

Brazil Elections 2022

November 09, 2022

This report is part of a series of publications
of Edelman Global Advisory on Brazil's Elections 2022

Second Round Analysis

Results and Institutional Recognition

On October 30, Brazilians went to the polls to vote for the presidency of the republic, for a 4-year term. With 50.9% of the votes, former president Luiz Inácio Lula da Silva was elected for a new term, interrupting the quest for the reelection of current president Jair Bolsonaro, who received 49.1% of the valid votes.

We highlight important signs of maintaining institutionality after Lula's election, such as the swift recognition of the legitimacy of the election by the president of the National Congress, Arthur Lira (PP-AL), and the formation of the transition committee led by vice-president-elect Geraldo Alckmin (PSB-SP) and by the current Minister of Casa Civil, Ciro Nogueira.

From a political point of view, Bolsonaro, however, remains strengthened even after defeat. In 2018, when elected, he obtained 55.13% of the valid votes, representing 57.7 million votes (out of a total of 147.3 million eligible voters that year). In 2022 Bolsonaro got 58.2 million votes, which, in this election with 156.4 million eligible voters, represented 49.1% of the valid votes.

In 2018, by way of comparison, his opponent Fernando Haddad (PT) - who started the race as Lula's vice president - received 47 million votes (44.87%). In 2022, Lula received 60.3 million votes (50.9%).

In this sense, Bolsonaro got 408,507 more votes in 2022 than he received in the 2018 election. This increase, on the one hand, shows that the electorate of the current president has remained stable, and has grown numerically, throughout his term. These are movements that are also reflected in Congress and Bolsonaro's appointment to a position on the party's national executive.

	2018			2022		
Second round votes	Bolsonaro (PSL)	57.797.847	55,13%	Lula (PT)	60.345.999	50,9%
	Haddad (PT)	47.040.906	44,87%	Bolsonaro (PL)	58.206.354	49,1%
Abstentions		31.364.522	21,29%		32.716.740	20,91%
Total number of voters		147.306,275			156.454.011	

Brazil Elections 2022

November 09, 2022

This report is part of a series of publications
of Edelman Global Advisory on Brazil's Elections 2022

Reactions on Social Networks

Lula's Victory

Between October 30th and 31st there was an explosion in the number of mentions of Lula's victory on Twitter, with users commenting in a positive tone on Lula's victory and talking about celebrations for the election result. Some users also attacked Bolsonaro supporters for questioning the election result and made fun of personalities who said they would leave Brazil in case of a PT victory. In smaller numbers, there was criticism of the victory from vehicles and influencers linked to Bolsonaro, linking Lula's victory to a drop in the market value of Petrobras and acts of vandalism.

Bolsonaro's Silence

On Twitter, Bolsonaro was questioned and criticized for his silence after the results of the second round of the elections. The negative tone publications on the theme were the majority among the analyzed mentions. Profiles of traditional press vehicles and regular users questioned the president's delay to speak out and acknowledge the election results, and many made jokes, considering Bolsonaro's absence of statements an advantage. In a smaller number among the publications evaluated, there were also posts from Bolsonaro's supporters complaining about the delay of a manifestation by the president, with some people claiming that the silence would be a strategy for a possible military intervention.

Demonstrations

The demonstrations of Bolsonaro supporters against the election results, especially the roadblocks, had negative repercussions on Twitter, with Bolsonaro being directly associated with the acts, in a critical way. Users attacked the protesters, classified the blockades as coup attempts and an attack on democracy, and complained about the Federal Highway Police's delay in releasing the roads. The actions of organized fans to break through roadblocks were celebrated on Twitter and were among the week's top subjects.

Note: Due to technical issues, the monitoring is restricted to Twitter and does not include WhatsApp and Telegram groups, or networks like TikTok and Kwai. These platforms have been used by Bolsonaro supporters to organize themselves, avoiding the monitoring and possible blocking of accounts, as occurs on networks such as Twitter, Instagram, and Youtube.

