

# THE NORMALIZATION OF AN ANOMALY

## The Workers' Party in Brazil

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**D**EFYING early expectations, the Workers' Party has become a leading contender in Brazilian politics. The once small and radical Partido dos Trabalhadores (PT) moderated considerably and expanded its electoral base greatly as it went from opposition to government between 1989 and 2002. The party's delegation grew to constitute the largest bloc in the lower house of Congress. PT mayors took office across an array of Brazilian cities. And finally in 2002, after winning progressively greater first-round vote shares in every presidential election since 1989, Luis Inácio Lula da Silva captured national executive office for the first time. He was reelected in October 2006. Indeed, the PT's growth is one of the most remarkable phenomena of Brazil's postauthoritarian democracy (see the appendix for the party's growth at different levels of government between 1989 and 2002). Its moderation is one of the most striking instances in the post-cold war era of a far-left party adapting to constraints stemming from structural economic changes abroad and politics at home.

Notwithstanding the dramatic changes the PT underwent between 1989 and 2002, notable too are ways in which it preserved features that distinguished it in critical ways from most other Brazilian parties. Even as the PT moderated its ideological program and made other modifications designed to boost its electoral standing, it continued to stand out for the high levels of cohesion, discipline, and loyalty commanded among its political ranks. While the PT's collective profile increasingly

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came to resemble that of a typical “catchall” party,<sup>1</sup> individual PT politicians remained highly committed to their organization and did not start to behave like the self-interested careerists found in abundance in other Brazilian parties. What accounts for the unevenness of the PT’s adaptation, that is, for the enactment of marked changes alongside the perpetuation of important continuities?

This article analyzes the factors that shaped the PT’s evolution between 1989 and 2002. Its primary purpose is to explain why the once radical party moderated its programmatic position and adopted other aspects of a more catchall electoral strategy. At the same time, it seeks to shed light on why some of the PT’s distinctive normative commitments and organizational practices endured. The broader theoretical objective is to reflect upon how changes within the PT speak to analytical debates about whether, under what conditions, and to what extent ideological parties undergo strategic adaptations. To understand patterns of change and continuity in the party, the analysis draws on insights from rational choice and historical institutionalism, thereby taking up the challenge raised by various authors to combine the two creatively and harness the strengths of each approach.<sup>2</sup> The goal is not to downplay the distinctions between them but rather to make the most of them to gain analytical leverage on complex outcomes reflecting both adaptation and resistance to change.

By telling the story of the PT through explicitly theoretical lines of reasoning, as encouraged by Robert Bates and others,<sup>3</sup> the analysis brings together parsimony and a systematization of detail, one of the key benefits of strategic frameworks, with a sensitivity to context more traditionally associated with historical institutionalism. Mobilizing a rational choice framework facilitates explanation of the PT’s adjustment to external inducements and constraints, while referencing historical institutionalism elucidates how historical legacies preserved some of the party’s uniqueness and limited its transformation. Neither approach alone can account for the PT’s profile of partial transformation.

<sup>1</sup> For a discussion of catchall parties and their characteristics, see Otto Kirchheimer, “The Transformation of the Western European Party Systems,” in Joseph LaPalombara and Myron Weiner, eds., *Political Parties and Political Development* (Princeton: Princeton University Press, 1966).

<sup>2</sup> Peter A. Hall and Rosemary C. R. Taylor, “Political Science and the Three New Institutionalisms,” *Political Studies* 44 (December 1996); Ira Katznelson and Barry R. Weingast, “Intersections between Historical and Rational Choice Institutionalism,” in Katznelson and Weingast, eds., *Preferences and Situations: Points of Intersection between Historical and Rational Choice Institutionalism* (New York: Russell Sage Foundation, 2005); Kathleen Thelen, “Historical Institutionalism in Comparative Politics,” *Annual Review of Political Science* 2 (June 1999).

<sup>3</sup> Robert H. Bates, Avner Greif, Margaret Levi, Jean-Laurent Rosenthal, and Barry R. Weingast, *Analytic Narratives* (Princeton: Princeton University Press, 1998), 10–13.

While an exclusively strategic framework overpredicts change, reliance on historical institutionalism underpredicts it. Moreover, invoking both frameworks to show how the party sometimes found itself caught between opposing logics illuminates important aspects of its behavior that have puzzled observers heretofore. In its application to the PT, a prominent example of party adaptation, the analysis seeks to demonstrate in more general terms how the two frameworks can be combined systematically to understand complex patterns of change and continuity within a single organization.

The PT is a critical case to examine for these debates since it began as a highly ideological party and resisted the adoption of vote-maximizing measures for quite some time. Although singularly poised to retain its programmatic identity, it succumbed eventually to pressures stemming from two sources: the international political economy and Brazil's political institutions. That even the PT could not resist these forces is powerful testament to their strength. This overarching story is well told from a rational choice perspective. The structural economic reforms that Brazil adopted in the 1990s and the largely favorable attitude of the Brazilian public toward them imposed clear limits on the PT's aspirations for far-reaching state-led change. So too did the growing institutional strength of the state and the party system. Abandoning its transformative project in favor of more conventional electoral goals rendered the PT more susceptible to the institutional incentives for building electoral support in Brazil. And thus, it began to adopt many of the vote-getting tactics typical of non-programmatically oriented parties in Brazil.

And yet the PT did not adapt entirely. Insights from historical institutionalism add a crucial layer of complexity to the story. The party's history conditioned how it met external challenges or whether in some instances it did at all. Indeed, the PT responded to a dense and complex mix of incentives that at times pulled it in conflicting directions. A full account of the party's evolution requires explaining important aspects of continuity as well as certain distortions in its efforts at adaptation. In general, continuity prevailed vis-à-vis the *internal* front (for example, internal party organization, relations between the party leadership and militants, norms and rules concerning the party's expectations of PT candidates and officeholders). By contrast, the changes that took place did so mostly on the *external* front (for example, listening more to voters via opinion polls, forging alliances with nonleft forces, and instituting other measures more directly related to boosting the party's vote share). Points of contact between historical institutionalism and rational choice can shed light on aspects of the PT's conduct that

reflect neither full adaptation nor complete stasis, such as the party's questionable fund-raising activities. Rather than conforming fully to the expectations of a strategic framework, the party's conduct was influenced by enduring historical commitments and norms. These complexities help account for the unevenness of the party's adaptation.

To date, there are few systematic and theoretically informed analyses of the PT's post-1989 evolution at the national level.<sup>4</sup> The literature concentrates instead on other issues, most prominently, the local governments and social movements associated with the party.<sup>5</sup> David Samuels provides an interesting and compelling analysis of the party's post-1995 evolution.<sup>6</sup> His account focuses on *endogenous* sources of change, namely, the flexibility permitted by specific internal rules and the rise of pragmatists following the party's success in mayoral elections. Yet the attention paid to internal flexibility emphasizes a facilitating condition and not a driving cause of the party's moderation. And while pragmatists were indeed more likely to win mayoral elections, it is unclear how much influence they exerted within the party. On the whole, PT mayors have not tended to occupy powerful party positions. In any event, Samuels's account does not explain why those who did hold top and ongoing leadership roles moderated their prior views.

