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PT and the left

The Brazilian left at the crossroads

- Debate - Building new parties of the left -

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The June vote on the new \$260R minimum wage has taken the Brazilian left's contradictions to new heights since the Lula government was sworn in.

On such a social question, the government has taken a step with the strongest symbolic impact on the population, a deeply anti-popular position counter to those the PT and the entire left have always stood for. The PSDB and PFL-led right opposition understood what was at stake and proposed raising the minimum salary to \$275R. This was only rejected because the government resorted to the state apparatus, political dealings and all manners of threats to rein in the left MPs. The majority of the PT left ended up voting for the government.

But, despite all this pressure, nine federal MPs, three PT senators and two PCB MPs voted for the 275R\$ minimum salary. This was one more act of resistance since the defiance of a bloc of left parliamentarians who started to confront the pro-governmental leadership during the 2003 social security reform and publicly expressed their dissidence in the face of the government's neoliberal initiatives.

This surrealistic episode, in which the majority of the left did everything to push through a minimum salary even lower than the right wing's proposal, is a new moment in the political process, when the majority of the PT left, the PCB and the important popular organizations proved themselves immobilized by their commitment in defence of the Lula government. The Socialism and Liberty Party (PSOL); recently created through the efforts of Senator Heloisa Helena, excluded from PT along with three other federal MPs for defence of the party's historic positions, is too small to organize an effective confrontation. The vast majority of the Brazilian left is still in PT. This inaction has resulted in a growing loss in the government's and the left's credibility in Brazilian society. This has entailed an erosion of programmatic left, socialist or class struggle among the most politicized and organized strata of the people. The damage to the development of consciousness and the construction of self-identity among workers and the other outsiders is incalculable.

The expectations fostered by the left that the Lula government would push for structural reforms or progressive changes in Brazilian society have been largely dashed. After the time needed for any transition to get underway has passed, the Lula government's actions enable us to better analyse its characteristics and to clearly see its perspectives. Public resources continue to be transferred towards finance capital, the governmental left has taken up clienteles and traditional political tricks and the social crisis is growing worse. Anti-social measures are enacted whenever "the markets" demand them, even when they result in grave political disasters, as in the recent minimum salary case. Lula's falling popularity in all opinion polls throughout the first six months of 2004 express this reality. Unforeseen elements will certainly occur but the Lula government's fundamental nature is already clear. The main thrust of its action has been established; its social commitments, composition and leadership have been stabilized.

The Lula leadership also took a very active stand against the entire left. Relying on its history, on its links with a large layer of activists and social organizations but above all on the state apparatus, it seeks to legitimize its politics, integrate and control the PT and all the other parties, their parliamentarians, their majorities in the states and municipalities and democratic and popular organizations. It has expelled parliamentarians and disciplined

government rank-and-file groups. Participation in the federal government has proven a straitjacket imprisoning the left parties by committing them to neoliberal politics.

The Lula government is frozen by its strategic commitment to neoliberal politics and is rallying almost all the left parties of the left and part of the right in its defence. The most organized right-wing parties outside the government are waging a low-intensity fight against it and there is no independent left opposition with a great capacity for action. In the eyes of society, the left appears complicit in this. This is swiftly eroding the gains from three decades of struggles.

Over the past two years, the left has been taken up almost exclusively in a scenario: to create the conditions for Lula government to carry out its October 2002 electoral mandate to push for a thorough transformation of society. Until now, this perspective has occupied all of the left's strategic horizons. It has also led to a conflict in lines within the government taking priority over mass action. Its action has centred on defence of legislative governance. The idea is that "our left government" cannot be beaten while the right wing lies in wait, has been used as a bugbear to avoid all open confrontations with neoliberal policies that the Lula leadership has been carrying out almost thoroughly. Material and electoral interests weigh increasingly on the left leaderships, who have come to follow diplomatic rules rather than engage in frontal political opposition. Significant social movements and popular organizations become transmission belts for initiatives we would have called right wing before.

Nevertheless, in the face of the Lula government's incapacity to implement the programmes for which it was elected, and even to demonstrate the political desire to impose them, a profound crisis of left orientation has set in, accompanied by a subjective crisis among activists. There is frustration, confusion, perplexity and paralysis in anticipation of the government acting differently. There is also the opposite reaction of swiftly disposing of a burden that seems to have become too heavy.

On the basis of these experiences it has become necessary to regain a strategic course, a broader horizon which can draw us out of paralysis and affirm a left pole capable of affecting the relation of forces. This path is indicated by the group of PT parliamentarians which has overtly confronted the Lula government's neoliberal policies and which warrant broad, organized support among militants of the left parties. Today, only a left pole in Brazilian society can make a strong, visible difference in the PT left's opposition to the path taken by the government and the party. A left that, without any link to the government's political core, takes a stance against the PT's current orientation within social movements and public opinion. An internal opposition that, by harking back to the PT's own history, by laying claims to social struggle, popular self-organization, participatory democracy, internationalism, socialism and the struggle against neoliberalism, dialogues with struggles and resistance to policies which deepen the social crisis and erode socialist political and ideological identity.

We must rebuild a left pole actively present in society, by spotlighting the political divide existing in the PT and seeking to occupy the vast terrain left vacant by the Lula government's rightward course and the government core's attempts to rein in the party leadership. We must rid ourselves of political, ideological and material compromises which have led the left to take part in the federal administration, by publicly struggling for the PT and popular organizations to no longer act as government transmission belts and reaffirm their strategic engagement to the working class.

