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AN INTERVIEW WITH THE PRESIDENT OF THE REPUBLIC OF BRAZIL

Lula's opened up paths

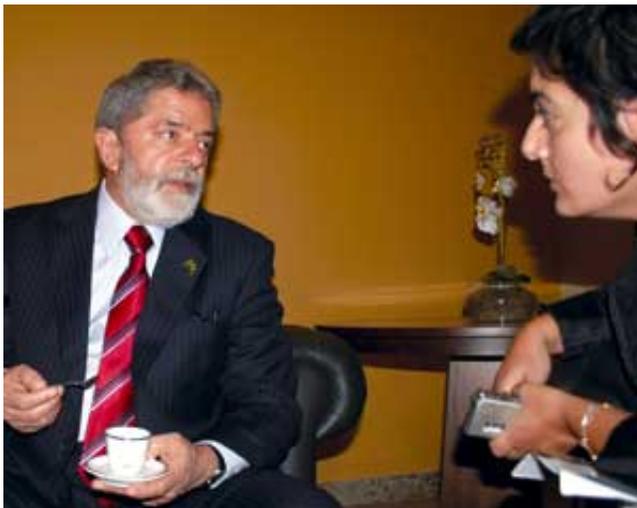
From the strategy against hunger to cooperation with the developing countries. South American integration and the work of mediation. The innovative ways that have made Brazil visible and respected in the world. For 30Days, exclusively, the balance sheet of the first presidential term of Luiz Inácio Lula da Silva

Interview with Luiz Inácio Lula da Silva by Stefania Falasca

Real distances here are what they are. And times also. But *no fim dá tudo certo*, everything at the end, as is said here, has a resolution, is certain. As the appointment with the president. It is already fixed for 3.30 p.m., at government headquarters in Brasilia. And Brasilia now streaks by the windows of the car. They say it was born out of a dream. Nothing less than that of Don Bosco who foresaw it right here, at the exact center of this country-continent. And then the architect Niemeyer came. He thought and rethought... and in the end this is how it came to him. A perfect dinky model for astronauts. Unreal, hyperbolic, pierced by roads like launch pads, while the others, those of dirt and poverty, he kept outside, in the satellite cities. It will have its autographed fascination, they say, this space city. But Brasilia is not Brazil. Everyone knows this. The president also. Luiz Inácio Lula da Silva, the former trade unionist of the Workers' Party who gained the Palacio do Plantalto with the bundle of 53 million votes on 1 January 2003, has been living here for almost four years and certainly has never dreamed of departing from this base for the moon, indeed, he has also been careful about promising it during these years of his presidential term. «This is a complex country that needs to be treated with caution as if it were a bomb. Lula has no illusions. He moves with extreme prudence and realism. He builds bridges, shortens distances. He doesn't play with conflict, he exploits conflict. He's not an adventurer, he is a trade unionist, determined, trained in extenuating negotiations and social dialectic with the goal of reaching an acceptable compromise». So the recently dead Celso Furtado, one of the major economic and social thinkers in Latin America, hailed the historic election of Lula four years ago.

Today eleven million Brazilian families, over fifty million people, that is, have risen above the minimal threshold of poverty because of the enactment of the anti-hunger program established by his governing strategy. A result without precedent, to the wonder of the World Bank at the social policy of Lula. And not even the crossfire of the criticisms and the latest domestic "bombing" have been able to destroy his image. And that too is a fact.

We meet him at the military air base after yet another session at the negotiation table. He was with a delegation from FIAT and is now ready to fly off again to Juiz de Fora in Minas Gerais, the outback of Brazil. The stuff of the former steelworker with his feet on the ground, of the pragmatic mediator trained in face-to-face encounters and negotiation is as always: «Politics is made with what you have, not



President Lula interviewed by Stefania Falasca of 30Days, Brasilia military air base, 1 September 2006

with what you think you have», he says, buttoning his jacket. «The real game of politics is this». And his totally Brazilian aplomb is flawless. Sturdy as the *cafezinho* he invites us to take. It is 3.30 p.m. Not a minute later. As planned. It is the eve of his second electoral engagement. Outside awaiting him is all the establishment of his government, those who produced the results of the Fome zero program, the economic reforms. It is the moment to draw up a balance sheet. From social to foreign policy. Especially the latter, which has restored respect and visibility to Brazil on the world scene and in the strategic role assumed in the area of the countries of the Southern Hemisphere. That has led him to take a decidedly innovative path in South American integration, in the creation of the G20, in South-South cooperation and in the India-Brazil-South Africa alliance. A policy that has given new impetus to relations with the developing countries. And for which Lula without doubt has received the highest acknowledgments, underlined by attentive international observers.