The point of departure for the present article is that there is more to be said about factors *exogenous* to the party that militated in favor of moderation during the 1990s. Focusing on key developments both in the global economy and in Brazilian politics, the present analysis sheds light on the driving causes of change.<sup>7</sup> Its argument is not that moderation stemmed from the gradual rise of new forces within the party but rather that ongoing leaders revised their views quite dramatically. By emphasizing how the core PT leadership assessed the impact of global

<sup>4</sup> Excellent analyses of the PT in the first decade of its existence remain Rachel Meneguello, *PT: A Formação de um Partido, 1979–1982* [The Workers' Party: The Formation of a Party, 1979–1982] (São Paulo: Paz e Terra, 1989); Margaret Keck, *The Workers' Party and Democratization in Brazil* (New Haven: Yale University Press, 1992).

<sup>5</sup> PT governance in cities was characterized by a participatory governing style and a unique array of social programs, such as participatory budgeting, school scholarship funds, microcredit, and family health programs. See Rebecca Abers, *Inventing Local Democracy: Grassroots Politics in Brazil* (Boulder, Colo.: Lynne Rienner, 2000); Gianpaulo Baiocchi, ed., *Radicals in Power: The Workers' Party and Experiments in Urban Democracy in Brazil* (London and New York: Zed Books, 2003); Tarso Genro and Ubiratan de Souza, *Orçamento Participativo: A Experiência de Porto Alegre* [Participatory Budgeting: The Experience of Porto Alegre] (São Paulo: Editora Fundação Perseu Abramo, 1997); William R. Nylen, *Participatory Democracy versus Elitist Democracy: Lessons from Brazil* (New York: Palgrave Macmillan, 2003).

<sup>6</sup> Samuels, "From Socialism to Social Democracy: Party Organization and the Transformation of the Workers' Party in Brazil," *Comparative Political Studies* 37 (November 2004).

<sup>7</sup> The organizational determinants of strategic flexibility are important to consider, but space constraints preclude treatment of the issue here.

economic developments on the viability of the party's program and electoral standing—a discussion that Lula's painful 1994 defeat by Fernando Henrique Cardoso brought to a head—the present analysis tries to come to grips with the timing and sharpness of the party's ideological turn toward the center.

Section I introduces the theoretical debates about party change that the present article assesses. It lays out the expectations of rational choice and historical institutionalism, against which the case of the PT will be assessed. Moreover, it demonstrates more generally how the two frameworks can be applied to understand both change and continuity within a single organization. The central debate turns on whether and why externally mobilized parties like the PT will remain ideological and policy seeking or will moderate and become vote maximizing. If rational choice institutionalism suggests that most parties eventually experience a strong pull toward vote maximization and that they tend to converge in a fairly uniform fashion around systemic incentives, historical institutionalism predicts greater variability: even parties that undergo some strategic modification will continue to bear important traces of their past. Adaptation, when it occurs, may well be halting and uneven, perhaps even leaving a political party in awkward in-between positions.

Section II establishes the starting point by analyzing the PT's distinctiveness prior to the mid-1990s. It describes key ways in which the PT differed from its catchall counterparts and analyzes why a policy-seeking rather than a vote-maximizing approach made sense at the time. Underlying the party's radicalism was a belief that socialism was possible. PT leaders looked to Brazil's large and diverse economy as an advantageous base for its construction. They hoped that the political fluidity that existed at the time would help them transform high levels of poverty and inequality among Brazilians into support for this project. The constraints posed by Brazil's political institutions did not weigh on party leaders' minds as much as they would with the subsequent shift to vote maximization.

Section III investigates the motives for the PT to become less radical and more vote maximizing in the second half of the decade. In light of major changes in the economic landscape, together with the growing institutional strength of the state and party system, PT leaders came to doubt the viability of their socialist program and reassessed their electoral standing. Once the core leadership decided that far-reaching redistribution was outside the realm of reason, its outlook became more electoral. Setting its sights on winning the absolute majority of votes necessary to secure the presidency, the PT began to behave more like a catchall Brazilian party.

Section IV returns to the analytical frameworks raised earlier and assesses the PT's overall profile accordingly: by 2002 the party had changed more along some dimensions than along others. Indeed, the party evolved through a process that preserved core features inherited from the past while assuming new ones more in sync with developments in the broader political and economic environment. Moreover, there were certain distortions in the PT's efforts at adaptation. While the PT responded to institutional incentives after deciding to abandon its transformative project and pursue vote maximization, it did not shed its ideological past altogether. Historical legacies informed the extent to which party leaders were willing or even able to adapt. In short, while the PT became more susceptible to institutional pressures, its radical roots shaped the precise manner in which it met these challenges. Adaptation took place but with a *petista* twist.

Section V embeds the analysis of the PT in a comparative context. In its ideological moderation the PT resembles the left in Chile and Uruguay and not populist Hugo Chávez in Venezuela and Evo Morales in Bolivia, who ascended to the presidency with a radical discourse. The respective pressures felt by countries to undergo or sustain market reforms, together with state and party system institutionalization, helps account for these divergent groupings. The obvious advantages to Chile and Uruguay of global economic integration, coupled with the comparative strength of the state and party systems there, foreclosed extremist or populist options. In Brazil support for the market and economic openness (despite a larger and more diverse economy than Chile or Uruguay) and a party system and state that have gained stability impose similar constraints to radical populism. By contrast, the rentier economies of Venezuela and Bolivia have given citizens and left-leaning governments alike a perception of latitude to resist global economic trends. That Hugo Chávez and Evo Morales arose in party systems that had basically collapsed widened their room for maneuver. Section VI advances a conclusion.

## I. POLITICAL PARTIES AND THEIR MOTIVATIONS

Do parties with highly ideological origins remain principled and policy seeking or do they undergo strategic adaptation and become vote maximizing over time? Under what conditions do such parties shift their goals and behavior? How much does their past constrain decision making about the future? These are central questions in the literature on political party formation and change, to which historical institutionalists and rational choice institutionalists give quite different answers.

## HISTORICAL INSTITUTIONALIST PERSPECTIVES

The idea most fundamental to the historical institutionalist perspective concerns the importance of the founding moment of institutions. Articulated originally by Weber,<sup>8</sup> this idea has been adopted, elaborated, and modified by a subsequent line of sociologists. Focusing on issues of internal organizational power, Panebianco maintains, “[T]he crucial political choices made by its founding fathers, the first struggles for organizational control, and the way in which the organization was formed, will leave an indelible mark.”<sup>9</sup> Emphasizing the lasting role played by a party’s original following, Lipset and Rokkan assert that even changes in electoral rules are unlikely to alter the nature of established parties. “[P]arties once established develop their own internal structure and build up long-term commitments among core supporters. . . . [O]nce [a party] has been established and entrenched, it will prove difficult to change its character simply through variations in the conditions of electoral aggregation.”<sup>10</sup>

Shefter’s notion of an “externally mobilized party” further exemplifies the historical institutionalist perspective. In his definition, “Externally mobilized parties are established by leaders who do not occupy positions of power in the prevailing regime and who seek to bludgeon their way into the political system by mobilizing and organizing a mass constituency.”<sup>11</sup> Most often, they orient their energies toward long-term organization building rather than toward short-term vote maximization. Because such parties are led by individuals with strong ideological commitments, they will not turn readily into catchall parties willing to get ahead by blowing with the political winds. Instead, the origins of externally mobilized parties will shape their future orientation and organization, imbuing them with an ideological policy-seeking cast.<sup>12</sup> Reinforcing the propensity for continuity over change is the bureaucratic element of the mass organizations created through previous periods of mobilization, widely thought to produce inertia and limit the strategic flexibility of such parties.<sup>13</sup>

<sup>8</sup> Max Weber, *Wirtschaft und Gesellschaft* [Economy and Society], 5th ed. (Tübingen: J. C. B. Mohr, 1976).