The majority of the PT left today is a governmental left. Over the past too years it has been very timid about defending its historic positions. Dissatisfied with Lula, but terrified by the idea of criticising him openly, it affirms that the problems come from Palocci's orientation. However, the latter is nothing but Lula's personal creation. Since he published his "Letter to the Brazilian people" in June 2002, the left has simply bided its time, waiting for changes in Lula's positions. However if any changes occur, they will not come about through court intrigues, but by political and social confrontations, from public debates, from crises in which the left must play an active role. The worst defeats

are those that occur without a struggle, compounding discouragement. Until now the PT left has not defied the Lula leadership at the grassroots of the party and in the democratic and political movement. We should organize this type of confrontation inside the PT. Whatever the outcome, only such a confrontation can overcome the obstacles on our strategic horizon.

The current crisis of the left is strategic, but also ideological - the result of spreading a discourse which disarms it and makes it difficult for it to take initiatives. There is a widespread view that there are no alternatives. All movements seeking a new voice are sidelined, even by the governmental left, as too restricted and self-proclamatory. Because the PT does not depend upon the vigorous mass movements as it did when it was taking shape - as if history could repeat itself. In addition, this paralysis has a cyclic component: Brazilian political time is strongly conditioned by institutional dynamics and the electoral calendar. At this moment, even the most radical left has interests among the candidates standing for PT in the 3 October municipal elections. The scene for the conflict will only be fully defined at that time.

There is obviously no easy way out of this crisis of the Brazilian left. But its structural situation is not as grave as this paralysed governmental left could lead us to believe. At the end, the accumulation in terms of organization, consciousness and socialist experiences in Brazil over the past 25 years is of great importance to the world. Our society has undergone an important democratization process. It is unfinished and contradictory, but it swims against the international picture in the 1980s and ~1990s. It is unprecedented in our country's history. Today, there is a vast web of associations and an array of instruments few countries have access to.

By openly raising a discussion of its dilemmas and by building closer links between all those who resist neoliberal policies, the Brazilian socialist left or at least significant part of it can, thanks to a far-reaching debate, undertake a collective process of building an alternative to the impasse it now faces.

The trap of governmental ideology

The first thing that we should do in this discussion is to define the terms in which the debates must be framed. Without doing this, we cannot understand that what is happening and propose another horizon for political action.

The discussion on the situation of the Brazilian left is currently paralysed by the ways things are presented, preventing any real debates. These are ideological traps accepted as natural, affirmations presented as "truths" but that are only part of reality or just one aspect of it, deforming how the situation is viewed as well as possible alternatives. These affirmations are ideological filters, which condition what we perceive and what we exclude from our field of vision. Limiting the scope of what seems to be common sense is a precondition for analysis of the overall picture in which we find ourselves.

One commonly hears five pseudo-assertions in PT left circles; these are worth discussing here:

• the defeat of the Lula government is a defeat for all the historic Brazilian left.

• there is a conflict in orientations within the government itself;

• the government has done good work and will do more as time goes by;

• conflicts within the PT are inseparable from conflicts about the orientation of the Lula government.

â€¢ The Lula government is the outcome of two decades of gains by the PT and the left.

There is an affirmation, which does not warrant debate here, frequently heard alongside the above ones, that “there is no alternative to current economic policies”. This is merely a slavish application of neoliberal ideology, known the English speaking countries as TINA - there is no alternative. These affirmations and others that relativize the current orientation's neoliberal nature, will not withstand the slightest analysis. Not only are they contrary to the PT's reason for being, they also contradict the broadly shared outlook among progressive Brazilian economists, even the most moderate. There are countless analyses by left economists discussing this topic.

In fact, such an acceptance of the premises of this specific discussion - “there is no alternative to what we are doing now” is the ideological effect of changes that certain layers of the militants of the PT have experienced in the last ten years, and more particularly since the PT came to power. This is not an expression of political disagreements, but a discussion of the social roots of bureaucratization, the processes of co-option by the bourgeois state, the social ascent of parts of the left, etc. They only confirm that in the absence of a critical understanding of reality, social position determines consciousness. A turnabout in the outlooks in these sectors, should it ever occur, will not result from debates alone, but could result from traumatising experiences, crises or major political shocks.

“The defeat of the Lula government is the historic defeat of the entire Brazilian left”

Lula came to power through the capital accumulated in thirty years of struggles, resistance and expectations of changes, as an expression of all the sectors of the left. What his government has done or will do will affect the entire left. However, many more details are needed for this affirmation to no longer justify passivity and become an objective analysis:

1. The biggest defeat, which explains the government's current course, had taken place gradually before the 2002 elections, sometimes imperceptibly. It involves the abandonment of the leftist political project formulated by the PT throughout the 1980s by Lula and his group, for more and more centrist policies seeking to reconcile all contradictory class interests in the Brazilian society. Hence, much of the defeat occurred before the current government was formed, even if it did not become clearly visible until it took office. The government's actions provided offered a practical confirmation of the political and ideological changes in the leadership . Hence, this time lag was decisive in the overestimation of the government's possibilities among a large part of the left, which went to such efforts to take part in it.

2. The Lula government's failure to promote significant transformations is thus a defeat brought about by the leadership core of the government and the PT, starting out with Lula himself. The left has little say in what takes place in a closed circle of decision-makers and had to accept the decisions imposed, on pain of removal from the government. What the left can and must do, is to clearly voice its vehement and systematic opposition to the processes in course throughout society. A group of federal MPs has done this systematically since the social security reform, precisely those who have been recently punished by the PT national executive.

