

Brazil's PT unveils Lula's election platform: austerity, nationalism and militarism amid deepening global crisis

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On August 16, the Workers Party (PT) and the coalition of pseudo-left and bourgeois parties of its “broad front” launched the candidacy of incumbent President Luiz Inácio Lula da Silva for reelection. The event was held at the Vila Euclides Stadium in São Bernardo do Campo, in the heart of the ABC industrial region of São Paulo—“the place where it all began,” in Lula’s words.

The choice was not accidental. It was at Vila Euclides that tens of thousands of metalworkers gathered in mass assemblies during the strikes of 1978-1980—struggles that shook the military dictatorship (1964-1985) and whose militancy was diverted into the creation of the PT in 1980 and the CUT union federation in 1983. At the time, Lula was president of the ABC Metalworkers Union.

The staging of a return to the PT’s origins is a cynical maneuver. Lula and the PT came back to Vila Euclides to simulate a relationship with a working-class base the party long ago discarded. The stadium of nearly 50 years ago was mobilized to conceal the attacks waged against workers over the PT’s 17 years in power since 2002—when Lula was elected with a textile magnate as his running mate and calmed the financial markets with his “Letter to the Brazilian People.”

Once again, Lula and the PT are building a new “broad front” for October’s election. In the document “Building the Future: PT Manifesto to Continue Transforming the Country,” the PT claims to want to “consolidate a broad process of social concertation” bringing together “the productive sector and business committed to the nation, the working class, trade unionism and the popular movements in a coalition that transcends the institutional defense of democracy.”

The PT’s electoral coalition is the largest in this presidential election. Among the seven parties on the ticket are the pseudo-left PSOL, the Maoist PCdoB and the bourgeois parties PDT and PSB. The vice president and candidate for reelection is Geraldo Alckmin (PSB), the former reactionary governor of São Paulo, responsible for decades of attacks on education and social services in the country’s richest state, who is being recycled once again as a “democrat” on the PT ticket.

But the PT wants to expand its alliances even further. In recent weeks, the party’s president, Edinho Silva, has been engaged in intense behind-the-scenes negotiations to ensure that parties in the so-called “centrão”—such as the Republicans and the Progressives, which were part of the government of former fascist President Jair Bolsonaro (2019–2022)—remain neutral in this election. Arguing that “there are democratic forces within all parties,” Silva is now pressing these parties to support Lula in the first round.

While the government maintains austerity and is incapable of improving the living conditions of the population, the PT’s backroom negotiations are rehabilitating hated political forces, further discrediting Lula and opening the way for the far right. Since March, Flávio Bolsonaro, son of

the fascist former president Jair Bolsonaro, has been technically tied with Lula in the polls.

The electoral process is unfolding amid the ever-deepening crisis of global capitalism. US imperialism is seeking to reverse its economic decline by escalating conflicts that are rapidly converging into a third world war, with China and Russia as its principal targets.

Latin America has become a battlefield in this imperialist redivision: Washington demonstrated with the invasion of Venezuela in January and interventions to promote fascist candidates aligned with Trump in a series of regional elections that it is prepared to use direct military force to reorganize the continent and push back Chinese presence. Brazil is in the line of fire. Recent US punitive tariffs and diplomatic provocations have the declared aim of weakening Lula and boosting Flávio’s candidacy.

Faced with this situation, the PT’s response is to strengthen its “national unity” with sectors of the Brazilian bourgeoisie, advancing a combination of austerity in the economy, nationalism in politics and militarism in defense of the bourgeois state. This is the real content behind the nostalgia of Vila Euclides—and it is what the electoral program registered with the Superior Electoral Court (TSE) on August 7 reveals with clarity.

Praise for the “new fiscal framework” and more austerity to come

The program’s title—“Guidelines for the Program to Transform Brazil: a sovereign, democratic, developed, sustainable and creative country”—already announces the tone that runs through its 84 pages: vague, self-congratulatory and systematically deceptive. The document presents a triumphalist balance sheet of Lula’s third government (2023-2026), claiming it was a period of “reconstruction” after the “destruction” caused by the Bolsonaro government. A new term would supposedly complete this work, transforming Brazil on the basis of “sovereignty” and “national development.”

What the program omits is the real character of this “reconstruction.” Lula’s third government did not rebuild rights; it deepened austerity. It did not reverse Bolsonaro’s legacy or the pro-market reforms of the Temer government (2016-2018)—in decisive respects, it continued them. And the result was not the defeat of fascism. On the contrary: Lula’s austerity measures are creating the conditions for the resurgence of the far right.

