Latin America Watch

# Lula's inauguration: what can be expected from Brazil's newly formed cabinet?

Axel Aubry | January 2023





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On Sunday, January 1, 2023, Luiz Inácio Lula da Silva was sworn in as Brazil's new president. The leftist politician defeated the far-right candidate and outgoing president Jair Bolsonaro in the presidential election of October 2022, enabling him to hold Brazil's highest office for the third time. After the ballot, the newly elected presidential ticket (chapa presidencial), composed of Lula and his vice-president Geraldo Alckmin, began a process of government transition. During this time, Lula's team received from the outgoing Jair Bolsonaro's administration the data and information needed to implement the new government program. The period leading up to the January 1 inauguration has also been characterised by long negotiations between Lula's Workers' Party and other political parties - such as the Brazilian Socialist Party (PSB) and the Brazilian Democratic Movement (MDB) - whose support the newly elected president will need in Congress due to his lack of parliamentary majority. These lengthy discussions explain why Lula appointed his new ministers gradually, with the final composition of his cabinet only being revealed on December 30, 2022. For that matter, some personalities of the "Broad Front" (Frente Ampla), who supported Lula in the election although they were not part of the Workers' Party, entered the newly formed cabinet. For instance, Geraldo Alckmin, who will serve as both Lula's vice-president and Ministry of Trade and Industry, is affiliated to the Brazilian Socialist Party (PSB).

As Lula vowed to <u>rebuild Brazil</u> after the Jair Bolsonaro years, he totally reorganised the Brazilian Ministries' Esplanade. His cabinet will comprise 37 ministers, against the previous 23 under Jair Bolsonaro. The <u>Brazilian "super-ministry" of Economy is now divided into three portfolios</u>: Finance, Trade and Industry, and Planning. Moreover, Culture, Sports, Communications and Social Development will function as independent ministries and will no longer be subordinated to other institutions. Three new ministries were also (re)created in order



to address the issue of discrimination and inequalities that specifically affects black people, women, and indigenous populations in Brazil. Furthermore, it should be emphasised that <u>eleven</u> <u>ministerial positions have been assumed by women</u>. Far from ensuring gender parity, this is still a step forward compared to the previous government, which comprised <u>only two female ministers</u> <u>among 22 portfolios</u>. Another sign of progress in terms of representation lies in the presence of <u>five black ministers</u> in the newly appointed cabinet, including the environmental activist <u>Marina</u> <u>Silva</u> and the Bahian singer <u>Margareth Menezes</u>. Lula also reached a historic milestone with the appointment of Brazil's first indigenous minister, <u>Sonia Guajajara</u>, who will serve as Minister of Indigenous Affairs.

What is more, we should bear in mind that the national and global context in which Lula will start his third mandate is different in many respects from that of the politician's first two terms in office in the 2000s. At the domestic level, Lula will have to govern without a parliamentary majority, since Jair Bolsonaro's Liberal Party (PL) has made significant progress and has become the biggest party in the Chamber of Deputies after the 2022 general election. Moreover, while Lula enjoyed significant popularity in the 2000s, he now has to deal with a much more divided Brazilian electorate. Indeed, the Workers' Party's candidate only won the election by a thread, which made the 2022 election Brazil's most polarised poll since the end of the military dictatorship in 1985. At the international level, Lula will not benefit from a commodity boom as it was the case in 2002, when Brazilian exports were incentivised by Chinese growth. This time, the international economic panorama is rather characterised by a slowdown in global growth and increasing interest rates due to the ongoing war in Ukraine. This article is aimed at reviewing the most prominent and emblematic appointments of Lula's new cabinet and what can be expected from them given such a domestic and global context. A table showing the composition of the entire new Brazilian government can be consulted at the end of the article.