Brazil Elections 2022

November 09, 2022

This report is part of a series of publications
of Edelman Global Advisory on Brazil's Elections 2022

Transition Period

Transition Team

The activities for the change of government management began on November 7. The process is known as the transition government and is composed of members of the current administration and the elected government. The general coordinator of the process is Lula's vice-president, Geraldo Alckmin (PSB).

Other important names in the negotiations are Gleisi Hoffman, congresswoman and national president of the PT, and Aloizio Mercadante, former minister of education and Lula's program coordinator. On the current government's side, the Minister of the Civil House, Ciro Nogueira (PP), and the vice-president, elected senator for Rio Grande do Sul, Hamilton Mourão (Republicans), take part in the negotiations.

Members

The names indicated by the PT in this process are expected to be important in forming the government and occupying strategic positions.

In the economy, André Lara Resende, Guilherme Mello, Nelson Barbosa and Persio Arida. The social welfare team includes Simone Tebet, Márcia Lopes, Tereza Campello and André Quintão.

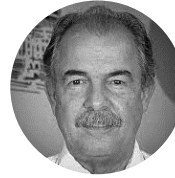
The political council was also appointed and is formed by members of parties that supported Lula in the elections. Among them:



Geraldo Alckmin, vice president-elect and coordinator of the transition team



Simone Tebet, current Senator (MS-MDB)



Aloizio Mercadante, former Senator and coordinator of the technical group of the transition cabinet



Tereza Campello, economist and former Minister of Social Development and Fight Against Hunger



André Lara Resende, economist and one of the creators of the Plano Real



Persio Arida, former president of the BNDES and the Central Bank, and one of the creators of the Real Plan



Guilherme Mello, professor at Unicamp, integrates the Perseu Abramo Foundation

Antonio Brito (PSD), Carlos Siqueira (PSB), Daniel Tourinho (Agir), Felipe Espírito Santo (Pros), Guilherme Ítalo (Avante), Jeferson Coriteac (Solidariedade), José Luiz Penna (PV), Juliano Medeiros (PSOL), Luciana Santos (PCdoB), Wesley Diogenes (Rede) and Wolnei Queiroz (PDT).

2023 Budget

The transition team started the process of revising the budget piece and articulating the revision of the rapporteur's amendment parameters (also called Secret Budget), with proposals to increase individual amendments with direct linkage criteria to public policies proposed by the executive branch.

Brazil Elections 2022

November 09, 2022

This report is part of a series of publications
of Edelman Global Advisory on Brazil's Elections 2022

Governability Perspectives

Congress

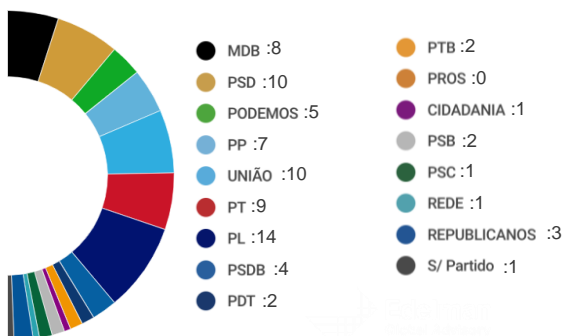
This process of composing the transition team, as well as nominations for executive positions, will shape the governing coalition being built by Lula in Congress.

The President-elect's party, PT, elected 68 deputies in the Chamber, and, considering Lula's campaign coalition, his support already amounts to 122 deputies. In the Senate there are 9 PT senators and the coalition totals 12 senators. However, to guarantee governability in the House, Lula's government must seek the support of 308 deputies and 49 senators (votes needed to approve a PEC). In view of this, the president-elect must seek to build governability agreements, especially with parties of the center.

