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## The Partido dos

### Trabalhadores:

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### Still a Party of the Left?

THE LARGEST LEFTIST party in Latin America, the Partido dos Trabalhadores (Workers' Party, PT) has attracted much attention in the academic literature and popular press. It played an important role as an opposition party from its founding in 1980 until the election of its candidate, Luiz Inácio Lula da Silva, in 2002, following his fourth bid for the presidency. Noted for being different in many important respects from most of its catchall counterparts, the PT focused on programs rather than on patronage and personalities, notwithstanding Lula's highly visible public image. It also maintained internal organizational norms and characteristics—such as an emphasis on discipline, loyalty, and cohesion—that distinguished it in the landscape of Brazilian parties. Over time, the party started to adapt and become more mainstream in character. Its accommodation to global economic trends and to the institutional pressures of Brazilian politics accelerated in the second half of the 1990s and took an especially sharp turn upward in Lula's 2002 presidential campaign.

With Lula's victory, the PT completed the cycle: all leading Brazilian parties have now been in both the opposition and the government in the period since the country returned to democracy in 1985. Yet, rather than transforming Brazil's social and economic landscape, which the PT had promised to do for many years in opposition, the first Lula government (2002–2006) oversaw considerable continuity. The government's commitment to maintaining market reform and the social status quo has been highly marked. Its increasing resemblance to other Brazilian parties has extended to the serious allegations of corruption with which it has been charged starting in 2005. Lula owed his re-election in October 2006 in large part to voters who had never supported the PT's ideological project (and did not vote concurrently for the PT in lower house elections) but who benefited from concrete (more conventional) measures that Lula pushed through with the benefit of executive power. Reinaugurated in January 2007, Lula and the PT-led government will need to navigate their way among a myriad of conflicting demands until 2010. We will know only then whether these pressures have induced the PT to converge even more with its catchall counterparts or whether it can still be rightfully regarded a party of the Left.

It is important to consider what is at stake in the PT's status as a leftist party, how the party's distinctiveness has impacted Brazil's political system, and what might be lost if the PT assimilates to more conventional party politics over time. By examining the PT's trajectory from opposition to government, we can place the party in a broader context by comparing it to leading competitors. For various reasons, the party began a process of normalization in the second half of the 1990s, and Lula's race for the presidency in 2002 accelerated this trend. During the PT's first term, divergences between Lula and his party grew, and the popularity of the former surged vis-à-vis the latter, as revealed starkly in the elections of 2006 for the presidency and the Chamber of Deputies.

### **Is the PT Still a Party of the Left, and What Is at Stake with the Question?**

In the words of Herbert Kitschelt, parties that are left wing in the socialist tradition “affirm solidarity and equality and reject the primacy of markets and allocative efficiency as the final arbiters of social development and justice.” Like the Green parties of Western Europe, however, this focus may be combined with “calling

for a society in which individual autonomy and citizen participation in public affairs have high priority” (Kitschelt 1989, 2). The PT could unequivocally be seen as a party of the Left for most of its existence in the opposition. Committed to addressing the striking inequalities in income and human development prevalent in Brazil, the party advanced clear platforms about using the central state to redistribute the country’s considerable wealth. It also promoted greater citizen participation through programs like participatory budgeting. The PT’s emphasis on programs to ameliorate poverty extended to innovative schemes designed and implemented on the local level, such as microcredit programs and the *bolsa escola*, an income subsidy for lower-income families who agree to keep their children enrolled in school. Beyond its quest to enact sweeping economic transformation and to boost societal participation, the PT sought to differentiate itself on political dimensions as well. In stark contrast to most major parties in Brazil, it demanded strong discipline, loyalty, and cohesion from its ranks.

As an opposition party on the Left, the PT had a varied but mainly positive impact on Brazilian politics. In the predecessor to the current volume, William R. Nylen argued that the PT contributed to the consolidation of Brazilian Democracy by acting within the boundaries of a democratic “loyal opposition,” using the opportunities provided by formal democracy to openly oppose social and economic exclusion and the practices that perpetuate them and to champion more inclusionary practices and policy outcomes, and providing a non-violent channel of participation for political activists and potential activists who reject Brazil’s traditional fare of nonideological, patrimonial, and organizationally diffuse parties (Nylen, 2000). Indeed, the PT used the mechanisms provided by formal democracy to promote alternative economic programs (more radical in the 1980s and more social-democratic in character in the 1990s) and more-participatory forms of politics, the best known of these being the *Orçamento Participativo*, or participatory budgeting practices. This was true at the national level within the Chamber of Deputies and Senate, as well as at the state and local levels. It helped to channel social movements, even quite radical ones like the largest and most active landless movement in Latin America, the *Movimento Sem Terra*. In these ways, the PT worked within the system and thus constituted a vocal but loyal opposition. That the PT’s delegation in the lower house of congress grew from sixteen seats in 1986 to ninety-one in 2002 (equivalent to 3.3 percent and 17.7 percent of all seats, respectively) and that the PT went from governing 36 cities in 1988 to 187 in 2000 (representing 17.5 percent of the Brazil-

