Lula's Leadership and the Limits of the Politics of Cunning

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Sometimes a scholar is able to distill a lifetime of work into a single volume. The labor historian John French has done this marvelously well in his biography of Lula. French links Lula's life story with the history of the metalworkers' unions in the ABC region of São Paulo and Brazilian politics more generally.[1] Reading the book provokes difficult questions about how Lula's presidency (2003–10) and that of his successor, Dilma Rousseff (2011–16) transformed—and did not transform—Brazil.[2] This essay begins by highlighting a key argument of John French's book. It then explores two questions, finishing with some observations about Lula's legacy and current challenges.

The Importance of Cunning

Lula and His Politics of Cunning is particularly good on the union politics Lula engaged in when he was first secretary and then president of the São Bernardo and Diadema metalworkers' union, from 1972 to 1980. French argues that many of Lula's outstanding qualities were developed in this period, including his ability to inspire fellow *peões* (workers) to take pride in themselves and to engage in collective action.

The book underscores the ambiguous role of trade union leaders in Brazil's highly regulated labor relations system. According to French, union leaders had to deploy cunning in the struggle to turn *peões* into the assertive trade unionists who engaged in the historic ABC strikes of 1978, 1979, and 1980, strikes that led to the foundation of the Workers' Party (*Partido dos Trabalhadores*, or PT) in the latter year.[3]

Cunning, among other things, meant tactically yielding to structures of power, cultivating the support of influential superordinates in the social system, and pragmatically engaging in *assistencialismo* (trade union actions oriented toward the immediate welfare needs of members). For many São Paulo-based intellectuals, *assistencialismo* was a palliative diversion of union resources away from an assault on the grand structures of capitalist exploitation. French, inspired by the English historian E. P. Thompson, argues that these intellectuals got it wrong.[4] For Lula and other ABC trade union leaders, class conflict was a lived experience, not an abstract

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theory, and dealing with union members' immediate needs did not undermine the struggle against employers. As the union first secretary, Lula frequently helped ex-employees with retirement pension applications (French 180). What outsiders dismissed as *assistencialismo* constructed relationships of trust and solidarity that became the foundation of a new, autonomous, and combative trade unionism.

This argument provides a key insight into Lula's presidency. The Lula government's social, labor, and educational policies, dismissed by some leftist intellectuals as insufficiently transformative and untethered to a program of mass mobilization, arguably enhanced the political protagonism of a segment of the population that had previously been marginalized in Brazilian democracy. In the next section I raise—and suggest answers to—two questions about this new type of government.

Was the Growth Model Sustainable?

Lula's government, in both its first and second terms, largely preserved the economic model that the Cardoso administration (1995–2003) bequeathed to it.[5] Its innovation was to complement this with an expanded social welfare system, a rising minimum wage, and increased access to technical training and higher education. The rise in commodity prices gave the Lula governments the fiscal space to enact these reforms.[6] Rising domestic demand stimulated employment, mostly low-skilled, and led to increasing household income, especially at the bottom of the income distribution. The result was a significant drop in the number of people living below the poverty line and even some reduction in income inequality (341), something that many economists thought would not be possible at the beginning of Lula's term.[7]

However, the model appeared to be unsustainable. Growth under Lula averaged 4 percent per year, with a fiscal deficit lower on average than it had been under his predecessor, Fernando Henrique Cardoso. Growth under Dilma averaged 0.43 percent per year.[8] The fiscal deficit under Dilma was also higher than it had been under Lula.[9] This matters to a government that pays as much as Brazil's to borrow money.

Loureiro (2018, 4) argues that higher wages, especially in the service sector, led to cost-push inflation.[10] The rising minimum wage did not reduce inequality as much as conditional cash transfers did because expensive public sector pensions were also linked to the minimum wage. The lack of significant productivity gains in industry meant that Brazil's uncompetitive position in manufactured exports was not reversed. And the poor's rising access to cash, complemented by the expansion of consumer credit, was not matched by comparable increases in spending on public goods (Lavinas 2013).[11] Brazil's regressive tax system was also not reformed (French 347).

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Did The Lula-Dilma Governments Make Too Many Compromises in Order to Maintain Power?

The PT may have begun as merely "a tool that opens space for political participation by workers" (French 299; see also Keck 2009), but it gradually became a machine that was far more complex. PT governments at the federal level were committed to governability as much as they were to mass welfare (Montero 2014). According to Samuels and Zucco (2018, 3), "Brazil's way of doing politics had changed the party more than the PT had changed Brazil's way of doing politics" (see also Anderson 2019, 49).

Perhaps one state that starkly illustrates the costs of the PT's coalitional compromises is Rio de Janeiro. In Rio, the PT supported the election of PMDB politician Sérgio Cabral for governor in 2006. In 2010, it supported his re-election, aware that the successful staging of both the World Cup of 2014 and the Olympics of 2016 would depend partly on the state government. However, Cabral's extravagant behavior in office made this alliance something of a liability.[12] The governor was targeted by protestors in the June and July 2013 demonstrations (Reuters 2013). He was later prosecuted for taking kickbacks on public works, convicted, and sentenced to many years in prison in a series of trials from 2017 to 2020 (Pereira 2020, 13).