3. What constitutes a defeat for the socialist left, the failure to apply the PT programme and the break from its social base, is not a defeat for the party's current majority. These days the criteria for evaluating defeats and victories has become , has become almost exclusively the perspective of re-election, whatever the basis of this may be. The group around Lula endeavours to implement conditions yet more remote from its original characteristics for the 3 October municipal elections, stepping up its abandonment of any prospect of popular reforms. Moreover, it tends to radicalize this prospect for its 2006 re-election bid.

4. The Lula government has consolidated its orientation and has become the principal agent of bourgeois politics in

Brazil. It has considerably deepened the social crisis inherited from the previous government. The new political staff which has taken charge of the central state apparatus (including the right and left wing leaders making up Lula's core) is carrying out the same regressive economic policies as Fernando Henrique Cardoso's government. The difference lies in the sectoral policies seeking to increase the State's role in some domains (which has a very limited marginal action on the economic policies) and in the stress on national sovereignty (in so far as possible within a neoliberal framework). The traditional PSDB and PFL right wing shore up politics by intelligent action; seeking to thwart anything which escapes this line of action and capitalize on PT's scuttling of its social change project. This lends credence to the idea that all politicians are the same, except that certain are more effective than others. It does this through rightist opposition to the centrist government in the absence of a significant left opposition.

5. There can be defeats and the small victories within a major defeat. We must work so that abandonment of the leftist positions by the majority of the PT and of the Lula government profiting a neolocal centre is not the historic defeat of the entire Brazilian left.

A comparison can make this clearer. When the Italian communist leadership abandoned its remaining left perspectives, a sector was able to take action to maintain a left presence via the Communist Refoundation project . Founding PRC later allowed for stabilization at a level much lower than what had existed, but with a significant political revitalization in the local collectivities and links with the social movements against neoliberalism

The same thing can happen in reaction to the government's abandonment of left positions. A balance sheet has yet to be drawn up in the PT's case, as no decisive confrontation has yet taken place. Whether this conservative yoke will or won't drag along the entire left depends on the stands taken up facing the government and confrontations that will occur within the PT. To resist it, bonds with the active social movements must be strengthened. It also requires continued support by part of the left's social base. Those are victories for which we must struggle in the current course of events.

"There is a clash of orientations within the government itself"

Since the government's debut, a debate is going on about the existence of a clash inside the core of its political leadership. This debate is between, on the one hand, Palocci and Gunishken with clearly neoliberal policies, and José Dirceu- tending more to the left. In the eyes of some, Dirceu represents a PT left sector. To others, he would represent a developmentalist sector, or merely a pragmatic one, accepting the neoliberal economic course as something imposed by circumstances, waiting for the right moment to change it. However, political heterogeneity and turf wars are found among in all governments, without modifying their nature. What matters is knowing what policies and within which configuration the conflicts play themselves out.

To be significant for the left, the clash would have to involve Dirceu (and all that he is supposed to represent) who clearly put forth a break with neoliberalism as the general framework for the government's policies, and to apply the programme the PT voted in December 2001. The crucial point would be the struggle to replace neoliberal team in charge of the economy, above all Palocci and Meirelles. It is clear that this policy has no chance of success without a broad popular mobilization for change, including the active support of those sections of government

But no trace of such an objective can be seen in this leadership, just grumbling in the wings. That section of the government has accepted the framework of implementing neoliberal policy. Certain initiatives attempt to introduce developmentalist elements within that outlook, to strengthen the internal market, national capitalist sectors and state regulatory powers (for example, of BNDES, or of the Ministry of Mines and Energy). But those initiatives do not change the Lula government's nature; moreover they do call the general economic policy course into question. In fact, Dirceu's position has only weakened since the start of the government.

The ongoing policies are cumulative. The more they are implemented, the more they condition the future. Palocci has become the symbol of implementation of agreements with finance capital, and all future changes, either important or minor, must take place while he remains in his seat. Thus, the actual conflicts within the government, which is reduced to the leeway other capitalist sectors in the interest of finance capital, don't depend on the actions of socialist sections present in the government. That conflict, which already existed in the previous government, is located within the field of bourgeois alternatives and will have little effect on the decisions that the left must take in order to hold a consistent socialist position.

"The government has done good work and will do more as time goes by"

All governments wish to implement policies the population views favourably, to ensure their own electoral comeback. Today the popular aspirations are clear for the majority of Brazilians. During the 2002 campaign, these aspirations resulted in a broad convergence among the speeches given by Lula, Serra, Ciro and Garotinho. However, the popular will must achieve some actual impact beyond speeches. It represents commitments towards class interests, concrete projects for change and the capacity to resist pressure from hegemonic capitalist interests.

PTs arrival in the federal government brought thousands of devoted and sincere political cadres to Brasilia and to federal agencies. They worked hard in order to do things differently. Certain ministers have a leftist orientation and during specific initiatives, they manage to express their political commitments. But in the government, ideas, desire and personal qualities do not carry much weight without political articulation and without resources. Generally speaking, in the Brazilian federal government today, there is an almost utter reliance on sectoral policies in terms of economic policies. The sectoral policies affecting the life of the majority of the population presuppose a centralized articulation of the state policies and the financial resources, which arbitrate among the fundamental interests of the society. That synthesis defines the overall nature of a government.