ian population) suggests that the party became not only a vital alternative but also a leading competitor within Brazilian politics.

Analysts who approached the question of the PT's impact through the framework of political parties saw positive effects as well. Focusing on the programmatic character of the PT in a political-party system in which personalism and clientelism, rather than programmatic appeals, are thought to dominate politics (Ames 2001, Mainwaring 1999), various analysts maintained that the strong positions the PT staked out over course of the 1980s and 1990s induced other parties to respond on a similar basis and in turn become more programmatic themselves (e.g., Rosas and Zechmeister 2000). Others contended that the PT played an important role in the institutionalization of the political system. Brazil witnessed the emergence of a more-institutionalized party system in the 1990s (Panizza 2000). The PT grew and became hegemonic within the once highly fragmented Left. Whereas the PT's share within the bloc of Left parties in the Chamber of Deputies was 26.1 percent in 1982, it was 54.7 percent in 2002. At the very least, by bringing together forces within the Left, the PT helped to lessen fragmentation within the system overall.

Analysts who examined the PT in relation to the issue of partisanship in Brazil regarded the party as a positive force as well (Carreirão and Kinzo 2004; Samuels 2006). This literature took as a point of departure the notion that higher levels of partisanship can help strengthen political parties, especially if partisanship entails attachment to a party organization and its values, and not just (or even especially) its personal leaders at any given time. In the 1980s and 1990s, only the PT could count on as large a base of partisan identifiers. Identification with the PT was estimated to reach approximately 22 percent of the electorate by 2002 (that it reached nearly that in 2000 suggests the figure was not simply a reflection of the euphoria and momentum of Lula's winning campaign). And while Lula was always more popular than the party organization as such (Samuels 2006), being a PT partisan did not rest on a strong attachment to the party's effective leader. On both these counts—the rate of partisan identification and the non-personalistic basis of it—the PT compared highly favorably with its more catchall counterparts. From these various perspectives, the PT provided a ray of hope for those who wished to see a strengthening of Brazil's system of weak and inchoate political parties. By the same logic, if the PT were to become more similar to other parties in the system and not be replaced by any viable contender, such hopes would be diminished.

## From Opposition to Government, 1980–2002

What, in fact, has been the trajectory of the PT in recent years? Does it still represent a programmatic alternative in Brazilian politics? Can it still serve as a voice against corruption in Brazilian politics? Does it continue to be a source of cohesion and inspiration for those on the Left? Do social movements retain enough confidence in the PT's leadership to work with the party? Finally, how has the partisan following and electorate of the PT changed over time? Has it become more or less party oriented (as opposed to personalistic) in recent years?

In the twenty-two years that the PT spent in the national opposition (1980–2002), it underwent significant changes. The mid-1990s constituted an important point of inflexion towards greater moderation and assimilation overall. Until the mid 1990s, the PT was distinguished both by the substance of its programmatic commitments as well as by the organizational forms and strategies to which it adhered. Holding economic and political positions considerably to the left of most other parties, the PT placed basic ideological principles above the goal of immediate power acquisition. Notwithstanding internal debate over what emphasis to place on the promotion of core ideological principles versus more immediate electoral goals, party leaders promoted and adhered to the PT's strong programmatic commitments.

### Economic Position: Redistribution and State-Led Development

Central to the PT's substantive commitments was the redistribution of Brazil's wealth through the implementation of major structural reforms such as land reform. The PT also called for a significant diminution of foreign control over the Brazilian economy by pushing back the influence of international financial institutions like the International Monetary Fund (IMF) and the World Bank. At a time that saw the emergence of market advocates favoring privatization, diminished trade barriers, and state reform, the PT strongly opposed the privatization of state enterprises and public services and instead advocated labor "flexibilization" (facilitating the hiring and firing of workers) and measures designed to enhance fiscal efficiency in the social sectors.