## Jair Bolsonaro "super-ministry" of Economy split into three different portfolios: Finance, Trade and Industry, and Planning

Fernando Haddad, Lula's right arm and previous Education Minister, to become Brazil's new Finance Minister



Fernando Haddad is a well-known figure on the Brazilian political scene: he is seen as a close ally of the president as he has been a member of the Worker's Party since he was 20 years old and has previously held the position of Education Minister under the governments of Lula and Dilma Rousseff, from 2005 to 2012. Moreover, the politician is known for having served as Mayor of the city of São Paulo, from 2013 to 2016, but failed to win reelection in 2016. Haddad was also defeated against Jair Bolsonaro in the second round in the 2018 presidential election. More recently, he lost the 2022 São Paulo state election against Rodrigo Garcia (PSDB<sup>[1]</sup>). Fernando Haddad is part of the intellectual core of the Worker's Party: lawyer, professor of political science, he also holds a master's degree in Economics and a PhD in Philosophy from the University of São Paulo.

As Finance Minister, Fernando Haddad will cope with complex challenges, in a field that will be vital to the success of Lula's government. This challenge is all the greater as Lula wishes to make Fernando Haddad his direct successor for the next 2026 presidential election. In an economic context characterised by a GDP slowdown, very high interest rates, international economic downturn, combined with Lula's statements putting social programmes among his priorities, investors have been showing signs of concern over Fernando Haddad's appointment as Finance Minister. Therefore, the main struggle for the nominee lies in minimising market criticism, which will mean negotiating with the Congress and important names in finance and industry who have been showing resistance to him. The priorities of Fernando Haddad include a tax reform and microcredit, as well as technological innovations, public-private partnerships, and commitment to fiscal sustainability.

#### Geraldo Alckmin, representative of the Brazilian business community, appointed as both the Vice-President and the Industry and Trade Minister

Geraldo Alckmin will combine the positions of Vice-President and Minister of Trade and Industry. He is a key figure of Brazilian politics as he is one of the founding fathers of the Brazilian Social Democratic Party (PSDB), from which he disaffiliated himself in December 2021, after more than thirty years in the party, to become progressively closer to Lula. Doctor and professor, Geraldo Alckmin has also held numerous positions during his political career, including councilor, mayor of Pindamonhangaba, state deputy, federal deputy, and governor of



the state of São Paulo. He ran for Presidency twice, in 2006, when he lost in the second round against Lula, and in 2018. Furthermore, Geraldo Alckmin played a significant role in Lula's 2022 election. In March 2022, he officially joined the PSB, before becoming Lula's running mate. The presence of a center-right figure in the presidential ticket was intended to reduce resistance to the Workers' Party among industrial and financial circles. The two main challenges Geraldo Alckmin will have to cope with as Minister of Trade and Industry in the next four years are reversing the deindustrialisation process in Brazil and boosting job creation.

#### Simone Tebet, from the Brazilian Democratic Movement (MDB), to serve as Brazil's Planning Minister

Simone Tebet is a <u>centrist senator from Mato Grosso do Sul.</u> She is known for her significant role in the 2021 <u>Parliamentary Commission of Inquiry (CPI)</u>, which investigated the federal government's response to the Covid-19 pandemic. Simone Tebet came third in the 2022 presidential election race, and <u>publicly supported Lula in the second round</u>. As Planning Minister, she will have to merge her liberal vision with the economic policy of Lula's government, but also to work along with Finance Minister Fernando Haddad. The appointment of Simone Tebet illustrates Lula's desire to form a "Broad Front" government, despite its predominantly petist composition.

#### Providing Brazil with an active "green diplomacy" and an environmental policy that effectively combats deforestation: a prime challenge for Mauro Vieira and Marina Silva

#### Renowned diplomat Mauro Vieira as Brazil's new Ministry of Foreign Affairs

Mauro Vieira is a prestigious Brazilian career diplomat. Formed by the Rio Branco Institute of the Ministry of Foreign Affairs, he served as Brazil's ambassador to Argentina (2004-2010), the United States (2010-2015), the United Nations (2016-2020) and Croatia (2020-2022), which demonstrates his ability to serve Brazilian foreign interests despite successive changes of governments.