Some sections of the federal government manage to implement popular policies in situations where they don't prove too costly and/or can function within a developmentalist project (for example the family farm, rural electrification etc). Such progress, like other forms, is not only the outcome of popular pressure but also to the existence of a developmentalist section of the state bureaucracy. This section manages to ensure its presence in the government and tries to tone down the neolocal fundamentalism of Lula's economic team, by defending national interests. Its criterion is not class-based, but national, and a nation, in so far as it exists, goes through social or class contradictions (the very ones defining a socialist left). However, such initiatives carry little weight in the class relationships of the entire society, those that modify the relationship among social forces and characterize the strategic conquests of the left. That is the territory where the Lula government is undermining the victories of the left, rather than reinforcing them.

In the social ministries or in the field of infrastructure (except for those areas depending on private partnerships), in view of the most desperate demands and growing dilapidation due to lack of upkeep, there is an enormous need for resources. They are drained off by the generation a primary surplus and by transfers to the financial sector. The grave social situation demands a wave of sustained economic growth, which presupposes a rupture with external vulnerability. It also calls for the policies to fight inflation by means of interest rates. In the current model, no social or infrastructural field can do any more than block the trends towards degradation.

Moreover, two additional factors darken the picture further. The federal state machinery and its procedures are qualitatively more complex than their counterparts at the municipal or state level. It was built and rebuilt, from top to bottom, to implement policies counter to those we stand for, and to make policies such as ours impossible. As countless central government experiences have already shown, the left tends to become a prisoner of the machine. But there are worse prospects still. Even if the necessary resources could be brought together within a specific field, the way Lula's team has been acting is becoming evident. the political will and the time required for bringing in

necessary changes could totally consume the full four years of the term. The government is subject to the Finance Ministry's orders.

Evaluating what is to be found in the Lula government, there is no objective basis to suppose that he is sowing the seeds that will later mean a growth in his popular face.

The clashes within PT are inseparable from the clashes about the Lula government's orientations

Based on its analysis of the Lula government's nature and significance, the PT left entered in highly visible federal government positions, with great haste. Its calculation proved false. However, it doesn't seem inclined to reconsider its participation in the government, arguing that the clashes inside PT are inseparable from those regarding the Lula government. In practice, the debates on PT, its history and its legitimacy and the clash of orientations deep inside the government are seen as one and the same, though the latter no longer bear any relation to a socialist perspective.

It is relatively common for sectors of the left debating within leftwing or social-democratic parties throughout the world to refuse to take part in government and placed themselves in the opposition within their own parties. This highlights their refusal to feel bound by the government leader's actions, going as far as nay votes and fighting for changes. A recent example is the important Labour party opposition to Tony Blair. That wing quit the government due to the Iraq war, but remained in the Labour party.

The logic of party and the logic of government are two different things. The government has a hierarchical power structure, based on implementing policies from above. The government follows a vertical chain of commands and failure to carry out orders from the top leads to sanctioning of officials or the resignation of political authorities. We are against that concept and we defend the democratization of public governance, the participatory budget etc. But the Lula government has reproduced the most traditional concepts of public governance. The fact remains that the logic of a political party, even bureaucratized, is different. A party is founded on its voluntary adherence to the defence of a political programme. There is more margin for discussion and the time frame in which a leadership policy becomes imperative for all is far longer.

But up until now, a major section of the left hasn't seriously taken that distinction into account, and has refused to discuss an exit from the Lula government, even hypothetically, while continuing the debate within the PT. The difficulty we face in discussing that question is due to some weighty factors, very different according to each sector. These factors include - a tradition of state participation which progressively took shape in the municipalities and the local communities in the 1990s, when that type of problem did not exist; the political impact which such a decision could have on leftwing municipal candidates, if it was taken now; the fear of sectarianism and isolation; the lack of clarification about what is strategically at stake and the virulence of the conflict necessary. In some areas, there is a certain habit of taking part in political dealings. Finally, for some people, they may have a stake in neoliberal policies have abandoned their leftwing stance.

We cannot modify the positions of power as strongly established as the as the Lula governments' are, , without clearly raising the level of political confrontation. In view of the consolidation and clarification of the choices made by Lula and his team, when the left must take a far stronger stand, set itself apart and build the public expression of a leftwing criticism of the government, then it will be a logical and necessary step to stop participating in the government. Leaving the government will only strengthen this critique alongside the social sectors calling for change, by showing their coherence. If we remain in the government, legitimising it and denying the political positions which define our existence as socialists will lead the PT left to change its nature, as is usually the case when Brazilian parties reach the central government.

The Lula government is the outcome of two decades of gains of the PT and the left

The Lula government highlights the problems accumulated during the formative process of the PT. But the electoral campaign had already shown a quantum leap in the break by Lula and his group, from what can be termed the gains and the political culture of the PT: alliances with conservative sectors, commitments towards major finance capital, Duda Mendonca's campaign leadership, growing distance from the party's decision-making bodies, etc. Since that time Lula and his group have stepped up their effort to disown their leftist background, actively trying to do away with such references in the PT, the movements and Brazilian society.

However, the political lessons learnt by the Brazilian left go beyond the Lula government. They include an intense mass mobilization in the struggle for changes, generating a significant proportion of anti-neoliberalism activists, experiences in participatory democracy and social control over public governance such as the participatory budget, co-operative activities and exemplary experiments, the World Social Forum etc.

One cannot hold the entire Brazilian left responsible for what has happened today. This actually takes us back to a major political sociology problem: the degree of autonomy acquired by a leadership when it isn't integrated into the political culture of self-organization and direct democracy, and/or integrated into the circumstances of a strong mass mobilization.