<sup>9</sup> Angelo Panebianco, *Political Parties: Organization and Power* (Cambridge: Cambridge University Press, 1988), xiii.

<sup>10</sup> Seymour M. Lipset and Stein Rokkan, *Party Systems and Voter Alignments: Cross-National Perspectives* (New York: Free Press, 1967), 30.

<sup>11</sup> Martin Shefter, *Political Parties and the State: The American Historical Experience* (Princeton: Princeton University Press, 1994), 5.

<sup>12</sup> *Ibid.*, 33.

<sup>13</sup> For an excellent summary of the literature, see Steven Levitsky, *Transforming Labor-Based Parties in Latin America: Argentine Peronism in Comparative Perspective* (Cambridge: Cambridge University Press, 2003), 13–15.

The PT's origins conform well to Shefter's conception of an externally mobilized party. Formed in 1980 by a grassroots coalition of labor activists, Christian base communities, and leftist intellectuals, the PT struggled from outside the official political system against the military dictatorship of 1964–85.<sup>14</sup> Growing out of a labor movement that challenged Brazil's system of corporatist regulations, the PT soon thereafter helped found a landless movement that eventually became the largest and best organized of its kind in Latin America; it also mobilized citizens in favor of direct presidential elections to usher in the country's new democracy. Indeed, the PT is often described as the only Brazilian party to have truly formed through societal mobilization rather than through elite politics.<sup>15</sup> Its organizational structure is that of a mass bureaucratic party.

While a historical institutionalist perspective would expect such an organization to face difficulty in adapting to new circumstances, it would make allowance for some change. Indeed, the very survival of an institution generally depends on being able to exercise some degree of flexibility and adaptability. Innovation may occur either in a punctuated fashion in response to exogenous shocks<sup>16</sup> or in a more evolutionary and bounded manner.<sup>17</sup> Yet regardless of which specific model of change is envisioned, historical analyses stress institutional stickiness and path dependency more than do strategic frameworks. The emphasis on continuity is greater. A party like the PT would be expected to maintain important traces of its former profile, with residues from the past impeding adaptation to a changing external environment offering new opportunities and challenges.

### STRATEGIC FRAMEWORKS

Rational actor frameworks regard politicians and their parties as unequivocally strategic and therefore likely to adjust to the electoral and economic environments in which they operate. The best-known encapsulation of this viewpoint is that "election is the goal of those par-

<sup>14</sup> Keck (fn. 4); Meneguello (fn. 4).

<sup>15</sup> Scott P. Mainwaring, *Rethinking Party Systems in the Third Wave of Democratization: The Case of Brazil* (Stanford, Calif.: Stanford University Press, 1999), 100.

<sup>16</sup> See Stephen D. Krasner, "Sovereignty: An Institutional Perspective," *Comparative Political Studies* 21 (April 1988).

<sup>17</sup> Paul Pierson, "Big, Slow-Moving, and . . . Invisible: Macrosocial Processes in the Study of Comparative Politics," in James Mahoney and Dietrich Rueschemeyer, eds., *Comparative Historical Analysis in the Social Sciences* (Cambridge and New York: Cambridge University Press, 2003); Eric Schickler, *Disjointed Pluralism: Institutional Innovation and the Development of the U.S. Congress* (Princeton: Princeton University Press, 2001); Kathleen Thelen, "How Institutions Evolve: Insights from Comparative Historical Analysis," in Mahoney and Rueschemeyer; idem, *How Institutions Evolve: The Political Economy of Skills in Germany, Britain, the United States, and Japan* (Cambridge and New York: Cambridge University Press, 2004).



ties now out of power” and “parties formulate policies in order to win elections, rather than win elections in order to formulate policies.”<sup>18</sup> In a similar vein, Duverger and Kirchheimer agree that most parties eventually seek to capture as large a share of the electoral market as they can and are willing to dilute their ideological platforms for this purpose.<sup>19</sup> The literature is rife with examples of political parties that underwent transformations in response to external pressures of various kinds.<sup>20</sup>

For rational choice institutionalism, the opportunities and constraints presented by given institutional arrangements (for example, electoral rules, the system of government, degree of state centralization) shape the strategies and actions of political actors whose overriding priority is to win elections.<sup>21</sup> Institutions are seen to induce preferences. The expectation is that vote-maximizing parties will converge in adopting dominant strategies that conform to institutional incentives.

What are the features that characterize the institutional context of competition in Brazil and what predictions about party strategies can be derived from them? Brazilian politicians face a landscape of high party-system fragmentation, low partisan identification, and strong orientations toward personalism and pork barrel. The open-list feature of Brazil’s system of proportional representation for lower house elections, a feature that weakens parties as collective organizations, aggravates these characteristics.<sup>22</sup> Moreover, the system encourages the pursuit of executive over legislative office.<sup>23</sup> Carrying extensive prerogatives, the presidency is the most coveted political position.<sup>24</sup>

<sup>18</sup> Anthony Downs, *An Economic Theory of Democracy* (New York: Harper and Row, 1957), 11, 28.

<sup>19</sup> Maurice Duverger, *Political Parties: Their Organization and Activity in the Modern State* (London: Methuen, 1954); Kirchheimer (fn. 1).

<sup>20</sup> See, for example, Herbert Kitschelt, *The Transformation of European Social Democracy* (Cambridge: Cambridge University Press, 1994); Levitsky (fn. 13); Adam Przeworski and John Sprague, *Paper Stones: A History of Electoral Socialism* (Chicago: University of Chicago Press, 1986).

<sup>21</sup> Gary Cox, *Making Votes Count: Strategic Coordination in the World’s Electoral Systems* (Cambridge: Cambridge University Press, 1997).

<sup>22</sup> See Barry Ames, *The Deadlock of Democracy in Brazil: Interests, Identities, and Institutions in Comparative Perspective* (Ann Arbor: University of Michigan Press, 2001); Mainwaring (fn. 15). Other factors thought to contribute to party fragmentation include runoff elections, low barriers for party registration, and easy access to radio and television advertising. These are discussed by Barbara Geddes and Artur Ribeiro Neto, “Institutional Sources of Corruption in Brazil,” *Third World Quarterly* 13 (December 1992).

<sup>23</sup> Octavio Amorim Neto, “O Poder Executivo, Centro De Gravidade Do Sistema Político Brasileiro,” in Lúcia Avelar and Antônio Octávio Cintra, eds., *Sistema Político Brasileiro: uma Introdução* [The Brazilian Political System: An Introduction] (Rio de Janeiro: Konrad Adenauer Foundation, 2005); David Samuels, *Ambition, Federalism, and Legislative Politics in Brazil* (Cambridge and New York: Cambridge University Press, 2003).

