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Even more catastrophic than under Bolsonaro

The promise to protect the Amazon brought Brazil back into the international arena. But saving the environment was never a priority for Lula

If the aim was to use the event as a diversion, it could hardly have gotten off to a better start — as the South American summit got underway in Brasilia on Tuesday, 30 May, Venezuelan President Nicolás Maduro celebrated his return to the international stage. Across the domestic media, heated debates raged around whether it was appropriate for Brazil's left-wing president Luiz Inácio 'Lula' da Silva to not only roll out the red carpet for Maduro but also dismiss the human rights abuses under the authoritarian socialist leader as a 'narrative'. While the summit descended into ideological skirmishes and woolly words, the real battle was taking place just 300 metres away in Brazil's National Congress, where its 513 deputies were debating various bills that would be key in determining the direction of the new left-wing government, which has only been in power since January.

Right-wing lobbyists' revenge on indigenous people

Two of these bills were particularly controversial, including the one relating to the proposed '*Marco Temporal*', which seeks to limit the land rights of indigenous people, stating that only land where indigenous people were residing in 1988 would qualify as protected territory. 1988 was the year in which a new constitution was passed, giving indigenous people legal rights to their land for the first time. But many indigenous peoples – among them the Guaraní – had by that point long since been driven from their lands and corralled in reserves.

In addition, the bill would loosen protections for indigenous territories and open the door for mining, dam-building or agricultural use of the land. 238 deputies voted in favour of the *Marco Temporal* – support coming particularly from right-wing and centrist parties, who have close

ties to the agriculture and mining industries – while 155 voted against it. Protected indigenous territories are thought to contain various minerals and rare earth elements that are vital for the transition to clean energy. For environmentalists, indigenous lands are the last line of defence in the battle to stop capitalism's destructive machinery from further accelerating climate change and the extinction of species.

The very next day, the deputies thrashed out a reorganisation of the government, a power struggle that ended particularly badly for Environment Minister Marina Silva. The fact that the structure of the government was even under discussion was due to Lula's right-wing predecessor Jair Bolsonaro and his previous decision to use his parliamentary majority to reconfigure the federal ministries and fix their number at 23, downgrading areas such as environmental protection, women's rights and equality.

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Lula disregarded these reforms, establishing a 'provisional cabinet' of 37 ministers, which has been in office since January. While this cabinet was essentially approved by Congress, the deputies insisted on numerous modifications. Silva lost key areas of responsibility such as water, sewage and waste management, the designation of protected indigenous territories and the land register. The latter is a valuable tool for the land mafia, allowing it to claim temporary ownership of unused land without needing to provide detailed evidence. At the same time, the register, which comprises around seven million properties, is also an important tool in the fight against environmental crime and land-grabbing.

The reorganisation was passed, gaining 337 votes. This was due to Lula's own Workers' Party (PT) overcoming internal resistance and voting in favour – with the aim of finally putting the cabinet issue to bed almost five months into the new government's term. Lula's Minister for Institutional Relations, Alexandre Padilha, praised the resolution for retaining 'the original spirit of the reorganisation'. In return for their compliance, Lula promised to accelerate the release of funds for constituency projects and bring forward the reshuffling of government posts. This kind of transactional cronyism has a long tradition in Brazil.

Activists say the situation is even more catastrophic than under Bolsonaro. 'Bolsonaro dismantled environmental protections via decrees

that are easier to revoke', said Suely Araújo, an expert at the Climate Observatory, to environmental news website Mongabay. 'Now, it's Congress that's dismantling the country's environmental legislation.'

Putting on a brave front

The episode highlights how limited Lula's policymaking options are, given that – unlike in Europe – neither the parliament nor the majority of the people see protecting the environment as a priority. Environment Minister Silva has thus warned of the threat to Brazil's international credibility. 'This would be an own goal for agribusiness', she says, referring to the, as yet, unratified free trade agreement between the EU and the Southern Common Market (Mercosur). In fact, the Brazilian agro-industry, which in any case sells the bulk of its produce to China, was delighted. Some deputies were out to topple Silva and replace her with a more compliant minister from their own ranks, tweeted political scientist Oliver Stuenkel from the Getulio Vargas Foundation.

Lula has attempted to make the best out of it. Although the cabinet restructuring is now probably done and dusted, he still has two aces up his sleeve when it comes to the *Marco Temporal*: he could use his veto – or he could bank on the Supreme Court finally issuing the landmark ruling that has been pending for years, which would end the debate once and for all. Congress had hoped that its hastily passed bill would deter the court from ruling on the issue, but the judges have announced that the hearing scheduled for early June will go ahead as planned.