The most important political consequence we can learn from the government's course of action should in fact be examined from the opposite direction. One cannot sum up the accumulation of strength, organization and consciousness brought about by the left in Brazil in terms of the representativity and legitimacy of Lula and his team. We have a vast interrelated canvas: a society qualitatively more politicized, and hundreds of thousands of social activists able to provide a base for resisting the ongoing political swing and restructuring an alternative of left.

The roots of adherence to neoliberal policies

Once the ideological blinders preventing a part of the PT left from understanding the entire reality have been removed, we can more objectively analyse, not only the current overall situation but also the underlying tendencies at work well before the 2002 elections.

In this text we cannot provide an exhaustive analysis of the conditions that drove the Lula government to follow a course so alienated from those previously debated within the Brazilian left. That demands a discussion on the blind alleys of socialist projects in the current world, and the way the PT has slowly distanced itself from the richest and the most mobilizing experiences the left has lived through in the last 10 years. These tend not to prioritize the conquest of power within the bourgeois state, but an independent organization of social movements and their capacity to struggle; not towards restoring national development, but militant internationalism via concrete campaigns, not towards an accent on political organization based on discipline and respect for rigid hierarchies, but the effectiveness of self-organization and horizontal participatory democracy. Such debates that, for example, lay the groundwork for the World Social Forum, will lead us towards broader discussions on the programmatic base of the socialist left for the 21st century. It is an important discussion, but distinct from the practical impasses the PT left is currently experiencing.

Here we wish to point out some fundamental problems in the workings of PT and the Lula government. That can enable us to sketch the most likely situation in the second half of the presidential term and the strategic options socialists must consider.

PT in the 90s: from democratic socialism to bureaucratic centralism

Pragmatism, electioneering, clientelist practices, critical integration into the State apparatus, strangulation of party

democracy, compromising alliances with rightist parties, embezzlement of public money in municipal and state executives were problems already building up inside the PT - especially after the 1994 presidential election defeat. The experiences in radicalising direct democracy-such as the participatory budget, radical inversion of priorities, transparency in the handling of public money, etc - failed to set the tone for the majority of PT municipal and state executives. Therefore, with the Lula government we faced problems already existing inside the party and in the political culture of the Brazilian left.

In the 1990s we had debated whether the PT, formed before the fall of the Berlin wall and the collapse of the Soviet Union, would be the last leftist experiment of the 20th century, with a horizon of national and international political action. Or would it be the first political formation of the 21st century left, able to understand and confront the rising power that globalized finance had snatched from state institutions during those decades of neoliberalism? Today the answer is clear: the political action of the PT, focused almost exclusively on the electoral conquest of power, is the heritage of a left with a limited vision. It is very different from the outlook of the political generation formed in the most recent wave of struggles within the global movement- a wave born in a social fabric already transformed by neoliberalism.

It appears that the PT has learnt little, as collective experience, from the new struggles and forms of internationalist organizations that have emerged in the 2nd half of the 1990s - from the Zapatistas to the World Social Forum, from struggles against the financial agencies administering neoliberalism to the -international antiwar protests. In Brazil, despite the MST's actions and major campaigns against the FTAA or the external debt, the party activity has not stopped moving away from movements and social struggles, with a view to becoming increasingly electoral.

These problems were aggravated by the bureaucratic counter-reform of the party machinery at the close of the 1990s, consolidating the transformation of PT in a big electoral machine. Changes in the statutes produced a party far easier for the leadership to control: a process sometimes under-estimated by the PT left. On one hand, the membership process has become more clientelist, with the leadership relying on municipalities or states. The PT didn't just become a transmission belt of local powers, with the conquest of the central government. In numerous municipalities the groups in power undertake procedures in increasing their strength and in controlling a party bureaucracy. That process is pretty old. On the other hand, the mechanisms of party discipline, particularly for parliamentarians, which had been a guarantee of democracy throughout PT's earlier construction period, now serve the opposite purpose. They have become control mechanisms and a way of reining in opponents. Thus, the power of the group around Lula to control party decisions has grown during the past 10 years.

However, the perception of the cumulative effects of these changes on political culture, on the socialist ideology and its relationship with social struggles, has had a very unequal effect among the activists. These factors have been obscured further by the inertia of day-to-day action and the hope for a change. Even the activists, who are most aware of the problems, haven't lost their enthusiasm for the government's conquests and the possibilities that it theoretically offers.

Desire for change and the relative fragility of mass mobilization

Since the end of the 1980s, when mass movements were at their peak in Brazil, neoliberal policies have utterly restructured not only the economy, but also the whole gamut of relationships among the different classes in the Brazilian society. The most shocking consequence the relative loss of the relative weight of the industrial proletariat among all Brazilian wage earners. This qualitatively reduced the role of Brazilian trade unionism in the 1990s. The movements that did resist faced severe repression: the MST's case was the most blatant. In the meantime, the 1990s witnessed the growing PT presence governing municipalities and states, and in Parliament. This institutionalisation did not diminish the popular desire for change, but channelled energies towards the electoral process, without being counterbalanced by mass mobilizations or popular participation, except for some participatory

budget experiences. The cumulative effects of ideological regression weighed heavily during the period.

Once the social and political picture in Brazil became critical as a result of neoliberal policies after 1999, people's hopes for a change were clearly directed to PT. But all this was happening within a correlation of global forces qualitatively more unfavourable than the end-80s, largely because the level of social movement activities was far lower.