The biggest challenge for Itamaraty consists in rebuilding Brazil's image in the eyes of the international community, after the country weakened its ties with its foreign partners under Jair Bolsonaro. To this end, Mauro Vieira intends to replace pro-Bolsonaro diplomatic staff in Brazilian embassies. We can also expect the diplomat to work on resuming relations with Venezuela, by reopening the Brazilian embassy in Caracas and recognising the "elected government" of Nicolás Maduro. The resumption of diplomatic relations between Brazil and Venezuela can be analysed as Lula's ambition to rebuild Brazil's power in South America. For that purpose, we are also likely to witness a strengthening of regional organisations. Furthermore, Brazilian foreign policy under Lula's new administration will be guided by the will to make Brazil a leading player in the fight against climate change. This was at least evidenced by Lula's triumphant participation during COP27 in Sharm El Sheikh. Other concerns for Itamaraty will include trade relations with the European Union, as well as strengthening South-South cooperation (between Brazil and the BRICS, Asian, and African countries), a part of Brazilian foreign policy that had been left out under Jair Bolsonaro.

#### Marina Silva's return as Environment Minister

The appointment of <u>Marina Silva</u> as Environment Minister has been analysed as evidence of Lula's commitment to prioritise the protection of the Amazon rainforest. It should be recalled that Marina Silva already served as Environment Minister under the leftist governments of Lula and Dilma Rousseff, from 2003 to 2008, but <u>resigned</u> since she felt she did not have the necessary means to implement her action. She then turned into a <u>staunch critic of Lula and</u> <u>Dilma Rousseff governments' environmental policies</u>. In particular, she denounced Dilma Rousseff's interests in the <u>Growth Acceleration Program</u> (PAC), a set of economic policies and investment projects which she considered contrary to her environmental policy. It was not until the presidential campaign that Lula and Marina Silva reconciled to defeat the deemed climate change denier Jair Bolsonaro.

The struggle against illegal deforestation is an important topic as former president Jair Bolsonaro openly supported mining and agriculture in the Amazon and weakened the institutions responsible for monitoring the environment and enforcing laws to protect the rainforest. In such a context, Marina Silva aims to make Brazil "return to the protagonist role it previously had when



it comes to climate and biodiversity", as she stated during the COP-27. For that purpose, her priority is to achieve "zero-net deforestation" in "all Brazilian biomes" by 2030, which not only includes the Amazon region but also the other Brazilian ecosystems threatened by forest clearance. Marina Silva's political agenda includes as well the struggle against environmental crimes, the promotion of climate multilateralism, and the creation of a Climate National Authority.

#### Rebuilding health, justice, education, and culture after Jair Bolsonaro era

#### Nísia Trindade, President of Fiocruz, to become Health Minister

Nísia Trindade was appointed as Health Minister, which makes her the first woman to ever hold such a position. She has been President of the Oswaldo Cruz Foundation (Fiocruz), one of the most important institutions of research and health in Latin America, since 2017. Nísia Trindade played a prominent role in the fight against Covid-19, as she <u>coordinated the</u> <u>international negotiations for AstraZeneca/Oxford vaccine manufacturing on Brazilian territory</u>. The main challenge for the new Brazilian Health Ministry lies in the structural problems that have been affecting the Brazilian National Health System (SUS): process of defunding, increasing waiting times, poor distribution of health care professionals, lack of hospital beds, among others. What is more, health is a portfolio that has been highly criticised because of the Jair <u>Bolsonaro</u> government's poor management of the pandemic. It should also be pointed out that Lula's administration takes office with <u>billions less for health</u>, given the budget cuts realised by Jair Bolsonaro's government in this sector. To tackle these issues, Nísia Trindade intends to make Brazil a "production hub for health technology</u>". In a nutshell, reconstruction and innovation will be the new health ministry's priorities for the next four years.

#### Flávio Dino to serve as new Minister of Justice and Public Security

<u>Flávio Dino</u> was nominated as the Miniser of Justice and Public Security, <u>a portfolio</u> which he will be charged with "repairing" after the Jair Bolsonaro years, in particular with regards to arms liberalisation for the population, which has contributed to an increase in the number of weapons in circulation in Brazil, and therefore increased <u>the risk of violent incidents to occur</u>.



