

## Rewarding Lula: Executive Power, Social Policy, and the Brazilian Elections of 2006

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### ABSTRACT

This article analyzes Luiz Inácio da Silva's resounding reelection victory in the wake of corruption scandals implicating his party and government. Voters with lower levels of economic security and schooling played a critical role in returning Lula to the presidency. Least prone to punish the president for corruption, poorer Brazilians were also the most readily persuaded by the provision of material benefits. Minimum wage increases and the income transfer program *Bolsa Família* expanded the purchasing power of the poor. Thus, executive power and central state resources allowed Lula to consolidate a social base that had responded only weakly to his earlier, party-based strategy of grassroots mobilization for progressive macrosocietal change. Although Lula won handily, the PT's delegation to Congress shrank for the first time, and the voting bases of president and party diverged. The PT benefited far less than the president himself from government investment in social policy.

One year before the October 2006 presidential elections, Brazilian opinion polls showed incumbent Luiz Inácio Lula da Silva of the PT (*Partido dos Trabalhadores*, Workers' Party) losing by a significant margin to either José Serra or Geraldo Alckmin, potential challengers both from the PSDB (*Partido da Social Democracia Brasileira*). Yet Brazilian voters ultimately returned Lula to the presidency in a landslide vote. On October 29, 2006, in a runoff, some 61 percent of all valid votes went to Lula, compared to the 39 percent cast for his ultimate opponent, former São Paulo governor Alckmin. In this stunning performance, Lula gained more than 12 percentage points over his first-round showing on October 1.

Besides Alckmin, the contest featured two former PT politicians: Heloísa Helena, of the left-wing PSOL (*Partido Socialismo e Liberdade*), and Cristovam Buarque, who ran on the PDT ticket (*Partido Democrático Trabalhista*). The 2006 election marked the fourth successive presidential contest involving the PT and PSDB as the two frontrunners. Although the 2006 second-round vote margin of 61–39 is identical to that in the 2002 presidential runoff, the similarity of these aggregate figures masks crucial

Table 1. Presidential Election Results, 2006

Candidate	Party	First Round (October 1)		Runoff (October 29)	
		Votes	% Valid Vote	Votes	% Valid Vote
Lula da Silva	PT	46,662,365	48.61	58,295,042	60.83
Geraldo Alckmin	PSDB	39,968,396	41.64	37,543,178	39.17
Heloísa Helena	PSOL	6,575,393	6.85	—	—
Cristovam Buarque	PDT	2,535,844	2.64	—	—
Others	—	251,762	0.26	—	—
Valid votes		95,996,733	100.00	95,838,220	100.00
Eligible voters			125,900,000		
Voter turnout (%)			83.25		81.00

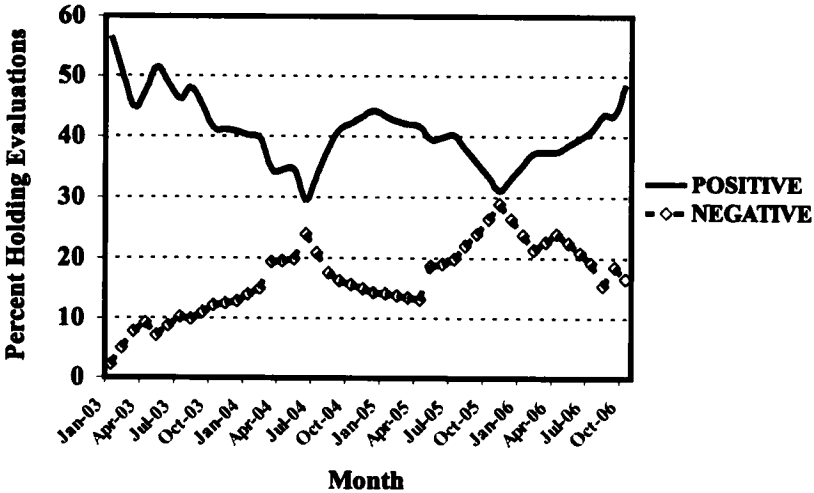
Notes: Blank and spoiled ballots are excluded from the table. Invalid votes totaled an additional 8.41% of total votes cast in the first round and 6.03% in the runoff.  
Source: TSE 2006.

differences in the support bases of the two parties between these two contests. Indeed, government-versus-opposition dynamics exerted a dramatic influence on the fate of both parties.

Focusing on the 2006 presidential election, this article analyzes why Brazilian voters—especially those in the lowest income and education brackets, and in the North and Northeast regions of the country—supported Lula in such a resounding fashion. It pays central attention to how voters of different socioeconomic and regional backgrounds reacted to the corruption scandals and the key economic and social policy developments that took place under the first Lula administration, 2003–6. In this vein, it explains why PSDB candidate Alckmin faced such an uphill battle to make inroads into President Lula's core support base. By analyzing the lower house elections, this article also seeks to shed light on how Brazilian voters evaluated the PT as a party. In this regard, it tries to explain why the popularity of Lula and his government did not translate into a higher vote share for the party's congressional delegation.

Several factors make Lula's emphatic victory especially remarkable. Most noteworthy is that it came in the wake of the series of corruption scandals that implicated the party, Lula's advisers, and nearly the president himself. Allegations of serious and systematic malfeasance first emerged in June 2005, centering on the monthly payments the government made to deputies from allied parties to secure their support in Congress (the so-called *mensalão*). Shortly thereafter, news broke of the *caixa dois* (second cash till), whereby PT mayors lined the party's cam-

Figure 1. Evaluation of Lula Government, January 2003–October 2006



Source: CNT/Sensus <[www.sensus.com.br](http://www.sensus.com.br)>

paign coffers with illegal revenues from bus companies and trash collection agencies contracted in their cities. Although it had gone on since about 1994, such a practice was especially unexpected from the PT, which had built a reputation for “clean government” during its two decades in political opposition.

Amid investigations over these and related charges, several historic PT figures who held important positions in the government (including presidential advisers José Dirceu and Luis Gushiken), the president of the party (José Genoino), and later Finance Minister Antônio Palocci all resigned under a cloud. When Lula’s approval ratings sank during the second half of 2005, many observers felt that his presidential days were numbered. Yet beginning in December of that year, his popularity began to rebound. By August 2006, his ratings had returned to pre-scandal levels, in time to secure reelection solidly in late October. How did Lula manage to come back and carry the day?

## A HISTORIC SHIFT IN VOTER SUPPORT

Beyond the aggregate numbers of votes Lula commanded, also striking is the shift in the composition of his electoral base since 2002. The president enjoyed a groundswell of support among Brazilians in the lowest categories of income and educational achievement. For example, vote intentions in the final two days of the runoff campaign had Lula secur-

ing 69 percent of the vote among those with a household income of less than 2 minimum wages (*salários mínimos*), and 59 percent among those in the 2–5 minimum wage category. His vote share among those between 5 and 10 minimum wages was 49 percent, and among those with over 10 minimum wages, 44 percent.

Stated differently, Alckmin led Lula by 12 percentage points (56–44) among those with a family income of over 10 minimum wages (Datafolha 2006). The relationship is almost perfectly linear. Given that 47 percent of all voters live in households that earn 2 minimum wages and under (equivalent to 700 reais or 327 dollars), the numerical advantage undoubtedly rests with securing the support of Brazil's poor. The breakdown by education yielded similar results. In the same poll, Lula commanded 67 percent of the vote among those with primary schooling or less, but Alckmin led by 6 percentage points (53–47) in the group with some university education or higher.