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If the court rules in favour of indigenous rights, it might just allow Lula to salvage his tarnished international reputation after all. But in concrete policy terms, there remains little scope for a change of course in Brazil's policies on the environment, Amazon rainforest and indigenous rights. Congress's counterstrike was a clear shot across the bows. It comes at a moment when the new government's first protective measures are starting to bear fruit: according to satellite images, after three months of record deforestation, tree loss decreased significantly in April and May 2023.

It was the promise to protect the Amazon rainforest that enabled Lula to quickly bring Brazil back into the international fold. But for the former union leader from the automotive industry, protecting the environment was never a top priority – especially not when it gets in the way of large-

scale works. In his previous terms, Lula launched controversial construction projects that were plagued by corruption, including the *Transposicao*, a scheme to divert the Sao Francisco river to meet agro-industry needs, and the *Belo Monte* dam in the Amazon, a project pushed by the construction industry.

Fossil power? Yes please

True to form, Lula has recently expressed deep irritation at the refusal of Ibama, the environmental protection agency, to grant state-owned oil company Petrobras a licence to drill in a marine region at the mouth of the Amazon River. Ibama criticised 'worrying inconsistencies' and 'severe risks' to an area containing 80 per cent of Brazil's mangroves and the still underexplored Amazon reef system, which are home to many endangered species. There is a reasonable chance that oil would indeed have been found there, given that international oil firms have discovered large deep-sea reserves off the coast of nearby Suriname and Guyana.

The licence rejection was celebrated by environmentalists, but it was soon met with pushback from the government. Alexandre Silveira, Minister of Mines and Energy, called the decision 'absurd' and insisted Petrobras should leave its drilling equipment in the area. Randolfe Rodrigues, leader of the government group in the Senate, quit Minister Silva's party, the Sustainability Network, in protest. In interviews, Rodrigues, who represents the affected state of Amapá and is said to be eyeing a governorship run in 2026, complained that neither the regional authorities nor the people of Amapá had been consulted.

Lula, too, joined in the criticism, saying he found it hard to believe that looking for oil could be environmentally damaging and demanded a re-examination of the facts. In the meantime, he launched a subsidy scheme for conventionally powered cars that's primarily aimed at the lower middle class. Under pressure to appease his support base, he is convinced that Petrobras can again be the financial bedrock of his desired redistribution and growth policy, as it was in his first and second terms.

The dream of *El Dorado*

Lula's case typifies the extent to which the Latin American left has become hooked on extractive capitalism. In Venezuela, Maduro has siphoned off profits from oil and gold exports but completely failed to industrialise the economy or even expand domestic agriculture, while Bolivia's left-wing Movement for Socialism has based its economic model and political strategy on the clientelist redistribution of mining, gas

income and soya export taxes. There is a similar picture in Argentina, and Nicaraguan ruler Daniel Ortega has likewise backed mining and land-grabbing by foreign investors of often dubious provenance.

Extractivism has shaped Latin America ever since the colonial times. After independence, it brought wealth to domestic elites. And although there are now numerous studies on the downsides of the 'resource curse' – ranging from corruption and environmental destruction to slavery, inequality and constraints on development – greed and convenience mean those elites are unwilling to give it up. The dream of *El Dorado*, of a legendary treasure that will bring riches to the lucky discoverer, still lives on in the imagination. The left-wing governments that came to power in the 'pink wave' around the turn of the millennium may have talked the talk of revolutionary transformation. But, in reality, they simply added redistribution to the existing model – and even that was a watered-down version. With high prices for raw materials both filling state coffers and lining private pockets, it was possible to redistribute funds to the poor without forcing elites to relinquish any of their wealth – via tax rises, for example.

But it's unlikely that this balancing act will be successful this time around. The global economy is in crisis mode. Climate change, wars and geopolitical turmoil promise hard-fought battles for a share of resources. Organised crime is infiltrating state structures and driving environmental destruction – via money laundering in the Amazonian gold mining industry, for instance. If the left doesn't succeed in developing an attractive alternative narrative to destructive, individualistic extractivism, it will fail – in Latin America and elsewhere. Because then the squeezed middle classes and poverty-stricken lower classes will instead cling to the familiar, following the ethos of 'every man and woman for themselves'. In that scenario, it would hardly be surprising if Bolsonaro or some other doom-monger were voted in again in Brazil.



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