It is decisive to examine the terms in which the program criticizes the Bolsonaro government, for it is there that its class orientation is revealed. The document does not condemn Bolsonaro for deepening the exploitation of the working class, for arming the repressive apparatus against the poor

or for demolishing social services. What it censures is something else: the former president left “a legacy of significant liabilities, far from a heritage of fiscal responsibility.” The accusation is that Bolsonaro governed badly for the capitalists.

The program continues with pride: “We carried out the most republican fiscal management in Brazil’s history. We worked together with the National Congress to approve the fiscal framework.” The “new fiscal framework”—which allows spending to grow by up to 2.5 percent above inflation—is the mechanism that imposes limits on the public social budget to guarantee the payment of debt interest to the rentiers.

For a fourth term, the promise is continuity: to ensure “a responsible fiscal policy” and “for this, we will maintain the new fiscal framework, which controlled spending growth without harming social policies and allowed a significant reduction in the primary deficit.” The claim that the framework controls spending “without harming social policies” is a lie daily disproved by the numerous strikes in federal education and health since Lula returned to power in 2023.

On August 6—one day before the program was registered with the TSE—Finance Minister Dario Durigan boasted to GloboNews: “I know how to handle the fiscal side better, we made an adjustment of two [percentage] points of GDP.” And he added that, in this election year, “we are making a freeze of R\$17 billion in the Budget.”

But this freeze is only a fraction of the constraint imposed by the new fiscal framework. The Senate Budget Consultancy recently revealed a much larger restriction: it has already cut R\$105.5 billion from the budget, with the largest amounts falling on health (R\$15.1 billion) and education (R\$13.8 billion).

And this is only the beginning. On August 12, the government approved in Congress a bill extending the framework to mandatory spending obligations, removing between R\$8.6 billion and R\$16.6 billion from health and education in 2027. For a possible fourth term, Durigan and the economic team have already signaled a new round of attacks: reducing the real spending growth limit from 2.5 percent to 1.5 percent a year, reviewing the constitutional floors for health and education and a pension reform raising the minimum retirement age. According to a PT leader heard by *Folha de S. Paulo*, “Durigan’s view is also Lula’s own.”

Rising social inequality and misery for Brazil’s workers and youth

The program further claims that “the country has returned to growth with a reduction in inequalities, something that only occurred under our governments” and that “the policy of real minimum wage increases and a heated labor market led to an expansion of the wage bill and consumption. We achieved the highest real labor income and the lowest unemployment in the historical series.” Reality belies each of these claims.

Inequality in income distribution, measured by the Gini index, increased last year. In Brazil’s 22 metropolitan regions, home to 40 percent of the population, the index rose 1.4 percent—from 0.533 in 2024 to 0.541 in 2025. The income growth the government celebrates did not benefit everyone equally: among the poorest 40 percent, average per capita income rose 4.2 percent last year, to R\$734 a month, while for the richest 10 percent, growth was 9.1 percent, to R\$11,837.

GDP growth of around 3 percent between 2023 and 2025, partly driven by a natural recovery after the most acute phase of the economic impacts of the COVID-19 pandemic, is far from restoring living conditions to previous levels. The poorest half of the population saw its consumption fall 20 percent between 2014 and 2024. The problem is not confined to the base of the pyramid: the middle 40 percent of the distribution lost 7.7 percent of their income relative to 2014; the top 10 percent, 3.2 percent.

The country is not “growing with a reduction in inequalities”—it is recovering slowly for a minority while the majority grows poorer.

What remains for household consumption after paying basic bills is today around 20 percent of income—in 2011, it was 26 percent. The direct consequence is record indebtedness: in April of this year, 80.6 percent of the population had some form of debt, the highest level in the historical series. This is not the picture one announces as an “expansion of consumption.”

The “heated labor market” the program celebrates is, in reality, a structurally precarious market. Around 38 million workers—38 percent of the workforce—work informally, without any social protection. Among those with formal contracts in the service and retail sectors, the 6x1 schedule prevails, with a 44-hour workweek, high turnover and more than 65 percent of these workers earn up to two minimum wages. Not by chance, 71 percent of professionals report living with daily pressure and constant stress.