The PT projected its statist economic orientation in a variety of ways. It supported prolabor positions in the Constituent Assembly (1987–1988), called for so-

cialism in Lula's 1989 presidential bid, opposed President Fernando Collor's (1990–1992) pursuit of market reforms, and rejected out-of-hand most of the neo-liberal reforms attempted under the governments of Fernando Henrique Cardoso (1995–2002). Complementing behavioral evidence of the PT's economic orientation are data from legislative surveys conducted in 1987 and 1997; in both years, not a single PT deputy professed liberal economic views (Rodrigues 1987; Power 1998).

Notwithstanding its open calls for socialism prior to the mid-1990s, the PT rejected centralism and bureaucratic socialism in favor of a more participatory model. For example, it instituted a number of participatory decision-making procedures, such as the *Orcamento Participativo*, and supported some instances of social service decentralization (e.g. the *Programa Saúde Família* and greater school autonomy in the state of Minas Gerais) and other measures aimed at increasing the autonomy of citizens vis-à-vis state supervision.

### Political Position: Party-Oriented Politics

In a country noted for the weakness of its political parties, the PT stood out as uniquely well organized and unified, notwithstanding internal debates among its various factions. Notable were the high rates of cohesion, discipline, and loyalty displayed by its legislative delegation. Of all the parties, PT representatives manifested one of the highest levels of agreement with one another on a range of issues.<sup>1</sup> Moreover, they voted together and remained within the party at much higher rates than other parties.<sup>2</sup> And when asked to rank order their commitments, it was PT deputies who expressed the greatest willingness to support the party's program and label over their individual interests and the districts they represented (Hagopian 2005). Similarly, they reported spending the highest percentage of their time on "policy analysis" instead of activities like "attending to lobbies or requests from individuals."<sup>3</sup>

The PT also stood out for the predominance of its national-level organization and project in a system where many parties are mere collections of regional machines and where local political considerations are subordinated to the national ones, evident in such practices as forming alliances at the local level with little correspondence to alliances at the national level. The PT national directorate exercised authority over state and local directorates and sought to impose uniformity on such dimensions as alliance formation.

In line with this profile, the PT observed a restrictive alliance policy, joining exclusively with parties on the left in the 1989 and 1994 elections.<sup>4</sup> While from

time to time subnational party authorities were tempted to enhance their immediate electoral fortunes by allying with non-left parties, with frequency the national directorate rejected their proposals to do so. The PT's hardcore alliance policy separated the PT not only from major parties on the Right, such as the PFL (Liberal Front Party), but also in crucial ways from its main competitor on the left, the PDT (Democratic Labor Party).

Perhaps nothing encapsulates the commitment of PT politicians to the party better than their willingness to undergo a serious process of scrutiny before being admitted and to donate to the party thereafter a tithe of 10–30 percent, depending on the specific position held within the party. In short, beyond its adherence to a unique economic program, the PT stood out for its party orientation, as manifested concretely in everything ranging from the strength of its national-level organization to its strict alliance posture and the cohesion, discipline, and personal sacrifices displayed by its politicians to the party. Engagement in activities to combat clientelism and corruption contributed further to the PT's distinctive political profile. Beyond working to expose and hold guilty parties accountable in specific corruption scandals at the national level, PT politicians at the municipal level developed and implemented practices aimed at making government decision making more transparent to the public. In short, “clean government” became a cornerstone of the PT's program.

### Comparisons with Other Parties

The unique niche occupied by the PT prior to the mid-1990s is perhaps best appreciated by reference to how other parties lined up on these same dimensions.

#### *The PFL*

The PFL constituted a key point of distinction for the PT, given the former's economic and political profile. The PFL was the largest party in the Congress by the second half of the 1990s. Its delegation strongly supported President Collor's market-reform agenda and later the Cardoso government's economic reforms. Its representatives also displayed a pronounced tendency to identify themselves as economic liberals.<sup>5</sup> The only party ranking higher than the PFL in behavioral and subjective indicators of economic liberalism was the much smaller and far more ideological PPB (Brazilian Progressive Party).

While adherence to economic liberalism gave the PFL a programmatic pillar of cohesion and identity, other aspects conformed to a more traditional political profile.<sup>6</sup> The conduct of PFL deputies vis-à-vis the electorate, within the legis-

lature, and towards the executive revealed a political machine aptly described as a *partido de sustentação* or support party. “A collection of clients whose patron is the president but who are also patrons themselves in their states, regions, and municipalities” (Power 2000b, 184), the PFL typically backed the government of the day and received resources in turn. When asked to describe what role a congressional representative should fulfill, PFL deputies frequently chose patronage-oriented rather than program-oriented activities (Hagopian 2005).