The scale of Lula's victory in the impoverished North and Northeast was sweeping. Between 60 and 85 percent of all valid votes cast went to Lula in the Northeast states. States in the North and Northeast score toward the bottom end of the Human Development Index (HDI) devised by the United Nations Development Program.<sup>1</sup> Accompanying the heightened backing among the poor was a corresponding loss of standing among voters with higher levels of income and educational achievement. Voters with such a profile are concentrated more in the South and Southeast regions, the major states of which were won by Alckmin. Not just São Paulo, Alckmin's home state, but also Rio Grande do Sul, home to PT stronghold Porto Alegre and a state Lula had carried in 1989, 1994, 1998, and 2002, went to the PSDB candidate. In a country where cross-cutting cleavages very frequently offset voting based on socioeconomic indicators, the sharp splits displayed in this election are remarkable indeed. In terms of region and class, this election represented the clearest division between the "two Brazils" since Lula lost to Fernando Collor de Mello in 1989. Yet in that memorable election, Lula stood on the opposite side of the divide.

Lula's ability to sweep voters in the lowest education and income brackets and (relatedly) consolidate his support in the North and Northeast reverses a longstanding pattern. In his four previous bids for the presidency between 1989 and 2002, Lula's core support base lay with voters of higher education levels in the more urban industrial states of the South and Southeast. This stemmed from the PT's initial formation as a party of organized interests, intellectuals, and progressive middle-class urbanites. The lopsidedness was especially stark in 1989, when it was the populist Collor who secured the support of the poorest voters in the most impoverished regions of the country (Singer 1990). Although this deficit was less marked by the 2002 presidential election, even that

Table 2. Voting Intentions in the Final Two Days of the Runoff Campaign

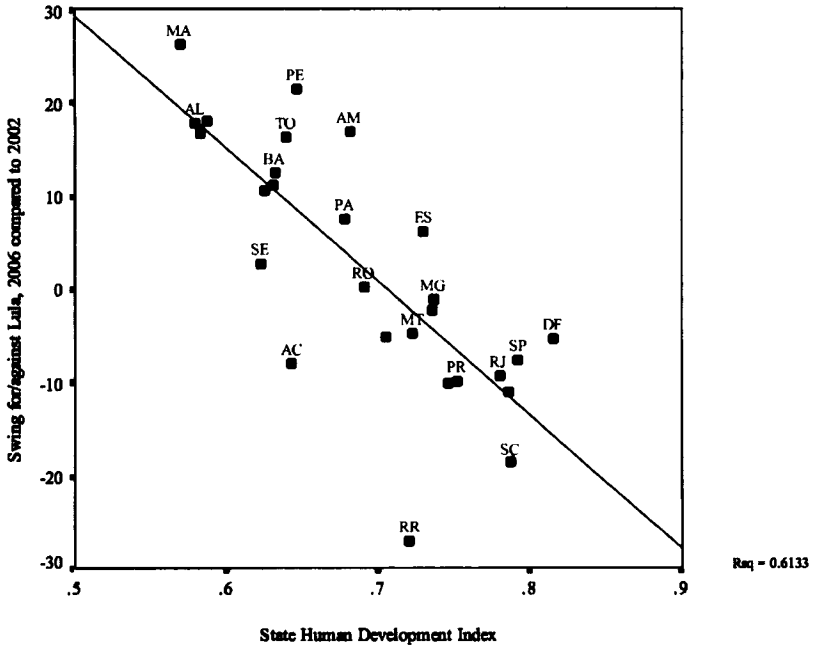
Voter Category	% of Sample	% Lula	% Alckmin
Male	48.9	64	36
Female	51.1	58	42
Education			
Primary school or less	48.0	67	33
Middle to high school	38.3	59	41
Some university or higher	13.7	47	53
Family income			
< 2 min. wages	44.2	69	31
2–5 min. wages	36.3	59	41
5–10 min. wages	11.0	49	51
>10 min. wages	6.2	44	56
Racial group, self-identified			
White	45.7	52	48
Brown	33.8	67	33
Black	13.5	74	26
Indigenous	2.7	70	30
Yellow	2.4	68	32
Region			
Southeast	44.3	57	43
South	15.4	48	52
Northeast	26.6	76	24
North/Center-West	13.7	61	39
City size			
<35K voters	37.5	63	37
35–100K voters	16.9	60	40
>100K voters	45.6	60	40
First-round vote			
Lula	51.6	97	3
Alckmin	36.1	11	89
Helena	3.8	55	45
Buarque	1.5	72	28
All voters	100	61	39

N = 11,807

Notes: Table includes only those respondents with declared valid votes, excludes undecided voters and those intending to cast a blank or spoiled ballot (approximately 6% of the full sample of 12,561 surveyed). Field dates: October 27–28, 2006. The predicted result for all voters (61–39) corresponds exactly to the national result on October 29. Value of minimum wage in October 2006 was 350 reais (approximately \$162 at the time). For states in each region, see appendix.

Source: Datafolha 2006.

Figure 2. Swing To/Against Lula Comparing 2002 and 2006 Runoffs, by State HDI



Notes: Y axis is the statewide Lula vote share in the 2002 runoff subtracted from his vote share in the 2006 runoff. For ease of interpretation, not all states are labeled. Sources: TSE; IPEA.

recently, Lula faced some difficulty gaining ground among groups whose interests the party claimed to represent.<sup>2</sup>

Figure 2 compares the 2002 and 2006 presidential runoffs, in each of which Lula defeated a PSDB candidate by identical national margins of 61 to 39 percent. The aggregate vote totals are the same, but they conceal a massive geographic inversion of support across Brazil's 27 states. Note the strong interection swing toward Lula in states that score low on the HDI and the strong swing against the president in Brazil's most socioeconomically modernized states. What accounts for this striking shift?

As table 3 shows, the relationship depicted in figure 2 is not spurious. When we control for the lagged dependent variable (Lula's vote share in the state in 2002), we find that the HDI continues to be a powerful and negative predictor of the Lula vote in 2006. The same is true of GDP per capita, a more direct measure of state wealth. We also find that in 2006, Lula performed better in states with more oligarchical tra-

Table 3. Predicting the Lula Vote in the Brazilian States

Variable	Model 1	Model 2	Model 3	Model 4
Lula in 2002 runoff	.495***	.428**	.408**	.449***
HDI 2000	-.751***			
GDP per capita 2003		-.522***		-.317*
Democratic tradition			-.563***	-.406**
Adjusted R <sup>2</sup>	.604	.309	.361	.482
N	27	27	27	27

Dependent variable: Lula vote share in 2006 runoff.

Significance levels: \*\*\*  $p < .01$  \*\*  $p < .05$  \*  $p < .10$

Note: Entries are standardized regression coefficients.

Sources: IPEA 2006; TSE 2006.

ditions and less competitive politics, even when we control for wealth and his previous performance in the state.<sup>3</sup> How, then, did Lula come to acquire a geographic profile that somewhat resembles the voting base of his 1989 opponent, Collor, not to mention the geographic bases of support for the conservative military regime of 1964–85?

### Contrasting Results in the Lower House

While Lula secured a crushing victory in the presidential contest, moreover, the performance of PT candidates in races to fill all 513 seats in the *Câmara dos Deputados* was less than stellar. The most valid indicator of electoral support for a given political party in Brazil is the aggregate national vote total for the party's candidates for the Chamber of Deputies (see appendix for the PT's state-level performance). In terms of the distribution of seats, the overall legislative results in 2006 differed only marginally from those of 2002. The PT won enough votes to secure 83 chamber seats, placing it second to the PMDB's 89 representatives. (In the 2002 election, the PT won 91 seats, making it the single largest party in the chamber). In the senate, the PT lost 4 seats.

This was the first time in its history that the PT had failed to grow relative to its previous performance in national legislative elections (see tables 4 and 5). Given that the PT had held the presidency in the intervening four years and therefore had enjoyed the advantages of incumbency, this showing was mediocre in historical perspective. By contrast, previous governing parties, such as the PMDB and the PSDB, increased their congressional delegations substantially under the respective presidencies of José Sarney (1985–90) and Fernando Henrique Cardoso (1995–2002).

