



## BRAZIL ALERT The Second Round William Perry

### Overview

- **Luiz Inácio "Lula" da Silva (PT) performed impressively in the first round of Brazil's presidential balloting on October 6, winning in 24 of 27 states and garnering 46.5 percent of the vote; PSDB/PMDB candidate José Serra came in second with 23.2 percent; 17.9 percent was registered by Anthony Garotinho (PSB); and *Frente Trabalhista* standard-bearer, **Ciro Gomes**, trailed the field of major contenders with 12.0 percent. As no one reached the 50 percent mark, however, a runoff will be required between Lula and Serra on October 27.**
- **The PT and other elements on the left also did well in races for seats in the federal Senate and Chamber of Deputies. But they will not have majorities in either House without substantial cooperation from more centrist parties.**
- **Likewise, the PT and other parties representing the leftist opposition to the Cardoso administration scored gains from their previously modest number of governorships. The outcome of contests in 14 states and the Federal District, however, remain to be determined on October 27.**
- **Lula came close to victory on October 6, and subsequent polls show that he is a very strong favorite to prevail in the presidential runoff. But his winning strategy of moderation this year, lack of a leftist working majority in Congress, and Brazil's delicate financial situation will likely impel him to proceed prudently with any changes to the country's present economic model, of which he has been so critical.**

In retrospect, this year's volatile presidential campaign can be seen to have assumed its final form—at least so far as the first round was concerned—in early/mid-September. Even after the collapse of the July/August *Ciro Gomes* (PPS) bubble toward the end of that latter month, José Serra (PSDB) was just not able to significantly pierce his previous 20 percent ceiling in public opinion surveys. In fact, he was obliged to beat back a challenge from the fourth contestant in this race, Anthony Garotinho (PSB), to maintain his hold on second place. Thus, Luiz Inácio "Lula" da Silva (PT) was able to consolidate and expand his long-standing advantage toward the mid/upper 40 percent range in the polls and even develop a chance of reaching the magic 50 percent mark, which would have obviated the need for any runoff. But, on election day, an at least modest version of the phenomena *serristas* had fervently been hoping for finally occurred. And their candidate did apparently benefit from last-minute concerns among some citizens about prospects of a PT presidency so that Lula somewhat under-performed in terms of what might have been expected from the last polls. At the same time, Serra's actual vote slightly exceeded those indicators, thereby necessitating a second round and securing him a spot in it.

Nevertheless, the outcome on October 6 was a very substantial triumph for the PT standard-bearer in this year's competitive four-man field, especially considering the fate of his three previous bids for Brazil's presidency. Out of more than 85 million valid votes cast, Lula received 46.4 percent, compared to 23.2 percent for José Serra. Anthony Garotinho and *Ciro Gomes* trailed behind with 17.9 percent and 12.0 percent, respectively. Geographically, the PT standard-bearer took 23 states, plus the Federal District, leaving only one each to his three opponents (Serra, tiny Alagoas; Garotinho and *Gomes*, their home bases of Rio de Janeiro and Ceará). Thus, after another brief campaign season, Lula will face Serra in a head-to-head runoff on October 27, with very strong chances of ultimate victory.

The PT and other leftist opposition parties also did well in the myriad other contests of this general election year. At the gubernatorial level, 12 of 27 races were decided in the first round. Of these, the PSB took a very impressive three state

houses (Rio de Janeiro, Espírito Santo and Alagoas), the PT (Piauí and Acre), PSDB (Minas Gerais and Goiás), PFL (Bahia and Tocantins), and PPS (Mato Grosso and Amazonas), two each, and the PMDB a single one (Pernambuco). In the second round, the PT could pick up as many as eight more compared to six prospects for the PSDB, five for the PMDB, three for the PFL and PTB, two for the PPB, and a single one each for the PSB, PTB and PSL. The PPS will have to rest content with the pair of governors it elected outright on October 6. Of particular interest will be the outcome of the race between the PSDB incumbent Geraldo Alckmin and PT challenger José Genoíno for the nation's most important state house in São Paulo after long-time local strongman Paulo Maluf (PPB) was embarrassingly eliminated during the first round. Thus, although the final result will not be in until after the October 27 runoffs, power at the gubernatorial level is now certain to be spread more evenly among a greater number of parties. Furthermore, those of the left will have gained significantly compared to 1998-when the PMDB (7), PSDB (6), and PFL (6) won in 21 of 27 jurisdictions (leaving 3 to the PT, 2 to the PPB, and 1 to the PTB).