Member of the Brazilian Socialist Party (PSB), the politician previously served as a federal deputy (from 2007 to 2011) and governor of the state of Maranhão. Regarding public security, Lula government's priority is the <u>reduction of violent crimes</u>, especially homicides. For that purpose, Flávio Dino intends to reverse legal measures that in the last four years have been facilitating the access of part of the Brazilian population to weapons. As under previous governments, the new Minister of Justice's policy will also be aimed at tackling criminal organisations operating in Brazil, taking into account new forms of criminality such as cyber and environmental crimes. Another challenge for Lula's administration refers to the reduction of the prison population, as Brazilian penitentiaries have been overcrowded for years. Indeed, <u>Brazil is the third most incarcerated country in the world, with more than 909,000 people living behing bars in 2022</u>. One of Flávio Dino's proposed solutions to this issue is the development of alternative sentences to imprisonment.

#### Artist Margareth Menezes as the Culture Minister

Margareth Menezes was born in Bahia state and is a <u>major Brazilian actress and singer</u>. Her appointment was welcomed by left-wing activists as a step forward for the representation of black women in Brazilian politics. During his first mandate, Lula had already put the Ministry of Culture under the command of an artist: <u>Gilberto Gil</u> held the position at the time. It is worth recalling that, under Jair Bolsonaro, <u>the Ministry of Culture was dissolved and transformed into a single department under the Ministry of Tourism</u>. It is a challenge the newly formed Ministries of Sports, Communications, and Social Development will also have to deal with, as they were all dismantled and subordinated to a larger Ministry during the Jair Bolsonaro years. Consequently, Margareth Menezes' main struggle will lie in reestablishing the importance of the cultural field and making it even more robust so that <u>the portfolio "never again" ceases to be a Ministry</u>. For that purpose, Lula intends to implement a "National System of Culture" (*Sistema Nacional de Cultura*), which would result in a decentralisation of the resources allocated to Culture. In particular, the newly formed Ministry has the ambition to promote Brazil's cultural diversity, which also means valuying popular and peripheral art.

#### Camilo Santana as Brazil's new Education Minister

Previously governor of the state of Ceará, and elected senator in 2022, <u>Camilo Santana</u> was appointed to restructure education in Brazil, a portfolio that is essential for the country's



development and that has also been neglected under the government of Jair Bolsonaro. Indeed, in the last four years, <u>scores within learning indicators declined in the whole country</u>, particularly with regards to mathematics. What is more, education has also suffered from <u>budget cuts</u>, with Brazilian researchers left without income and universities on the verge of closure. Blatant example of this is the <u>federal government's threat to block R\$ 344 million from the higher</u> education budget, which hampered the functioning of federal universities by the end of 2022. In such a context, Camilo Santana intends to implement a plan to catch up with children's learning, focusing on primary education and tackling <u>school</u> absenteeism, an issue aggravated by the pandemic. Moreover, the politician also promised to relaunch works in schools and nurseries as well as to improve the quality of school meals. Regarding higher education, he plans to increase the budget allocated to Brazilian universities. In order to restore education in Brazil, Camilo Santana intends to use his experience as governor of Ceará, <u>a state recognised as a national reference for public schools</u>.

#### Specific ministries created to address the specific needs of black people, women, and indigenous populations

#### Sonia Guajajara, fervent opponent of Jair Bolsonaro, as Minister of Indigenous Affairs

The creation of a Ministry of Indigenous Affairs was one of Lula's campaign promises. And the appointment of <u>Sonia Guajajara</u>, an indigenous leader and federal deputy, as Minister of Indigenous Affairs constitutes a milestone for the restoration of the rights and protections of native peoples in Brazil. Indeed, this is the first time in Brazil's political history that a ministry has been exclusively dedicated to the defence of indigenous populations' rights. It should be noted that Sonia Guajajara was a staunch critic of Jair Bolsonaro during his mandate, whom she accused of "genocide, ethnocide, and ecocide". Her ministry will have to cope with the legacy of the outgoing president's policy towards indigenous populations, as well as with the pressure coming from sectors such as agribusiness, mining, and logging. <u>The institution will initiate a process of</u> historical reparations towards the indigenous populations, starting with resumption of land demarcation and expulsion of invaders.