Table 4. Distribution of Chamber of Deputies Seats  
Before and After the 2006 Elections

Party	After 2002 Elections	By mid-2006 <sup>a</sup>	After 2006 Elections <sup>b</sup>	Gain/Loss over 2002 Elections	Gain/Loss over mid-2006
PT	91	81	83	-8	+2
PFL	84	65	65	-19	0
PMDB	75	83	89	+14	+6
PSDB	70	57	66	-4	+9
PP	49	47	41	-8	-6
PTB	26	43	22	-4	-21
PL	26	36	23	-3	-13
PSB	22	28	27	+5	-1
PDT	21	20	24	+3	+4
PPS	15	16	21	+6	+5
PC do B	12	12	13	+1	+1
PV	5	7	13	+8	+6
PSOL <sup>c</sup>	—	7	3	—	-4
Others	17	11	23	+6	+12
Totals	513	513	513	—	—

<sup>a</sup>Reflects deaths, resignations, and party switches during the quadrennial legislature that began in February 2003.

<sup>b</sup>Reflects expected distribution of seats immediately after the first round of voting on October 1; this will change due to party switching.

<sup>c</sup>The PSOL did not exist in 2002; it was formed in 2003–4 by dissidents from the radical wing of the PT.

Source: Câmara dos Deputados.

The trend in the party's demographic support base in the Chamber of Deputies compared to that of Lula is increasingly incongruent. Where Lula has made impressive inroads into the most backward regions of the country (*os grotões*, the PT's longstanding Achilles' heel), the party's stronghold remains the more urban, industrialized areas of Brazil. Some nationalization of the party's congressional delegation since the early 1990s notwithstanding, Lula has managed to secure much broader penetration than his party has (Samuels 2006). This is also true of most presidential candidates in Brazil—including Cardoso—but what is interesting is how the geographic dimension of the Lula-PT relationship has changed over time.

Table 6 illustrates this point: it reports the correlation between the PT partisan vote and the Lula presidential vote across Brazil's states in four successive elections. With respect to the October 2006 election,



Table 5. Distribution of Senate Seats Before and After the 2006 Elections

Party	After 2002 Elections	By mid-2006 <sup>a</sup>	After 2006 Elections <sup>b</sup>	Gain/Loss over 2002 Elections	Gain/Loss over mid-2006
PMDB	19	21	18	-1	-3
PFL	19	16	18	-1	+2
PSDB	11	16	13	+2	-3
PT	14	11	10	-4	-1
PDT	5	4	5	0	+1
PTB	3	5	4	+1	-1
PSB	3	2	3	0	+1
PP	1	0	1	0	+1
PPS	1	0	1	0	+1
Others	5	6	8	+3	+2
Totals	81	81	81	—	—

<sup>a</sup>Reflects deaths, resignations, and party switches during the quadrennial legislature that began in February 2003.

<sup>b</sup>Reflects expected distribution of seats immediately after the second round of voting on October 29, when some senators were elected state governors and their seats were slated to be taken by alternate members.

Source: Senado Federal.

figure 3 shows that Lula's "overperformance" relative to PT legislative candidates (that is, the Lula vote share minus the PT chamber vote share in a given state) covaries negatively with state HDI. What explains the comparative popularity and greater regional advance of Lula and his government? What implications does this divergence have for the PT's future as a party?

Lula's new status as an incumbent rather than a challenger is central to the massive geographic shift in the Lula vote between 2002 (and before that) and 2006. Brazilian voters, furthermore, are judging him not on what he has said—encompassing both criticism of past governments and promises for the future—but on what he has actually done with executive power. This "interiorization" or "northeasternization" of support is typical of governing parties in Brazil. Victor Nunes Leal told us just that more than 50 years ago in his classic work *Coronelismo, enxada e voto* (1949). In some important respects, this is yet another unfolding of the old story of using the government to build clientelistic support.

It is interesting that the process required gaining control of central state resources to reinvent the social base that the PT had attempted to build with the promise of structural reforms, such as land distribution,

Table 6. State-Level Correlation Between PT Partisan Vote and Lula Presidential Vote in Concurrent Elections

Election Year	Correlation
1994	.602***
1998	.527***
2002	.462*
2006	-.193

N = 27 for all years.

Significance levels: \*\*\*  $p < .01$  \*\*  $p < .05$  \*  $p < .10$

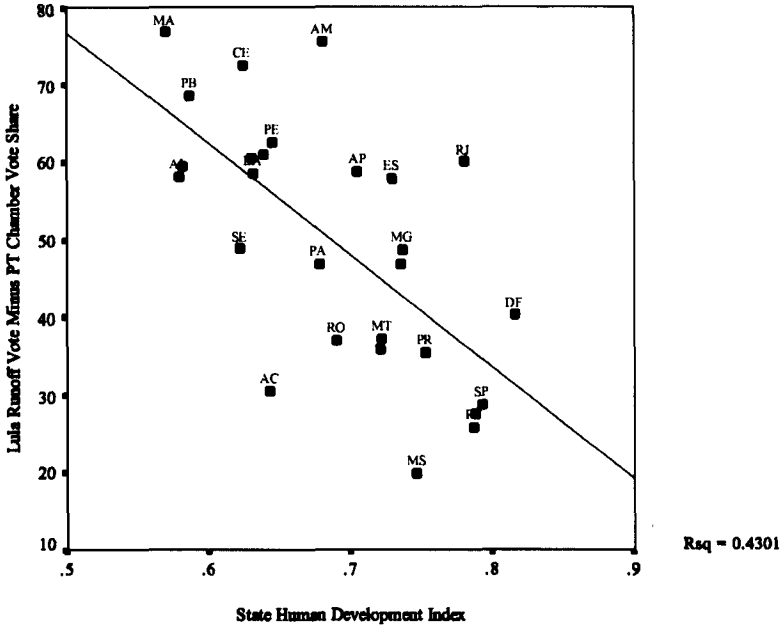
Notes: PT partisan vote is defined as the party's share of the total statewide vote for the Chamber of Deputies. To make the years comparable, only the first round of presidential elections was used.

and the strategy of collective mobilization. A twist in this old story, however, is that the *governista* effect benefited Lula the presidential candidate but not his party in the election. Whereas in 1994, 1998, and 2002 the Lula vote was strongly and positively associated with the PT vote for the Chamber of Deputies, in 2006 the correlation was slightly negative. The PT's partisan vote still varies positively with HDI, but Lula's personal vote varies negatively with HDI. Thus, while shedding significant light on the results of the presidential election, the traditional *governismo*-interiorization story does not conform completely to previous (read: more partisan) patterns of *governista* vote swings.

### UNDERSTANDING LULA'S VICTORY: THREE FRAMEWORKS

A number of serious corruption scandals bedeviled the Lula government in the last two years of his first term. The final one broke a mere two weeks before the first round of the 2006 election. Serious enough to induce the temporary resignation of party president Ricardo Berzoini, the charge was that advisers close to Lula had tried to buy an unflattering dossier on PSDB gubernatorial candidate José Serra.<sup>4</sup> The media jumped on the news, showing piles of money alleged to have been the payoff. Lula's approval ratings took a slight dip thereafter, placing the president slightly short of a first-round victory with 48.6 percent of the valid vote. But the overall and more significant trend was that the president's approval ratings had been on the rise since December 2005, and they recovered quickly from this stumble at the eleventh hour. Gaining 12 percentage points after the first round, Lula went on to clinch a stunning runoff victory on October 29.

Figure 3. Lula Overperformance Compared to PT Legislative Candidates, by State HDI



Notes: Y axis is the statewide Lula vote share in the 2006 runoff minus the aggregate vote share of PT candidates for the Chamber of Deputies. For ease of interpretation, not all states are labeled.