A strong argument in favour of Lula team's joining the government is that it was now necessary to establish a dialogue with the social struggles and to propel social movements resisting neoliberalism. But the imbalance between the two sides was too strong and the government's core team of policy makers exerted too much control over government action. Without qualitatively stronger social organizations, more conscious of their own interests, a priority on government action tends to take the form of co-optation.

Erosion in Lula leadership's commitments towards the class

Lula and his group emerged from the mass mobilizations fighting the military regime at the end of the 70s and 80s and from the process of reconciling the elite class during the transition towards a liberal democracy from 1984 to 1989. The high point of that process was the 1989 presidential election. But since the defeat to Collor, we have also witnessed a process of growing autonomy of the group around Lula, and Lula himself, with respect to the working class. No longer presenting themselves as part of the workers' movement, but as their representatives, this group placed themselves above the working class, controlling the PT and the CUT - organizations formed during the wave of struggles of the 1970s and 80s.

During the 1994 and 1998 presidential election campaigns, the Lula leadership gradually became quite autonomous with relation to the PT structures (which became more and more submissive to the Lula team) and sought to present itself as the spokesperson of the entire Brazilian society. But it was not successful then, as Fernando Henrique looked like a more reliable political alternative for the ruling classes.

In the last period, due to the depth of the crisis, the finance capital sector seemed to be quite sensitive to pacts proposed by Lula. During the electoral campaign, for the first time a significant compromise was struck with the industrial bourgeoisie, by means of José de Alencar. Afterwards when Meirelles, Boston Bank's onetime global president was chosen for the Central Bank, another compromise was reached -this time with the financial sector of the bourgeoisie. The core economic policy leadership was entrusted in a team continuing Malan's policies. The fundamental class compromise made by Lula and his group was, without the shadow of a doubt, with the financial bourgeoisie.

This is also reflected in the government's choice of its negotiators. These did centre on popular sectors within the government, but, beyond finance capital, with developmentist sectors what have succeeded in organizing to fill positions in this administration, by developing an active role in defence of national interests in certain sectors, such as external policy or BNDES administration. The progressive elements of the government's policy were sector-based initiatives achieved within a general neoliberal course of action. The political pressure around the agrarian reform has made the latter an atypical element, but it doesn't modify the general context of government policies imposed by the leadership team.

International integration and geo-political contexts

The international context of the 2002 election facilitated the pact ratifying the nature of Lula's government. The instability caused by the Chavez government, the huge Argentinean crisis and 2001 uprising, the situation in Bolivia,

Peru and Ecuador are all elements helping us understand why the US and European imperialist bourgeoisies were unable to reject a proposed pact with Lula, guaranteeing that if he was elected and respected all their terms, his government would be supported. That gamble, from big capital's standpoint, has paid off. The regional crisis has temporarily been held in check, and to the despair of the international left, international financiers' agencies have presented Lula as a model for the entire world.

Thus, seen from outside, events in Brazil under Lula's government, appears to be a key strategic initiative to re-establish stability in a region deeply shaken by 1990s neoliberal policies and presently experiencing a period of latent rebellion.

That geo-political context does not merely signify an opposition between the interior and the exterior. Since the early 1990s, finance capital has clearly hegemonized the bloc in power and it is at once national and international. The Brazilian banks hold a substantial amount of the public debt. Brazilian people's money is buying public debt bonds abroad and the bondholders are growing fat on that financial cheese, inside and outside the country. The difference between Lula's and Kirchner's economic policies lies in the commitment to defend such interests.

On the other hand, a more autonomous Brazilian foreign policy, a section of Itamaraty always defended since the 1970s and combated during the government of Fernando Henrique, has gained strength. This is largely due to the deepening inter-imperialist contradictions between the United States and Europe, in particular since the Iraq War, after Lula came to power. The breakdown of negotiations at Cancun resulted from the occupation of this space, in which other powerful countries of the periphery also gained. This included far-right governments, such as the Indian government at the time. But the policy of acting as a regional sub-power, already exerted by the military dictatorship, does not alter anything about the regressive nature of the government's internal policies. It was impossible to negotiate the FTAA during the US presidential elections; now, the free trade pact between Mercosur and the EU is taking over from it.

Two political currents of the PT left facing the Lula government

Going back in time, Lula appears to have assumed power with a commitment to very rapidly foot the bill for finance capital's support. This meant maintaining IMF agreements (including a high primary budget surplus and inflation control objectives based on extremely high interest rates), social security reform, tax reform, Central Bank autonomy, continued FTAA negotiations. A part of these commitments has crumbled, losing its urgency or eaten away in course of negotiations among capital sectors. But the fundamental course of the previous economic policy has been maintained as an overall government policy commitment.

However, social security reform immediately signalled these government commitments. Although this reform was interpreted differently by different sections of the left, according to the degree of their varied relationships with the government, it appears to have been a decisive moment when the relationships of power among the government, the party and parliamentary groups took shape. The leftists were divided, and prepared to negotiate even the issues closest to their hearts. From the standpoint of the governmental core, the reform gave a signal that the left could be contained. Of course, the left saw matters otherwise - "the government was debating issues and it would not have been prudent to precipitate the rhythms of confrontation at such an unfavourable time". But even a cursory look at this strictly in terms of power relations seems to prove the government's calculation far more accurate than the left's.

The expulsion of Senator Heloisa Helena and three MPs is the logical outcome of this policy, since, unlike a good many others on the left, refused any compromise with the policies the government core was carrying out. Their expulsion has not stirred an organized opposition among the governmental left and remaining tensions were channelled towards safe territories, such as PT leadership bodies where ritual verbal protests hardly sullied the government's public image. When, early in 2004 a criticism of Palocci's economic policy was sketched out at the

National Executive, in light of the deteriorating social situation, a majority hurriedly regrouped, on the same wavelength as Planalto and muzzled the dissidents.