#### Marielle Franco's sister at the head of the reestablished Ministry of Racial Equality

Another emblematic appointment is that of Anielle Franco as Minister of Racial Equality. <u>Anielle Franco</u> is the sister of the activist and councilwoman Marielle Franco, whose unsolved <u>murder</u> in 2018 alarmed human rights organisations about impunity in Brazil. It should be noticed that, as Anielle Franco took office, Flávio Dino, Brazil's new Justice Minister, <u>assured to</u> <u>spare no effort to clarify the assassination of Marielle.</u> While racial equality policies were dismantled under Jair Bolsonaro, the restoration of a Minister of Racial Equality will help monitor public policies aimed at reducing racial disparities in all government portfolios. The ambition of this Ministry is to implement transversal policies in order to reduce institutional racism in Brazil, especially those affecting the young black population.

#### Cida Gonçalves to take over the Ministry of Women

<u>Cida Gonçalves</u> used to be National Secretary for combating violence against women in the governments of Lula and Dilma Rousseff, which makes her a recognised specialist in gender issues and violence against women. While under Jair Bolsonaro women's rights policies were the prerogative of a "<u>Human Rights, Family and Women Ministry</u>", Lula's government now counts with a Ministry specifically dedicated to this issue. The Ministry of Women will be responsible for combating misogyny, working for equal pay, and tackling moral harassment. <u>In her inaugural</u> <u>speech</u>, Cida Gonçalves recalled she will be the minister of "all women", which includes "black, white, indigenous, LGBTQIA+ women", but also, "those from the countryside, and from the cities". We also know that she intends to broaden the debate over <u>abortion</u>, as well as over Brazilian women's health in general (family planning, access to information and to contraception methods).

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To summarise, here is what should be recalled from Brazil's newly formed government and what can be expected from it:

- Lula's relative willingness to partner with other major political parties, in particular the MDB and PSB, although the Workers' Party is still predominant and obtained key positions in the newly appointed Brazilian government. In a context of political

polarisation and a lack of majority in Congress, such a collaboration seems necessary if the Workers' Party is to deliver on its election promises.

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- Major progress regarding representation of women and minorities in power, although parity is not ensured.
- A redesign of Brazil's government institutions which reflects Lula's objective of reducing social disparity, in particular regarding minority communities (black people, women, and indigenous populations), as evidenced by the creation of a Ministry of Indigenous Affairs and the restorations of the Ministry of Racial Equality and of the Ministry of Women.
- Brazil's return to a policy focused on combating climate change, as evidenced by Mauro Vieira's green diplomatic agenda and the appointment of the ecoactivist Marina Silva as Environment Minister.
- A cabinet composition in explicit opposition to the previous government, as evidenced by the symbolic appointments of fervent critics of Jair Bolsonaro's policies, such as Simone Tebet, Anielle Franco, or Sonia Guajajara.
- The challenge of dismantling Jair Bolsonaro's policies in the overwhelming majority of areas of government, and particularly in the fields of culture, justice, education, environment, human rights, and foreign affairs. The struggle for reconstruction could slow down the implementation of Lula's policies but seems necessary to ensure their long-term effectiveness.

Ministry	Designee	Party	Age	State
Finance (Fazenda)	Fernand Haddad	PT <sup>[2]</sup>	59	São Paulo
Environment (Meio ambiente)	Marina Silva	Rede	64	São Paulo
Planning and Budget ( <i>Planejamento</i> e Orçamento)	Simone Tebet	MDB <sup>[3]</sup>	52	Mato Grosso do Sul
Industry and Trade ( <i>Indústria e Comércio</i> )	Geraldo Alckmin	PSB <sup>[4]</sup>	70	São Paulo

