Public budget under pressure in election year

The municipal elections scheduled for October 7 will also play against Rousseff administration plans to curb public spending. Historically Brazil has approved more projects and released more funds in election years. "Populist use of the mechanics of government increases with congressional pressure for amendments to the budget and release of resources," says Cristiano Noronha, partner, Arko Advice political analysis.

Senators and representatives support the campaigns of allies, and expect to be repaid when they face reelection themselves. Also, when members of Congress are candidates for city hall, that affects the pace of legislative activity. Noronha predicts a downturn in legislative work starting in May because in June the parties will hold their conventions.

Research by Arko Advice last October found that a year before the elections, 79 deputies and 5 senators had already stated their intention to run for municipal governments, and another 97 members, about 10% of the House, were undecided.



Source: Elza Fiúza/ABr.

Political parties race for leadership.

	Number of elected mayors				
Party	1992	1996	2000	2004	2008
PMDB	1,605	1,295	1,257	1,059	1,203
PSDB	317	921	990	870	786
PT	54	110	187	410	557
PDS/PPR/PPB	363	625	618	550	550
PFL/DEM	965	934	1.028	790	496

Source: Arko Advice.

Although allies in the coalition that supports the Rousseff administration, the Labor Party (PT) and the Brazilian Democratic Movement Party (PMDB) will run independently and try to elect as many mayors as possible, which may cause difficulties for management of the government coalition.

Arko Advice found that in 2012 the PMDB expects to elect 1,300 mayors, up from 1,203 in 2008. Since 1992 PMDB leads in the number of mayors. However, for the PT corruption scandals in 2006 dashed city hall hopes; now Arko estimates that the PT will try to elect 700 to 800 mayors. For this, PT will benefit from federal income distribution programs as well as the support of former President Lula.

The Brazilian Social Democracy Party (PSDB) needs to recover from a downward trend. In 1996, the first electoral contest after the Real Plan, PSDB nearly tripled the number of mayors to 921. It increased its representation slightly to 990 mayors in 2000 in the last race with Fernando Henrique Cardoso as president. PSDB power declined to 786 mayors in 2008.

Among the 26 capitals and 53 other municipalities that have more than 200,000 voters, the PT elected the largest number of mayors, 21, against 17 for the PMDB. These are the cities where the contest will be tough, because they are economically stronger.