

Jacalyn Barrella

Brazil: The Troubled Rise of a Global Power by Michael Reid

Chapter 8: Lulismo and the Brazilian Dream

Lula's win in the 2002 election was a huge accomplishment for the democratic left (Reid, 143). He was a president, like Cardoso, who wanted to achieve social change. He related to the Brazilian people with ease, as Lula came from a poverty stricken past. Therefore, Lula set up six different social reforms on pensions, taxes, labor, land, the political system, and the financial system (Reid, 144). Combining a few pre-existing social programs, Lula's government came up with the Bolsa Familia. It was a cash transfer program that intended on mitigating poverty. It also looked to prevent future poverty among coming generations (Reid, 147).

Lula faced challenges with his party in politics and congress. Although they trapped him in a mess of corruption, he got elected for a second term. The economy was in a good place for a while; the real even appreciated, creating an increase in wages and employment. With Dilma Rousseff in charge, Lula launched a program that repackaged many urbanizing projects within poverty stricken areas (Reid, 152). After striking oil in the Atlantic and making creditor status, Brazil was in a state of high hopes. But of course, disappointment followed. This time, not by its own internal issues; rather, the Lehman Brothers collapsed, leaving the world in a financial crisis (Reid, 152). Luckily, Brazil held it together, generally bouncing back by the next year. This taught Brazil to lean toward state capitalism rather than liberal capitalism because it keeps the country in a state strong foundation and preparation for sudden issues like the financial crash (Reid, 155).

Lula was popular among most of the people of Brazil, although the middle class did not gain much from his presidency. He closed the gap in inequality, created jobs, increased

minimum wage, created universities, and created an overall economic growth. Although Dilma Rousseff had minimal office experience, Lula pushed her as his successor (Reid, 156). The people liked this, especially since the other candidates were not very popular. After gaining her degree, she landed a political job where Lula first took a liking to Rousseff (Reid, 159). She was a tough, yet fair woman but her minor political experience caused problems (Reid, 160). The economy, yet again, started to plunder as the real began to weaken with inflation. Although she had a decent first half of her presidency, many problems surfaced with no useful solutions.