<sup>24</sup> Scott Mainwaring, “Multipartism, Robust Federalism, and Presidentialism in Brazil,” in Scott P. Mainwaring and Matthew Soberg Shugart, eds., *Presidentialism and Democracy in Latin America* (Cambridge: Cambridge University Press, 1997); Matthew Soberg Shugart and John M. Carey, *Presidents and Assemblies: Constitutional Design and Electoral Dynamics* (Cambridge: Cambridge University Press, 1992), 155.

Winning Brazil's presidency requires that a candidate capture a majority of votes in a direct popular election, at least in a runoff. In general, such a requirement puts at greatest disadvantage those candidates who are furthest from the political center.<sup>25</sup> The special challenge facing presidential candidates in Brazil is to surmount such a high threshold in a system of such pronounced party fragmentation and fluidity. Given the low rates of partisan identification and the weak ideological roots of parties in society, presidential candidates have few constituencies on which they can consistently rely. Especially within this broader context, the majoritarian feature of presidential elections suggests a dominant strategy for parties whose foremost goal is vote seeking. Such parties will (1) adhere to watered-down mainstream messages rather than promote ideological programs; (2) pursue alliances across the political spectrum; (3) put forth candidates with widespread personal appeal; (4) closely track and conform to trends in public opinion; and (5) base political campaigns on the projection of slick images and distribution of material benefits rather than on substantive ideas and platforms, a strategy that requires ample financing. In short, faced with the institutional constraints described above, vote-maximizing parties can be expected to moderate their policy positions and adopt other aspects of a catchall strategy.

How has this played out in Brazil? Is the PT's evolution closer to the image portrayed by historical institutionalism or rational choice?

## II. POLICY SEEKING AND DIFFERENCE

### HOW THE PT USED TO BE DISTINCTIVE

Resisting the pull of these institutional incentives, the PT until the mid-1990s pursued a radical leftist program and concentrated on building a strong organization rather than on maximizing votes. Even the most pragmatic elements within the party—the *Articulação* faction linked to Lula and his fellow trade unionists—rejected adaptation to the incentives of the political environment as the PT's catchall competitors understood them. In fact, Lula cautioned repeatedly, "We must not

<sup>25</sup> There is a clear trend in the region away from plurality and toward runoff systems, albeit with reduced thresholds in some instances. See Mark J. Payne, Daniel Zovatto, and Mercedes Mateo Díaz, *Politics Matters: Democracy and Development in Latin America* (Washington, D.C.: Inter-American Development Bank and the International Institute for Democracy and Electoral Assistance, 2007), 23. Jorge Lanzaro argues that the establishment of a majority runoff in Uruguay in 1996 was intended to induce the radical left to moderate or impede it from coming to power if it did not. See Jorge Lanzaro, "La Reforma Electoral de 1996 en el Uruguay" (Manuscript, Instituto de Ciencia Política, Universidad de la República, Montevideo, April 2007).

let electoral concerns take over the party's agenda."<sup>26</sup> He insisted that electoral losses were not necessarily political defeats so long as the PT managed to get its name out and promote its programs.

The PT developed a distinctive profile along two dimensions that anchored Brazilian parties and differentiated them from one another. The first dimension, ideological in nature, concerns parties' positioning on the question of market-led versus state-led economic development. The second, organizational in character, concerns whether parties emphasized programs and internal discipline/cohesion or patronage distribution and the development of personal bases of support. Central to the PT's emergence as a leading opposition party was a unique identity that combined statist economics and party-oriented politics. (See Figure 1.)

#### THE ECONOMIC DIMENSION

Beginning in the 1980s international trends coupled with Brazil's poor economic performance and fiscal crisis prompted politicians to debate the country's future economic orientation. The crux of this discussion hinged on whether the market or the state would be the primary agent of economic development and management. Market advocates favored privatization, deregulation, liberalization, and state shrinking. Their detractors opposed privatizing state enterprises and public services and rejected measures designed to make labor laws more "flexible" and to enhance fiscal efficiency in the social sectors.

The PT consistently projected a far-reaching statist orientation. It adopted prolabor, anti-foreign capital positions in the Constituent Assembly (1987-88), called for socialism in Lula's 1989 and 1994 presidential bids (even proposing a complete nationalization of the financial sector in 1989), fiercely opposed President Fernando Collor's pursuit of market reforms (1990-92), and rejected many of the neoliberal reform proposals ultimately implemented under the first government of President Fernando Henrique Cardoso (1994-98).

#### THE POLITICAL DIMENSION

Key features of Brazilian politics also fueled public discussion by the late 1980s and early 1990s. Signs of opportunism among politicians from Brazil's catchall parties were ongoing and rife. They included defying the directives of party leaders, outmaneuvering those within their own ranks, switching parties at will, and forging coalitions in line with shifting political calculations. The twin maladies of clientelism and

<sup>26</sup> João Machado and Paulo Vannuchi, "Lula: Mãos À Obra," *Teoria e Debate* 13 (January/February/March 1991), 6, my translation.

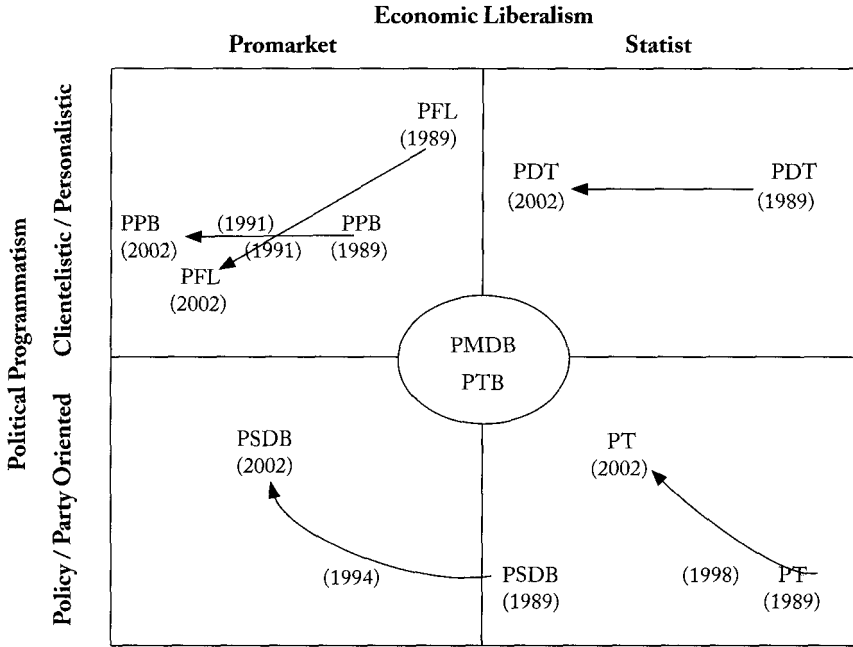


FIGURE 1

BRAZIL'S POLITICAL LANDSCAPE  
(1989–2002)

corruption also drew public attention through numerous high-profile scandals. The media highlighted these practices and their deleterious effects on governability and citizen well-being, thereby giving politicians from more institutionalized parties—especially the PT—a perfect way to separate themselves from the crowd.

