the left and the so-called progressive sectors remain organised, attentive, and willing to fight. It is in this same sense that the creation of the ministries of Women, Human Rights, and Racial Equality is to be celebrated.

The Measures of the First Twenty Days of Lula's Government and Future Challenges

Even before his inauguration, Lula guaranteed the resources to pay benefits to the poorest in the population for the year 2023 through the approval of constitutional amendment 126/22. In its first days, the new government focused its actions on revoking measures that violated established rights; demilitarising public services; appointing people competent in their fields to key posts; re-establishing secretariats and departments that had been cut during the Bolsonaro government or that had lost importance in the organisational chart of ministries, which implied a break with certain public policies;

⁹ ↪ For more detail, see "Insegurança Alimentar e Covid-19 no Brasil" in *Insegurança Alimentar nos estados*, supplement, Rede Brasileira de Pesquisa, 2022, senado.leg.br/noticias.

increasing the basic salary for teachers, which had been out-of-date for a long time; approving measures that would allow the resumption of the vaccination program; and prioritising health care and food for the Yanomami and acting to curb illegal mining on their lands.

During the Bolsonaro government, there was a significant increase in the presence of active and reserve military personnel in civilian positions and functions within the government. In 2020, the latest survey carried out by the Federal Court of Auditors (Tribunal de Contas da União) identified 6,157 military personnel from the three armed forces branches exercising civilian functions. This military presence had not only increased in relation to the previous government, but greatly exceeded that which existed during the military dictatorship. To gauge the absurdity of this military presence, the Minister of Health was, from May 15, 2020, to March 15, 2021, an active army general, Eduardo Pazuello—as if there were no professional experts qualified to hold this responsibility during the most serious period of the COVID-19 pandemic.

Among the actions to reverse the retrograde measures of the previous administration (and it is impossible to mention them all here), we highlight the Lula government's ending of the requirement for health services to notify the police when performing an abortion in the case of rape that was introduced by Bolsonaro. Since 2012, Brazil has permitted abortion when the pregnancy endangers the life of the pregnant person, when it is the result of sexual violence, or when there is fetal anencephaly.

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During the Bolsonaro government, many attempts were made to prevent minor victims of sexual assault from terminating their pregnancies, including through initiatives by local authorities.

Lula's objectives, expressed in the presidential campaign and in the report of the Transition Cabinet, go far beyond "simply" undoing, on a legal and institutional level, what has been done in recent years. It is clear that this undoing will

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not be easy to achieve, as the level of destruction in some areas—either through a reduction in the number of employees or resources, or due to changes in priority—is such that the rebuilding of state management and policies will not be a task of a few days or months. Alongside this challenge is the necessity to confront aspects of society and the economy that have structural roots and/or have worsened over recent years, during

which these extreme neoliberal policies were applied.

So how do we confront the enormous inequalities that make Brazil one of the least equitable countries in the world under any criteria? How do we confront the enormous deindustrialization and growing specialisation of the production of commodities?

After the coup against Rousseff, neoliberalism advanced at an accelerated pace: reforms of the relations between capital and labor were introduced, permitting more flexibility in the management of the workforce; the federal government's spending was frozen for twenty years by constitutional amendment 95/2016; and the independence of the Central Bank of Brazil was approved. It is under this institutional framework, which ultimately governs the country's fiscal and monetary policy, that the new Lula government must act. It is abundantly clear that, for the Brazilian state to stimulate or

induce the deindustrialization of the country and incorporate modern technologies, it will be necessary to change these rules or institutions. It is certain that Lula will face strong opposition to these changes.

Although the new government may make progress in reinstating previously successful public policies, its room for

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manoeuvre is less than in the past. If, on the one hand, there has been progress towards regulating state action, then on the other, society is not the same as it was twenty years ago. In fact, what had previously been latent, but was

possibly already observable, has since the end of the second Lula administration been consolidated. Substantial parts of the Brazilian population now are opposed to policies based on solidarity, equality, and the rights emanating from citizenship. Furthermore, the advance of raw capitalism is present throughout the country. The incursion of miners in the Yanomami region is “only” the most extreme example.

