

Latin America Watch

Lula's Inauguration: What does this mean for Brazil and the Americas?

Elin Roberts | January 2023



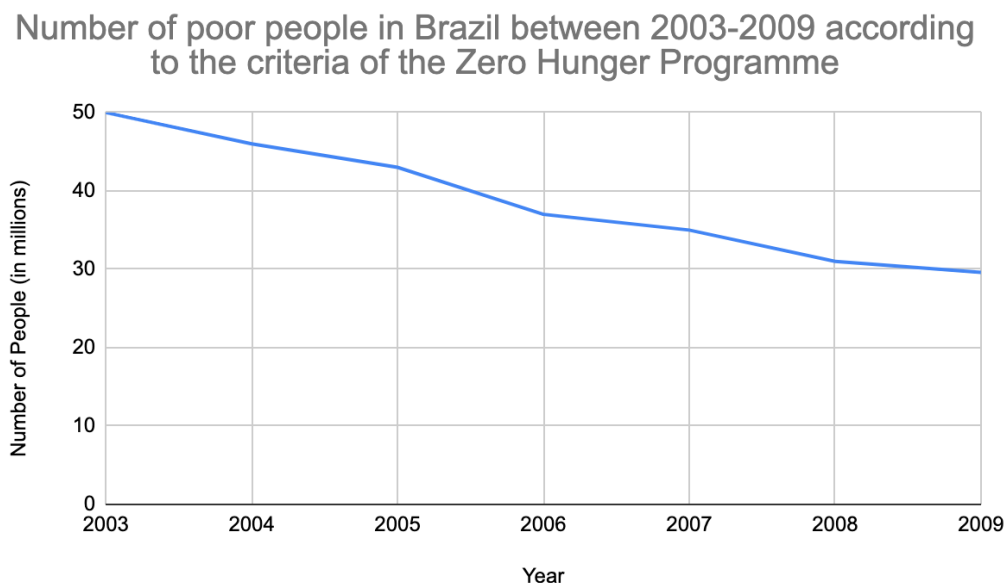
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Yesterday, Luiz Inácio Lula da Silva began his third presidential mandate in Brazil having won the elections against Jair Bolsonaro in October 2022. Lula [sees](#) his new mandate as a “commitment to make the country smile again, to live peacefully again” as he became elected on a mandate based upon the restoration of democratic practices, protecting the Amazon rainforest and its people, and reducing social inequalities. We will begin by looking at Lula's first presidency between 2003-2011 by analysing his socio-economic policies and his foreign policy. We will then look at the growing social tensions under Bolsonaro and his foreign policy of isolation. In the third part we will discuss whether Lula's new presidency means the return of socio-economic policies, revitalising the Amazon and the rebirth of a regional power. We will conclude by looking at how likely we are to see change under a new Lula government.

Lula's Presidency 2003-2011: Tackling inequalities and creating Brazil's global image

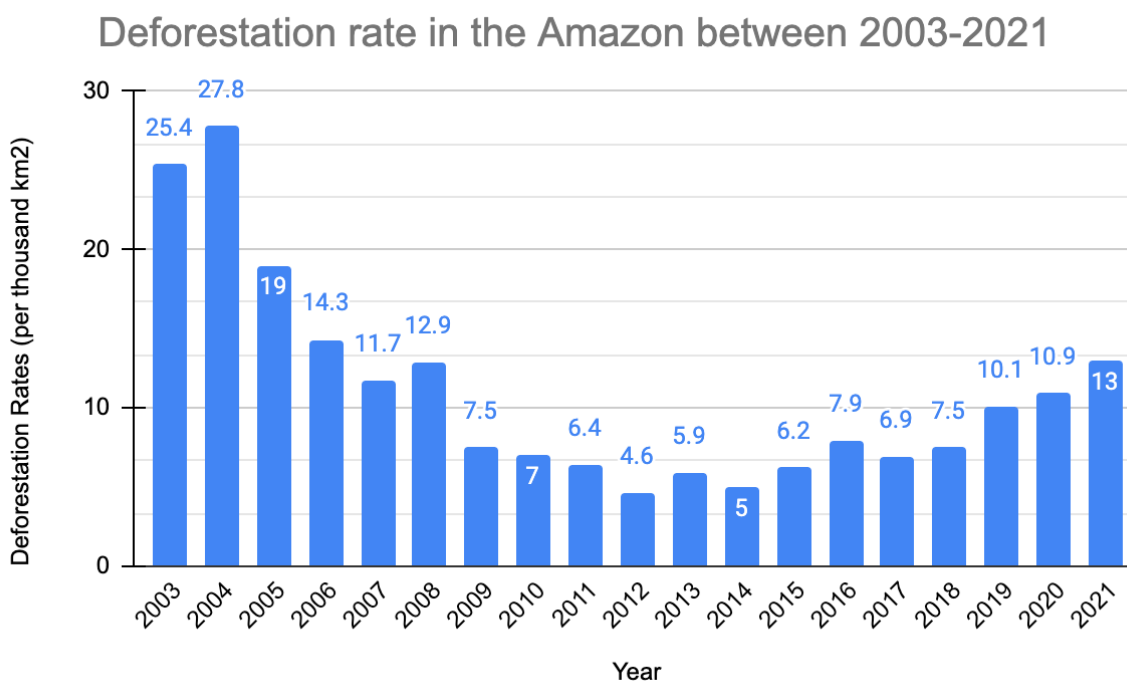
Lula's previous presidential terms between 2003-2011 were marked by his domestic fight on inequality. For instance, his government introduced the programme *Fome Zero* (Zero Hunger) in 2003 which had the objective of eradicating extreme hunger and poverty throughout the country. At the beginning of the programme in 2003, 50 million [people lived in poverty](#) in Brazil and by 2009 this figure was reduced to 29.6 million.



