

Global Journalist: Luiz Inácio Lula da Silva Poised to Win Brazil's Presidential Election.

Abstract: In this Oct. 10, 2002 episode of Global Journalist 02, host Stuart Loory speaks with four guests about the implications of an expected presidential victory by Luiz Inácio Lula da Silva, a Marxist member of the Brazilian Worker's Party.

Host: Stuart Loory

Guests:

- [Paulo Sotero, correspondent for O Estado de Sao Paulo](#)
- [Carlos Lins da Silva, deputy editor-in-chief of Valor Econômico](#)
- [Larry Rohter, Brazil Bureau Chief in Rio de Janeiro](#)
- [Michael Soltys, executive editor of the Buenos Aires Herald](#)

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Stuart Loory 00:08

Welcome to Global Journalist on KBIA. This is the program that says mid-Missourians, indeed many Americans, are interested in international news. I'm Stuart Loory of the Missouri School of Journalism. In this country, we continue to focus on the Middle East where President Bush appears determined to go to war against Iraq, and the conflict between Israel and Palestinian Arabs remains hot. But there is important news this week in Latin America. Luiz Inácio Lula da Silva of the Workers Party in Brazil won the largest vote in last Sunday's presidential election and is poised to win that office in a runoff October 27th. Brazil is the world's fourth largest democracy. Lula, as da Silva is called, is a former factory worker, a Marxist, a trade union leader and a political prisoner. He has also been an outspoken critic of the United States. Will Lula take Brazil to the left in the manner of President Hugo Chavez in Venezuela? Or will he be the kind of reformed socialist who grows to support a free market economy like former prime minister Philippe Gonzales in Spain? Those are the questions of importance not only for Brazil, but for all of Latin America at a time when economic and political conditions in Argentina, Uruguay, Peru, Colombia and Venezuela, all neighbors of Brazil, are on the verge of disaster. To discuss this situation today, we have as guests Paulo Sotero, correspondent for O Estado de Sao Paulo in Washington. Carlos Lins da Silva, deputy editor-in-chief of Valor Econômico in Sao Paulo. Larry Rohter of the New York Times. He is the Brazil bureau chief in Rio de Janeiro. And Michael Soltys, executive editor of the Buenos Aires Herald in Buenos Aires, Argentina. Greetings to all of you.

Let's start with Larry Rohter. Larry, is it clear that Mr. da Silva will be the new president of Brazil? And what will that mean for the country that you cover?

Larry Rohter 02:23

Well, he's certainly the odds-on favorite. He only needs about another 3 million votes to win whereas his opponent, in the runoff, Jose Serra, needs 20, 25 million to win this thing. So you have to, you know, think that, that unless a major turnabout occurs that he will be the winner.

Stuart Loory 02:46

And if he does win, and he is installed this president what's going to happen in Brazil is you're going to do enough to clear up the the financial and economic problems in that country.

Larry Rohter 03:00

Well, whoever wins, there's going to be a lot of economic and financial problems. You know, Lula says that he's changed his point of view on a number of economic issues. But, you know, that amorphous entity known as the market, is saying, Well, you know, I'm from Missouri. You know, I want to see, I want to see results before I actually believe.

Stuart Loory 03:30

Yeah. Carlos Lin da Silva. What is the outlook for a da Silva victory? I assume that da Silva and da Silva are not related here.

Carlos Lins da Silva 03:47

We are not.

Stuart Loory 03:48

But what is the outlook for a victory by Lula in the financial and business community in So Paulo?

Carlos Lins da Silva 03:58

Okay, first of all, let me I disagree a little bit with the term Marxist that you used to describe Mr. da Silva.

Stuart Loory 04:06

Okay.

Carlos Lins da Silva 04:07

I think he was never a Marxist. The Workers Party in Brazil is constituted by a very large group of people. People from the Catholic Church, people who are former socialists. It isn't even some people who were or are Marxist. But I think that Mr. Lula da Silva was never among the Marxists. And the party changed a lot in the last 12 years. But anyway, amongst the business community, in Brazil, in some politics, specifically, I think that there is more and more the feeling that the victory of Lula may be unavoidable, and that they have to work together for the country. And I think that the fear against Lula has been much smaller than it was in the past. I think that many businessmen has been saying good things about Mr. Lula. Many bankers have been praising him. And I think that there is a consensus that

the country must unite with the new president and everybody must work together for the well of the country.

Stuart Loory 05:18

When I read about Lula, as I have been in, in several newspapers in the United States and The Economist in Great Britain, I get the feeling that there is a great similarity between Lula in Brazil and Lech Wałęsa in the early days of the Solidarity Movement in Poland. Wałęsa, when he became president, was not really a successful president, although he was a superb political leader in the solidarity times. Is that a reasonable comparison? Who wants to take that maybe Paulo Sotero?