The Structural Context and the Class Struggle

In addition to restrictions on the implementation of palliative compensation measures through the Bolsa Família (Family Grant) Program, for example, structural conditions are the greatest barriers to more progressive policies. These conditions did not exist either at the end of the dictatorship with the approval of the 1988 Constitution or in subsequent, more progressive governments. According to Oxfam, “The richest 1% hold 48% of all national wealth and the richest 10% hold 74%. On the other hand, 50% of the Brazilian population owns about 3% of the country’s total wealth,” and “six Brazilians own the same wealth as the sum of the poorest half of the population, more than 100 million people.”¹⁰ One class group on the right of the political spectrum is the landowners. In 2006, “large establishments account for only 0.91% of all rural establishments in Brazil but occupy 45% of the rural land area in the country. On the other hand, establishments with an area of less than 10 hectares represent more than 47% of all establishments in the country, but occupy less than 2.3% of the total area.”¹¹

Fractions of the dominant classes in Brazil were the beneficiaries of subsidised credit for long-term investments, real estate financing, and rural credit. Thus, they need the new government to maintain these privileges. To get an idea of these privileges, bank loans in Brazil have one part that is subsidised by the government and another part for which banks freely determine the interest rate. In December 2022, total loans were R\$5.3 trillion, or 54 percent of GDP. Loans at subsidised rates were R\$2.15 trillion, and annual interest rates were 11.9 percent for companies and 11.3 percent for individuals. Loans with interest rates freely charged by banks were R\$3.17 trillion and companies paid a rate of 23.1 percent per year (double the subsidised loans), while families 55.8 percent per year (almost five times). We can therefore observe the enormous difference in financial privilege between some capitalist groups and working-class families. An

The richest within Brazil, and later foreigners, stopped paying income tax, deepening the regressiveness of the tax system, which was originally conceived between 1964–67.

important part of the resources for subsidised loans come from workers, such as the Fundo de Amparo ao Trabalhador and the Fundo de Garantia por Tempo de Serviço, which were transferred to the capitalists, and another part comes from the National Treasury. Of the total number of subsidised loans, rural credit for landowners amounts to a total of R\$405.7 billion, or 28.8 percent of subsidised loans for individuals.

¹⁰ ↩ Oxfam Brasil, [A distância que nos une: Um retrato das desigualdades brasileiras](#), September 25, 2017, 30.

¹¹ ↩ Oxfam Brasil, [Terrenos da desigualdade: Terra, agricultura e desigualdades no Brasil rural](#), November 2016, 8.

In contrast, the basic interest rate, defined by the Monetary Policy Committee of the central bank, is 13.75 percent per year and is used to pay interest on public debt securities. Part of these securities, or 23.8 percent of the R\$5.2 trillion, is in the bank's portfolio as collateral for overnight operations in the open market. These operations, which remunerate all idle monetary capital, consisted of a daily average of R\$1.68 trillion, or 17.1 percent of GDP, in December 2022.¹²

Following the debt crisis of the 1980s, in 1995 Brazil removed the distinction between national capital and foreign

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capital from the constitution. Thus, all capital became entitled to benefits such as subsidised credit and its owners received exemption from paying income tax on distributed profits and dividends. As such, the richest within Brazil, and later foreigners, stopped paying income tax, deepening the regressiveness of the tax system, which was originally conceived between 1964–67, during the military

dictatorship. In addition, a system called interest on equity was introduced in which shareholders could receive interest or dividends set by the companies.

This data allows us to interpret the degree of ferocity that the class struggle attained in defending these interests. For the first time, politicians, businessmen, members of religious groups, journalists, intellectuals, and parts of the petty bourgeoisie became unashamed to call themselves right wing and to defend a set of retrograde ideas and the retraction of the civilising process itself. The central core of the extreme right wing gathered in organisations and movements, political parties, and other forms, and assumed the leadership of a part of the mass movement. This movement, which first appeared in 2013, began winning over an ever-increasing portion of the population, who went on to elect Bolsonaro in 2018 and gave him almost 50 percent of the vote in 2022. This is the context that the Lula government is facing and, even if it succeeds in undoing most of the measures implemented by the last government and confronting the structural problems within the economy, with its extreme inequality and privileges, the contradictions made explicit by the class struggle will remain, hindering the adoption of more progressive measures.

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¹² ↩ The data cited is available at gov.br/estatisticas/notaseconomicofinanceiras.

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