### *The PDT*

The PDT (Partido Democrático Trabalhista or Democratic Labor Party) shared the PT’s statist orientation, yet differed strikingly in its political style. Its economic nationalism gave the party a “moderately leftist” cast (Ames 2001, xiii), but the PDT eluded simple classification on a left-right scale due to the personal prominence and populist style of its leader for decades, Leonel Brizola. Brizola built the party’s following in two states, Rio de Janeiro and Rio Grande do Sul, where its support was concentrated. On key dimensions such as loyalty, the PDT lacked a party-oriented profile. PDT deputies switched parties at high rates, and when they did, they moved all across the political spectrum. The PT stood out as being far less personalistic, better organized, and more national in its reach than the PDT.

### *The PMDB and PTB*

It was easy for the PT to distinguish itself from these classic catchalls. The broad-based PMDB (Partido do Movimento Democrático Brasileiro or Party of the Brazilian Democratic Movement) was arguably the most opportunistic and internally diverse of Brazilian parties. Often divided between government and opposition supporters, PMDB members were notorious for switching in and out of the party according to what served them best at the time. Due to the large size of its delegation and the flexibility of its members’ programmatic commitments, the PMDB was often sought out as a governing ally. Similar to the PMDB, although smaller and somewhat more conservative, was the Partido Trabalhista Brasileiro (PTB).

### *The PSDB*

The PSDB (Partido da Social Democracia Brasileira or Brazilian Social Democratic Party) was the PT’s main competitor in the presidential elections of 1994, 1998, and 2002. Like the PT, it adhered (for the most part) to programmatic pol-



itics, but it came to differ strikingly from the PT on the economic positions it embraced. Created by seasoned yet socially committed politicians who broke away from the PMDB in 1988, the PSDB supported statist positions in the late 1980s but by 1993 had begun to advocate market reforms.<sup>7</sup> Reforms pursued under the successive administrations of Fernando Henrique Cardoso consolidated the party's promarket profile. The percentage of PSDB representatives who professed a liberal affiliation doubled between 1987 and 1997, rising from 31 percent to 60 percent (Power 1998, 58).

The PSDB was similar to the PT in the considerable degree of programmatic cohesion and esteem for the party label its deputies displayed throughout the 1990s.<sup>8</sup> Yet the former's character was more reformist and technocratic, and the latter's more radical and activist. There was also a certain class difference between the two. For example, in greater São Paulo, the PT received the concentration of its vote in the periphery, whereas the PSDB captured the middle class in the central districts. Also, actions taken by the PSDB leading up to the 1994 election—namely, forging an electoral alliance with the barons of the PFL—muddied the party's principled image. In its struggle to overcome notable disadvantages against the more mainstream party, the PT launched a vociferous public campaign against these measures. The hope was to give itself an exclusive claim to principled politics.

### The Accommodation of the PT

If the PT was at its most distinctive before the mid-1990s, thereafter it began to accommodate more to various pressures and began to adopt some important characteristics of catchall parties in Brazil. In a determined effort to win the presidency, the PT's programmatic differences became less pronounced. So did its style of politics. Lula's winning campaign of 2002 punctuated the trend towards convergence. The reasons for the PT's ideological moderation and assimilation on other dimensions are complex and treated at length elsewhere (Samuels 2004; Hunter 2007a). Suffice it to state here that there are two basic approaches to understanding this issue. The first, articulated well by Samuels (2004), emphasizes factors endogenous to the party that led the PT to abandon its position on the far left of the political spectrum, namely, the rise of pragmatists following the party's governing experiences at the local level and its success in mayoral elections, and the flexibility for adaptation permitted through specific internal rules. The second, put forth by Hunter (2007a), emphasizes forces exter-

nal to the party that induced and sustained its assimilation. The two most important exogenous factors concern global economic changes, which made adherence to market reform virtually impossible to avoid, and an unwieldy set of political institutions, which forced Lula to gather support from a majority of voters in his candidacies, in the context of an extremely fragmented electorate and party system.