Paulo Sotero 06:04

I think it is to a point, as the... those are two symbols, Lech Wałęsa was the symbol of a fight for democracy against a closed regime. Lula... is in a democratic environment, Lula is very much part of our recent history in Brazil of building a democracy, is the symbol of a country that leads or people that want for social justice. You know, the current president of Brazil, Fernando Henrique Cardoso, has said many times that Brazil is not an underdeveloped country. Brazil is an unjust, unfair country. Lula represents I think, better than any other politician in Brazil, this idea that we have to face social inequality in Brazil. The question is, is he prepared to do that. Personally for instance, I believe that there isn't much difference in substance regard between Mr. José Serra, the candidate of the government and Lula da Silva. The difference may be in their capacity to achieve those goals. But there is one major difference to go back to your question regarding Lula da Silva and Lech Wałęsa. Obviously Lech Wałęsa was fighting a totalitarian regime. Lula has not to worry about that. Lula, as I said, is very much part of our history of recent democratization. And besides, his party, as Carlos was, was saying, his party in power they occupy for instance, now 190 municipalities including some major cities in Brazil, six governance, six states in Brazil are governed by PT governors. And their experience, you know, their rhetoric may be one of leftist. But their practical experience in government has shown that they are pretty pragmatic. They're pretty good administrators, and they're very honest in government.

Stuart Loory 08:18

A lot of people in the United States who were worried that the accession of Lula to the presidency is going to bring left wing socialism to a, an extremely large country in Latin America. From what I hear all of you saying, that is really not a great danger. Michael Soltys, what do you think?

Michael Soltys 08:50

Yes. Well, I think a lot of things said in recent on what Lula wants to do, and I think you also have to look at, um, what he can do. I mean, now you pose the question as to whether he wants to be more like Hugo Chavez in Venezuela or Philippe Gonzalez in Spain. And perhaps an example closer to Brazil could be added. Ricardo Lagos, Chile's pragmatic socialist president. But in Argentina, we had the experience of back in 1999, when the Alliance government won the elections against Carlos Madden's (???), we had the experience of a government, which wanted to be pragmatic. To have a cleaner version of Menem's neoliberalism and just failed because of its well, lack of consistency, consistency, lack of experience, lack of competence, and I think Lula could be prayed to these failings. He's he, he's only been a deputy for three years in his entire career. And of course, he faces submittable global

constraints with the current global strategic and economic situations. So I think one has to look at what he can do as much as what he wants to do.

Stuart Loory 10:22

Larry Rohter, what do you think of what Michael just said?

Larry Rohter 10:26

Well, you know, there are, even if Lula wanted to make a sharp turn to the left, there are important institutional constraints here. For instance, it looks like the PT, the Workers Party is only going to end up with about 20% of the seats in the lower house. Which means it's going to have to form some sort of coalition, probably with you know, the main party in the in the current government. You know, he's also going to go into the presidency deprived of the ability to rule... to issue decrees, which, you know, the current president Fernando Henrique Cardoso has used amply. So you know, beyond the question of what he thinks, what he wants, there are very concrete barriers to, you know, any sort of adventure.

Stuart Loory 11:20

Is the, the current party in power going to be willing to form an alliance with Lula?

Larry Rohter 11:28

Well, the, the party in power is a Social Democratic Party. Fernando Henrique Cardoso likes to, you know, position himself somewhere along the lines of Tony Blair, let's say. So, you know, there is some common ground. There are of course differences, but, you know, you wouldn't think that they would be insurmountable.

Stuart Loory 11:55

There is going to be a large demonstration against President Hugo Chavez in Caracas today. As a matter of fact, that may be going on right now as we speak. Is what's going on in Venezuela like to have likely to have any impact in Brazil or vice versa? Who wants to handle that? Maybe Paulo.

Paulo Sotero 12:21

Now, maybe, you know, Carlos or Larry are in better position to to answer that. But let me say something the comparison that people keep making with between Lula and Chavez. You say a couple of things. That Chavez is a former military man that appeared on the scene on a coup. He tried to take out a elected government in Venezuela. That's how he appeared on the scene. Lula has appeared on the scene as a trade union leader that fought a dictatorship and helped because of his fight. We have, in part because of his efforts, we have now a democracy in Brazil. So the origin is different. Second, Lula. Chavez is a military man that gives orders and wants to be followed. Lula is a person that may be accused, and that may be one of his problems of present of negotiating everything too much. Third, Mr. Chavez does not have a structure. He does not have a party behind him. It does not have a coalition that supports him. Lula is the leader of the only party, political party in Brazil that deserves the name of a political party. And besides, he will have to government, to govern in coalition. So I think that when we talk about try to make any comparisons between the two, we have to keep very much those three differences in mind.