These 18 months of Lula's administration have left deep marks in party processes, revealing different attitudes in practice with respect to government actions. On the parliamentary level, the most visible in society, we can clearly observe two distinct lines. On the one hand, the majority of the PT left has chosen to avoid confrontations, to maintain its government participation, and to concentrate on the municipal electoral debate. The formation of this governmental left has created tensions among all the currents, in so far as support to Lula - which could be justified at the outset as a tactical initiative - has tended after his political orientation was consolidated to undermine the political bases of these group's very existence. This is a generalized process, affecting almost all the left tendencies of the PT (and the PCB) and has led to a deep crisis of political identity. It is probable that a part of this left will be definitively assimilated by the Lula leadership, while another could opt for a more critical stance after the electoral process.

On the other hand the resistance that has emerged within the PT, against the party's submission to the government, is principally the public stand taken by a group of federal deputies inside PT. Since their abstention from the vote on social security reform, they haven't stopped taking high-profile critical stands whenever the government takes neoliberal initiatives. They are called the Group of Eight: Walter Pinheiro, João Alfredo, Orlando Fantazini, Chico Alencar, Ivan Valente, Maninha, Mauro Passos and Paulo Rubens. They also rallied Dr Clair's support during the minimum salary vote. This group has become a reference point for PT left activists, dissatisfied with the submissive attitude to the government prevailing in all currents. There are also other localized initiatives of resistance, in the PCB and particularly in the sectors linked with progressive churches. But they haven't yet managed to create a visible national impact, and weigh little in the dynamics of the overall situation. Right now, the social movements' and mass organization's actions are not interacting much with the debates launched by the socialist left. Hence, the key question now is how to overcome dispersion and succeed in organizing all levels of resistance.

The ideological clash between these two political currents within the PT will determine the Brazilian left's future: its absorption into social-liberalism, or the restoration of its capacity for political action and its political and programmatic revitalization.

The significance of the formation of PSOL

Today the fundamental debate of the Brazilian left can be found within the PT. This is a conflict on a harsh terrain, within a more and more vertical party, led from within the government. However, the debate inside the PT means a debate among a broad stratum of activists and social arenas that have built their frame of references in the party, and not the presentation of projects voted on in certain bureaucratized decision-making bodies subjected to governmental power. The PT debate is a fight for the legacy of the legitimacy of more than 20 years of mass struggles in Brazil, and cannot be given up without resistance. But this debate cannot ignore current reality.

To the extent that Lula's government goes further in applying neoliberal policies, the political and ideological fragmentation of the democratic and mass movements of Brazil, latent in the 1990s, will take on a new quality. At the bottom of it, there's a sociological factor: each sector of the society takes stock of its situations at different moments, according to the experiences it lives by. For example, since the reform of the social security, there has been a rupture between the Lula government and an important section of its officials. And there are highly differentiated ongoing experiences among ecological activists, human rights activists, those concerned with indigenous questions, agrarian reform, leftwing intellectuals and those waging struggles over health, education etc. In certain organized sectors, Lula has found a high level of support, but little in other sectors. With others still, the break is already considerable. The rhythms of each sector are distinct and this tends to lead to differentiations in political positions at every given time.

What is occurring in the social field has also begun in the political field, with the expulsion of Heloisa Helena and the three MPs who refused to make any concessions in their criticism of the neolocal turn by Lula and his current. But what Lula and his followers expected from her was not discipline vis-à-vis party resolutions, but obedience to the leadership, which cavalierly ignored the decisions taken in PT's last Meeting. Their expulsion on 14 December 2003 was an authoritarian decision by the PT majority, intended to make the party's left sectors toe the line. And the legitimacy this decision laid claim to catalysed the discontent of other militant left sections. As a result, PSOL (Socialism and Liberty Party) was founded on 5 June 2004.

Obviously, in the current conditions, PSOL is not a strategic left alternative to the PT. But its founding must be analysed in the context of the expulsion, the unequal process of experiences among the different sectors of the movement and the left with respect to the Lula government and the PT left's different responses to this challenge. PSOL is a point of convergence for sectors that have already concluded that the PT was no longer a driving force and there was no point in debating within the party. Other political steps are also ongoing. The most important of these, based on a sector of the progressive church, is the organization of non-party socialist core groups. None of these steps should be discounted. All of them, with their merits and limitations, are seeking to oppose the current government's rightist policies. As long as the Lula government persists in its current course, these initiatives will grow in number. In truth, the process of breaks within the Brazilian left has already begun.

The key question in terms of building an alternative is whether the PT left, the majority of which is kept in check by the Lula government, will be able to present an alternative that can polarize opposition, and able to enable "a left" to regain its voice and struggle openly for its positions within Brazilian society. . We are passing through a transitory phase. A larger political recomposition is bound to happen . If the government keeps on its current course, it will tend to be swifter.

Against this backdrop of uncertainty, we must build positive links to all different and unequal initiatives that oppose neoliberalism from the left, whether or not we agree with them. We should always keep in mind the methods behind the founding of the PT (and the CUT) and seek convergence to strengthen movements resisting neoliberalism, in campaigns and practical initiatives, whether these are social, political or ideological. It is strategic, for the Brazilian socialist left, to maintain a broad, open unified perspective. Sectarianism is not a sign of strength, but of weakness.