Graph 1: Number of poor people in Brazil between 2003-2009 according to the criteria of the Zero Hunger Programme

In 2010, Lula was awarded the title "World Champion in the Fight against Hunger" by the UN World Food Programme. Another successful programme was *Bolsa Família* (part of the Fome Zero programme) that gave financial support to the country's poorest family. This programme was a social policy success as it helped to improve children's health and their education attainment as families would only receive the full financial support if they ensured that their children attended school and that they were fully vaccinated.

In addition to strong socio-economic policies, Lula under his first presidency pushed policies to create deforestation in the Amazon rainforest. At the beginning of Lula's presidency in 2003, the [deforestation rate](#) of the Amazon was at 27.8 thousand km² and was reduced to 6.4 thousand km² by the end of his presidency in 2011.



Graph 2: The deforestation rate in the Amazon between 2003-2021

Not only did we see successful policies domestically, Brazil under Lula's government became an active regional power and global power as Lula maintained a domestic policy geared towards the region and the international community. Lula was popular on the international stage as previous US President, Barack Obama, [dubbed](#) Lula as being "the most popular politician on earth".

During Lula's time in office, Brazil became a regional power as it led further measures of regional integration in the Americas. For instance, the Union of South American Nations ([UNASUR](#)) was established in Brasilia on the 23rd of May 2008 upon the signing of the Union of South American Nations Constitutive Treaty by the following nation states:



Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Surinam, Uruguay and Venezuela. Brazil ratified the treaty on the 14th of July 2011. Furthermore, the Community of Latin American and Caribbean States ([CELAC](#)) was created following discussions at the Rio Group–Caribbean Community Unity Summit in 2010. Looking at Brazil's international participation, under Lula Brazil became part of the [BRICS](#) in 2006. Furthermore, during his time in office he visited over 80 countries by executing a foreign policy targeted towards both the north and the south. In doing so, Lula prioritised building diplomatic and commercial relations with other developing countries in the Global South.

Since the end of Lula's first presidency, the country has faced many challenges. For instance, Lula himself was charged on corruption charges related to the Operation Car Wash (*Lavo Jato*) scandal and was [imprisoned](#) in April 2018 for 12 years for corruption and money laundering. The Operation Car Wash was an extensive criminal investigation in Brazil which uncovered corruption between the state-owned oil and petrol company, Petrobrás, several construction companies, and various Brazilian politicians to obtain secret campaign funds. Lula was later [freed](#) in November 2019 after having spent 580 days in prison. In 2021, the charges brought against Lula were [annulled](#) which meant that he was allowed to run in the 2022 presidential elections. The United Nation's Human Rights Committee declared that the proceedings brought against Lula [violated](#) his due process guarantees. Scandals pierced through the Worker's Party following Lula's presidency as Dilma Rousseff was [impeached](#) in August 2016 for accusations of failing to take action on the *Lavo Jato* scandal and *Petrobras*.

Bolsonaro: growing social tensions and a foreign policy of isolation

Following the time of the Worker's Party in power and that of Michel Temer's, Jair Bolsonaro, a right wing leader, was elected as president in 2018. Bolsonaro's presidency saw rises in social tensions and a decline in equality. For instance, a Brazilian congressional panel recommended that Bolsonaro should be charged with "[crimes against humanity](#)" for his response to the COVID-19 pandemic and his herd immunity strategy that greatly affected the indigenous communities. In addition to this, a report was published by [Amnesty International](#) about Bolsonaro's first 1000 days in power which criticised the human right violations that were committed under his government. The report described his first 1000 days as president as "1000 days without rights".