In the Senate, 54 of 81 seats (two of the three possessed by each state) were up for grabs this year-in first-two-past-the-post contests that do not require runoffs. The PT also performed impressively on this front electing 10 senators this time around to raise its total from 8 in the previous legislature to 14 in the one that will take office on January 1. Meanwhile, its coalition partner, the PL, also saw its delegation in the Upper Chamber increase from one to three. But the other leftist opposition parties just held their own-the PSB moving from three to four seats, the PTB standing pat at five and the PSD losing one of its previous two. As a consequence, the parties that, until this year, had comprised the Cardoso administration's support base, suffered corresponding losses.

José Serra's (and the president's own) PSDB elected only 8 senators this year producing a decline from 14 to 11. Meanwhile, his PMDB ally took an even bigger hit-that reduced its delegation from 24 to 19. The number of PPB senators in next year's legislature will be one rather than a former three. And defection to Ciro Gomes did not spare the PTB, which lost two seats for a new total of three. The major exception here was the PFL, which, after refusing to support the Serra candidacy, gained 3 seats for a new total of 19. (Finally, a minor party, the PSD, also managed to win a single place in Brazil's next Senate.)

Thus, while leftist parties, as well as a PL (in coalition with the PT in this year's presidential race), advanced from 19 to 27 senate seats in these elections, more centrist parties still continue to enjoy a commanding majority. The traditional "big three" (PMDB, PFL, and PSDB) alone have retained 50 senators (formerly 57), with the PTB and PSD possessing another 4. Thus, a PT government would have to garner considerable support from the ranks of parties to its right-most likely targets being the PSDB, PMDB, and PTB-in order to pass legislation in the next session of Brazil's Upper House.

The PT's performance was even more notable in Chamber of Deputies races across the country, which are decided by a complex system of proportional representation. Vaulting from 59 deputies elected in 1998 to 92 this time around, it will now boast the largest single delegation in that 512-member body. Moreover, its ideological and coalition allies moved up from 65 to 91 seats (PL, now 26; PSB, 22; PTB, 21; PPS, 13; PCdoB, 12). This expansion occurred, of course, mostly at the expense of the traditionally larger parties that had formed part of the Cardoso government's support base. The PFL, which had elected 105 deputies in 1998, saw its delegation reduced to 84. Corresponding declines were also registered by the PMDB (83 to 74), the PSDB (99 to 71), PPB (60 to 49), and PTB (31 to 26). Meanwhile, minor parties (now nine of them) increased their representation from 11 to 24. Thus, what had been the leftist opposition to the Cardoso administration has now grown from 112 to 159 deputies-plus 26 seats of the PL, if the PT's election-year alliance with that party holds up. And the traditional big three (plus their old middle-weight PPB and PTB allies) in the Chamber have seen their representation shrink-from 378 to 304. This is a pretty substantial change, especially considering how difficult it is to make big legislative gains under a system of proportional representation (as opposed to the district method more familiar to Americans). Besides that, Brazil's executive branch traditionally wields great influence over members interested mostly in access to the federal budget. Still, a president Lula will have to make compromises with representatives from the more historically dominant (as well as some of the smaller) parties, if his program is to make headway in the 2003-2004 sessions of the Brazilian Chamber of Deputies.