Indeed, reinforced by Lula's strong desire to become president and the sway that his faction exerted on the party as a whole, these factors led the PT to make significant modifications beginning in the second half of the 1990s. Regardless of why exactly it moved towards the center ideologically and diminished some of its other differences, its adjustment assumed the following forms. Notably, the party broke with the past and publicly acknowledged the benefits of adapting to international market trends. This first occurred with Lula's third run for the presidency, in 1998, and became even clearer in the 2002 campaign. Beyond omitting the word *socialism* from the party program, the most notable sign of moderation on the economic dimension was the promise to adhere to Brazil's existing agreements with the IMF. The party did, however, advocate market-conforming policies that would enhance the welfare of poorer Brazilians, such as job creation and even a minimum income provision.

Similarly, the leadership began to consider alliance partners that it would have rejected earlier.<sup>9</sup> By the mid 1990s, Lula was busy trying to convince militants of the need to loosen the party's restrictive alliance policy in order to have a chance of capturing an electoral majority. These efforts helped pave the way for a stark concession to pragmatism that the party made in 2002 in the form of an alliance with the Liberal Party (PL), known for its unusual leadership mix of evangelical pastors and affluent businessmen.<sup>10</sup> The alliance was thought to be opportune for various reasons. Evangelicals, an anti-PT group historically, constitute a sizable and growing percentage of Brazil's population, roughly 15 percent, and enjoy a growing share of control over various media outlets (Freston 2001). The PL's stronghold, Minas Gerais, is the state with the second-largest number of electoral votes. That so many of these come from impoverished rural areas of the state, a weak point of the PT historically, merely added to the calculation. Furthermore, it was hoped that the strong connections the party's president had to business leaders would diminish their fears about the prospect of a Lula-led government.

The party also shifted its stance on political marketing. Whereas it had previously felt it to be more important to clarify the substance of its programs and

convince people to embrace the party's ideals, various electoral losses led party pragmatists to accept the importance of style and image and to advocate the hiring of professional consultants and publicists to bring the PT more in line with what appealed to the average Brazilian voter.

By 2002, Lula had hired Brazil's best-known and most expensive publicist to run his campaign, Duda Mendonça, who had earned a reputation for successfully advising a number of prominent politicians from the Right. One of Mendonça's main objectives was to remake the image of the party and its candidate, embodied in everything from giving Lula a more typically "presidential" physical appearance to formulating catchy yet unobjectionable slogans like "Lula, paz e amor" (Lula, Peace, and Love) and "O PT: para um Brasil decente" (The PT: For a Decent Brazil.)

Pragmatism also prevailed with respect to trying to overcome the party's financial shortfalls. The PT had always been handicapped by material shortages, in a country where political campaigns—especially those for president—are noted for their extraordinarily high expense. In the end, the single-minded determination to win the presidency subjected the party to financial pressures and temptations that it had previously withstood. Behind-the-scenes efforts to fill the party's campaign coffers through questionable means were revealed in 2005, halfway into Lula's first presidential term. Apparently, underpinning the 2002 campaign (and mostly likely that of 1998) was an intricate and illegal scheme whereby PT mayors extracted kickbacks from private and public firms seeking municipal contracts; they then diverted this money into a secret campaign slush fund. Paulo de Tarso Venceslau, a former secretary of finance employed by two important municipal PT administrations (Campinas and São José dos Campos) had denounced financial irregularities he had discovered as far back as 1995.<sup>11</sup> The PT expelled him in 1997 and managed to keep further damage from being done until the informational floodgates broke years later with a major corruption scandal involving the Lula government's buying of legislative votes, discussed below.

The party as a whole did not advocate or even accept all of the decisions that resulted in these modified tactics. It was mainly Lula and his pragmatic faction, the *Articulação*, which paved the way for change. Lula tried to persuade the skeptical and was even known to engage in heavy arm twisting when he encountered resistance (e.g., the decision to ally with the PL was extraordinarily controversial within the party). When he could not get the results he wanted, he sought autonomy from the party. One important example of this was the

refuge he found since 1996 in the Instituto Cidadania, a think tank where he met with private business people in an effort to gain their support against the objections of the most radical sectors of the party. Another was the issuance—completely independent of the party—of the “Carta ao Povo Brasileiro” in June of 2002. In this “Letter to the Brazilian People,” Lula assured the electorate (and perhaps more importantly, the domestic and international financial community) that he would honor all of Brazil’s debts, contracts, and other outstanding financial obligations. Indeed, with presidential victory as his goal, Lula undertook a process to separate himself and his candidacy from the party organization. Nevertheless, many of the new tactics devised to help Lula win presidential office came to be associated with the PT as such.