Stuart Loory 13:52

So it's... go ahead, Carlos.

Carlos Lins da Silva 13:54

I totally agree with the bulk of what Paulo Sotero just said. And answering your question that the problem is in Venezuela or Colombia do not interfere very much in the electoral process in Brazil. The views are very, very similar to the United States. It's a self-centered country. And foreign policy is not a big issue. In the Brazilian election, I would say that this is not a good thing. But anyway, that's what happens. It's not really important to what's going on in Venezuela, although perhaps some people can try to use it against Lula. But the the American ambassador in Brazil, Mrs. Donna Hrinak, was one of the first people to really say how different Mr. Chavez and Mr. Lula are. Because he was the ambassador in Caracas, just before coming to Brazil earlier this year. And she said several times exactly what Paulo Sotero has just said. If da Lula is a democrat, then Mr. Chavez is an authoritarian.

Stuart Loory 15:11

Okay, we have to take a break now. This is Global Journalist on KBIA. I'm Stuart Loory. We'll be right back.

Stuart Loory 15:23

Welcome back to Global Journalist on KBIA. You may listen to this program again, ask questions or make comments by going to www.globaljournalist.org or here in mid-Missouri by calling us at 573-882-9641. During the... or just before the break we were comparing Lula to Hugo Chavez and the consensus I think was that there is not much of a comparison. I suppose that means we can say that, as president, he will be closer to Prime Minister Philippe Gonzales and what he accomplished during his time in office in Spain. First of all, is that right? Secondly, will the results be as good for Brazil as they were in Spain when he took over? Larry, do you want to deal with that?

Larry Rohter 16:25

Well, I think we have to distinguish between domestic policy and foreign policy. You know, on the domestic side, you know, Philippe Gonzales was, you know, modernizing a fascist state. You know, here in Brazil, the process is different. I mean, Fernando Henrique Cardoso has opened the economy up, and what we're talking about is Lula really doing fine tuning perhaps. On foreign policy though, you know, I think that there's going to be some some difficulties. You know, there is a sympathy between Chavez and, and Lula. And they see certain issues the same way and will make common cause particularly on the free trade area of the Americas. You know, Chavez is is pretty much dead set against it. And Lula's position is that it has to come with a set of conditions that I think probably will not be welcomed in Washington, you know, one of which is that Cuba has to be allowed to come in as well. So it... you know, there are, there's a pragmatism, I think, on the PT side as regards the economy. But on foreign policy, I think there's still a bit of dogma involved.

Michael Soltys 18:00

Can I add something on the comparison between Philippe Gonzalez and Lula from Buenos Aires?

Larry Rohter 18:06

Please do Michael.

Michael Soltys 18:10

I think that I think you have to bear in mind that, that more than half of his 14 years in power, Spain with Gonzalez had Spain in the European Union, which is absolutely decisive for Spanish takeoff. I mean, the trade partnership at the moment all, all Lula has is in Argentina. Which even speaking from Argentina, I would say it's not worth very much at the moment.

Stuart Loory 18:39

Well, the... Brazil also has a, The United States is a pretty big trade partner doesn't it?

Michael Soltys 18:47

No no, I'm sorry, I'm talking about certain trade bloc's--

Stuart Loory 18:50

Ah, excuse me.

Michael Soltys 18:51

--trade bloc's. I mean, Spain has the European Union is a member of the European Union. Brazil is a member of the Mercosur which does has been ailing Argentina and two very small countries, Paraguay and Uruguay.

Stuart Loory 19:05

Right. What about the financial problems in Brazil? How are they going to impact the rest of Latin America? And how is Lula going to be able to handle those problems?

Carlos Lins da Silva 19:20

Of course, the Brazilian problems, Brazilian economic problems have a big (unintelligible) because of Brazil, which is probably half of Latin American economy. And the problems that still has, has been facing have been mostly caused by international disturbances. And I would say that the fundamentals of Brazilian economy are solid, and it surprises me very much. You know, why the Brazil release in... for instance, have been rising so much in the last few months? Because the fundamentals are exactly the same as they were in the beginning of the year.

Stuart Loory 20:05

Right, I... Carlos, if you will, excuse me, we're having a little problems, problem with your line. So, if I may, I would like to ask Larry Rohter if he will continue on what Carlos was saying.

Larry Rohter 20:23

The election here is being very closely watched, I think, especially in the southern half of the continent, which has a much closer relationship with Brazil. In other words, Argentina and Chile, Uruguay and Paraguay. You know, the northern countries I think are, are different situation, have different trade partners. So, you know, the impact is going to be of a Lula government is going to depend on... it's not going to be uniform. And countries like Colombia and Venezuela, I think the the impact will be be

marginal. The important thing is the position that Brazil takes if Lula wins on the free trade area of the Americas. You know, the smaller countries really, really want closer economic ties with the United States and they see an alliance with Brazil as a way to get the best deal. If Brazil shows itself to be less interested in pursuing that kind of an intimate economic relationship with the United States, then I think you're likely to see the other members of Mercosur, Argentina included, probably taking a different tack and going off on their own bilateral agreements.