Sources: TSE; IPEA.

### The Differential Impact of the Corruption Scandals on Brazilian Voters

Lula responded to the various corruption scandals of his first government with a contradictory bundle of messages. On the one hand, he maintained that he had not known of the manipulations carried out by some of his closest advisers. On the other, he implicitly acknowledged these misdeeds by maintaining—in a now notorious interview he gave to the TV Globo program *Fantástico* while in Paris in July 2005—that the PT did not do anything different from what other parties had done before it and that Brazil’s perverse political institutions were ultimately to blame. Underlying Lula’s unsuccessful push for Congress to take up the issue of political reform in July and August 2006 were a tacit admission of wrongdoing and a clumsy attempt to shift blame onto the “rules of the game”—which, the president’s defensiveness aside, may indeed contribute to a permissive environment for corruption in Brazil.<sup>5</sup>

When he was not invoking *o sistema*, Lula sought to extricate himself by questioning the integrity of other individuals and even of his own party. The distance he maintained from the party throughout the campaign—going so far as to reduce the PT symbol of the red star to a tiny dot on his advertisements and barely even to mention the party in his free TV time (*horário eleitoral gratuito*)—spoke volumes about his determination to be reelected.

Why did the corruption charges ultimately not sink Lula's chances of reelection? Did voters not know much about the scandals? Were they aware, but did they not care? Did they know about the scandals but attach greater salience to other issues? The answer to these and related questions depends on drawing critical distinctions among various segments of the Brazilian electorate. Voters' socioeconomic standing greatly influenced not only how much they knew but also how much they cared about the corruption issue. Low levels of education and political awareness, together with the priority poor people understandably place on meeting basic material needs, no doubt helped Lula in less developed regions of Brazil. Having to face an entire electorate with demographics similar to those found in the wealthier states of the South and Southeast would have put Lula's reelection at risk.

Information asymmetries abound in a country of such disparities. Information levels mediate how voters use corruption as a criterion for evaluating candidates. There is emerging empirical support for the idea that voters with greater access to information are more punitive. Recent work on corruption audits in Brazil's municipalities suggests that a considerable share of Brazilian voters care about graft, and that when they are empowered with information they are willing to punish corrupt politicians at the polls. For example, the presence of local radio stations to disseminate the results of these audits elevates significantly the probability of an accused mayor going down to defeat (Ferraz and Finan 2006); conversely, without local radio, corrupt mayors fare quite well. Another study has shown that the likelihood of reelection among corruption-tainted mayors in the state of Pernambuco is powerfully mediated by the effect of municipal-level HDI, which in part measures literacy (Figueiredo et al. 2006).

The strikingly low circulation level of news-intensive print media also contributes to informational asymmetries. For example, the daily with the single largest circulation, the *Folha de São Paulo*, sells approximately 290,000 copies on weekdays and 360,000 on weekends. The best-selling weekly magazine *Veja* (whose coverage of the PT and Lula, it may be noted in passing, has been relentlessly hostile since 2003) has a wider circulation, at 1.2 million copies. In a country with a population of roughly 190 million, this is an exceedingly small number; and needless to say, the readership of these news sources is confined largely to

citizens from Brazil's A and B classes (socioeconomic classifications as used by polling firms).

Beyond being less informed, it is also true that Brazilians of limited schooling show greater tolerance of patrimonialism than their more educated counterparts. The recent Brazilian Social Survey (*Pesquisa Social Brasileira*, PESB) bears out this point well. It asked respondents to agree or disagree with the following statement: "If someone is elected to public office, he/she should use the office as if it were his/her personal property, for his/her own benefit." Whereas 40 percent of all illiterates and 31 percent of those with a fourth-grade education or less agreed with the statement, only 5 percent of those with a high school education and 3 percent of those with a university education did so (Almeida 2006b).

Mirroring these general patterns, demographic characteristics appear to be central in citizens' evaluation of the PT's corruption. In the period between June and September 2005, when news of the PT's *mensalão* and *caixa dois* activities dominated Brazil's media, polls measuring public confidence in Lula registered a 20-percentage-point decline (from 56 to 36 percent) among respondents with secondary education or higher. By contrast, the decline among those with less than a high school education was only 9 percentage points (from 62 percent to 53 percent) (IBOPE 2006). A related finding, in October 2005, was that when asked if Lula had "much responsibility" for cases of corruption in his government, 46 percent of respondents with some college education said yes, whereas only 31 percent of those with a basic education agreed (*Folha de São Paulo* 2005).

Another polling series tracked the government's approval/disapproval ratings by three income groups: poor (those earning less than 5 minimum wages), middle class (between 5 and 10 minimum wages), and affluent (more than 10 minimum wages). Net approval of Lula by the three groups tracked quite similarly for the first two years, but the three began to diverge significantly after the *mensalão* scandal broke in June 2005. This suggests a strong causal effect of corruption allegations on evaluations of the president. Among the poor, although net approval of Lula slipped in the second half of the year, it always remained positive and rebounded strongly after January 2006. The score for middle-class respondents slipped into disapproval from July to December, falling to just below zero before slowly rising after January. Net approval among more affluent Brazilians fell precipitously, reaching a low point of minus 30 in December 2005. Support for Lula in this group never returned to prescandal levels (Desposato 2006, 32).

Subsequent public opinion research carried out in March 2006 by a PT party organ, the Fundação Perseu Abramo, assessed how informed respondents were about the corruption charges against the PT and the

Lula government. Analyzed by region, 42 percent of respondents from the Northeast were evaluated as “uninformed” (*desinformado*) compared to only 25 percent from the Southeast (and 24 percent in the South). Similarly, when asked if Lula knew about the illegal monthly bribes that the PT gave to deputies from allied parties (the *mensalão*), 42 percent of respondents from the Northeast thought he did not know, as opposed to only 19 percent from the South and 23 from the Southeast (Fundação Perseu Abramo 2006). In sum, greater knowledge and repudiation of corruption in the more developed regions probably contributed to Lula’s poorer showing in the South and Southeast. Whether due to lower levels of information and political awareness or greater levels of tolerance for corrupt behavior, the evidence clearly suggests that less educated voters were more likely to forgive the president and his government.<sup>6</sup>

Moreover, interpretations that focus on the economic and social policy bases of Lula’s reelection suggest that even if Lula lost some points with the public over corruption, he compensated for that loss in other realms. From the vantage point of less economically secure voters, the PT and the Lula government may have been corrupt, but they also delivered valuable material benefits. This notion is encapsulated in the popular yet pejorative Brazilian saying *rouba mas faz* (he steals but gets things done). It was first applied to legendary Governor Adhemar de Barros of São Paulo in the 1950s and thereafter to many patronage-wielding politicians from the political right (not to politicians associated with a previously programmatic leftist party like the PT). Although some conservative anti-Lula media outlets in Brazil have occasionally used this notion to scapegoat poorer voters for their vote choices, the concept also finds some theoretical (and more neutral) reflection in social science. Theorists of modernization and cultural change would expect less economically secure individuals to place basic needs above issues like ethics and transparency in politics and their more privileged counterparts to emphasize such “postmaterial” values comparatively more (Inglehart and Welzel 2005).

### **Economic Factors**

Most presidential elections in which an incumbent seeks reelection are plebiscitarian affairs: does the president deserve another four years in office? To the extent that voters answer this question with a view to economic factors, the context in 2006 was very favorable to the reelection of Lula, especially among the poor majority.

Overall GDP growth in the first Lula term represented an improvement over the second Cardoso government. The international context—characterized by rising commodity prices and an absence of the global

financial crises that had plagued Cardoso—was far more favorable to Brazil after Lula's election in 2002. Real GDP growth in Lula's first year in office (2003) was only 0.6 percent, but a strong expansion followed in 2004 (4.9 percent) and a moderate expansion in 2005 (2.3 percent).