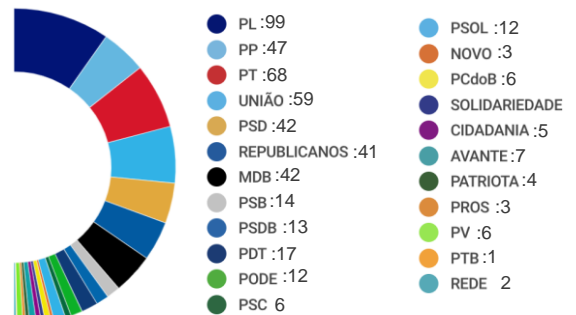
Some important parties have already partially signaled their support for Lula, like the PSD (42 deputies and 10 senators), party of the current president of the Senate, Rodrigo Pacheco, who supported Tarcísio de Freitas in the dispute for the Government of São Paulo against Haddad (PT); and União Brasil (59 deputies and 10 senators). Even the party of current president Bolsonaro, PL (the largest party in the House - 99 congressmen and 14 senators) has released its congressmen to vote with the new president-elect. It will obviously be a conditional support, since part of these bases was elected supporting Bolsonaro and, therefore, should not move to support the PT. However, bridges are possible.

The current presidents of the houses, Senator Rodrigo Pacheco (PSD) and Arthur Lira (PP), have already started their campaigns to be reelected to their positions at the beginning of the legislative year in 2022. Pacheco recognized Lula's election and congratulated him as soon as the result was announced, as did Lira, who was closer to Bolsonaro.

Senate - Elected seats



House of Representatives – Elected Seats



Brazil Elections 2022

November 09, 2022

This report is part of a series of publications
of Edelman Global Advisory on Brazil's Elections 2022

Perspectives for the next mandate

2023 Budget

As a rule, the first year of a government follows the last year of the PPA (Multi-Year Plan) drawn up by the previous government. However, Lula has significant challenges to fulfill the projects announced in the campaign during his next term. From a budgetary point of view, he must accommodate the continuity of the Brazil Aid at R\$ 600.00, increase the income tax exemption range from R\$ 1,900.00 to R\$ 5,000.00 and readjust the minimum wage to above inflation. The impact to the budget amounts to more than R\$100 billion, with some journalists claiming that the figure could reach the R\$175 billion mark.

To fulfill the proposals made in the campaign, Lula's team will have to propose a PEC or Provisional Measure to accommodate this amount in the budget and exceed the spending cap. For the R\$ 600 aid to continue in January 2023, it is necessary to resolve the financial issue by December 15.

A Proposal of Amendment to the Constitution would be the safest way legally, but it depends on the support of Congress. A meeting between members of the Mixed Budget Commission (CMO) and the coordinator of the transition team of the new government, vice-president-elect Geraldo Alckmin, had already been scheduled for Tuesday (11/08) morning, but it was postponed to the afternoon. To approve a PEC it is necessary to have a three-fifths majority of members of Congress, in two rounds of voting, both in the House and in the Senate.

If Congress fails to support the PEC, another possibility would be the Provisional Measure. In this case, it is issued by the executive branch, and only needs the endorsement of the President of the Republic, going into effect as soon as it is published, and has up to 120 days to be approved by Congress. If it is not, the measure loses its validity.

Restructuring of Ministries and Autarchies

President-elect Lula has not yet confirmed any changes or any names for ministries. However, some of his campaign speeches were firm commitments, such as the creation of the Climate Change Secretariat, the re-creation of the Ministry of Culture and Racial Equality, and the creation of new ones, like the long-awaited Ministry of Public Security - dismembered from the Ministry of Justice, and the Ministry of Indigenous Peoples. In addition, the current Ministry of Economy is likely to be reorganized into the Ministries of Finance, Planning, Industry and International Trade.

In addition to ministries, Lula is likely to appoint new presidents for Petrobras and public banks in the first weeks of the new government. Other important posts, whose terms will be completed, will be appointed over the years of his government, such as the president of the Central Bank of Brazil (BACEN) in 2024, the appointment of 2 Supreme Court Justices in 2023 and four ANVISA directors (two in 2024 and two in 2025).