It's true that today there isn't yet an alternative leftist force, able to polarize Brazilian society. But we must work so that everyone can and must be a part of this alternative. In this respect, it is important to fight all attempts by a section of the governmental left to create a security belt to isolate PSOL. These attempts have also stigmatized the socialist left opposing the government within the PT.

The basic process of debates on orientation must occur within the PT, especially after the October 2004 elections. And it is fundamental that this process brings about a positive relation with all initiatives fighting neoliberalism, including the PSOL. We defend their democratic right to legal registration, with socialist core groups and in all coming projects. If not, we could well experience the process of political dispersion so common among the Latin American left.

A new path for the PT left

The evolution of Brazil's political situation is conditioned by the developments in the international and national economic context, by mass protests against the aggravation of the social crisis (especially the behaviour of democratic and mass movements) and by the outcome of municipal elections. Faced with the cumulative effects of the crisis and governmental paralysis, support for Lula is in decline. Dissatisfaction, which had been latent until now, has become visible. Certain sectors of the people, though these remain in the minority, are taking their distances from the government. In all probability, these expressions of discontent will grow in number, especially among the

most politicised sectors of the broad democratic and popular arena. Even a small growth in Brazil's economy, which would have some repercussions on the results of the October elections, will not significantly reduce unemployment and will tend to reinforce the current political trend.

Expressions of this process will accelerate after the municipal elections. But a political debate must be waged with the majority of the PT leadership, on the issue of deadlines for internal party discussions. The prospect of orientation discussions cannot be indefinitely postponed, like a blank cheque we are handing over to Lula's leadership core. Recently, it once again postponed the process of renewing PT leadership bodies from the first to the second half of 2005 and further postponements are unacceptable. However, the electoral legislation sets timeframes for changes party affiliations. This means political alliances for the October 2006 (practically) general elections, including positions on Lula's re-election, must be made before 3rd October 2005. The party's political debate must take place immediately after this year's municipal elections, otherwise there will never be a real debate among different positions.

With such a horizon for action, the PT socialist left must speed up the process of unity to conduct a broad debate in the party about the balance sheet of the Lula government and its economic policies. Even if control by the party machine creates a framework counter to this we must organize a struggle within the party in order to reverse the government's course. In this debate, the largest possible bloc of forces must approach PT members. Discussions must take place within all leadership bodies, in which the socialist left defends the party's historic platform and the need for it to take the form of government policy.

It also entails a practical conflict on issues on the forthcoming political and parliamentary agenda, following the activities organized by the group of MPs from the PT left. In the present relationship of powers, they have to systematically confront the tactical problems of voting, such as the ones faced in the case of minimum salary. But the general significance of their action indicates to all movements that neolocal projects are facing leftist resistance and can eventually be beaten. Today it seems clear that in different forthcoming situations struggles must be waged to defeat government neoliberal initiatives. That will not strengthen the right, but the left. This is the only condition under which the left can once again become a protagonist in the national political arena.

Organizing a debate on the government's actions so far and on its policies in the post-election period will certainly be the most decisive battle in the entire history of the party. For that we must seek to assemble the entire PT left, even if certain sections refuse that proposal. In the present context, there isn't a single PT current sufficiently homogeneous to prevent even a small number of its activists from becoming receptive to such a proposal. Hypothetically speaking, it's reasonable to think that the 2005 World Social Forum will provide an opportunity for meetings and collective debates.

While preparing for this debate, the PT socialist left can share some common outlooks:

- 1) foster all forms of social mobilization and resistance to neoliberal policies, starting from the changes in economic policies brought about by Palocci down to the campaign against free trade, from the mobilizations for the agrarian reforms to the fight against unemployment. The left should try to translate those discussions into campaigns for municipal elections and reinforce the role of those leftist parliamentarians who had played significant roles in the fight against such policies. The left should also try to develop a broader and more unified perspective with all the sections of mass movements and leftist groups involved into the struggle.

- 2) Raise the standard of discussions within the PT and the movement; by building closer ties with the entirety of the "PT left", intellectuals and civil society initiatives; by extending the debate to the left's entire social base ;by concentrating attacks on the neolocal core in the government and the party ; and by staking out a left political camp in full view of the entire Brazilian society.

- 3) Make transparent the political differences within the party and criticisms of the Lula government's orientations during the municipal election campaigns, in so far as this is compatible with the electoral process.

- 4) Call upon the sectors participating in the highest level of the administration to leave the government, so as to give more freedom of movement and criticism to the PT left.

- 5) Launch a broad debate about the balance sheet of Lula's administration among all democratic and mass movements, defending the need for mobilization and pressure for the government to adopt another overall orientation. For that reason, examine the possibility of convening another extraordinary meeting of the PT in the first trimester of 2005. This initiative can take different shapes, from a petition among party members, to many more debates on the balance sheet and perspectives of the Lula government, and discussion of alternatives.

- 6) Articulate initiatives for debate and convergence on such themes for the World Social Forum 2005, which is going to sum up confrontations, as well as define the forthcoming tactics.

- 7) Organize the greatest possible systematic and coherent support for parliamentarians criticizing the PT.

This means we must emerge from paralysis, make explicit the political fissures within the PT and affirm the leftist dissent within the party, its relationship to PT identity, its history and to social struggles and participatory democracy. This means standing for a socialist left pole, unrelentingly fighting neoliberal policies, and which, starting from the struggle at the interior of PT, occupies the huge territory left empty by the rightward-moving Lula government.