After Brazil's election, Lula's national address pledges austerity and police repression

Tomas Castanheira
10 November 2026

In his first national radio and television address since his reelection, on the night of Sunday, November 8, Luiz Inácio Lula da Silva, president of Brazil from the Workers Party (PT), sought to speak at once to two irreconcilable audiences.

To the first, Lula devoted the opening of his speech. He celebrated the mobilizations that secured his comeback in the second round—"It was moving to see young people lead spontaneous demonstrations, driven by the dream of better days"—and promised that "it is with the strength of popular mobilization that we will lead the government from now on." He listed the end of the 6x1 work schedule (six days on, one day off) "without a reduction in wages," the income tax exemption for those earning up to 5,000 reais a month, the elimination of taxes on the basic food basket and free public transport on weekends.

To the second audience, Lula responded in the very terms it had dictated. "The trajectory of the public debt and high interest rates concern me, and that is why I reaffirm my commitment to fiscal responsibility," he declared, adding that "all this effort will be made while preserving the fiscal rules." Investment, he promised, will be raised "in partnership with the private sector," and the government will "create the conditions to reduce interest rates."

No concrete measure was announced, on either side. But the very ambiguity of the speech is its truth. Finance capital has issued an ultimatum to the reelected government, demanding from it the same program of cuts it expected from Flávio Bolsonaro, the Liberal Party (PL) senator and fascistic candidate defeated in the second round.

The masses, for their part, went to the streets and to the polls to fight against that program. The Broad Front government promises to deliver for both constituencies—as if there were any compatibility between them. Far from resolving the impasse confronting Lula's fourth term, the address exposes the crisis-ridden character of this government, which seeks to accommodate what cannot be accommodated: the demands of the financial oligarchy and the need to contain an eruption of class struggle that those very demands make inevitable.

Abstract promises, concrete austerity

The address capped a week in which Lula and his team played alternately with both messages. On November 3, Finance Minister Dario Durigan summed up the squaring of the circle the government intends to accomplish: the project that won at the ballot box was "generous with the country," committed "to the different classes and different categories of the country, and at the same time to fiscal improvement."

On Thursday, November 5, according to columnist Valdo Cruz of the news site g1, Lula gave the green light at the Alvorada Palace for Durigan and Planning Minister Bruno Moretti to finalize measures to meet the center of the fiscal target, with no exceptions. The same day, at the Planalto Palace, he stated that no one invests in Brazil out of sympathy for the president and that investors want to know whether the government is serious.

On Friday, November 6, at a meeting of the National Energy Policy Council, the president appeared to say the opposite. "It is not what the financial system wants, because it wants everything. No, it is what we can do," he said. "The only thing they need to know is that the poor will not pay the bill." But the same remarks began with a defense of the economic team: "No one in this country can speak more about fiscal responsibility than my economic team."

The content of this "responsibility" is no secret. Durigan has repeatedly said the government will carry out an adjustment of around two percentage points of GDP over the fourth term, taking the accounts from a primary deficit of 0.4 percent of GDP in 2026 to a surplus of 1.6 percent in 2030. The Finance Ministry is studying changes to the rules of the fiscal framework so that budget freezes permanently reduce the spending ceiling in subsequent years, and it has announced its intention to go after mandatory spending. The promise that "the poor will not pay the bill" sets no limit on this program. It is an abstract formula, perfectly compatible with cuts to health care, education and the public services upon which the working class depends.

Finance capital was not impressed by words. On Wednesday, November 4, the Central Bank's Monetary Policy Committee (Copom) held the benchmark Selic rate at 13.75 percent, halting its cycle of cuts. The minutes released on Tuesday, November 10, point to the weakening of fiscal discipline as a factor that could raise the neutral interest rate and state that a weakening of demand is necessary for inflation to converge to the target. Among the sources of inflationary pressure, the Central Bank explicitly lists the end of the 6x1 schedule, because of the increase in labor costs. The constitutional amendment that abolished that schedule, touted by Lula in his address as one of the government's achievements, still awaits regulation, while attempts to restrict it multiply: the employers' confederations are asking the Supreme Federal Court (STF) to postpone it by at least a year, the Senate is preparing a parallel constitutional amendment (PEC) to make it more flexible in a number of sectors, and the government's own decree is expected to reinforce the precedence of collective bargaining agreements over the law.