#### A breakdown of Lula's cabinet members

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Health (Saúde)	Nísia Trindade	No party	64	Rio de Janeiro
Education ( <i>Educação</i> )	Camilo Santana	PT	54	Ceará
Culture ( <i>Cultura</i> )	Margareth Menezes	No party	60	Bahia
Sports ( <i>Esporte</i> )	Ana Moser	No party	54	Santa Catarina
Justice (Justiça e Segurança Pública)	Flávio Dino	PSB	54	Maranhão
Human Rights (Direitos Humanos)	Silvio Almeida	No party	46	Rio de Janeiro
Racial Equality (Igualdade Racial)	Anielle Franco	No party	38	Rio de Janeiro
Women (Mulheres)	Cida Gonçalves	No party	60	Mato Grosso do Sul
Ports and Airports (Portos e Aeroportos)	Márcio França	PSB	59	São Paulo
Foreign Affairs (Relações Exteriores)	Mauro Vieira	No party	71	Rio de Janeiro
Institutional Affairs (Relações Institucionais)	Alexandre Padilha	PT	51	São Paulo
Chief of Staff of the Presidency (Casa Civil)	Rui Costa	PT	59	Bahia
Labor (Trabalho)	Luiz Marinho	PT	63	São Paulo
Social Development (Desenvolvimento Social)	Wellington Dias	PT	60	Piauí
Management (Gestão)	Esther Dweck	No party	45	Rio de Janeiro



Defence (Defesa)	José Múcio Monteiro	No party	74	Pernambuco
Attorney General ( <i>Advocacia-Geral</i> <i>da União</i> )	Jorge Messias	No party	42	Bahia
Comptroller General of the Union ( <i>Controladoria-Geral da</i> União)	Vinícius Carvalho	No party	56	São Paulo
Secretaria-Geral da República	Márcio Macêdo	PT	52	Sergipe
Institutional Security Cabinet (Segurança Institucional)	Gonçalves Dias	No party	72	São Paulo
Science and Technology ( <i>Ciência e</i> <i>Tecnologia</i> )	Luciana Santos	PCdoB <sup>[5]</sup>	57	Pernambuco
Mines and Energy ( <i>Minas e</i> Energias)	Alexandre Silveira	PSD	52	Minas Gerais
Transport (Transportes)	Renan Filho	MDB	43	Alagoas
Communication (Comunicações)	Juscelino Filho	união <sup>[6]</sup>	38	Maranhão
Agriculture (Agricultura)	Carlos Fávaro	PSD	53	Mato Grosso
Fishing (Pesca)	André de Paula	PSD	61	Pernambuco
Indigenous Peoples (Povos Originários)	Sônia Guajajara	PSOL <sup>[7]</sup>	48	São Paulo
Agrarian Development (Desenvolvimento Agrário)	Paulo Teixeira	РТ	61	São Paulo
Cities (Cidades)	Jader Filho	MDB	46	Pará
Tourism (Turismo)	Daniela Souza	UNIÃO	46	Rio de Janeiro



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Integration and regional	Waldez Góes	PDT	61	Amapá
Integration (Integração e				
Desenvolvimento Regional)				
Social Security (Previdência Social)	Carlos Lupi	PDT	65	Rio de Janeiro
Social Communication (Secretaria	Paulo Pimenta	PT	57	Rio Grande
de Comunicação Social)				do Sul

- <sup>[1]</sup> Brazilian Social Democracy Party *Partido da Social Democracia Brasileira* (PSDB)
- <sup>[2]</sup> Workers' Party Partido dos Trabalhadores (PT)
- <sup>[3]</sup> Brazilian Democratic Movement *Movimento Democrático Brasileiro* (MDB)
- <sup>[4]</sup> Brazilian Socialist Party *Partido Socialista Brasileiro* (PSB)
- <sup>[5]</sup> Communist Party of Brazil *Partido Comunista do Brasil* (PCdoB)
- [6] Brazil Union União Brasil (UNIÃO)

<sup>[7]</sup> Socialism and Liberty Party - *Partido Socialismo e Liberdade* (PSOL)

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



# About the Author

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Axel is a recent graduate of a Master's degree in International Relations from the University of Sciences Po Toulouse (France). His professional experiences in Brazil and Mexico have allowed him to acquire an in-depth knowledge of contemporary issues in the Latin American region, particularly in the field of security (transnational crime, cartel violence) and politics (Brazilian foreign policy, Brazilian politics).



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