The PT's classification as party oriented is rooted in the exceptionally high rates of cohesion, discipline, and loyalty displayed by its legislative delegation.<sup>27</sup> The PT also observed a very restrictive alliance policy, joining exclusively with parties on the left in the 1989 and 1994 elections. This differentiated the PT not only from major parties on its right,

<sup>27</sup> Frances Hagopian, "Economic Liberalization, Party Competition, and Political Representation: Brazil in Comparative (Latin American) Perspective" (Manuscript, 2005); Paulo Roberto Figueira Leal, *O PT e o Dilema da Representação Política* [The Workers' Party and Dilemmas of Political Representation] (Rio de Janeiro: Editora da Fundação Getúlio Vargas, 2005); Scott P. Mainwaring and Aníbal Pérez Liñán, "Party Discipline in the Brazilian Constitutional Congress," *Legislative Studies Quarterly* 22 (November 1997); Carlos Ranulfo Felix de Melo, "Partidos e Migração Partidária na Câmara dos Deputados," *Dados* 43 (April–June 2000); Celso Roma, "Atores, Preferências E Instituição Na Câmara Dos Deputados" (Ph.D. diss., University of São Paulo, 2004); Amaury de Souza, "Political Reform in Brazil, Promises and Pitfalls," *Policy Papers on the Americas*, XV, no. 3 (Washington, D.C.: Center for Strategic and International Studies, 2004).

such as the PFL (Liberal Front Party), but also from its main center-left competitor, the PSDB (Party of Brazilian Social Democracy), and its leftist rival, the PDT (Democratic Labor Party). Efforts to combat clientelism and corruption contributed further to the PT's unique profile. While the party sought zealously to expose and hold guilty parties accountable in national corruption scandals, PT policies at the municipal level aimed to make governmental decision making more transparent to the public.<sup>28</sup>

#### UNDERSTANDING THE PT'S DISTINCTIVENESS

Why did party leaders initially follow a policy-seeking approach, manifested most visibly in the special niche of statist economics and party-oriented politics that they carved out and defended? Why did they advocate raising public consciousness and promoting the party's label and programs instead of conforming to preexisting public opinion, making strategic alliances with nonleft parties, and turning toward patronage? No doubt these were individuals with strong ideological commitments, motivated enough to have risked life and limb defying the military regime but a few years earlier. All indications are that most *petistas* believed firmly in the developmental and redistributive task of the state and opposed vehemently the clientelistic and personalistic orientation of Brazilian politics.

Yet what made them think that radical change would be possible in Brazil, a new democracy that was dominated by the civilian heirs of the military regime and that was born precisely when socialism was faltering internationally?

#### A BELIEF IN THE VIABILITY OF SOCIALISM

Party leaders did not immediately regard the fall of socialism in Eastern Europe as signaling the end of their transformative project. They were not altogether daunted by the international developments of the late 1980s in part because the PT's socialist aspirations had never followed the Soviet model anyway. A focus on the many advantages Brazil enjoyed with respect to an inward-looking development strategy—a large population, diverse resource endowment, and a well-developed state sector—helped sustain such hopes. Moreover, the exceedingly poor macroeconomic performance of 1987 to 1993 and the precarious governability

<sup>28</sup> Leonardo Avritzer and Zander Navarro, eds., *A Inovação Democrática: O Orçamento Participativo No Brasil* [Democratic Innovation: Participatory Budgeting in Brazil] (São Paulo: Cortez, 2002); Gianpaulo Baiocchi, *Militants and Citizens: The Politics of Participatory Democracy in Porto Alegre* (Stanford, Calif.: Stanford University Press, 2005); Brian Wampler, "Expanding Accountability through Participatory Institutions: Mayors, Citizens, and Budgeting in Three Brazilian Municipalities," *Latin American Politics and Society* 46 (Summer 2004).

that accompanied it created an atmosphere of volatility that seemed to leave the door open for a major reorientation of economic policy.<sup>29</sup>

#### A QUEST FOR POLITICAL TRANSFORMATION

Party leaders also had faith in the intrinsic appeal that their redistributive platform would have in a country of record socioeconomic inequality. Their hope was to impart the PT's message and outlook to the poor,<sup>30</sup> who by virtue of sheer numbers exert a greater impact on electoral results than do their more economically privileged counterparts. While aware that the party's core support base rested with organized interests, intellectuals, and progressive middle-class urbanites in the industrial states of the South and Southeast, the leadership hoped that the uncompromising advocacy of equity-enhancing structural reforms would eventually pry voters away from patronage-wielding politicians and help the party penetrate the poorer regions of the country.

The loose attachment of citizens to other parties, a sign of weak institutionalization in the party system, might help them gather support for their radical program. Far less than half the electorate expressed a preference for any party in 1989. Among voters with a primary school education, that number was closer to 30 percent.<sup>31</sup> Brazil's dense civil society promised to facilitate the PT's goal of collective empowerment.<sup>32</sup> Party militants viewed their links to preexisting organizational networks as a way to reach large numbers of people. Groups whom the social movements of the 1960s and 1970s had mobilized, such as Christian base communities, trade unions, and urban neighborhood organizations, held particular potential in this regard. Party leaders hoped that such organized networks would give the PT a reliable support base.<sup>33</sup>

<sup>29</sup> Much of the information in this paragraph was gleaned from an interview with Luiz Gushiken, former party president (1988–90) and close adviser to Lula until 2006. Author interview, Luiz Gushiken, Brasília, August 14, 2006.

<sup>30</sup> Plínio de Arruda Sampaio, "Sucessão Presidencial—Depende Da Gente," *Teoria e Debate* 6 (April/May/June 1989).

<sup>31</sup> Yan de Souza Carreirão and Maria D'Alva G. Kinzo, "Partidos Políticos, Preferência Partidária e Decisão Eleitoral No Brasil (1989/2002)," *Dados* 47, no. 1 (2004), 141.

<sup>32</sup> Brazilian society is considered relatively well organized, as discussed by Omar G. Encarnación, *The Myth of Civil Society: Social Capital and Democratic Consolidation in Spain and Brazil* (New York: Palgrave MacMillan, 2003). Rates of church affiliation are comparatively high. See Frances Hago-pian, "Latin American Catholicism in an Age of Religious and Political Pluralism: A Framework for Analysis," *Comparative Politics* (forthcoming); Peter McDonough, Doh C. Shin, and José Alvaro Moisés, "Democratization and Participation: Comparing Spain, Brazil, and Korea," *Journal of Politics* 60 (November 1998). Trade union membership has remained steadier than in other countries that have undergone market reform. See Kenneth M. Roberts, *Changing Course: Party System Change in Latin America's Neoliberal Era* (New York: Cambridge University Press, forthcoming). Neighborhood organizations abound in a cross-section of the country's cities.

<sup>33</sup> Many of the insights in this paragraph come from an interview with a long established PT member and close associate of Lula. Author interview with Paulo Vannuchi, Brasília, August 17, 2006.