### **The PT in Government, 2002–2006**

If the PT was induced to change in order to win the presidency in 2002, its experience in government brought on new challenges and pressures that for the most part reinforced its assimilation. In the end, the continuities that Lula’s first government oversaw were more pronounced than any shifts that it brought about. This held true for macroeconomic policy as well as social policy. Moreover, the corruption scandals that surfaced during this time made the PT appear more like a “normal” Brazilian political party. Lula’s increasing distance from more militant sectors of the party, and the privileging of more mainstream elements within it, accentuated the impression that the PT had begun to descend into “politics as usual.” Perhaps the most telling image of the Lula presidency was seeing him side by side with Fernando Collor, with the two mutually praising each other.

Conformity with market reform and fiscal stability marked the first Lula government’s economic policy. The high degree of continuity observed with the previous Cardoso governments reflected, in part, the economic team’s concern that foreign investors and multilateral institutions would fail to support a government that had only a decade before called for radical change. To allay such potential fears, the government observed high interest rates and fiscal tightness, even going so far as to surpass the fiscal-surplus target agreed upon between the Cardoso government and the International Monetary Fund. In the opposition, the PT had long criticized such austerity. The stated justification to party militants for the turnaround was that any antipoverty programs the party might introduce would depend on economic growth and stability.

Efforts to further a structural-reform agenda proceeded along with overseeing continuities in macroeconomic policy. The most outstanding accomplishment in this area was the successful passage of a pension reform bill at the end of Lula's first year in office. The new legislation, while watered down greatly from the initial proposal, was aimed at addressing grave deficits in the country's special pension system for government employees. It was also intended as a further signal to the foreign investment community and to international financial institutions that the Lula government was committed to multiple elements of the neoliberal package. The resulting law raised the effective minimum retirement age, reduced survivor benefits, limited benefit ceilings, and called for taxes to be levied on pensions and benefits for the most affluent. The government's proposal did not even try to reverse the previous administration's successful efforts to attach a minimum age requirement to the previous time-of-service provision for paid retirement. Also, it went against the PT's own prior attempts to exempt retired people from more affluent brackets from having to contribute to the system. The reform was especially controversial with the PT's congressional delegation because it reduced the privileges of civil servants, an important and longstanding component of the PT's support base. Cardoso had launched a similar effort years before, yet his measure was defeated, in no small measure because of the PT's obstructionism (Kingstone 2003). In the end, Lula carried the day, but only after applying heavy pressure to members of his own party, ultimately having four of them expelled for voting against the government's proposal: Senator Heloisa Helena, and deputies Luciana Genro, Raúl Font, and João Batista (more commonly referred to as Babá). The four went on to form the PSOL (Partido Socialism e Liberdade or Party of Socialism and Liberty), which albeit still very small seems to have become the new repository of old-style PT radicalism in the Chamber of Deputies.

Social policy under the first Lula government assumed a remarkably mainstream character. Land reform, one of the central programs that the PT had promoted in the opposition, did not take off and gain the momentum that many had expected. No doubt Lula was concerned about the negative implications that a major redistribution of land might well have for future business investment (Ondetti 2006). The challenge was to balance efficiency concerns (maintaining high levels of productivity in Brazil's booming agribusiness sector) with historic PT concerns (commitment to the landless via land reform). He thus created two ministries for agriculture, staffing one with personnel oriented towards agribusiness and the other with historic figures involved with land reform (Hippolito 2005, 52–54). The Movimento Sem Terra, however, has been less

than satisfied with what the latter ministry has produced in the way of concrete results. Its increasing tendency to pursue political strategies outside of the PT and the weak support shown toward Lula at the time of his re-election bid was striking for a social movement long associated with the PT.

The Lula government's biggest mark in the area of social policy was made vis-à-vis the Bolsa Família (Family Stipend), a conditional cash transfer program of the kind promoted by the World Bank to secure social support for economic adjustment and market reform. The Bolsa Família, the core idea of which was developed and implemented by PT governor Cristovam Buarque in Brasília, was designed to give low-income families a minimum income provided they keep their young children (ages six to fifteen) enrolled in school and see that they receive basic medical care. Pregnant women are also required to receive prenatal care and attend classes on maternal and childhood health. Eligibility for funds hinges on a family earning less than R\$120 per month. The main contribution of the first Lula government was to unify into the Bolsa Família what had been four separate programs and to extend its coverage dramatically over time. By December 2006, the BF served 11.1 million families. However successful the program has been with regard to poverty reduction and the generation of important political support for Lula, the Bolsa Família departs significantly from the kind of structural social reforms that the PT called for when it was a radical left party. The highly targeted, means-tested program is very cost effective and fits exceedingly well within a market framework. Not a product of collective mobilization, it is administered in a top-down fashion by the Ministry of Social Development in conjunction with municipal governments in the country (Hall 2006; Soares et al.) The rhetoric of "human capital development" that surrounds the program's official justification is distinctly not within the tradition of the PT.

