Election countdown

The October 31st run-off is giving new life to the candidacy for president of José Serra (PSDB, Brazilian Social Democratic Party). Dilma Rousseff (PT, Workers' Party) continues to have the upper hand, but her advantage is shrinking. "The presidential campaign has finally begun. No more the apathy of the first round. Now it is a fight between two honest proposals for the future of Brazil," wrote historian Marco Villa in *O Globo* newspaper. Datafolha shows Serra only 8 points behind Rousseff. With a margin of error of 2 percent , the possibility of Serra winning has improved significantly, especially as his camp has been revitalized by winning outright in the first round the governorships of important states (Beto Richa in Paraná, Geraldo Alckmin in São Paulo, Antônio Anastasia and Aécio Neves in Minas).

Rousseff's advantages in the first round — President Lula's support, a strong economy, more TV time, and more financial resources — led many analysts to believe she would have an easy victory, as it is clear from rereading the newspapers for the last week before the first election round. Her advantages are much less marked in the run-off.

The first TV debate between the two contenders showed a marked change in their strategies. Serra is now more confident, is more vigorously defending the PSDB legacy (the Real Plan and structural reforms), and is more directly comparing himself with Rousseff. Also, after its governorship wins the PSDB is rallying round; its members are participating with more time and dedication in the Serra campaign. Rousseff instead chose the attack course in the first debate, adopting a more aggressive tone. As both camps exchange accusations, the campaign's temperature has risen considerably.

Marina Silva (PV, Green Party) was a key factor in bringing about the run-off. While there is much speculation about who she will endorse in the second round, that is not very important because PV voters, who are more educated and have higher incomes,

Photo: Fabio Rodrigues-Pozzebom/ABr



Serra's (second from the right) campaign has been revitalized by PSDB's victories in important state governorship contests.

Photo: Marcello Casal Jr/ABr



President Lula's support to Rousseff (PT) and the strong economy will be less important in the run-off.

are more likely to choose a candidate on the merits. The latest Datafolha poll shows that 51% of Marina's votes would go to Serra and 22% to Rousseff; 18% are undecided and 9% would vote blank or null.

In Congress, the PT coalition guaranteed a majority large enough to be able to approve constitutional amendments (3/5 majority). Nevertheless, if Serra were to win, forces are likely to realign and give Serra some room to maneuver in the legislature.

In any case, it is unlikely that macro policy will be changed. There is a considerable political consensus for promoting economic stability and keeping inflation low. However, the candidates have quite different views about development policy: Rousseff emphasizes industrial policy and a large role for the government in the economy; Serra favors structural reforms and a large role for the private sector.

The candidates have quite different views about development policy: Rousseff emphasizes industrial policy and a large role for the government in the economy; Serra favors structural reforms and and a large role for the private sector.