Beyond the leadership's belief in the possibility of social transformation, spatial dynamics constrained the party's room for maneuver. The solid presence and social democratic character of the PSDB until the mid-1990s made it difficult for the PT to fashion itself successfully in center-left terms. The occupation of the center-left by a party full of experienced high-profile politicians and reputable technocrats constituted additional rationale for the PT to stay further to the left. Paraphrasing one PT senator, "Competing against credible centrist opponents put us in a difficult situation. We preferred polarized races in which we faced an openly right-wing competitor."<sup>34</sup> From another perspective, "There was more possibility for Fernando Henrique Cardoso (FHC) to attract potential followers of Lula than for Lula to grow into the electorate of FHC."<sup>35</sup>

The PT leadership was obviously aware that garnering a majority of votes to win the presidency on a radical platform would be a tall order. Yet politics in Brazil was still quite fluid in the late 1980s and early 1990s, reinforcing the party's "anything is possible" outlook. Party volatility and other signs of weak institutionalization abounded amidst a broader climate of social mobilization. Party strategists regarded Lula's strong showing against Fernando Collor in the 1989 presidential contest as evidence that it was possible to capture executive power by promising Brazilian voters far-reaching change. In that runoff Lula secured 47 percent of all valid votes. Only subsequently did they attribute Lula's performance to circumstances particular to that campaign, namely, the fact that Brazilian voters faced two polar alternatives and many who would not ordinarily have been attracted to Lula found themselves hard pressed to endorse his populist right-wing competitor who was a political heir of the military regime.<sup>36</sup> Considering that Lula's first-round vote share was only 17.2 percent, his core support was quite low.

PT leaders also took some heart in the party's incremental growth in the Chamber of Deputies. The system of proportional representation in districts of high magnitude for seats in the lower house made a policy-seeking strategy minimally viable. Low thresholds for representation permitted the party to gain a foothold in national politics. The party's legislative delegation advanced from 3.3 percent of all seats in 1986 to 7.0 percent in 1990, 9.6 percent in 1994, 11.3 percent in 1998, and 17.7 percent in 2002.<sup>37</sup>

<sup>34</sup> Author interview with PT senator Ana Júlia Carepa, Brasília, August 14, 2003.

<sup>35</sup> Jorge Almeida, *Como Vota o Brasileiro* [How Brazilians Vote] (São Paulo: Casa Amarela, 1996), 87.

<sup>36</sup> Interview with Gushiken (fn. 29).

<sup>37</sup> Compatible with this institutional arrangement is the fact that PT politicians with more radical views are to the present day more likely to be found in the Chamber than in positions requiring an electoral majority (namely, the presidency, mayorships of cities with more than two hundred thousand registered voters, and senatorial and gubernatorial positions).

Notably, however, representatives came disproportionately from the populous states of Brazil's developed Southeast and South. For all of these reasons, the PT maintained its profile of difference.

#### THE BENEFITS OF DIFFERENTIATION

What impact did the PT's strategy of differentiation have on the electorate? At the very least, it helped make the PT a household name and gave Brazilians a sense of what the party stood for. A survey conducted in February 1994 shows that more people expressed a familiarity with Lula than with any other contemporary politician, including Fernando Henrique Cardoso.<sup>38</sup> The same survey put forth a list of parties and for each party asked respondents to say whether they favored it, opposed it, or had no basis for an opinion. The PT elicited the clearest opinions (positive and negative) second only to the PMDB.

Polls conducted around the time of the 1989 and 1994 elections also suggest that the PT was building a committed core electoral following, a process no doubt enhanced by its distinctiveness. Surveys of specific groups, such as Catholics linked to Christian base communities,<sup>39</sup> union affiliates (especially those from the labor confederation most closely associated with the PT),<sup>40</sup> and members of the landless rural workers' movement<sup>41</sup> reveal overwhelming support for Lula in these years. A poll conducted just before the 1994 presidential election shows that 88 percent of those expressing a partisan preference for the PT intended to vote for Lula. That they supported Lula strongly over Cardoso even in an election that the latter was able to sweep due to the wildly successful stabilization plan (*Plano Real*) he had devised as finance minister testifies powerfully to their loyalty. It is highly doubtful that a more watered down PT could have consolidated such a following.

Moreover, the PT's emphasis on social equity resonated among people who were not necessarily *petistas* but who reported voting for the party in 1989 and 1994. In one survey, respondents who expressed a vote intention for the PT in the 1989 presidential election ranked as their highest motivation Lula's commitment to social goals, such as bettering the lives of workers and the poor.<sup>42</sup> A similar pattern shows

<sup>38</sup> IBOPE poll, no. 339, February 1994.

<sup>39</sup> Catholics in organized base communities showed nearly universal support for Lula in the 1994 presidential election. Unorganized Catholics showed an average propensity to vote for Lula in that election. See Antônio Flávio Pierucci and Reginaldo Prandi, "Religiões E Voto: A Eleição Presidencial De 1994," *Opinião Pública* 3 (May 1995).

<sup>40</sup> DATAFOLHA poll, no. 00730, August 1997.

<sup>41</sup> DATAFOLHA poll, no. 00806, February 1997.

<sup>42</sup> Yan de Souza Carreira, *A Decisão do Voto nas Eleições Presidenciais Brasileiras* [Vote Choice in Brazilian Presidential Elections] (Florianópolis/Rio de Janeiro: Editora da UFSC/Editora FGV, 2002), 89.



up for the 1994 election. Lula voters regarded issues like hunger and unemployment as more problematic than did supporters of other candidates<sup>43</sup> and noted “Lula’s concern for socioeconomic problems” as one of the principal reasons for selecting him.<sup>44</sup>

From these perspectives there was indeed a logic to difference. The PT was making steady albeit slow electoral progress by uniting behind clear alternative positions on major economic and political cleavages, building strong networks, and restricting its alliances to the left. By forgoing a more meteoric political ascendance, the party managed to retain a core identity and to avoid being sucked into the corrupting whirlpool of Brazilian politics. Some observers even went so far as to argue that the PT was inducing other parties to become more programmatic, especially with regard to the state/market dimension.<sup>45</sup>

### III. THE SHIFT TO VOTE MAXIMIZATION AND NORMALIZATION

Yet in the mid-1990s the party began to change course. Its emphasis shifted from organization building and policy seeking to vote maximization. José Genoíno, future party president (2002–5), encapsulated the leadership’s new outlook in his statement, “It’s now time to win, not just to stake out our ground.”<sup>46</sup> As part of this new priority on winning elections, especially presidential contests, the PT went to great lengths to moderate its platform and soften its public image.<sup>47</sup> It also began to adopt other characteristics and strategies of catchall parties.

Why did Lula’s faction, moderate within the PT but decidedly on the left of the political spectrum, undertake such a move to the center in the mid-1990s? The *Articulação* had led the party at various times before, including in the late 1980s, but had charted quite a radical course then.

#### FACTORS MOTIVATING CHANGE

A systematic set of factors motivated the PT to shift directions, pursue vote maximization, and become more like other Brazilian parties in the second half of the 1990s. The timing and deliberate nature of the PT’s ideological moderation and adoption of other catchall behaviors con-

<sup>43</sup> Almeida (fn. 35), 192–93.