Serious corruption charges came to taint the PT after July 2005. Although Lula ultimately managed to escape the worst of these allegations and win re-election in October 2006, the party itself has consequently lost much of its initial luster and reputation for staying above the fray. Presidential victory in 2002 shifted the structure of institutional pressures facing the PT from the electoral to the governing arena. The disjuncture between leading the government and controlling less than 20 percent of seats in the Chamber of Deputies was problematic, especially since Lula would need supermajorities to pass market-oriented constitutional reforms in areas like social security and taxation. The main dilemma concerned how the government would muster sufficient legislative backing without allocating an excessive number of ministerial positions to allied parties, es-

pecially those outside the Left, in exchange for their legislative support. A key method used to break this impasse was the “*mensalão*,” monthly bribes amounting to several million dollars paid to legislators from these parties.<sup>12</sup> The *mensalão* scandal provided momentum for the surfacing of information about illegal PT campaign-financing schemes predating the Lula presidency, namely, the centrally organized networks developed with smaller businesses in cities where it governed (i.e., the party’s *caixa dois*, or second set of accounting books, used to avoid taxes).

The corruption charges that erupted in 2005 were of an extremely serious nature. The *mensalão* and related malfeasance were far more systematic and sustained than anything President Fernando Collor had done. Corruption charges ultimately hurt the party more than they hurt Lula himself, tarnishing its image as the standard-bearer of ethics in politics. They led to the resignation of Lula’s chief of staff and former party president, José Dirceu, as well as that of the presiding party president, José Genoíno, and of several other historic PT figures. That Lula himself escaped as well as he did and was not subject to impeachment attempts testifies to his “teflon” character. It also reflects the demographics and political culture of large segments of the electorate. Public-opinion research suggests that disenchantment with Lula and the party fell most markedly among citizens with higher levels of education and income and who live in urban areas of the South and Southeast. A relatively confined share of the electorate, these were precisely the sectors that had once provided the strongest support for the party’s ideological program. By the same token, thanks in large part to executive power and the Bolsa Família program, Lula was able to buffer his candidacy by winning support from the huge numbers of citizens who occupy the lowest income and education brackets. They tend to reside in remote areas of the country, places that had never been PT strongholds and where Lula had been solidly defeated in previous elections (Hunter and Power 2007).

The concurrent elections of 2006 for the presidency and the Chamber of Deputies raised further concerns about the party’s future. They also placed in stark relief some of the growing divergences between Lula and the PT. While Lula secured an impressive victory at the polls (61 percent of all valid votes versus 39 percent for his PSDB competitor, Geraldo Alckmin), the performance of PT candidates to fill all 513 seats in Chamber of Deputies was less positive. The national vote total for a given party’s candidates in the Chamber of Deputies is arguably the best indicator of its electoral support in the country. The PT won only enough votes to secure 83 chamber seats, placing it second to the PMDB.

Yet in 2002, the PT won 91 seats, making it the single largest party in the Chamber. In the Senate, the PT suffered a loss of 4 seats. This marked the first time in its history that the PT had not grown compared to its previous performance in national legislative elections. This reflected especially poorly on the party, given that it had held the presidency in the intervening four years and therefore should have enjoyed the advantages of incumbency, a situation that has helped governing parties historically. Obviously, the PT as a party has suffered a reputational setback.