Rushed statements are not in his style. The press included. The interviews granted can be counted on the fingers of one hand. None in these recent times.

The only exception is for *30Days*.

President, your election meant great expectation for your country. What balance would you now draw up?

LUIZ INÁCIO LULA DA SILVA: In 2003, when we took over, the Brazilian economy was in very bad shape. Because of that our first concern was precisely that of guaranteeing a stable economy.

And are you satisfied with the results?

LULA: I'm pleased but not satisfied. We're aware of the extent of the historic debt that Brazil has with its people and of how much there still is to do in this country.

The anti-hunger campaign instituted by your government was also praised by the World Bank...

LULA: *Fome zero* is now extended in 31 programs or forms of intervention that aim at getting rid of hunger through social inclusion. In 2006 we invested 11.7 billion *reais* [the equivalent of about 4.3 billion euro, *ed.*] to combat destitution. These are investments that allow the poorest families access to proper nourishment, that promote the creation of work and earnings, improving the quality of life in the poorest regions of Brazil. This year the volume of resources used to combat poverty will be 89% more compared to that set aside in 2003, equal to 6.2 billion *reais* [about 2.3 billion euro, *ed.*]. Priority was given to this section of the population. Brazil has a majority of men, women and children who need to be assisted by the State.

So, it's a form of welfare state...

LULA: No. Of investment. The long-term growth of a country cannot be assured without encouraging a distribution of revenue advantageous to the most vulnerable and marginalized sectors. In other words, the distribution of revenue must be perceived as being an important engine of development and not just a consequence of the process of growth. Today the concentration of revenue has dropped, for the first time in Brazil's history, and poverty was reduced last year by 8 per cent.

That means that the historic social inequalities of this country are being reduced...

LULA: The principal program for distribution of revenue ever created in Brazil, *Bolsa Familia*, is already at work in the houses of about nine million poor families. From 2003 to today we have spent 17.5 billion *reais* [about 6.4 billion euro, *ed.*] on this



Latin American presidents during the MERCOSUR summit in Cordoba, Argentina, 21 July 2006

program. *Bolsa familia* is development out of *Fome zero* and was introduced in October 2003, unifying four revenue distribution programs. Today it is present in all of the Brazilian municipal districts. The families benefiting represent 81% of all the poor of Brazil and by the end of this year the goal is to raise the number to 11.1 families. All of those people whom the Brazilian National Institute of Statistics consider below the poverty line.

The problem of land distribution has always been a crucial point for Brazil. What is the situation now?

LULA: Agrarian reform has advanced greatly in Brazil in the past three and a half years. More than 22 million hectares of land has been distributed, an area as large as Portugal, Holland and Belgium put together. 245 thousand families have benefited from it. But it was not conceived only in quantitative terms, but rather in the aim of creating, in the agrarian reform, qualitatively elevated conditions.

What does that mean in concrete fact?

LULA: It means that the assigning of land to families was accompanied by the creation of conditions making it possible to cultivate it. So public investment in infrastructures was therefore set in place, technical assistance was offered, credit concessions were amplified, new lines of financing raised and introduced. To give an idea, in 2005 seven new settlements out of ten had access to technical assistance services to improve and therefore increase productivity.

Brazil is not the only State in South America where there is a new political concern with social development. How do you view the changes that are taking place on the continent?

LULA: In South America, in particular, we are experiencing the exhaustion of the free-market model, founded on the reduction of the presence of the state as causal factor in the process of national development. The governments that have been recently elected in the region reflect an acknowledgment of the fact that it is necessary to assign a strategic role to the State in working out public policies. And at the same time the conviction that the distribution of revenue must be perceived as a motor of development. This does not exclude the commitment to macro-economic stability, fiscal prudence and the macro-economic reforms that are being progressively implemented in the South American region. In this framework, every country will take its own specific path.

South American integration. It is certainly not a new idea. We have given it greater emphasis and importance. An absolute priority. And we've started where it's possible

Over a short period you have received all the South American presidents here in Brasilia and in two years have visited all the South American countries. This shows new and precise orientations in the foreign policy of your government...