The repressive apparatus for when the bill comes due

© World Socialist Web Site

If the address was vague on social questions, in one area it was unequivocal. “Now, with the approval of the Public Security PEC, I will send a Provisional Measure to guarantee the creation of the Ministry of Public Security,” Lula announced. “We will integrate and guarantee the forceful action of all police forces to retake the territories occupied by criminals and restore peace to the population.”

The Public Security PEC, drafted by the government, was approved by the Senate on November 3, with all parties recommending a yes vote. Among those voting in favor was Flávio Bolsonaro, who voted remotely from the United States, where he took refuge after the election, proclaiming himself the true leader of Brazil.

The amendment places the federal government in charge of the national coordination of the police forces, expands the powers of the Federal Highway Police and authorizes municipalities to create police forces with street-patrol functions. It also suspends the political rights of anyone held in pretrial detention. The reduction of the age of criminal responsibility to 16, which Lula declared during the campaign that he supported for heinous crimes, was left out of the text by a margin of only 38 votes to 36 and will be taken up separately.

There is a revealing contrast in the text. While the Finance Ministry prepares mechanisms to make budget freezes permanent, the PEC writes into the Constitution the National Public Security Fund and the National Penitentiary Fund, with mandatory transfers that cannot be frozen. The money for the police and the prisons is shielded; the money for health care and education is not.

The promise to “retake the occupied territories” has a concrete meaning in Brazil. It evokes the police massacre in the Alemão and Penha favela complexes in Rio de Janeiro in October 2025, the deadliest in the country’s history, and it is in line with the Trump administration’s designation of Brazil’s largest criminal factions as “terrorist organizations.” The national integration of the police under federal command, under the pretext of fighting organized crime, prepares the state to confront the social explosions that the program demanded by finance capital will inevitably provoke.

None of this troubles the government’s pseudo-left supporters. Jandira Feghali, federal deputy for the Communist Party of Brazil (PCdoB) from Rio de Janeiro, went so far as to cite the promise to “create a Ministry of Public Security, putting the federal government in the fight for public security” among the measures that would be “incompatible with fiscal austerity.” In her version of the “popular agenda,” the strengthening of the repressive apparatus holds pride of place.

The pseudo-left and the illusion of the ballot box

After the remarks at the National Energy Policy Council, *Brasil de Fato*, linked to the Landless Rural Workers Movement (MST), ran the headline “Lula rejects pressure for fiscal adjustment” and assured readers that the president “will not subject the poorest population to cuts in social programs to satisfy the market.” *Revista Fórum* hailed Sunday’s speech as “Lula’s first address after an epic victory,” which had supposedly stirred “emotion on social media.”

Another section of the pseudo-left seeks to present itself as a kind of internal opposition to the government. It denounces the pressure of the markets, distances itself from the austerity the government is preparing and promises that the “strength of the streets” can continuously push it to the left. This is a dirty political operation. In the Broad Front’s division of labor, this layer’s task is to capture the growing opposition of young people and the working class and keep it chained to a bourgeois government—a perspective that necessarily leads to defeat and demoralization.

Two texts that appeared the same week, both with the character of a manifesto and similar in content, give shape to this operation. The first, “The ballot boxes have decided. No to the market’s third round,” was issued on October 30 by economists and intellectuals including Luiz Gonzaga Belluzzo of the University of Campinas (Unicamp) and Elias Jabbour, federal deputy-elect for the PCdoB from Rio de Janeiro.

The second, “The fiscal adjustment trap,” appeared on November 3 in *Folha de S.Paulo*, one of the main organs of the Brazilian bourgeoisie, signed by the Radical Left Caucus. This bloc of legislators from the Socialist Left Movement (MES) and other tendencies of the Socialism and Liberty Party (PSOL), joined by the neo-Stalinist Jones Manoel, a member of the PT, presents itself as further to the left than the PSOL’s own leadership.