For working youth, the picture is even harsher. The unemployment rate among young people aged 18 to 24 exceeds 11 percent—more than double the national average—while informality in this age group reaches more than 45 percent. Often absorbed into their first job in sectors that demand the 6x1 schedule—fast food, retail, telemarketing—or by the app economy, these young people are subjected to the lowest wage floors with no prospect of qualification. Approximately 8.2 million people aged 15 to 29—around 20 percent of this age group—are outside the classroom and the formal labor market, the so-called “nem-nem” (neither-nor) generation.

The data reveal a harsh reality also for Brazilian university students: 68.4 percent of them carry some active debt, a figure that soars to 77.2 percent among lower-income groups. Much of this scenario is the delayed reflection of a model of higher education expansion promoted since Lula’s first governments (2003-2010). By focusing on the massification of access through FIES loans, the system opened the doors to the commodification of the sector, resulting in an unchecked proliferation of private colleges and distance learning (EaD) courses, often of low pedagogical quality.

Contrary to the PT’s claim—of “basic education as a priority”—the reality is one of precarization, commodification and the abandonment of an entire generation. It is no accident that more than 70 percent of young Brazilians aged 16 to 24, who were born and grew up with the PT in power, disapprove of the Lula government—the highest rate of any age group.

Overall, the PT’s program paints a country that does not exist. The Brazilian reality under Lula is not one of shared prosperity, but of rising inequality, falling consumption, record indebtedness and precarious work and education for tens of millions.

National sovereignty, “neoindustrialization” and militarism amid the deepening global crisis

The PT’s program recognizes the gravity of the international crisis but draws from it conclusions that serve the interests of the Brazilian bourgeoisie, not the working class. References to the world situation run throughout the 84 pages: “The contemporary world is witnessing the resurgence of unilateralism, protectionism and conflicts unprecedented since the Second World War.”

For the PT, this situation is not the result of the irreversible crisis of global capitalism, but of supposedly wrong choices in how to manage it. The party’s principal target is “neoliberalism” and the consequent subordination of countries to the “foreign interests” of the great powers and international bodies. In this way, the PT presents itself as an alternative within capitalism—as if the problem were not the system, but

the mode of management.

Brazil's way out proposed by the program is to "reaffirm its sovereignty ... without any kind of strategic subordination." As part of its defense of a "multipolar" world, the PT proposes to "reform and democratize" the UN Security Council, the World Trade Organization, the IMF and the World Bank, while Brazil deepens "its geopolitical rapprochement with the BRICS and the Global South, as well as with the G20."

The defense of "national sovereignty" is the language of bourgeois nationalism. The question it evokes, however, is genuine: US imperialism is indeed tearing up international legality and violating the sovereignty of independent countries, from Iran to Venezuela, and Brazil is in the line of fire of this offensive. But the PT and the Brazilian bourgeoisie are incapable of responding to this aggression, because they are organically tied to the imperialism that drives it.

The "sovereignty" the PT defends is not that of the nation—that is, of the Brazilian working population—but that of the national capitalists and their accords with imperialism. It is the Brazilian bourgeoisie trying to balance between China and the United States, respectively Brazil's first and second trading partners, in order to negotiate better conditions amid the deepening global crisis.

This can be seen in the friendly relationship Lula has established with US President Donald Trump—whom Lula has referred to as a "friend." Since Trump returned to power in the US, the PT and the Lula government have capitulated before Washington's offensive, whether by minimizing the risks of this external pressure and relativizing Trump's authoritarian threat, or by seeking accommodation with the other imperialist powers.

The construction of a "multipolar order," in which all countries would benefit if the international bodies were reformed, is a reactionary utopia. These bodies are not neutral arbiters susceptible to "democratization"—they are instruments forged by US imperialism at the end of the Second World War to impose its hegemony over the planet. In proposing their reform, the PT evokes the post-war period, when capitalist expansion under US hegemony allowed for social and political concessions for "national development"—a period that cannot be repeated.

Nor is the BRICS an anti-imperialist bloc: it is an alliance of capitalist states, among them China and Russia—which are not imperialist powers but large capitalist states resisting US domination—seeking to assert their own bourgeois interests in the global rivalry. Far from containing US militarism, this rivalry is driving the planet toward war.

The real objective of this foreign policy becomes clear when its economic dimension is examined. The PT's program wants to diversify Brazil's productive chain, seek new markets and reposition the country in global trade. The comparison several government members make with the period at the end of the Second World War is revealing. Aloizio Mercadante, president of the National Bank for Economic and Social Development (BNDES), declared last year: "To enter the Second World War, we negotiated the [steel company] CSN and mining, and we took an industrializing leap." Today, he says, "we can attract investments and deal intelligently with this tension" between the US and China.