Moreover, the demographic support base of the party (as indicated by seats in the Chamber of Deputies) and that of Lula are increasingly incongruent. In contrast to Lula, who has managed to gain cross-regional support, the party's stronghold remains concentrated in the more urban, industrialized areas of Brazil. A comparison of the PT partisan vote and the Lula presidential vote across Brazil's states in four successive elections suggests an increasing geographical spread between the two over time. The PT's lackluster legislative performance is indeed a cause of concern among PT partisans and militants. While fully aware that Lula's popularity was always greater than the party's ideological appeal, they accepted that fact as long as Lula worked in the service of the PT. In doubt is whether he has used his presidential office to advance the objectives they fought for while in the opposition. Beyond the fact that the policy positions endorsed by the Lula government have strayed so far from the party's historic concerns, PT followers wonder what will become of the party after Lula leaves the scene in 2010. Currently, there is no obvious individual from the PT that could be a winning presidential candidate and fill Lula's shoes. Rumors suggest that there is movement in some circles to have the constitution changed so that Lula could run again in 2010. In the absence of a constitutional change to such effect, there is nothing to prevent Lula from running again in 2014. Yet in any event, if the PT aspires to remain true to its original cause as a programmatic party on the left, its future electoral trajectory cannot reasonably rest on the popularity of a personal leader.

## **The Future of the PT**

The story of the PT in the last decade contains some elements of continuity and many of change. No doubt the PT retains programmatic inclinations and will not become a "*partido de sustentação*" any time soon. It also retains some



of the organizational norms and behaviors (such as an emphasis on discipline and loyalty) that have distinguished it historically from other parties in the system. Yet the most notable trend within the PT in the last decade or so concerns the accommodations it has made to global economic developments and to the constraints of Brazilian politics. Most striking has been its ideological moderation, manifested most clearly in its acceptance of the market. Similarly, the party—especially the faction most closely associated with Lula—has begun to adopt the political tactics of catchall parties in Brazil, such as allying with parties from across the political spectrum, hiring publicists, and even doling out patronage. Its core militants have grayed and their enthusiasm has diminished greatly from the 1980s. It is doubtful that the party is replenishing its ranks with a new generation of supporters whose commitment parallels that of their predecessors. The PT of today is indeed very different from the party of the past.

The questions posed at the beginning of the chapter—of whether the PT is still a left party and what is at stake in the answer to this question—call for revisiting and reassessing several of the dimensions that once made the PT distinctive in the system of Brazilian parties. Does the PT continue to represent a programmatic alternative, allowing people to feel that formal democracy gives them real choices? Does the party still represent a point of coalescence within the political Left? Does it still work with a wide array of social movements, promoting but also channeling their demands? Has partisan attachment to the party continued to rise, experiencing the turn upward it has seen in every major election year? The answer to all of these questions is “much less so than before.” With the PT’s growing assimilation, its capacity to promote a programmatic orientation in the party system has undoubtedly diminished, as has its ability to bring the political Left together within one organizational umbrella. So too has the party ceased to provide the institutionalized mechanisms of political influence that it once did for various social movements. And while Lula may be gaining a personal following, the party as such is not growing stronger insofar as gaining partisan supporters is concerned. Thus, the PT’s ability to strengthen the party system and help to legitimate Brazilian democracy has not continued to expand.

The question that lies ahead is whether the party will continue to assimilate further and adopt the ways of Brazil’s conventional parties even more unequivocally than it has until now or whether it will undergo an internal process of criticism and reformulation, re-emphasizing values and practices that it previously embraced. That Lula was re-elected in October 2006 will undoubtedly influence the direction the party will take. The PT-led government finds itself up against

conflicting pressures anew, and it is equipped with no greater congressional support than it enjoyed the first time around. At the same time, it presides over a growing economy, including a booming export market for many of Brazil's major agricultural commodities. The government may even be able to draw upon the discovery of new oil reserves. Backed by strong approval ratings, Lula's second-term government might well be able to tackle some of the challenges that it shied away from or failed to meet in its first term. These range from regulating privatized enterprises to accelerating the distribution of land to the landless.

By the same token, having Lula in the presidency no doubt diminishes the party's interest and capacity to undertake a process of internal criticism and reform. The inclusion into the cabinet of more members of the PMDB and other allied parties, combined with the party's failure until now to discipline its members who were involved in corruption activities, suggests that being in power unleashes countervailing forces that may well lead the party to converge more and more with its conventional counterparts. Doing so would leave Brazil's party system without a clear alternative to "politics as usual," and worse off because of it. Eventually, the PT will be returned to the opposition. Once out of government, the party might have a fighting chance of recovering some of the characteristics that once made it so distinctive. But reverting in full-fledged fashion to what the PT once was is unlikely. The party has become a member of the political mainstream. As part of the system, it cannot credibly be against it anymore. Nonetheless, on the sidelines of power the PT may regroup and establish a new niche for itself, albeit one closer to the political center than in years past.