### **Toward the Runoff**

The partisans of José Serra have long asserted that the brief, three-week campaign season-culminating in a decisive October 27 showdown-would be a whole new ballgame. And they have certainly been endeavoring to forge new alliances and sharpen public perceptions of the differences between their candidate and the PT standard-bearer. In particular, a concerted effort is being made to draw attention to the disparity in levels of education and governmental experience between the two men, as well as highlighting the dangers a PT government might pose to the Brazilian economy (abetted by a continuing slide in the value of the *real*). But Lula's 2 to 1, 23-point advantage in the October 6 balloting is a formidable obstacle to overcome in the course of a few weeks. Moreover, if the relatively disappointing performance of the Serra campaign throughout this election season provides any indication of what will happen on October 27, it is that the campaign will again fall short of its hopes.

Endorsements by the two major candidates eliminated in the first round -who together garnered almost 29 percent of the vote-were the most obvious prizes. But this was quickly resolved, as both Ciro Gomes and Anthony Garotinho stepped forward to back Lula-the former unreservedly and the latter with some qualifications-although it was obvious that they would have trouble delivering a clear majority of their supporters in either direction. The PFL's leadership, on the other hand, recommended Serra, but freed its members to do as they wish in recognition of the fact that they would do so anyway. (Important figures from venues where cooperation with the Tucanos is important at the local level, like Marco Maciel, César Maia, and Jaime Lerner, are favoring Serra; those hailing from jurisdictions where the PSDB is a marginal factor and resentment about its contender's purported role in the demise of Roseana Sarney's candidacy, support Lula-for example, Antonio Carlos Magalhães in Bahia and Sarney herself in Maranhão.) Simultaneously, the PMDB continued to suffer defections of state party organizations from the Serra camp. And struggles continued for backing from other groups, such as the evangelical protestant community (which had tended to favor *corelionista*, Anthony Garotinho, on October 6 as well as minor party candidates eliminated that day who had taken 0.5 percent of the vote). Meanwhile, Lula has followed a more-or-less standpat strategy, continuing to advertise both his opposition to the economic model of President Cardoso and his intention to proceed along that line in concert with other kindred strands of opinion on a relatively moderate basis. The big questions facing him are how hard he should hit back at Serra's attacks (not wishing to unnecessarily alienate the Tucanos, who will be important to his coalition-building efforts in Congress later on) and whether or not to hazard any more debates with an apparently weak opponent.

The answers to these questions, of course, depend in large part on Serra's ability to seriously challenge Lula in the runoff. And, here-where the rubber meets the road-it appears that there will not really be much of a contest. Initial post-first round polls showed Garotinho and Gomes voters splitting almost exactly equally between the two remaining protagonists. And Lula's advantage over Serra actually appears to have increased from the roughly 55 to 35 level of pre-October 6 runoff simulations toward the 60 to 30 range by the middle of that month. Especially considering the performance of both these individuals during the course of the 2002 campaign season, it is difficult to see how José Serra can possibly overcome a lead of this kind in a couple of weeks. This makes Luiz Inácio "Lula" da Silva a prohibitive favorite to sew up his claim to Brazil's presidency on October 27.

A strong Lula tide culminating in substantial victory will tend to help PT gubernatorial candidates in their runoffs across the country, although local factors are always predominant. And this might accentuate an already visible trend toward the left among the ranks of Brazil's governors. But, as in the case of Congress, more centrist parties will continue to occupy a majority of state houses, which are quite important within the country's federal system of government. This would be another factor impelling Lula to reach out toward accords with more moderate parties as he begins the delicate task of putting together his government and its program. But further speculation in this realm must await the counting of the votes on October 27, which will mark the end of this year's long-running general election campaign.

### **About the Author**

William Perry is a senior associate of the CSIS Americas Program and president of the Institute for the Study of the Americas and William Perry and Associates. Mr. Perry has an extensive track record of involvement in Colombian, Venezuelan, Argentine, Brazilian, and Southern Cone affairs, and the analysis of elections there and in other Latin American countries. He has also served as a senior Latin American specialist for the Senate Foreign Relations Committee and as director of Latin American affairs at the National Security Council.

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