Waiting for Lula

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PRESIDENT DILMA ROUSSEFF'S APPROVAL ratings have plunged after massive demonstrations in the streets of major Brazilian cities. In less than one month, according to national polls, support for her dropped from over 70% to under 50%. It is true that much of the president's popularity may still depend on the economy, but Rousseff is not likely to rebound to her previous levels of popular support before next year's presidential election.

Until then, speculation about her reelection chances will mount, and calls for former President Lula to return and replace Rousseff on the ballot will become more frequent. According to recent polls, support for Lula has not been significantly affected by recent events, and if he were to run for office, his chances of victory are particularly high. Consequently, if the president's standing stays weak or continues to deteriorate in the coming months, pressure will mount within Rousseff's own Workers Party (PT), not to mention other parties within the ruling coalition, to replace her with Lula.

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The probability of Lula running for office again, however, is very low. Age and health concerns weigh against his return, but the decision will boil down to more structural factors. While Rousseff is not likely to rebound to her previous levels of popular support any time soon, she is still favored to win reelection in 2014. For starters, any poll taken in the midst of massive protests should be taken with a grain of salt. Rousseff's positive numbers are still higher than her negatives, and she continues to lead the pack in a hypothetical presidential election. So far, the numbers also show that while Rousseff has lost political support in vote simulations, those of opposition candidates did not advance proportionately. If circumstances remain somewhat stable, Lula is not likely to replace Rousseff on the ballot.

An equally important consideration is the fact that while Lula's popularity may be

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high, his competitiveness is not immune to the economic cycle. Though Lula is aware that, if he were to run now, he would have a good chance of winning, making that decision would not come easily. He would most likely only decide to run if he were persuaded that Rousseff is no longer favored to win next year.

Rousseff's main vulnerability is, of course, the economy. If economic growth rebounds modestly this year and next, she will be in good standing for 2014. But if the interaction between a very tense political environment and a crisis of confidence in financial markets pushes the economy close to recession, her electoral prospects would certainly be more worrisome. For Rousseff to lose her favored position, unemployment would most assuredly have to rise more, which would mean that economic discontent would intensify well beyond today's levels. Such a scenario would give the opposition more room to respond with a bold move, such as having well-known presidential hopefuls join forces in next year's election.

While Lula may still be highly competitive in this scenario, that would not make his choice much easier. Lula's popularity derived from his ability to steer Brazil through a more favorable global economy, especially during his second term in office (2007–10). In other words, Lula accrued most of his political capital during a period of economic abundance. If the prospects for the global economy are much less favorable, Lula's political instinct to preserve his legacy might drive him farther away from electoral politics. That would probably make him exceptionally risk-averse with regard to announcing his candidacy and risking the possibility of losing the election.

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Ultimately, this scenario suggests that the economy would have to deteriorate to a point where Rousseff is no longer favored but not so far that Lula would evaluate his own chances of winning as not very high. While his return cannot be ruled out, these factors will certainly put Lula's personal ambitions on hold. And any confirmation of his candidacy would most likely come only at the last minute: Parties do not have to confirm presidential bids until late June to early July of 2014, three months before the election..

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