Foreign observers have been quick to note that Brazil's growth rates, while respectable, have lagged behind the equivalent global and regional rates. For example, in the four years between 2002 and 2005, Brazilian GDP growth was lower than the Latin American average every year. Voters, however, are unlikely to engage in such global comparisons; they are much more likely to evaluate performance intranationally, across time. In this sense, Lula benefited from the weak performance of the second Cardoso administration and from his own poor start in 2003. In the 2001–3 period (Cardoso's final two years and Lula's first), the average annual growth rate was under 1.3 percent. Using current estimates for 2006, the average annual growth rate in real GDP for the final three years of Lula's government would be approximately 3.4 percent, well more than double the rate of the previous three-year period. Thus, in the Brazilian electoral context, the expansion of 2004–6 is more impressive than it seems cross-nationally.

Lula's decision in 2003 to maintain the aggressive tight money policies of the Cardoso government and to run a large fiscal surplus (Hunter and Power 2005; Bianchi and Braga 2005) contributed to unprecedented macroeconomic stability in his first term. Inflation, which had been brought under control in the Cardoso period, declined further under Lula, dropping below 6 percent in 2005 and falling to 4 percent in 2006. In inflation-adjusted terms, the Brazilian currency, the real, has appreciated more than 25 percent against the U.S. dollar since 2004, benefiting consumer spending by making imports cheaper. The cost of these policies has been exorbitant interest rates—routinely among the highest in the world—but even these have been falling steadily, from an inflation-adjusted annualized rate of 19.1 percent in 2005 to an expected rate of 15.3 percent in 2006 (Banco Central 2006a).

The gradual lowering of interest rates, combined with an improving macroeconomic context, has generated a massive expansion of consumer credit in Brazil. Consumer borrowing as a share of GDP doubled between 2001 and 2006, with an explosion in credit cards and payroll-guaranteed loans and a significant expansion of over-the-counter credit for purchases such as electronics and household appliances. The stock of outstanding credit increased from R\$137 billion to R\$177 billion in the year before the election, and banks have been gradually and cautiously extending the length of individual loans (Economist Intelligence Unit 2006, 34). The consumer credit market has been accessible to low-income and first-time borrowers for the first time in recent Brazilian history, thus boosting consumer confidence.



Voter confidence in the economy has also been positively affected by Lula's generous minimum wage policies. Most Brazilian salaries are in some way linked to the minimum wage as a unit of reference, so increases in the minimum wage have a ripple effect in consumer spending and throughout the economy. From a value of R\$200 in early 2003, Lula authorized a series of increases until the minimum wage reached R\$350 (approximately \$162 per month) in April 2006, six months before the election. The real increase in the purchasing power of the minimum wage was approximately 23 percent in Lula's first term. This, combined with cash injections from the poverty-reducing income transfer program, the *Bolsa Família*, has had a palpable effect on the local economies of smaller and less developed municipalities, which depend heavily on small-scale personal spending for their livelihood. Thus it is not surprising that retail sales over the past three years have climbed most dramatically in the North and Northeast of Brazil (Banco Central 2006b). It is also not surprising that these are the two regions where both voter turnout and support for Lula rose in 2006 compared to 2002.

Although this article argues throughout that the poor engaged in "pocketbook voting" in 2006 due to beneficial economic and social policies, this does not mean to suggest that only the poor exhibited such behavior.<sup>7</sup> The economic recovery under Lula has coincided with rising personal incomes for the poor but stagnating incomes for the privileged classes. Newly released data from IPEA show that between 2001 and 2005, the aggregate income of the poorest 10 percent of Brazilians grew by 35.9 percent, or about 7.9 percent per year. (In Brazil, this rate of growth for the poor has been nicknamed *crecimento chinês*, since it is approximately equivalent to the average 8.2 percent annual rise in per capita income in China between 1990 and 2003.) The total increase in income between 2001 and 2005 for the poorest 50 percent of Brazilians was 16 percent. In contrast, the upper 20 percent of the income distribution saw their aggregate income decline (-0.5 percent) over these same four years, and for the top 10 percent the decrease was sharper (-1.3 percent) (*Estado de São Paulo* 2006).

Thus, in the 2006 elections, not only did the poor have excellent reasons to vote for Lula, but the professional middle classes had pocketbook reasons to vote against him. Overall, however, the vastly different relative sizes of these social classes must be taken into account (see table 2). If all Brazilians engage equally in economic voting, it is the behavior of the poor that will have the greatest macropolitical effect. Therefore the analytical emphasis falls on social policy.



## Targeted Social Policy

A further and highly compelling line of explanation for Lula's electoral success, especially among those at the bottom of the income ladder, concerns developments in the area of social policy. Partly because the government kept spending in check during the first two years, it could spend more amply in the final stretch, which no doubt helped Lula's bid for reelection. As president, Lula has targeted spending increases at the poorest families. Social policy developments have reinforced the economic trends noted above in effectively expanding the purchasing power of many Brazilians. They have even contributed to some social mobility; namely, an increase in the number of families moving out of socioeconomic classifications D and E into class C.

Absolute poverty clearly declined under Lula's presidency, by some estimates by as much as roughly 15 percent in the first three years (Neri 2006). The share of Brazilians living under the "line of misery" (roughly speaking, a family income equivalent to one-third of the minimum wage) fell from 28 to 23 percent between 2003 and 2005. In certain states, misery diminished dramatically (e.g., 15 points in Amazonas, 10 points in Bahia). Poverty reduction on this order is a significant achievement in both Brazilian historical perspective and Latin American regional perspective. At the state level, Lula's second-round vote share correlates at  $-.635$  with HDI and at  $.642$  with the state-level decline in the misery rate between 2003 and 2005 (IPEA 2006. All correlations significant at  $.01$ ). It is not surprising that Lula did well in these places.

It is notable that the major developments in social policy under the PT-led government are a far cry from the kinds of reforms the PT advocated when it was an opposition party. They are not structural reforms based on the premise of a significant redistribution of property or income away from the rich to the poor. Indeed, one of the main reforms advocated by the party in the past, agrarian reform, has faded from center stage. The World Bank, the Inter-American Development Bank, and even the International Monetary Fund have praised the social safety net emphasis of social policy under Lula, especially the *Bolsa Família*.

Still, it is not clear that the major social programs of the PT-led government are based on a broader vision of how to modernize Brazil. While Cardoso's was a government of *reforms*, Lula's has been a government of *programs*, a qualitative difference. The reform path pursued by the Cardoso government required entering into lengthy negotiations and achieving high-threshold votes in Congress in order to implement unpopular policies, such as privatizing state firms, breaking up monopolies, and amending labor laws. The Lula government's social policy accomplishments are programs controlled by the executive, which do not require legislative wrangling to be enacted. Targeted social policies,

moreover, produce more immediate electoral returns than the structural reforms of the Cardoso years, and their very nature—being so concrete, visible, and immediately beneficial—invites far wider credit claiming by politicians. Lula has proven most adept in this regard. By sharing the day-to-day operation of *Bolsa Família* with Brazil's 5,500 municipal mayors, the president has allowed local elites to reap some of the benefits of this hugely popular program.