Paulo Sotero 21:46

I want to say something here, this is Paulo.

Stuart Loory 21:48

Go ahead.

Paulo Sotero 21:49

I think Larry is precisely right. And he's pointing out one of the things one of the facts that will force Lula to act in a pragmatic way. I think Larry is totally right, that the dangerous for a Lula government lies in the foreign policy. This is the area where they have less experience. This is the area where their instincts aren't formed. They have instincts that may be very counterproductive. I think there is the possibility, for instance, that there's a lot of a lot of loose stock, you know, in terms of some anti American feelings and some ideas that some people in the PT has about alliances between India and Brazil, and China, etc, that are no look wonderful on paper, but I doubt that the Chinese or the Indians are very much interested in an alliance with us. But those are the types of things that may make a Lula administration very vulnerable to criticism. Regarding FTAA though. Again, not only there is this fact of the other countries wanting to negotiate a free trade area with the United States. There is also another element that is positive potentially. The Vice President, Lula's running mate, is the most successful, resilient industrialist in the textile sector. His company is an exporting company that just recently opened a small subsidiary in the state of California to develop better ways of trading and taking advantages of technology etc, etc. So you have in the government, you will have if Lula is elected, as he will likely will be. You will have in his government, near him, a man that is a businessman that understands trade, that knows what it that knows the importance of opening up markets for Brazilian companies. And obviously that has to understand that trade is a give and take, there has to be trade offs here. And I believe that the incentives are there for Lula to act in a pragmatic way regarding FDAA.

Stuart Loory 24:19

Okay, we have about two and a half minutes left, and I would like to take that time to discuss the social problems in Brazil, and what Lula is likely to do to cure some of those problems. Larry, do you want to talk about that?

Larry Rohter 24:38

Well, the social problems are tremendous, extremely skewed income distribution in this country. And there are going to be a lot of people who see the election of a PT government as you know, manna from heaven. But inevitably, that government is going to have to disappoint people because, again, there are constraints on spending, no matter what government comes in. The deal with the IMF, for example, requires a budget surplus that's going to give, you know, Lula, very, very little discretionary

income to spend on health, education... exactly the kind of things that he's been talking about during the campaign. So, at least during the first year, you know, I don't think we're going to see much in the way of advances on on the social front. The will is there, but the money isn't,

Stuart Loory 25:38

Carlos.

Carlos Lins da Silva 25:39

Yes, I agree with Larry and my biggest concern with Lula's victory is the feeling of frustration, disappointment. That may happen in the first at least 12 months of his administration. But I would say that the same happened for instance with the mayor of Sao Paulo, who is a woman who belongs to the Worker's Party as well, her first year in government generated frustration. But now I think most of the people in Sao Paulo already recognizes that she's doing a good job.

Stuart Loory 26:13

What is the biggest single social problem in Brazil?

Carlos Lins da Silva 26:18

Fairness, social unfairness.

Stuart Loory 26:22

And and this is what Larry was talking about when he was talking about unfair distribution of wealth. We read so much in the United States about problems that the Indians are having in the Amazon River Basin or problems that children are having on the streets of Rio de Janeiro or Sao Paulo. How serious are these? And what is he likely to do to try to clear them up?

Michael Soltys 26:52

Yes, I'm so sorry. Before the, before colleagues answer these questions, I'd also like to ask another question. How does this, how does the skewed income distribution pan out in regional as well as class and ethnic terms? What does that mean?

Stuart Loory 27:08

Well, we now have three questions in 20 seconds to answer them. Larry, do you want to take a 22nd shot?

Larry Rohter 27:16

Well, sure. I mean, the Indians and the street kids are are important. But there's the real problem is the huge mass in places like the Northeast of Brazil. And, you know, that's what any government has to focus on these days.

Stuart Loory 27:33

Yeah, Larry. I'm sorry. I do have to cut you off.

Larry Rohter 27:36

Yeah, okay.

Stuart Loory 27:37

Our guests today have been in Rio de Janeiro, Larry Rohter of the New York Times in Sao Paulo. Carlos Lin da Silva of Valor Econômico. In Buenos Aires, Argentina Michael Soltys of the Buenos Aires Harold. And in Washington, Paulo Sotero of O Estado de Sao Paulo. Thanks to all of you. Our director is Pat Akers, and our producer is Sarah Andrea Fajardo. For all, I'm Stuart Loory. Global Journalist will be back next week.