The support for Cabral and other politicians of the same ilk generated some rebellions within the PT. For example, Alessandro Molon, a PT federal deputy, helped to write a June 2015 manifesto advocating that the party expel anyone convicted of corruption. The suggestion was not taken up. Molon subsequently left the PT for the Rede Party.[13] Molon thus joined other high-profile defectors from the PT, such as Luiza Erundina (who left in 1997), the academic Francisco de Oliveira (who left in 2003; see Oliveira 2006), and Marina Silva (2009). Never great in number, these defections did nonetheless raise questions about the trajectory of the PT in power.

The 2018 presidential election result was the first since 1998 in which the PT did not win (Nicolau 2020). The party has since been on the defensive. In opposition, its members and sympathizers have been able to look back at 2003–16 to pick over the pieces of the Lula-Dilma years. One possible conclusion about the latter is that the embrace of "the politics of patronage" (French 239) was too enthusiastic.

Conclusions

John French calls Lula the "Pelé of worldwide presidential electoral politics" (368). The description is fitting in many ways. His government was arguably more progressive than any before or since. He was committed to ending hunger, and he did a lot to achieve that. Despite the arguments I have made here that the growth model of the Lula governments was not sustainable and that the PT too readily compromised its programmatic commitments for the sake of governability, Lula's achievements

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will endure. Together with Getúlio Vargas, he is the most important political figure in Brazil of the last century.

But in some ways the analogy with Pelé is misleading. Pelé retired from international soccer relatively early, when he was 30 years old, after Brazil's victory in the 1970 World Cup. For Lula to retire at a similar point would have been to withdraw from politics after the end of his second term, when his popularity reached its peak and his governments' successes were internationally acclaimed. However, Lula has remained politically active. His political comeback, should it occur, would be a remarkable personal vindication and a new chapter in the history of Brazil.

Notes

1. ABC refers to the municípios (counties) of Santo André, São Bernardo do Campo, São Caetano do Sul, Diadema, Mauá, Ribeirão Pires, and Rio Grande da Serra (French 1992, xiii). The ABC, in greater São Paulo, is still one of the most important centers of industry in Brazil, particularly the automobile sector, and went through extraordinary growth in the 1960s and 1970s. Among French's important points about Brazilian politics are that the debate about whether Lula and Dilma governments were "neoliberal" is less important than the concrete changes they wrought in the lives of Brazilians, and that Lula was not "populist" in that he eschewed an unmediated relationship with his supporters, worked through institutions, and sought to nurture the self-esteem and material well-being of the poor without demonizing or attacking the rich. See French, especially pp. 270, 338.

2. These can be found in chapter 17 ("The President, a Man of His Words") and the Conclusion ("A Victim of His Success"), 337–76.

3. The "New Unionism" instigated by the ABC strikes did not transform Brazilian trade unionism as much as its proponents had hoped, in part because many unions lacked the shopfloor organization of the ABC unions and were more financially dependent than those unions on the obligatory union tax, the *imposto sindical*.

4. French (381, 456, n24, 480) cites E. P. Thompson's *Poverty of Theory and Other Essays* (1978) but may also have been influenced by his *Making of the English Working Class* (2013).

5. This orthodoxy led some analysts to decry it as "neoliberal." See Saad-Filho et al. 2020.

6. "The IMF's index of commodity prices roughly tripled from 2000 to 2011" (*Economist* 2021, 15). The jibe of Lula's critics that he was lucky is only partially correct. It is true that he benefited from the upside of the cycle of commodity prices. But he also had a strong commitment to use the surplus to reduce poverty on a large scale, a commitment that was much less evident on the part of his rivals in the second round of the presidential elections of 2002 and 2006.

7. See, e.g., Saad-Filho 2003; Baer 2007, 173. The latter wrote, "In January 2003 President Lula came to power with two goals: the pursuit of social justice and a commitment to economic orthodoxy . . . we have argued that, so far at least, these two objectives have not proven compatible."

8. The growth figures of the Dilma years were pulled down by the recession of 2015–16 but averaged only 2.4 percent in the four years before that (World Bank Open Data). The 2015–16 recession seems to have been brought about (at least partly) by a failure of business owners and investors to invest because of their loss of confidence in Dilma's economic policies.

9. The fiscal deficit under Lula was lower than it was under Dilma by about two percentage points in relation to GDP (Countryeconomy.com).

10. Inflation was 9.3 percent in 2015 and 8.74 percent in 2016 (Statista). The Central Bank's target was to keep inflation within a band of 2.5 to 6.5 percent.

11. Lavinas's other criticism, that social policies should not have been targeted but should instead have been universal along the lines of European welfare states, seems unrealistic, given Brazil's political and economic constraints.

12. This behavior included the *Farra dos Guardanapos* (Napkin Spree), an expensive dinner in Paris for 150 people that reportedly cost $1.5 million reais. It took place in 2009 and was reported in the press in 2012 (Teixeira 2018).

13. The manifesto was "Mudar o PT para continuar mudando o Brasil" (Change the PT to continue changing Brazil). From Pereira 2015. Molon is now a member of the Brazilian Socialist Party (*Partido Socialista Brasileiro*) and the leader of the opposition in the lower house of Congress.

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