The social centerpiece of the first Lula administration, the *Bolsa Família* (Family Grant) is a conditional cash transfer (CCT) program modeled along the lines of the well-known *Oportunidades* program in Mexico. Its intention is to boost the income of poor families, on the conditions that parents enroll their children (ages 6 to 15) in school and that the minimum attendance rate is 85 percent. Parents of children under 7 years old are expected to have them receive regular medical check-ups and the basic childhood vaccinations. Pregnant women are required to receive prenatal care and to attend classes on maternal and child health. (For a basic description of the program, see *O Globo* 2006.) In most cases, the money is transferred to the mother of the family via an electronic account. Eligibility for the program depends on a family's earning less than R\$120 per month. Those whose household income is between R\$60 and R\$120 are classified as poor and can earn up to R\$45, depending on the number of people in the household. Those whose household income is less than R\$60 are assessed as "extremely poor" and (again depending on the number of family members) can earn up to R\$95 per month (Ministério do Desenvolvimento Social 2006, 29). With more than 80 percent of the funds going to families under the poverty line (judged as between one-half and one minimum salary), the *Bolsa* is a highly targeted program. Increasingly, it is viewed as an important contributor to reducing poverty and even inequality (Soares et al. 2006).

The application process is straightforward. Brochures are written in simple, plain language, complete with illustrations and a toll-free number to call in the event of difficulties. Notably, receiving the *Bolsa Família* requires no political brokers or intermediaries. In this important respect, it differs from traditional clientelism. Also unlike traditional patron-client relationships, in which the client's receipt of patronage is conditional on demonstrating political loyalty, there is no penalty for voting against the government. Lula rapidly expanded the program's coverage, even in states dominated by some of his staunchest political opponents.

The Ministry of Social Development (MDS) administers the *Bolsa Família* in conjunction with Brazil's municipal governments. The latter are in charge of monitoring whether recipients meet the specified conditions. The basic idea originated with a similar program, the innovative *Bolsa Escola*, instigated by Cristovam Buarque when he was PT gover-

nor of Brasília in 1995. It spread to a number of municipalities before Cardoso federalized it in his second presidency. The contribution of Lula's first administration was to unify into the *Bolsa Família* what had been four separate programs and to expand its coverage greatly over time.<sup>8</sup> At the end of 2004, the program was reaching 59 percent of eligible families, and at the end of 2005, some 77 percent. By the end of 2006, some 11.1 million families were receiving *Bolsa Família* benefits; this number approximates 100 percent of those currently eligible.

The MDS estimates that the average recipient family has 4.1 members, which, if correct, would imply that approximately one-quarter of Brazil's citizenry is covered by the *Bolsa Família*. But the geographic distribution is heavily skewed, reflecting Brazil's notorious regional inequalities. In the largest municipalities and cities, only 2.7 million families are enrolled, representing only 24 percent of the total recipients. Minas Gerais and the states of the Northeast have been heavy beneficiaries.

Although the program still formally holds recipients to certain standards of conduct, given the extraordinarily rapid expansion of coverage, it is not surprising that some degradation of oversight has occurred. As one (anonymous) ministry official explained, "most municipalities simply do not have the capacity to monitor new recipients at such a rate" (MDS 2006b). This has led critics to contend that the BF is evolving into pure *assistencialismo* (a term used to describe the politics of paternalistic "handouts"). While the program's original aim was to alleviate poverty in the short term while building human capital over the long term, recent developments raise questions as to how much of the latter is actually occurring.

What is clear, however, is how much political capital the *Bolsa Família* generated for Lula in his bid for reelection. As late as early 2005, analysts observed how few social accomplishments the PT-led government could actually claim (see, e.g., Hunter and Power 2005). After the much-ballyhooed *Fome Zero* (Zero Hunger) program failed to get off the ground in 2003–4, Lula was receiving low marks in this area. He set his sights on reversing this situation in the second half of his administration. Staking his prospects on the *Bolsa Família* was a cost-effective strategy. Although the *Bolsa* takes up a sizable share (38.0 percent in 2006) of Brazil's growing social assistance budget, the latter is a small percentage (roughly 7 percent) of the overall social budget. Put in different terms, the *Bolsa* accounts for just 2.3 percent of direct monetary transfers, compared with the 82 percent consumed by (far more regressive) pensions (Hall 2006, 692–94).

The election results testify to the wisdom of Lula's acceleration of social policy in the second half of his first term. An impressive state-level correlation exists between *Bolsa* penetration in 2006 and vote swing toward Lula compared to 2002. At the state level, Lula's vote share

correlates at .621 with the share of families covered by the *Bolsa*. It is astonishing that in states like Bahia and Maranhão, long ruled by oligarchic families, Lula was able to command 78 and 85 percent of all votes, respectively. In Bahia, PT candidate Jacques Wagner managed to win the governorship even against the candidate of the powerful Magalhães clan, in the election's first round, no less.<sup>9</sup> It is also notable that where it expanded later in the game, the *Bolsa* packed more of a punch at the polls. In other words, the higher the percentage of state families added to the *Bolsa Família* rolls in the 18 months prior to the election, the higher the vote swing toward Lula and against the PSDB.

One interesting and important effect of the *Bolsa* was to increase voter turnout. Comparing the 2006 runoff to that of 2002 across Brazil's 27 states, interelection increase in turnout correlates at .544 with *Bolsa* penetration. Looking only at the second round in 2006, a possible alternative explanation is that turnout rose mostly in states having gubernatorial runoff elections, a factor known to lure voters back to the polls. For example, in 2002, second-round presidential turnout in states with gubernatorial runoffs was 6.14 percent higher than those without. In 2006, this difference diminished to 2.97 percent. In other words, states without gubernatorial runoffs saw a much smaller dropoff in voter turnout this year, even though in both 2002 and 2006 Lula was obviously sailing to a 20-point victory against his PSDB opponent. When both *Bolsa Família* and gubernatorial runoffs are used together to predict turnout in the 2006 second presidential round, *Bolsa* penetration remains the superior explanation for voters' returning to the polls on October 29. The bottom line is that Lula's social policies appear to have significantly boosted enthusiasm and turnout among Brazil's poor majority in the 2006 elections.

In sum, the social policy story is arguably the single most plausible explanation for Lula's reelection. Put simply, the poor are significantly better off now than they were when Lula assumed the government in January 2003, and this group exerted the most influence in reelecting him. It bears repeating that Lula did best among voters with a family income of fewer than two minimum wages (approximately \$327 per month), a segment that comprises roughly 47 percent of the electorate. Analysts need not reach for explanations based on concepts like identity politics or populism to understand this result. Lula's own humble *nordestino* origins may well enhance his credibility as a caretaker of the poor. Among the millions who struggle daily against grinding poverty, many no doubt take comfort in his presence and find his example uplifting. Yet it is worth recalling that before Lula held executive power, his personal story did not compel poor people to vote for him at such high rates. Therefore a fairly straightforward "pocketbook" explanation goes a long way toward accounting for Lula's victory.

Along similar lines, a measure of Lula's recent success is frequently attributed to the use of populist tactics. If populism is a way to achieve and exercise centralized political power based on creating direct links between leader and mass, on mobilizing the latter through anti-elite discourse, and sometimes on using economic and social policy as an instrument (Weyland 2001), the definition applies only partially to Lula's situation. His increasing autonomy from his party in recent years notwithstanding, a higher degree of organizational intermediation exists between him and the masses than with figures like Peru's Alberto Fujimori (1990–2000) or Venezuela's Hugo Chávez (1999–present). By the same token, Lula has not centralized governmental decisionmaking to nearly the same degree, or drawn attention to himself through spectacular acts like inaugurating new schools with helicopter rooftop landings (Fujimori) or using inflammatory “friend versus foe,” class-based rhetoric (Chávez). While the very notion of *lulismo*—that is, support for Lula as distinct from support for his party (*petismo*)—suggests a personalistic element to his appeal (Samuels 2006), the main story of Lula's reelection can be told without reference to the concept of populism.