Furthermore, we saw a backslide in environmental policies under Bolsonaro's presidency as deforestation reached a [record level](#) during his presidential term as [deforestation rate](#) reached 13 million km² - graph 2 shows us that this was the highest rate of deforestation seen since 2006. As a result, Bolsonaro was [accused](#) of destroying the Amazon.

Looking at Bolsonaro's foreign policy, who is also known as the Trump of Latin America, we saw less participation by Brazil on both the regional and international stage. Bolsonaro led a foreign policy of nationalism and anti-globalism as he moved away from South-South initiatives towards more "traditional" western partners. For instance, a Strategic Partnership Dialogue was held between the US and Brazil in 2019. In addition to this, Brazil lost its status of being a regional leader as Bolsonaro turned his back on regional organisations. For



instance, on the 7th March 2019, Bolsonaro announced that Brazil would withdraw from UNASUR in order to join the Forum for the Progress and Integration of South America (PROSUR). PROSUR is defined as a right wing response to the left-wing origins of MERCOSUR. Furthermore, Bolsonaro was very critical of Mercosur and argued that it had a [leftist stance](#). As a result, he [missed](#) many Mercosur meetings such as the one held in July 2022. Not only did we see Bolsonaro moving away from Mercosur towards bilateral relations, we saw that he also posed a risk to the group. For example, a free trade agreement was agreed upon between the European Union and Mercosur in 2019, however, the EU is yet to ratify this due to concerns over Bolsonaro's [environmental](#) policies in the Amazon and a potential risk that the deal would lead to higher levels of deforestation.

Lula's new presidential mandate: the return of socio-economic policies, revitalising the Amazon, and the rebirth of a regional power?

Lula will begin his presidential mandate in a country that is already very polarised. This can be highlighted by the election results where he won the presidency with 50.9% of the vote against Bolsonaro who had 49.1% of the vote. Looking at his campaign [manifesto](#), the main elements were tackling inequalities within the country whilst also reviving the Amazon rainforest. Lula describes his manifesto as [commitments](#) for reconstructing and transforming the country by defending "equality, democracy, sovereignty, and peace".

At COP27, Lula told the global community that "Brazil is back". We may argue that this had a double meaning - on one hand that Brazil is moving away from its isolationist foreign policy towards an open foreign policy, and on the other hand that Brazil is returning towards a policy focused on tackling climate change. Lula's manifesto was full of commitments towards the environment. For instance, his government intends to fulfill the carbon gas emission reduction targets by fulfilling the Paris Agreement. Brazil was at risk of [failing](#) to achieve the targets within the Paris Agreement by 137% if Bolsonaro was elected for another term. In addition to this, his government intends to reforest land affected by deforestation and apply further measures to protect and conserve Brazil's biodiversity and ecosystems. In addition to this, Lula's manifesto intends to ensure that the electrical matrix includes zero emissions of greenhouse gases.

As we observe Lula's promises in regard to society, we see that his main objective is to tackle inequality, particularly for minority communities. For example, his government plans to tackle racism and combat racial inequality by creating a Ministry of Racial Equality who will be led by Anielle Franco. Lula also looks to expand social benefits to indigenous, gypsy, traditional, vulnerable and marginalized populations. His government will also continue fighting against hunger and ensure that all Brazilians will receive an universal basic income. In doing so, he intends to adjust the minimum wage above inflation. Furthermore, his government aspires to tackle inequality within education by ensuring scholarship for those who complete high school to continue their education. We also see plans to tackle gender



inequality by ensuring wage parity between men and women as well as tackling violence faced by women.

Analysing Lula's foreign policy intentions, it is clear from his environmental policy that he intends to bring back Brazil to the global stage by tackling climate change and working towards a green transition. For instance, at COP27 in Sharm el-Sheikh, Lula announced that he wished to hold [COP30](#), the 2025 UN Climate Conference, in the Amazon whilst stating that "Brazil should not be isolated on the international scene".

We may argue that at first glance, his foreign policy intentions are similar to what he executed during his previous presidency as he plans to strengthen South-South cooperation which saw a decline under Bolsonaro as he prioritised diplomatic and economic relations with the West and traditional allies. Under Lula, we are likely to see a diversification in global cooperation as he balances diplomatic relations between the West and the Global South, and between low-income and high-income countries. For instance, we are likely to see greater cooperation between Brazil and the BRICS countries as well as closer relations with China and African nations. We are also likely to see greater participation from Brazil among the G-20 countries as we look towards the Summit in New Delhi in September 2023 and the possibility of Brazil holding the [summit](#) in 2024.