LULA: Yes. South American integration. It is certainly not a new idea. We have given it greater emphasis and importance. An absolute priority. And we've started

where it's possible. For that matter, the European Union also began with the Europe of the six because it was the most practicable project at that precise historical moment. I am convinced that, working together, our countries will be able to promote the changes necessary to integrate themselves in a competitive way into a globalized economy. And it is because of this that we are committed to the process of regional integration whose widest expression is the emerging South American Community of Nations.

And in this process, what is the role of MERCOSUL? After years of deadlock, it seems to have taken off again...

LULA: MERCOSUL is a central element in the process of regional integration. At present we have more than 250 million inhabitants, a GDP of 1,300 billion dollars and a global trade of over 320 billion dollars. I believe firmly in the future of MERCOSUL. And this is what I relayed in the recent Bloc summit held in Cordoba, in Argentina. Without doubt there are many challenges ahead of us, but this is natural. Brazil, for example, is totally committed to the diminution of the asymmetries that weigh on the minor partners of

MERCOSUL and to make operative the “Structural Fund” which will help these economies to attract investment and facilitate the access of their goods to the more developed markets of the Bloc.

Recently Venezuela also joined MERCOSUL. What are your relations with the Venezuelan government and how do you judge the country's entry into the Bloc?

LULA: Brazil has always been committed to the principle of non-interference in the internal affairs of respective governments. With our government we have tried to counterbalance or, better, to integrate non-interference with non-indifference. And therefore if we have a situation to which we can contribute, in a democratic way, to a dialogue, we do so. And it is this that we have done and will continue to do with Caracas. The entry into the MERCOSUL of such a country as Venezuela is a fact of great importance for the Bloc. Along with representing 25 million consumers, Venezuela has reserves of gas and oil crucial to the integration of the continent's energy and is strongly committed to the objectives of commercial integration that motivate and are at the basis of MERCOSUL.

Apart from South American integration South-South cooperation with other developing countries is one of the paths you are following...

LULA: Greater cooperation with other developing countries was the very clear change brought in by our government, of which South American integration is the nucleus. We established an alliance with India and South Africa, two great democratic countries on different continents, with whom we share similar visions and maintain close relations of trust. This alliance [IBSA, *ed.*] came into being at the beginning of our government and has also greatly helped the origin and shaping of the G20, the group of the main developing countries.

And ALCA? Has it faded definitively?

LULA: ALCA can resume again when the premises and conditions for negotiation acceptable to all parties exist. Brazil is not opposed to ALCA. It has simply lost its momentum.



President Lula between the Indian Prime Minister Manmohan Singh and the South African President Thabo Mbeki, Brasilia, 13 September 2006

And what is your government's position today in the relations between Brasilia and Washington?

LULA: It's a position of negotiation on the basis of equal dignity.

How do you define these relations...

LULA: Objective. Excellent. The exchanges and reciprocal visits have intensified over these years.

And with the European Union?

LULA: Certainly also with the European Union. And all of this in a period when exports toward the United States and the European Union are beating all records. These relations aim at reinforcing our negotiating possibilities, principally through South American integration and South-South cooperation.

What do you think of the breakdown at the end of July in negotiations with the World Trade Organization?

LULA: Along with the great majority of the countries, we deeply regretted the breakdown of negotiations for an agenda of development in the WTO. It is not only some concessions in trade matters that are at stake. It's the very future of multilateralism in the economic sphere, with obvious repercussions on the political and social levels. The developing countries do not need favors. They need just conditions to let their comparative advantages prevail. The crisis in negotiations is not technical, but political. It's a crisis that lacks leadership. Because of this Brazil continues to collaborate with the principal leaders of the developed and developing world to seek a possible way out, a viable course.

In Europe an impasse of at least three years is talked of...

LULA: Well, I believe that today we find ourselves in another phase. The developing countries have reached another position, a different dynamic in negotiations compared to the past. And I trust that after an analysis of the current picture, we will return to the negotiating table, showing on both sides the flexibility necessary for the negotiating project to take off again. In an ambitious and at the same time balanced way, favorable to all. The recent visit to Brazil, the second in the past six months, of the US minister in charge of trade negotiations, Susan Schwab, to seek for the conditions whereby this could come about is certainly a positive sign.

Let's talk about the United Nations. At the UN Brazil was praised several times by the Secretary General Kofi Annan. The coordination of the difficult mission to Haiti was entrusted to Brazil. What are your objectives for an eventual reform of this organization?

