Brazil's Rousseff faces runoff after worst showing for Workers Party in 12 years

Bill Van Auken
7 October 2014

Brazil's incumbent PT (Workers Party) President Dilma Rousseff faces an October 26 runoff with Aecio Neves, the candidate of the PSDB (Brazilian Social Democracy Party), the traditional standard bearer of the Brazilian right, following an election Sunday that failed to yield any candidate an outright majority.

The election, held under conditions of deepening economic recession and continuing inflation, left Rousseff with the smallest lead for any PT candidate since the party first won a presidential election in 2002 with the victory of the former metalworkers union leader Luiz Inácio Lula da Silva.

The vote breakdown was 41.56 percent for Rousseff, 33.6 percent for Neves and 21.3 percent for Marina Silva, the former environmental secretary in the first PT government, who ran as the candidate of the PSB (Brazilian Socialist Party).

Marina Silva was briefly catapulted to the top of the polls after she was named to replace the PSB's original candidate, Eduardo Campos, following his death in a plane crash last August. She won significant support from the Brazilian financial and corporate elite, using her personal beginnings in an impoverished Amazonas rubber-tapping family and her inflated reputation as an environmentalist to pose as the candidate of "change," while promoting policies sought by big business. Under relentless attack from the PT for her supposed lack of governing experience and her ties to the banks, however, the lead quickly evaporated.

Neves, a former governor and the scion of a leading political family in the state of Minas Gerais, and the PSDB, part of a de facto two-party system that has dominated Brazilian politics for the last two decades, are now improbably trying to cast themselves as the agents of "change," while offering only a slightly more right-wing version of the policies pursued by the PT government.

It is widely anticipated that Marina Silva will throw her endorsement to Neves and the PSDB, leading many analysts to predict the runoff as too close to call. After the results became clear Sunday night, she told the media that the population had voted "against the status quo," adding that "one cannot quibble with the feelings of 60 percent of the electorate." *O Globo*, the Rio de Janeiro daily, quoted unnamed sources "close to Silva" as saying there is "no possibility of an alliance" with Rousseff after the sharp exchanges between the two candidates in advance of the first-round vote. Silva's campaign chief, moreover, is a former leader of the PSDB, with continuing close ties to the party.

Brazil's Bovespa stock index soared 8 percent Monday on the expectation that Neves' better than expected showing could lead to his victory in three weeks and the implementation of policies that would go further than the PT's in terms of promoting the profit interests of Brazilian and foreign capital.

While the successive PT governments of Lula and Dilma Rousseff have continued the essential features of the pro-market "reforms" introduced the last time the PSDB was in power—1995 to 2002—Rousseff has indicated the thrust of the PT's campaign in the second round, saying that Brazilians do not want a return to the "ghosts of the past," referring to the rise in unemployment and cuts in social programs of that period.

There has been little public discussion about what policies either party will pursue after the election. Neves, like Silva, has insisted that he would continue the PT government's minimal social assistance programs, while advocating the "independence" of the Brazilian central bank from the government, effectively placing monetary policy in the hands of Brazilian and

© World Socialist Web Site

international finance capital.

In addition to facing the closest race with the PSDB in the last 12 years, the PT has also won the lowest number of seats in the Brazilian national legislature. The party elected just 70 deputies, compared to 86 in 2010. This leaves the House of Deputies dominated by the parties of the Brazilian right, with 66 seats going to the PMDB (Brazilian Democratic Movement Party), 54 to the PSDB, and 36 to the PP (Progressive Party).

Perhaps among the most telling results in the election was the PT's loss to the PSDB in the so-called "ABCD"—Santo André, São Bernardo do Campo, São Caetano and Diadema—industrial belt south of São Paulo, the center of the industrial unions and the birthplace of the PT, which was formed in the wake of the mass strikes waged at the end of the two-decade-long military dictatorship.

Faced with an unexpectedly close race, Rousseff changed her campaign staff last month, elevating Miguel Rossetto, the minister of agrarian development, to the position of campaign coordinator and declaring her support for "new policies," which have yet to be spelled out.

Rossetto is the leading member of a group known as Democracia Socialista (DS), which was the official section of the international Pabloite revisionist grouping that was known as the United Secretariat. The Pabloites hailed the PT as the new road to socialism and backed Rossetto's joining a capitalist government headed by Lula as it implemented the policies of the IMF.

Rossetto stayed in his ministerial position, and the DS continued loyal support for the PT, even after the latter expelled members of parliament who had voted against a government pension "reform," including leading DS member and then-Senator Heloisa Helena.

The expelled members went on to found the PSOL (Party of Socialism and Freedom), which sought a return to "orthodox" PTism, while Rossetto and his allies remained with the leadership that had expelled them. The United Secretariat urged the two sides to adopt a policy of "live and let live" and "not to burn their bridges."

In the end, Rossetto and the DS severed ties with the Pabloite international, which it saw as an impediment to its ambitions within the PT. The Pabloites' *International Viewpoint* web site, however, still lists the organization as "the tendency of the PT, which groups Brazilian activists sympathetic to the Fourth International." The neo-Pabloite remnant organizations are following their own advice "not to burn their bridges" to the Brazilian bourgeoisie.

While Rousseff is reported to have personally selected Rossetto as her campaign manager—the two had worked together in the PT state government in Rio Grande do Sul before joining Lula's cabinet—the choice may prove a liability. Rossetto has been linked by some sections of the Brazilian media to a kickback and money laundering scandal at the massive state-owned Petrobras oil company, implicating governors, ministers and dozens of senators and deputies from the PT and its allied parties.

Rossetto was named CEO of the Petrobras subsidiary Biocombustível, which oversees production of biodiesel fuel. The purchase of two facilities for fuel production at a price some have claimed was inflated is currently under investigation by the Brazilian Court of Accounts, known as the TCU.

The PSDB has made the Petrobras kickback scheme central to its campaign, even though many of its own elected members are themselves implicated in similar scandals.

Meanwhile, the central questions of social inequality, deteriorating public services, including health care, education and public transportation and the rising cost of living, which brought millions into the streets in mass protests last year, are going unaddressed in the election campaign.

All indications are that these conditions are only going to worsen, creating the conditions for bigger social explosions. The latest economists' survey released by the central bank estimates that industrial output will fall this year by 2.14 percent, while the annual inflation rate is now forecast to hit 6.3 percent.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site