<sup>44</sup> Carreirão (fn. 42), 130.

<sup>45</sup> Guillermo Rosas and Elizabeth Zechmeister, “Ideological Dimensions and Left-Right Semantics in Latin America” (Paper presented at the Latin American Studies Association Congress, Miami, Fla., March 16–18, 2000).

<sup>46</sup> “Em busca do bilionário liberal,” *Veja* on-line, February 27, 2002.

<sup>47</sup> Oswaldo E. do Amaral, *A Estrela não é Mais Vermelha: as Mudanças do Programa Petista nos Anos 90* [The Star Is No Longer Red: Programmatic Changes in the Workers’ Party in the 1990s] (São Paulo: Editora Garçon, 2003).

forms to a strategic understanding of change. It was specific contextual and historical factors that changed the party's preferences and hence shifted its behavior. A serious reassessment occurred in the wake of Lula's loss to Cardoso in the 1994 presidential election. If party leaders had previously interpreted key economic and political factors as favorable to a socialist transformation of society, by the mid-1990s they recognized and accepted the constraints imposed by the international political economy and by Brazilian politics itself. With the decision to jettison their project for far-reaching change and abide by the institutional parameters of competition for election to the presidency and other majoritarian offices, the party shifted along the economic and political dimensions that defined Brazil's competitive landscape. Change on the ideological dimension (that is, a programmatic shift to the center) and on the organizational dimension (for example, a shift from mass/participatory structures to some combination of personalism, patronage, and professionalism) went hand in hand.

#### ECONOMIC LIMITATIONS TO SOCIALIST TRANSFORMATION

If the PT had not advanced further when socialism was still seen as a viable alternative and significant fluidity/volatility existed in the electoral system, party leaders were forced to admit even greater challenges by the second half of the 1990s. Brazil's adoption of market reform was a crucial external factor that motivated the party to change course. The party's radical program, which included proposals to nationalize leading industries and launch a major land reform, had placed the PT on the far left tail of the political spectrum and distribution of voter preferences. Yet by the mid-1990s, the Articulação leadership observed that important segments of the citizenry favored key aspects of market reform, rendering a far left position untenable electorally.

Surveys showed public opinion to be especially favorable toward free trade. Over two-thirds of Brazilians persistently supported free trade in the fifteen-year period following the initiation of Collor's trade liberalization. That Brazil was extremely closed to imports of consumer goods throughout the ISI era, a situation widely understood to elevate prices and lower quality, shaped public opinion positively toward reversing it.<sup>48</sup> Similarly, a large majority favored foreign investment. Polls suggested that most Brazilians associated foreign direct investment with visible consumer benefits and comparatively well paying jobs. Moreover, they cited foreign firms as better managed than their do-

<sup>48</sup> Andy Baker, *Consuming the Washington Consensus: Mass Responses to the Market in Latin America* (Cambridge: Cambridge University Press, forthcoming).

mestic counterparts.<sup>49</sup> As for privatization, support reached higher levels in Brazil than in many other Latin American countries, although it was always lower than for free trade and foreign investment. In the mid-1990s, a majority of the population supported sell-offs in sectors deemed nonessential to citizens' basic welfare or to national sovereignty.<sup>50</sup>

Cementing the PT's decision to conform to (rather than try to change) public opinion on market reform was the recognition that actually *reversing* the liberalizations begun by Fernando Collor and furthered by Fernando Henrique Cardoso would be too controversial. The reduction of inflation and the overall stabilization of the economy under Cardoso,<sup>51</sup> accompanied by an institutional strengthening of the state,<sup>52</sup> set further limits on a strategy aimed at radical change. Improvements in state performance made it less and less credible for the PT to present itself as a radical alternative to an unacceptable situation. The decisive first-round reelection that Cardoso won in 1998 reinforced this conclusion. Thus, as one member of Lula's inner circle emphasized, it was not abstract deliberations about the demise of international socialism that convinced party leaders to shift course. Instead, the domestic effects of stabilization and global economic restructuring, which were recognized and digested only with time, led pragmatic leaders to set aside the PT's historic project and replace social transformation with the pursuit of power.<sup>53</sup>

#### POLITICAL LIMITATIONS TO RADICAL TRANSFORMATION

Although a strategy of differentiation had helped the PT consolidate a core following, there were downsides to this course, especially if the party wanted to win the presidency in the foreseeable future. Party leaders were forced to recognize that consciousness raising and organization building would be much slower processes than they had

<sup>49</sup> Ibid.; Celso Lafer and Fernando Kasinski Lottenberg, "Nacionalismo E Reestruturação Da Economia," in Bolívar Lamounier, ed., *Ouvindo o Brasil: uma Análise da Opinião Pública Brasileira Hoje* [Listening to Brazil: An Analysis of Contemporary Brazilian Public Opinion] (São Paulo: Editora Sumaré, 1992), 72–73; Mailson da Nóbrega, "Presença do Estado na Economia e na Sociedade," also in Lamounier, 33–34.

<sup>50</sup> Baker (fn. 48).

<sup>51</sup> For a discussion of improvements in the Brazilian economy, especially the sustained control of inflation and its resonance with the Brazilian public, see Leslie Elliott Armijo, Philippe Faucher, and Magdalena Dembinska, "Compared to What? Assessing Brazil's Political Institutions," *Comparative Political Studies* 39 (August 2006).

<sup>52</sup> Many indicators suggested growing state institutionalization. Key among them was lower ministerial turnover. Notably, whereas Brazil had thirteen finance ministers between 1985 and 1994, Cardoso had the same minister of finance (Pedro Malan) during his entire tenure in office (1995–2002). Also, electoral volatility diminished considerably over the 1990s and political competition became more structured. See Francisco Panizza, "Is Brazil Becoming a Boring Country?" *Bulletin of Latin American Research* 19 (October 2000), 515.

<sup>53</sup> Interview with Gushiken (fn. 29).

imagined. Poverty and inequality, however egregious, did not translate readily into votes for the party. In fact, the poorest and least educated sectors of society voted decisively against Lula and for the conservative populist Fernando Collor in 1989.<sup>54</sup> And in 1994 the evaporation of Lula's early lead over Fernando Henrique Cardoso with the success of the inflation-reducing *Plano Real* suggested that the PT's promises to combat deep structural causes of poverty and inequality (for example, unequal land distribution) were much less attractive to poor voters than immediate albeit limited improvements.<sup>55</sup> These and other electoral losses fueled discussions of the vote ceiling entailed in the party's radicalism.<sup>56</sup> In short, the pragmatic leadership represented by the Articulação faction concluded that there were firm limits to a party-based strategy of grassroots mobilization aimed at progressive macrosocietal change.

In addition to the powerful moderating pull exerted by a state and party system that was becoming increasingly institutionalized, the perception of new opportunities presented by the spatial landscape reinforced the rationale for a decisive move toward the center. By the mid-1990s the party's main competitor at the national level, the PSDB, had moved toward the right.<sup>57</sup> Its advocacy of market reform and the alliance it struck with the conservative PFL in 1994 marked the start of this rightward drift, which created a significant opening in the center-left. Governing Brazil for the next eight years would reinforce the PSDB's moderation and adoption of clientelistic tactics. Since the PT could consider secure its hold over the far left, the newly available space in the center-left presented itself as an invitation with the PT's name on it. Together with the recognized limitations of a far left position, spatial dynamics and the possibility of success that these opened up lured the PT onto a more mainstream course. This would in turn render the PT much more susceptible to the institutional pressures and incentives for building electoral support in Brazil.

