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The Good Side of the Scandals

These are not good times for the leaders of Brazil and the United States. The administrations of both President Inacio “Lula” da Silva and George W. Bush are mired in scandal. Their once high approval ratings have dropped significantly and now equal about 40%. These developments are making it more difficult for both governments to pursue their ambitious international and domestic policies. At the same time, they are generating new opportunities for Brasilia and Washington to collaborate more constructively on issues of mutual interest.

The scandals that are affecting both presidents are different. The Brazilian administration has been charged with illegally paying congressmen to vote in favor of legislation supported by the government. Several members of the president’s party have resigned to avoid being convicted of a crime that would prevent them from running for office for eight years. A close friend and confidant of the president, Jose Dirceu, has been impeached and will probably lose his seat in Congress. In addition, several members of the Workers’ Party, (PT), have changed parties. Until now the opposition has not tried to implicate President Lula in the scandal, probably because polls show that a weakened Lula could be beaten in the 2006 presidential election. If polls begin to indicate that the president is regaining his popularity, the opposition would undoubtedly try to tie Lula personally to the scandal.

In the U.S. case, a high level official close to Vice President Cheney has been indicted on charges of lying to a grand jury regarding whether he revealed the identity of a CIA secret agent. While the charges are narrow, the opposition is claiming that the agent was “outed” because she is the wife of a government official who has openly and actively criticized the war in Iraq and questioned the administration’s rationale for starting it. The opposition also believes that the key people who sought retribution against the official were Vice President Cheney and Bush political advisor Karl Rove. They would like to see both men implicated in the scandal and ultimately forced to resign.

The scandals have had similar impacts in both Brazil and the United States. Domestically, Presidents Lula and Bush will now find it very difficult to get sufficient congressional support for their domestic reform agendas. In the Brazilian case, this includes tax, labor and political reform. In the U.S. case, it involves tax and social security reform. The problem for both presidents lies not only with the opposition party or parties. Presidents Lula and Bush are also faced with increasingly strong resistance from their own political bases. President Lula, whose left-wing base expected him to implement more socially- oriented economic policies, are dismayed by his conservative management of the economy and his failure to do more to directly help the poor. President Bush’s conservative base is appalled by the large budget deficit resulting from the Iraq War, his overspending to implement his “compassionate conservative” agenda and his nomination of a candidate for the Supreme Court who was not sufficiently conservative.

The ability of both presidents to lead in the global arena has also been severely damaged. Before the scandal, Brazil had succeeded in mobilizing and leading the so-called Group of 20, which pressed for changes in the agricultural policies of the industrial countries. The scandal undermined President Lula’s moral authority to lead this effort. The United States has been

engaged in an active campaign to strengthen democracy around the world and to mobilize other nations' support for the war on terror. The scandal undermined President Bush' moral authority to lead both efforts.

There is, however, one bright side to the troubles in Brasilia and Washington. Both presidents seem more willing to cooperate with and support each other on trade and security issues. Following President Bush's offer to reduce U.S. agricultural tariffs by 60%, Brazil and the U.S. are now trying to persuade the Europeans to follow suit and to keep the Doha trade negotiations alive. And both countries are seeking ways to work together to avoid the further destabilization of Bolivia and the negative impact it would have on Brazilian and U.S. economic and security interests in South America. Hopefully, this cooperation can be sustained and expanded to include other problems in the hemisphere that need attention and leadership.