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**Brazil**

# Some facts and figures

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### **When the presidential electoral campaign opened, Brazil was on the verge of defaulting on the payment of its foreign debt.**

On August 7, 2002 the IMF announced the most significant bailout in its history, with 30.5 billion euros loaned to Brazil in two instalments: 6.1 billion immediately to allow Fernando Henrique Cardoso to finish his term, the rest to be paid in 2003, subject to the conditions of budgetary austerity that the IMF is demanding from the new president.

Brazil's public debt is gigantic. It rose from 128 to 288 billion dollars between 1992 and 2002 and accounted for 64% of GDP in September 2002. The fall in the value of the real (worth one dollar at the time of its creation in 1994, it is now worth only 0.2658 USD) and the revival of inflation (around 8% in 2002) are in part responsible. Brazilian growth is very weak (at best 1.2% in 2002). Interest rates are among the highest in the world in order to attract short-term speculative capital from abroad, which accentuates financial fragility.

Brazil is one of the most unequal countries in the world. 20% of the population accounts for 65% of the country's income and 1% of rural landowners own half the agricultural land. There are 4.5 million landless peasants. The 'informal' sector dominates: 55% of workers have no contract of employment.

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## **The political parties**

– PFL (Party of the Liberal Front) originated from ARENA, the former party of the military dictatorship which ruled from 1964 to 1985. It was the main supporter of the president Collor de Mello until his dismissal in 1992 for corruption. A right wing party with a base mainly in the north east of the country and the rural sectors, it was, with the PSDB, the principal point of support for president Fernando Henrique Cardoso (FHC) who became president in 1995.

– PSDB (Party of Brazilian Social Democracy) emerged from a split by the 'centre-left' sectors of the PMDB, with a project of unifying the sectors with a social democratic orientation (without any link with the trade union movement) and the social liberal sectors. In 1989 its leadership officially supported Lula in the second round of the presidential election, but in reality a number of its leaders supported Collor. Subsequently, its links with the international financial sectors were strengthened, and this was made explicit when one of its leaders, Fernando Henrique Cardoso (FHC), a sociologist of Marxist origin, became minister of finance in the government of Itamar Franco (Collor's successor) and oversaw the IMF's 'stabilization plan'. On this basis FHC became the sole candidate of the bourgeoisie against Lula in 1994 and was elected president, then re-elected in 1998.

– PMDB (Party of the Brazilian Democratic Movement) has its origins in the MDB, the legal opposition party during the military dictatorship. At the end of the dictatorship it was the main parliamentary party, but it has suffered an erosion in its support following corruption scandals involving its leaders. It supported FHC and was part of its government.

– PPB (Brazilian Progressive Party) was formed from a fusion of the Renovator Progressive Party and the Popular Party in 1994, represents the populist right. Its main leader, Paulo Maluf, was mayor of Sao Paulo. It did not participate in the coalition which brought FHC to power in 1995 but subsequently joined his coalition.

## Some facts and figures

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- PTB (Brazilian Labour Party), a right wing party which, despite its name, is not related to the PTB which existed before the military coup of 1964. Led by a banker, it supported FHC from 1994.
- PSD (Social Democratic Party), an old party of the right, absorbed by ARENA under the military dictatorship and since re-established. It supported FHC and has nothing in common with social democracy.
- PT (Workers' Party), founded in 1980, a mass workers' party, emerged from the fusion between trade union sectors radicalized in the struggles against the declining military dictatorship, radical Christian currents and sectors of the Marxist left (primarily Trotskyists). Its members helped found the CUT, the main trade union federation in Brazil. It includes revolutionary currents (like the Socialist Democracy tendency, which supports the Fourth International), radical left sectors and others who are drawn to a social liberal project. In the Federal Chamber, of the 91 deputies of the PT, 28 (more than 30%) supported left tendencies at the party Congress of 2001.
- PDT (Democratic Labour Party), heir of the pre-1964 PTB, affiliated to the Socialist International, populist centre-left, led by Leonel Brizola. Opposed FHC and neoliberalism in general, the PDT is now allied to the PT.
- PSB (Brazilian Socialist Party), a small party with a left social democratic profile, which supported Lula in 1989, 1994 and 1998. Its leader, Miguel Arraes, was one of the main left personalities before the dictatorship.
- PCdoB (Communist Party of Brazil), left wing, ex-Maoist, ex-pro Albanian. Gradually distancing itself from Stalinism. Participated in fronts supporting Lula in 1989, 1994, 1998 and 2002.
- PL (Liberal Party) an old party of the right, vaguely federalist. It participated in the alliance that led to Lula's election from the first round.
- PPS (Socialist Popular Party), originated from the former Communist Party, identifies with the Italian PDS. It supported Lula in 1994, but then adopted an ambiguous attitude towards the FHC government. Put forward Ciro Gomes as its candidate in 1998 and 2002.