Both texts strive to separate Lula from the policies of his own government. The manifesto rejects “the concessions of Finance Minister Dario Durigan” and warns that “the defeated program is coming back through the door of the Finance Ministry.” The Caucus assures readers that “Lula knows where the victory came from” and appeals: “If the government decides to touch the accounts, let it touch the gains of those at the top.” Lula answered in person on national television, pledging to act “while preserving the fiscal rules,” two days after defending his economic team as the most responsible in the country.

The Caucus is silent on the “new fiscal framework,” which caps real spending growth at no more than 2.5 percent a year and has led to a series of cuts in health care and education. The manifesto even admits that Lula’s reelection was secured only through campaign concessions “that the austericide of the Finance Ministry had prevented until then,” but attributes to a single ministry the orientation of a government that continued the austerity policies of Jair Bolsonaro. That orientation is recorded on the stock exchange: according to a survey published by *Folha*, the Ibovespa outperformed the MSCI Emerging Markets index in each of Lula’s three terms, rising 86 percent against 63.4 percent between 2023 and October 2026.

The political aim of these texts is to tie down in advance the struggles that austerity will provoke. The Caucus asserts that “the government’s strength will lie less in posts and parliamentary amendments than in the mobilized people who elected it” and that “whatever remains of the mobilization of this second round will be the country’s main defense against the return of Bolsonarism.” The manifesto speaks of “a government elected by a popular uprising.” The protests that will inevitably erupt against the cuts are already defined, in advance, as a base of support for the very government carrying them out.

The signatories of the manifesto warn that repeating the 2015 austerity could “weaken the support obtained in the streets for Lula’s reelection and make his government vulnerable to a new parliamentary coup.” Essentially, they are advising the government to preserve the illusion of a social policy so as not to lose the support of the masses and be brought down from within, by the bourgeoisie itself. This advice has been given before. In November 2014, just after Dilma Rousseff’s reelection, Belluzzo, Pedro Paulo Zahluth Bastos, Rosa Maria Marques and Alfredo Saad-Filho—all signatories of the current text—signed the manifesto “Economists for development and social inclusion,” against austerity. Weeks later, Rousseff appointed the banker Joaquim Levy as finance minister and imposed the austerity that demoralized the PT’s base and opened the way for the rise of the far right. The appeals to a bourgeois government did not stop the attack; they disarmed the working class in the face of it.

Break with finance capital

© World Socialist Web Site

The dangers of this policy are even greater today than in 2014. Throughout the world, the ruling class is turning to dictatorial forms of rule, and in Brazil there is a real threat of a military coup promoted by the fascistic far right, with the backing of imperialism. From his refuge in the United States, Flávio Bolsonaro proclaims himself the true president of Brazil. The policy of pressuring a nationalist government that promises social measures leads directly back to 1964, when the subordination of the working class to the government of João Goulart, promoted above all by the Stalinists of the Brazilian Communist Party (PCB) and their Pabloite auxiliaries, disarmed workers in the run-up to the US-backed military coup and led to the worst political catastrophe in the country's history.

The crisis of the Lula government is a national expression of the world crisis of capitalism. A global debt heading toward roughly $375 trillion by the end of the year, soaring energy and food prices and a series of ever more intertwined wars—from Ukraine to Iran and Gaza—are driving the ruling classes of every country to make the workers pay for the crisis and for militarism. The interest payments consuming nearly 9 percent of Brazil's GDP are part of a worldwide drain of wealth to the creditors. And everywhere, from the mass youth protests in Europe to the strikes spreading across Asia and Latin America, opposition to this course is growing.

No national government, however "progressive" it declares itself, can escape this logic through new fiscal rules, revised inflation targets or heavier taxation of those at the top. As the WSWS has insisted, the working class must base its struggle on a complete break with finance capital: anything less, no matter how "radical" it might sound, means subordination to its dictates. That break requires the independent political mobilization of workers and young people, united across national borders, for the expropriation of the financial aristocracy and the socialist reorganization of the world economy. The decisive task is to build the revolutionary leadership capable of leading this struggle: the Brazilian section of the International Committee of the Fourth International.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site