

Politics

Elections and the economy go hand in hand

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UNLIKE RECENT ELECTION YEARS, 2014 does not have a very favorable economic outlook. Nevertheless, political analysts claim that the worsening of the economic outlook for Brazil will not have much effect on politics until 2015, so it should not drastically affect next year's presidential election. Nor, they believe, will the ballot be affected significantly by the World Cup outcome—which could bring both joys and sorrows—and echoes of the 2013 demonstrations that led thousands into the streets calling for better public services and ending the impunity of corrupt officials, and the scandals involving potential presidential candidates.

"We have a wave of scandals involving potential candidates, and that will compromise the debate on government programs," said Marco Antonio Carvalho Teixeira, professor, FGV School of Business Administration of São Paulo (EAESP). "It is likely that once again we will have an election characterized by mutual accusations about who is more or less corrupt. This is not positive from a political point of view."

Fellow professor Carlos Pereira, Brazilian School of Public and Business Administration, FGV (Ebape), believes that there is a risk of recurring popular protests comparable to those seen in June this year: "The government responded in a very tentative way to demands of the protesters. The only concrete move the government made was to offer a greater number of physicians in primary health care; it did not solve the real issues of public health services. This and other public services, such as transportation, education, and security, are likely to be themes of the presidential elections."

Analysts agreed that, unless something really extraordinary happens, given the current political climate and the possible candidates, the fight for the presidency will be between President Dilma Rousseff (Workers' Party, PT) and one of the opposition candidates: Eduardo Campos or Marina Silva (both



Photo: Roberto Stuckert Filho/ Presidência da República..

President Rousseff and former President Lula, both from the Worker's Party (PT) lead polls for 2014 presidential elections.

Brazilian Socialist Party, PSB) or Aécio Neves (Brazilian Social Democratic Party, PSDB). In Pereira's opinion, "Today the most likely candidate to face President Rousseff in the second round is Aécio Neves, because his party has nationwide coverage and local networks of interest. This is vital in running for president."

Teixeira, however, believes the situation is not so clear. If Marina Silva were to replace Eduardo Campos as PSB candidate, he thinks, she would have more electoral density than the PSDB candidate: "She has a very strong presence in society. She would have huge capacity, perhaps even taking Aécio Neves out of the electoral race."

According to a Data Folha survey, it appears that in all scenarios current President Rousseff or former president Lula would win the elections. If the dispute were between Rousseff, Neves, and Campos, Rousseff wins with 47% of the vote, followed by Neves (19%) and Campos (11%). When Silva replaces Campos, Rousseff gets 42% of the vote, followed by Silva (26%) and Neves (15%). In scenarios where Lula replaces Rousseff, the former president always wins more than 50% of the vote.

According to Ebape professor Daniela Campelo, the Brazilian economy is already being strongly affected by a less favorable international economy, and these are likely to increase popular dissatisfaction with the government, regardless of who is in power: "changes [in the international economy] so far should not affect the elections—everything points to the victory of Rousseff. Nevertheless, [international factors] will affect her second term."

"If Rousseff wins, [international factors] will affect her second term. People will begin to feel more directly the enduring impacts as the economy adjusts."
Daniela Campelo

In general, analysts agreed that the next government is not likely to shift economic policy to meet popular demands precisely because the international economy is less favorable. "Economic policy is something that governments do not control because it is associated with the behavior of the international economy. The government may invest more or it may invest less. And what differentiates the PT from PSDB, for example, is the quality of public spending," Teixeira said.

The good winds from the international economy that favored the PT in the last presidential election are not blowing in the same direction. "The international economy today is very different from that in which former President Lula governed. In this sense he was lucky, as all those who were in power over the past ten years in South America. Similarly, governments in power right now have the bad luck of experiencing a much less favorable international economy," Campelo pointed out.



Photo: João Cruz/ Agencia Brasil.

Former Senator Marina Silva and Governor Eduardo Campos, both presidential candidates from Brazilian Socialist Party (PSB) are running an uneasy alliance.



Photo: José Cruz/ Agencia Brasil.

Senator Aécio Neves is the presidential candidate for the main opposition party, the Brazilian Social Democratic Party (PSDB).