LULA: To reinforce multilateralism.

And thereby obtain a permanent seat on the Security Council?

LULA: That is not an idea of now. It goes back to Roosevelt. It was he who proposed it, taking into account the geopolitical balances of the world that emerged from the Second World War. And then it didn't come about because of the opposition of Churchill and Stalin, with their different reasons. The world has changed since then. In any case when we talk about the entry of Brazil as permanent member of the Security Council, it is not so much a question of national prestige as an important question in contributing to the creation of a more multipolar world. Brazil can contribute to this, as I believe that India and other countries can.

Last year you visited various Arab countries, including Iran, instituting an organization for relations between South America and the Arab countries. That too is an entirely innovative direction for Brazilian politics, as also for international geopolitics...

LULA: That, clearly, will need time before it can be consolidated.

You criticized the US intervention in Iraq. What is your view on the current crisis in the Middle East?

LULA: Well, Brazil is a country made up of emigrants and it is a country where different ethnic and religious groups have always coexisted in a peaceful way. The Arab and Jewish communities here are strong and have excellent relations, not only among themselves, but also with the other ethnic and religious groupings.

So that the Arabs as much as the Jews, therefore, are well integrated into the Brazilian social fabric. Thus when the members of this community have the opportunity of returning to their countries of origin, they work there as informal ambassadors of our culture and of our democratic values. This also explains the fact that Brazil traditionally defends the right of Israel to live in security within its own internationally recognized borders and, at the same time, recognizes and supports the right of the Palestinian people to self-determination and to live in a sovereign and independent State. I have always affirmed that Brazil is ready, within the limits of its possibility, to contribute by supporting the work of the Quartet. And the recent decision of the government to donate a million dollars to the reconstruction of Lebanon and the communities that were hit, reflects the sense of responsibility and of involvement of the government and the Brazilian people in the cause of peace in the Middle East and for the welfare of its people.

The day after your election you met Massimo D'Alema in San Paolo. Today D'Alema is Italian



President Lula and the Combanian missionary Father Franco Vialetto, on the occasion of the interview with 30Days

Foreign Minister. What do you think of Italian foreign politics at this delicate moment in international politics?

LULA: Italy can and must make a decisive contribution in the Middle East. I believe that the choice of Massimo D'Alema as Foreign Minister was a happy and very important one. He is also a friend of Brazil, and a personal friend of mine.



President Lula at the end of the interview with 30Days

Can we say that Italian-Brazil relations are now closer than in the past...

LULA: Some months ago I was with the president of the Confederation of Italian Industry, Luca Cordero di Montezemolo, and I told him that it makes no sense not to strengthen the bilateral relations between Brazil and Italy, not only with the Italian State but also with Italian society. And the reason is simple: historically we have a solid, very strong bond with Italy. The Italian community is the largest in Brazil, many Brazilians are of Italian origin, as is my own wife, who has double citizenship. The historical ties, the common cultural interests and also the political closeness are all reasons why the Italian-Brazil relation is strategically important and can only advance.

And how can these relations be further encouraged?

LULA: The recent visit of the delegation of the Confederation of Italian Industry to the states of Minas Gerais, Rio de Janeiro and San Paolo, showed interest in developing joint ventures in different sectors. We offered our cooperation in the sectors of banking technology, tax collection and biotechnology. Brazil also collaborates with all the Latin American countries and we believe that a country such as Italy could have a strong presence in South America. We have a continent with economies in a state of growth, democracy is consolidating itself, and it is important that Italy begins to understand South America, beyond Brazil. Brazil is disposed to be a partner in encouraging the growth of the Italian presence here. It is obvious that Italy doesn't need Brazil to go to Argentina, Uruguay, Paraguay or Colombia, just to cite some countries, but I maintain that because of the closeness of the relations and the political affinity that we have, Brazil can make a contribution to helping Italy become closer to South America.

Your election slogan four years ago claimed that "Hope has driven out fear". What meaning does that now have for you? Taking the difficult international situation into account.

LULA: The greatest and rooted threat that weighs on our collective security is the global scourge of poverty and hunger. It is a scourge that afflicts millions of people all over world. That does not justify the current terrorism, against which we must fight, but it certainly contributes to its nourishment in those communities dominated by lack of hope and by frustration. One can't engage in useless rhetoric about this. And with all the more reason now I say that activating financial mechanisms capable of helping the poorer countries to reach the goals of development is the only hope that can gain victory over fear.