### **Alckmin's Uphill Battle**

In light of the three factors discussed above—corruption, economic trends, and social policy—and their differential impact on Brazil's poor majority, it is perhaps not surprising that Geraldo Alckmin could not gain much traction in the campaign. Although Alckmin did appeal to voters at the upper end of the income and education ladders, in numerical terms they were too small a group to prevail. Notably, even in some states where the PSDB's main coalition partner, the PFL, had strong roots, Alckmin could not advance strongly. Given the indisputable economic and social policy benefits that the Lula government had brought to less privileged voters, one of the only legs for Alckmin to stand on was to criticize Lula for the corruption that had taken place under his watch. Alckmin did this in no uncertain terms in the October debates. (Lula had skipped all the multicandidate debates in the first round.) Yet as we have seen, even if an ethical discourse mattered to certain segments of the electorate, it did not approach the salience of other pocketbook issues.

It did not help Alckmin that few voters were at all familiar with him before the publicly sponsored electoral propaganda began to air on television in August, or that as a well-educated, upper-middle-class doctor from São Paulo, he had little resonance with poorer Brazilians from the country's interior. This stood in marked contrast to Lula's ability to reach out to such people by emphasizing his own humble Northeastern origins. Internal conflicts in Alckmin's own party probably also contributed to his defeat. These conflicts stemmed in large measure from the future

presidential aspirations of Governors José Serra (São Paulo, elected 2006) and Aécio Neves (Minas Gerais, elected 2002, reelected 2006), neither of whom bent over backward to reinforce the campaign of their PSDB colleague. A frequent allegation is that both had their sights set on running in 2010, and neither would want his path to the presidency blocked by the prospect of a second Alckmin term.<sup>10</sup>

Although Alckmin performed respectably well in the first round, in the runoff he allowed Lula to put him on the defensive by linking him to the policies and performance of the Cardoso years. (Ironically, one of Alckmin's initial advantages as a candidate was thought to be his own weak connections to the former president, who was generally unpopular in the 1999–2002 period.) While such factors impinged on the outcome, Alckmin's more fundamental impediment undoubtedly was that he was a challenger going up against an incumbent who, by virtue of his record in office, was popular with a majority of Brazilians.

### COMPARATIVE POPULARITY: LULA VS. HIS PARTY

If the October 29 election was a resounding endorsement of Lula, PT candidates for the Chamber of Deputies did not, on the whole, experience similar fortunes. What explains Lula's popularity compared to that of the political party he founded in 1980?

The first point to understand in this regard is that since his surprisingly strong showing against Collor in 1989, Lula has generally enjoyed broader popular acceptance than has the party organization. Although such a bifurcation is typical of presidential systems everywhere, Lula's first-round vote share in all previous presidential contests far outstripped that of the party in simultaneous races, and Lula grew faster than the PT over time. From a slightly different perspective, although partisan identification with the PT is higher than that of other parties, it has never exceeded 24 percent of the entire electorate. Thus, especially in majoritarian races (governors and big-city mayors) and plurality contests (senators and mayors in smaller municipalities), the PT needs to bring in voters who are unconnected to the party or even to its ideological traditions. Lula has been more successful in this regard than most of his fellow PT politicians.

Some overlap between the two groups notwithstanding, David Samuels has argued that the voting base for Lula (*lulistas*) is actually quite different from that which supports the party for more partisan reasons (*petistas*). Whereas "the average *petista* participates actively in politics, is highly knowledgeable about politics, identifies as left of center, supports clean government, and believes that his or her vote can make a political difference" (Samuels 2006, 19), these characteristics do not define the average Lula voter, especially in 2006. It appears that while



the PT's unique historical identity as a left party (albeit one that moderated over time) appeals to a more select crowd (that is, those with the above qualities and who tend to vote for the party for the Chamber of Deputies), Lula has moved much more toward a "catch-all" profile.

The narrowcasting of the PT versus the broadcasting of Lula was already visible in the 2002 election, as Lula deliberately sought the autonomy necessary to moderate his program and profile to win the presidency (Almeida 2006a). After entering the government in 2003, he fell under increasing pressure to become "normalized" under the logic of the *situação*. The party did not follow suit nearly to the same degree. More Brazilians, especially poorer people, were impressed by what Lula did with executive power than by the ideas and images that the PT sought to project. Part of this can be explained by the political culture of a presidentially centered system. Yet Lula's presidential style, and his compelling personal story of rising from the depths of misery, also contributed to his following (Hunter and Power 2005). In short, most Brazilians are far more interested in Lula's personal story and the concrete benefits he has provided as president than they are in the PT's partisan story and the ideological cues it offers to voters.

Another factor in the incongruence between the popularity of Lula and his party is that the 2005–6 corruption charges stuck to the PT more than they did to the president himself. The main individuals "nailed" for corruption were top PT figures, including the last two presidents of the party and the treasurer. The media quickly constructed this as a partisan affair. The media also went after the PT because it was, and still is, a much easier target than the president. Lula was invariably accused of sins of omission, not commission. While this image is not favorable, it is qualitatively different from charges of direct involvement. Lula's hands-off, Reaganlike management style in his first term also reinforced this distinction, insofar as his personal distance from the various operational nuclei of his government afforded him a cushion of "plausible deniability" when the corruption allegations first surfaced. Lula is ill suited to charges of being a mastermind of anything, although the label seemed particularly well suited to the political style of José Dirceu, his once all-powerful former chief of staff.

The ever greater incongruence between Lula and the party still concerns PT partisans and militants. While they recognize that Lula's charisma and personal popularity brought the party a degree of visibility and standing that it probably could not have attained otherwise, they view the president as transcending the previous "marriage of *lulismo* with *petismo*" (Folha Online 2006). Not only have the policy positions Lula has endorsed since 2003 diverged significantly from those of the party's core, but the party organization recognizes that the electoral fortunes of a single politician are insufficient to guide it into the future.

This argument has particular resonance given that the PT has no obvious presidential candidate to succeed Lula in 2010. Especially in a presidential system, where the “overhang” of a winning presidential candidate can bestow advantage on a party, the lack of a future candidate, combined with the party’s major reputational setbacks, is no doubt a cause for serious concern.

### ***LULA DE NOVO, COM A FORÇA DO POVO***

This article has sought to explain Lula’s resilience in the wake of the corruption scandals plaguing his government. His smashing reelection victory constitutes the clearest evidence yet of his comeback. The voters who carried Lula to victory appear to have been strongly influenced by the government’s social policies, especially the *Bolsa Família*, in conjunction with minimum wage increases and their many ripple effects throughout the economy, including raises in public pensions. Impressive levels of macroeconomic stability made these policies possible and gave voters confidence in the government, despite the many corruption charges it faced. With the economic fundamentals in place, Lula was able to use incumbency to his advantage.

In assessing incumbent advantages in 2006, it can be noted in passing that the *Bolsa Família*, a program based on monthly cash transfers to the poor, simply could not have worked in the hyperinflationary environment that prevailed in Brazil before the presidency of Fernando Henrique Cardoso. Years of painful reforms and newfound stability have afforded Brazil some space for policy experimentation, and this has redounded largely to Lula’s advantage. The irony was not lost on Geraldo Alckmin, who carried the standard of Cardoso’s PSDB in 2006. In the end, successful poverty-reducing policies, together with Brazil’s demographics, put challenger Alckmin in a most difficult position.

If Cardoso won the 1994 election because of the *Plano Real*, and if Lula won in 2002 because he symbolized a change from eight years of government by the PSDB–PFL, Lula’s victory in 2006 may well go down in history for its association with the *Bolsa Família*. And if one of the main legacies of the Cardoso era is price stabilization, which Brazilians have come to expect as a matter of course, it is entirely possible that income transfer programs along the lines of the *Bolsa* will assume the form of a new entitlement for poorer Brazilians. Like Social Security in the United States or the National Health Service in Britain, the *Bolsa Família* may indeed become the “third rail” of Brazilian politics, a political totem that self-styled reformers can touch only at their own peril. To the extent that the paternity of the *Bolsa Família* becomes entwined with the growing legend of Lula—a candidate in all five of Brazil’s modern democratic elections, and the victor in the last two—this pro-



gram may well become a political heirloom over which Lula's would-be successors will do battle. These speculations, of course, are premature, but there is no doubt that *Bolsa Família* has had immediate and palpable effects on the president's political fortunes.