On the basis of this orientation, the program promises to "improve and strengthen neoindustrialization," with a "strategic focus on innovation, AI, critical minerals"—including rare earths—and on the "energy transition."

The list is no accident: each of these sectors lies at the center of the conflict between the US and China. Critical minerals and rare earths are at the center of the American campaign to break Chinese dominance over their processing—and Brazil possesses significant reserves of both. Artificial intelligence is a central battlefield of the technological war between the US and China, while the "energy transition" involves lithium and green hydrogen, whose supply chains are fiercely contested by the great powers.

Ultimately, what the PT presents as "neoindustrialization" for "national development" is, in reality, the integration of Brazil—its resources, its territory, its workforce—into the production chains fueling the developing world war. This becomes particularly clear when one considers the importance the Lula government attributes to the defense industry as a "vector" of "neoindustrialization." In recent years, Brazilian defense industry exports have jumped from US\$600 million in 2022 to US\$3.4 billion in 2025—and four of the five largest buyers are NATO members.

Indeed, the defense industry occupies a central place in the PT's program, appearing for the first time as a programmatic priority. The document states: "National defense requires well-equipped Armed Forces and a solid defense industry, capable of protecting Brazilian territory and its natural resources against external threats." The party that emerged from the workers' strikes against the military dictatorship now inscribes the Armed Forces as the axis of its national project.

Break with the PT and build the Socialist Equality Group in Brazil

The PT's program is the finished expression of what the party has become. This is not a "betrayal" of origins that were authentically socialist. The PT was the instrument built by the trade union bureaucracy and renegades from Trotskyism to prevent the militancy of the ABC struggles from being converted into the political independence of the working class. What it did at the end of the military dictatorship—and what it repeats today—was to channel the combativity of the Brazilian working class into the safe channels of bourgeois politics. The current program—austerity, "broad front," "national sovereignty" and militarism—is the logical result of this trajectory.

Virtually all of Brazil's pseudo-left organizations were directly implicated in this operation, including those today in the Morenóite Unified Socialist Workers Party (PSTU), the Morenóite and Pabloite groups within the PSOL and the Lambertist Workers Cause Party (PCO). All of them elevated Lula and the trade union bureaucracy to the status of the political leadership of the working class—and, with their pseudo-radical rhetoric, provided a "left" cover that helped block the construction of a revolutionary alternative. This orientation was formulated by the PT's intellectual patron, Mário Pedrosa—a former leader of the International Left Opposition and later a deserter from the Fourth International—who proclaimed at the party's founding conference that "a mass party has no vanguard, no theories, no sacred book"—the direct negation of Lenin and Trotsky.

It is from this perspective that the PT's return to its origins staged at the Vila Euclides Stadium must be understood. Lula's trajectory condenses this degeneration: from a trade union leader who emerged from the ABC strikes against the dictatorship to a president who, on the margins of the G-7 summit last June, assured the IMF's managing director that "I was never a leftist."

The PT was never a workers party that later degenerated. But it did have, in its early years, a real working-class base, which its leadership set about liquidating. As the party grew electorally, integrated itself into the state and imposed austerity, this base was actively discarded—a process accelerated by the suppression of working-class struggles by the unions controlled by the PT and the pseudo-left around it. What has changed since 1980 is not the party's class character, but the frankness with which it displays it: the rhetoric of "democratic socialism" and "political independence"—ideological cover for its founding in 1980, which resonated among workers at the time—has fallen away, the working-class base has collapsed, and the bourgeois party that it has always been now appears without any pretense.

The Brazilian working class and youth cannot reform the PT, nor “push it to the left,” nor use it as a “lesser evil” against the Bolsonaros and the far right. It is necessary to break with the PT, with the pseudo-left that surrounds it and with the unions that sustain it. The struggle against austerity, militarism and war demands the political independence of the working class.

The Socialist Equality Group (GSI), in solidarity with the International Committee of the Fourth International, is fighting to build the Brazilian section of the world Trotskyist movement and a revolutionary party of the working class, armed with a socialist and internationalist program. Against the PT’s “broad front” with the bourgeoisie, the united front of the exploited of all countries. Against the austerity that bleeds the public services, the expropriation of the big banks and monopolies and the socialist reorganization of the economy under the democratic control of the workers.



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