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**Brazil**

# Elements of a new conjuncture

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**It has become a commonplace to say that Brazil entered a new political and historical stage with the victory of the leader of the Workers' Party, Luiz Inacio da Silva 'Lula', at the presidential elections of 2002. Although the government formed by Lula is still in its early months, we can say right now that 'elements of a new conjuncture' are emerging within the framework of this stage. Until now the economic policy of the government has been marked by a very conservative tone (hefty tax adjustments to obtain a higher budget surplus, higher interest rates as a remedy for inflation, the intention to grant autonomy to the central Bank and so on), with the exception of some areas (international trade negotiations, some measures in the telecommunications and energy sector, initiatives conceived with the social movements within the framework of land reform).**

What we call the 'elements of the new economic situation' emerge in opposition to this conservative political orientation. This opposition appears within the social and political sectors which were at the centre of the PT's trajectory during the two previous decades.

This increasing opposition has taken the form of manifestos made public by individuals representative of the political, social and cultural sectors of the PT as well as the initiatives of mass organizations closely linked to the party. Here is a rapid summary:

## Manifestos

On May 1, 2003, in an open letter addressed to president Lula, four bishops (including Dom Paulo E Arns), artists, literary critics, human rights activists, feminists and so on - all historically linked to the construction of the PT over the past two decades - came out against the project of the Free Trade Area of the Americas (FTAA) and against the autonomy of the central Bank [\[1\]](#).

On May 29, 2003, a manifesto signed by 30 PT parliamentary deputies was made public: it calls into question the ultra-monetarist policy of the central Bank and the Ministry of Finance, which under the pretext of the fight against inflation has plunged the country into recession and increased unemployment. It was a common initiative by left PT tendencies (Socialist Democracy, Socialist Force, Left Articulation) and independents.

On June 10, 2003, a 'Manifesto of Alarm' was published against the governmental project of pensions reform, signed by intellectuals historically linked to Lula and the PT - among them the sociologist Octavio Ianni, the philosopher Marilena Chaui, the lawyer Fabio Konder Comparato, the sociologist and economist Chico de Oliveira, the economist Wilson Cano and the geographer Aziz Ab' Saber. The authors demanded the withdrawal of the government's plans and the opening of a discussion on healthy bases. On June 12, 2003, dozens of progressive economists, many linked to the PT, issued a manifesto demanding an "inversion of the matrix of the economic policy" currently being followed.

This proclamation is signed in particular by some of the most known Brazilian economists, of whom many had collaborated in the formulation of Lula's electoral programs between 1989 and 2002 or advised him inside the Institute of Citizenship NGOs. In particular, Luis Gonzaga Belluzo, Joao Manuel Cardoso de Mello, Ricardo Carneiro and Reinaldo Gonçalves are among the signatories. Among the economists linked to the left of the PT one notes the

signatures of João Machado (Socialist Democracy) and Plínio de Arruda Sampaio Jr (Movement of Popular Consultation).

Initiatives of mass organizations linked to the PT

The 2,700 delegates who met from June 3-7, 2003 at the Eighth National Congress of the CUT (Brazil's biggest trade union federation) were unanimous in questioning the government's proposals for pensions reform. 80% of them are identified with the PT and 90% with the parties which form the government.

But divergences appeared with regard to the tactics to use in this debate in the congress and in society as well as on the content of an alternative project of reform. The resolution presented by the majority current (Trade-Union Articulation, close to the PT majority) was adopted by around 53% of the delegates. Until the last minute various currents tried to formulate a proposal which could gain the support of a much larger majority. That was not possible because of, among other things, divergences concerning the 'ceiling' for pensions. The current Socialist and Democratic CUT (CSD), within which supporters of the Socialist Democracy tendency work, thus defended an alternative draft resolution, also supported by the Classist Trade-union Current (in which supporters of the PCdoB - Communist Party of Brazil - work) and by those of the Marxist Tendency of the PT.

However, the resolution finally approved by Congress requires a profound change in the government's project (widening of rights with regard to retirement age, the amount of the pensions and so on) .

On June 11, more than 30 000 workers from all over Brazil demonstrated in the capital, Brasilia, against the government's proposed pensions reform. Convened originally by the National Confederation of Education Workers (CNTE, which is part of the CUT), whose leadership is linked to the PT majority, this demonstration was supported by all the public sector trade unions and by the CUT congress. The great majority of demonstrators were PT supporters. Following the CUT congress and this demonstration, there was strong pressure on the PT parliamentary group and those of the other allied left parties to amend the government project by integrating the trade-union point of view.

## An organic response

These positions, which witness to a more organic response from historic PT sectors to the policy of the Lula government, converge in many points with criticisms formulated by the senator Heloisa Helena (a member of the Socialist Democracy Tendency), which led to her being threatened with sanctions by the majority sector of the party (sanctions stretching from a warning to expulsion from the party). Heloisa was the star of the demonstration of June 11, in which she participated with the deputies who had signed the 'Proclamation of the 30', some of whom belong to the 'majority camp' (the tendency of Lula and José Dirceu, secretary-general of the presidency, whose function resembles that of a Prime Minister in other countries) while being closely linked to the CUT and the three deputies already disciplined or threatened with punishment by the party leadership.

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[1] The complete text is available on the website of the Movement of Landless Workers (MST)