Notably, Lula was able finally to conquer states in which he had been trounced previously as an opposition candidate. Some of them, for example Maranhão and Bahia, are among the least competitive, most oligarchic states in Brazil, if not Latin America as a whole. What does this tell us? On the one hand, it suggests that voters in those contexts do not have deep affective ties to their patrons and their parties, or at least that these ties do not run deeply enough to determine their vote choices. It also suggests that ideological proclivities are not, first and foremost, what shapes these choices. The poorest, least educated citizens in Brazil have seen material improvements in their lives since 2003. In 2006, they made clear that they are available to be mobilized by politicians who provide them with poverty-reducing, equity-enhancing benefits. These voters also showed that they will turn out in unprecedented numbers to return those politicians to office, even though the social benefits in question are provided through universal (means-tested) criteria and require none of the political intermediation that has shaped Brazilian politics for centuries.

It remains to be seen whether Lula's advance in the least developed, most oligarchic states will disrupt well-established local networks of clientelism and prompt the demise of longstanding oligarchies. Yet the twin democratic values of accountability and responsiveness appear alive and well, at least in this election. Kitschelt (2000) argues that clientelism of the kind employed by Lula is a fully representative "citizen-politician linkage," not to be diminished or disparaged as being somehow inferior to a programmatically based linkage. Historical *petistas* who spent two decades in the opposition defending a left project of structural transformation instead of the arguably palliative and shorter-term (though popular) programs Lula has pursued might disagree.

In sorting out this debate, relevant issues to consider include how fundamental and long-lasting the impact of Lula-style benefits will be on human development, and whether the money allocated to ends like minimum wage increases and conditional cash transfer programs would be better spent on reforms that would enhance the life conditions of poor Brazilians over the long term. At the same time, it is not clear precisely what form a more structural path of change could or should take. What economic models and social policy alternatives would even be reasonable to pursue? Regardless of which side of this debate one embraces, one thing is not in dispute: in Latin America's largest democracy, where both continuity and change are ever apparent, it was a burgeoning citizen-politician linkage that returned Lula so resoundingly to office.

Appendix. State Abbreviations and Background Data

Code	State	Region	Voters (millions) <sup>a</sup>	HDI 2000	Rank in HDI	Lula Runoff Vote Share	PT Chamber Vote Share	Party of Winning Governor
AC	Acre	North	0.41	0.643	18	52.37	3.5	PT
AL	Alagoas	Northeast	1.86	0.579	26	61.45	11.8	PSDB
AM	Amazonas	North	1.78	0.681	15	86.80	9.3	PMDB
AP	Amapá	North	0.36	0.705	13	70.40	6.5	PDT
BA	Bahia	Northeast	9.11	0.631	20	78.08	16.7	PT
CE	Ceará	Northeast	5.36	0.624	22	82.38	11.5	PSB
DF	Distrito Federal	Center-West	1.66	0.815	1	56.96	19.0	PFL
ES	Espírito Santo	Southeast	2.34	0.730	10	65.54	13.3	PMDB
GO	Goiás	Center-West	3.73	0.736	9	54.78	17.8	PP
MA	Maranhão	Northeast	3.92	0.569	27	84.63	2.7	PDT
MG	Minas Gerais	Southeast	13.68	0.736	8	65.19	9.9	PSDB
MS	Mato Grosso do Sul	Center-West	1.56	0.746	7	44.98	16.1	PMDB
MT	Mato Grosso	Center-West	1.94	0.722	11	49.69	7.8	PPS
PA	Pará	North	4.16	0.678	16	60.12	18.1	PT
PB	Paraíba	Northeast	2.57	0.587	24	75.01	9.5	PSDB
PE	Pernambuco	Northeast	5.83	0.646	17	78.48	12.5	PSB
PI	Piauí	Northeast	2.07	0.582	25	77.31	21.8	PT
PR	Paraná	South	7.12	0.752	6	49.25	13.8	PMDB
RJ	Rio de Janeiro	Southeast	10.89	0.780	5	69.69	18.9	PMDB
RN	Rio Grande do Norte	Northeast	2.10	0.631	21	69.73	25.2	PSB
RO	Rondônia	North	0.99	0.690	14	55.83	7.9	PPS

## Appendix (continued)

Code	State	Region	Voters (millions) <sup>a</sup>	HDI 2000	Rank in HDI	Lula Runoff Vote Share	PT Chamber Vote Share	Party of Winning Governor
RR	Roraima	North	0.23	0.720	12	38.51	7.9	PSDB
RS	Rio Grande do Sul	South	7.75	0.786	4	44.65	19.7	PSDB
SC	Santa Catarina	South	4.17	0.788	3	45.47	9.8	PMDB
SE	Sergipe	Northeast	1.30	0.622	23	60.16	18.8	PT
SP	São Paulo	Southeast	28.04	0.792	2	47.74	16.5	PSDB
TO	Tocantins	North	0.88	0.639	19	70.27	11.3	PMDB

<sup>a</sup>Total electorate is 125.9 million.

Sources: Electoral data from TSE 2006. Human Development Index (HDI), calculated by IPEA on the basis of the 2000 national census. See IPEA 2006.

## NOTES

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1. The HDI is a composite index based on three indicators of human well-being: life expectancy, educational attainment, and per capita income. The scale ranges from 0 to 1, with lower values indicating poorer human development. See IPEA 2006.

2. For a detailed study of Lula's campaign and the PT's marketing strategy in the 2002 election, see Almeida 2006a.

3. In table 3, the indicator of political democracy is adapted from Vanhanen (1990), who operationalized Dahl's 1971 concept of polyarchy as (participation  $\times$  contestation). The dimension of contestation incorporates both the closeness between the top two candidates for governor and the overall vote dispersion of the field of candidates, giving equal weight to both factors. Participation is measured simply as voter turnout. Following Vanhanen, the measures of participation and contestation are then multiplied to produce a democracy score for each election, and the state average is determined for the two decades preceding Lula's election ("democratic tradition"). Turnout is the average of all six legislative elections, 1982–2002; competitiveness is measured for the same years for governor, except in DF, TO, RR, and AP, which had only four gubernatorial elections beginning in 1990.

4. Defeated by Lula in the 2002 presidential election, Serra was elected mayor of São Paulo in 2004. He served only 15 months, resigning in March 2006 to run for the state governorship, which he won by defeating PT senator Aloízio Mercadante in the first round.

5. For a good overview of how institutional design leads to "exchange politics" in Brazil, see Geddes and Ribeiro 1999; a broader, anthropological study of clientelism in Congress is provided by Bezerra 1999. For specific effects of the party and electoral systems on corruption, see Mainwaring 1999, 175–218; Ames 2001, 56–61.

6. Interesting, however, is the finding of PT pollster Gustavo Venturi that a tendency among more educated citizens to be more critical was offset somewhat by a higher propensity to attribute the PT's conduct to structural constraints, such as the stiff requirements of campaign financing and the difficulties all Brazilian presidents face in forging a legislative majority (Venturi 2006, 20–26).

7. We are grateful to Anthony W. Pereira for this insight on pocketbook voting by the middle class.

8. The four programs were the *Bolsa Escola*, *Bolsa Alimentação*, *Auxílio Gas*, and *Cartão Alimentação*.

9. PT candidates also won gubernatorial office in Acre, Piauí, Pará, and Sergipe, all Northern or Northeastern states (see appendix).

10. To overcome this concern by Serra and Neves, Alckmin was reportedly ready (if elected) to reimpose Brazil's historical ban on immediate reelection of presidents, removed by Cardoso in 1997.

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