Furthermore, under Lula, we will likely see a return to higher levels of regional cooperation in the Americas as he intends to work on strengthening the following regional organisations: Mercosur, Unasur, and the Economic Commission for Latin America and the Caribbean (ECLAC). Lula's re-election could potentially reopen trade talks between Mercosur and the EU which have been [paused](#) for a few years due to Brazil's poor environmental record.

How likely are we to see a change under Lula's new government?

At first glance, Lula's current programme for government seems similar to what he executed under his previous government. One difference that we notice is that this time, environmental policies played an even greater role in his manifesto. This was a way of becoming popular among the indigenous and environmental communities in Brazil whilst also gaining support and approval on the international stage after Bolsonaro's treacherous reputation regarding the Amazon. COP27 was an opportunity for Lula to highlight his policy in regard to the Amazon and to show his commitment to protecting its biodiversity on the international stage.

Although Lula is committed to executing policy objectives that are similar to what we saw in his previous presidency, we must remember that both the domestic and international dynamics are very different today compared to the first decade of the 21st century. Domestically, the country is politically divided and Lula's coalition does not have a parliamentary majority in neither the Chamber of Deputies nor the Federal Senate. Bolsonaro's party, the Liberal Party, has the highest majority of seats in the Chamber of Deputies (16.62%) as well as in the Federal Senate (25.39%). The Brazil of Hope (Lula's



alliance) won 13.95% of the seats in the Chamber of Deputies and 12.85% of the seats in the Federal Senate.

This makes us question whether he will be able to implement his election manifesto to pass laws through the legislature. In doing so, Lula will have to maintain a positive dynamic amongst the coalition Brazil of Hope as well as lobby with opposing parties and coalitions to pass his law projects. Unless this is done effectively, we risk seeing a parliamentary lockdown. We also risk seeing Lula applying undemocratic practices to pass laws by applying provisional measures, similar to executive orders seen by US presidents, which allows the president of Brazil to enact laws effective for a maximum of 60 days without approval by the National Congress.

Today's global financial situation is a stark contrast to what Lula witnessed during his previous presidency. During his previous presidential mandate, the boom in commodities exports powered expansions in the range of 4% - 5% per year. Alongside this, Lula's previous presidency saw rising wages whilst millions of people rose from poverty through his socio-economic programmes. The current economic climate with the ongoing Russian war in Ukraine has had a negative effect on Brazil and the global economy. In the [next year](#), we are likely to continue seeing high interest rates, fiscal uncertainty and a broader global slowdown of finance. This makes us question how Lula will finance his socio-economic policies and his environmental policies during this current presidential term. Looking specifically at food production in Brazil, the war has led to a sharp increase in the cost of fertilisers which has had a negative effect on agriculture as Brazil imported over [30%](#) of its fertilisers from Russia. Furthermore, according to the [OECD](#), Brazil's projected GDP growth is set to decrease in the coming years as growth for 2022 was at 2.8% with it predicted to be at 1.2% in 2023 and 1.4% in 2024.

Conclusion¹

From this analysis, we can conclude that Lula's presidency opens a new chapter for Brazil on both the domestic and international level. Domestically, we see a return of Lula's socio-economic policies as he aims to tackle inequalities within the country in terms of policies to reduce poverty, to improve access to education, and to tackle discrimination. We will also see an increase in programmes and initiatives set up to protect and conserve the Amazon. Executing and implementing such policies during his new presidential mandate will be challenging due to his lack of parliamentary majority in both houses as well as the current difficult global economic situation. Regionally, we will likely see strengthening of regional bodies as Brazil will initiate higher levels of cooperation which will see Brazil returning to being a key regional leader after the country turned its back on regional cooperation during Bolsonaro's presidency. On the international stage, we expect to see Lula diversifying Brazil's foreign policy by building diplomatic and commercial relations with the West and the Global South by being a neutral power acting as an international mediator. Whilst doing this, it is likely that Brazil will once again be recognised as a global actor - especially if the country

¹ The photo used in the cover was taken by Ricardo Stuckert.



is to host upcoming conferences such as the G20 Summit in 2024 and potentially COP30 in 2025. As Lula said, "Brazil is back"!



About the Author

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Elin Roberts is the director of the Latin America Watch at London Politica and currently works as an international project manager at Watura. She completed her undergraduate studies in Political Science at Sciences Po Paris' Latin American campus and is now studying her master's degree in International Governance and Diplomacy at Sciences Po Paris where she specialises in the Americas. Elin has previous experience of working at the Foreign, Commonwealth and Development Office, the UK Department for International Trade, as well as working on projects at the Observatoire Politique de l'Amérique Latine et des Caraïbes, and for 1001Fontaines. Elin is fluent in Welsh, English, French, and Spanish and is interested in all things related to Latin America: diplomacy, security, gender, human rights, the environment, and development.



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