The requirements of winning presidential office played a central role in debates that shaped the PT's future, especially after Lula's 1994 defeat and as the 2002 election drew closer. Party moderates referred to

<sup>54</sup> André Singer, "Collor Na Periferia: A Volta Por Cima Do Populismo?" in Bolívar Lamounier, ed., *De Geisel a Collor: O Balanço da Transição* [From Geisel to Collor: Assessing the Transition] (São Paulo: Sumaré, 1990).

<sup>55</sup> Rachel Meneguello, "Electoral Behavior in Brazil: The 1994 Presidential Elections," *International Social Science Journal* 146 (December 1995).

<sup>56</sup> Almeida (fn. 35), 44.

<sup>57</sup> Timothy J. Power, "Brazilian Politicians and Neoliberalism: Mapping Support for the Cardoso Reforms, 1995-1997," *Journal of Inter-American Studies and World Affairs* 40 (Winter 1998).

the difference between Brazil and Chile, where a mere plurality of 36.9 percent of the popular vote was sufficient to elect Salvador Allende on a socialist platform in 1970. Lula would need to capture a majority of all voters. The weakness of Brazilian parties had rendered the electorate fragmented and not very ideological. Most voters in the higher income and education brackets did not lean strongly to the left. And those at the lower ends—who by virtue of compulsory voting would turn out in numbers roughly proportional to their large population size—appeared even less open to the PT's partisan project and more concerned with acquiring concrete material benefits sooner rather than later. Also, since more Brazilians appeared sympathetic to the figure of Lula than to the party organization, strategists concluded that more attention should be placed on cultivating his personal image.<sup>58</sup>

In this light, moderate leaders worked strenuously to convince their radical counterparts to be more realistic about the given parameters of competition. After Lula's 1994 defeat they emphasized that it was erroneous to think his strong 1989 showing (on a radical platform) could be repeated. In retrospect, they saw that it was the special circumstances of that campaign—a highly polarized contest between a populist right-wing candidate associated with the military regime and a candidate who represented a break with that style and era—that yielded such a positive result. A less polarized contest involving a credible centrist opponent from an institutionalized party not linked to the military brought a decisive first-round loss in 1994.

Also, in most local and regional contests, it was those PT politicians with moderate profiles who tended to get elected. This was true even when it came to the best opportunity possible for the election of radicals: contests decided by proportional representation to fill lower-house seats from the industrial states of the South and Southeast. Pragmatists argued that if radicalism hurt the party even in this context, it was especially unrealistic to expect the PT to prevail in majoritarian races involving higher concentrations of conservative voters. In fact, the party did quite poorly under such circumstances. For example, of the nineteen PT candidates who competed in the 1994 gubernatorial races, only nine managed to win more than 10 percent of all valid votes and only three (all from the party's moderate wing) made it to the second round.<sup>59</sup>

<sup>58</sup> This assessment was made by comparing Lula's first-round vote shares to that of the party in simultaneous races. Public opinion research confirms the average Brazilian to be more drawn to Lula than to the PT. See David Samuels, "Sources of Mass Partisanship in Brazil," *Latin American Politics and Society* 48 (Summer 2006).

<sup>59</sup> Interviews with two key actors from opposing sides of the moderate/radical divide confirmed the use of such arguments at these debates. Author interview with José Genoino, several-time national

The evidence pointed to an unavoidable conclusion. The PT needed to be more attuned to the preferences of the electorate and to attract more support from demographic groups that had systematically leaned toward more conservative options: residents of small towns and rural areas, people from Brazil's Northeast, North, and Center-West regions, the least educated and poorest segments of the population, the elderly, and women. Efforts to secure their backing seemed to require a centrist ideological shift as well as measures that would modify the party in organizational terms, deemphasizing programs and highlighting personality (that is, the figure of Lula) and even providing concrete immediate material benefits.<sup>60</sup>

#### IV. RESPONDING TO EXTERNAL IMPERATIVES AND INTERNAL EXIGENCIES: STRATEGIC ADAPTATION AND PATH DEPENDENCE

A shift toward vote maximization compelled the leadership to negotiate changes in the PT's strategy in line with the constraints and inducements discussed above.<sup>61</sup> Although Lula and his closest allies in the party underwent a major rethinking in the mid-1990s, they did not institute transformations all at once. Instead, change followed a process of "layering."<sup>62</sup> Innovation was negotiated, with many alterations secured via addition, that is, by placing new elements on top of established ones. In the end, the PT did reorient markedly on measures that concerned its relations with the public, namely, those most directly and obviously linked to expanding its vote share (for example, moving to the center programmatically, making opportunistic alliances, marketing the image of Lula). Yet facing internal resistance from left factions, pragmatic leaders who pursued adaptation could not always bring the party sufficiently in line with systemic incentives. Some of their efforts—for example, their strategies to raise campaign funds, as

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deputy and party president (2002–5), São Paulo, August 7, 2006; and author interview with Valter Pomar, São Paulo, August 3, 2006. Genoino was an outspoken advocate of electoral pragmatism. Party militant Valter Pomar led the resistance to this trend. See also "Baixos Teores de Radicalismo," *IstoÉ* (November 2, 1994), 30–31.

<sup>60</sup> José Genoino (fn. 59) and Paulo Vannuchi (fn. 33) stressed in author interviews the difficulty of gaining internal acceptance of the view that the PT should reorient its strategy around the premise that most poor people cared less about the PT's ideological vision and more about the personal appeal of Lula and any immediate benefits they could receive from him as president. Their instincts received strong confirmation in the groundswell of support that Lula received in his 2006 bid for reelection from recipients of the *Bolsa Família*, a minimal income transfer program provided to the poorest Brazilians.

<sup>61</sup> Jorge Almeida, "Esquerda, Pesquisas e Marketing Político," *Teoria e Debate* 34 (March/April/May 1997); Luiz Dulci, "Por Uma Nova Estratégia," *Teoria e Debate* 34 (March/April/May 1997).

<sup>62</sup> Schickler (fn. 17); Thelen (fn. 17, 2003).

discussed below—reflected important continuities with the past. The PT also retained its uniqueness with respect to many internal matters (for example, the tight scrutiny of those aspiring to run for office under the PT label, the high discipline and loyalty expected of its legislators, the requirement that officeholders make sizable donations to the party). Many of these bore no immediate relationship to the party's electoral prospects. Thus, while the pursuit of votes did cause the PT to become more catchall in nature, its transformation was incomplete. The party's efforts to adapt to external pressures bears out a strategic understanding of politics. Some of the gaps in its adaptation reflect the influence of historical legacies. This mixed picture calls for integrating insights from rational choice institutionalism with ideas from historical institutionalism.

#### SIGNS OF ADAPTATION AND NORMALIZATION

In a major programmatic shift, the party publicly acknowledged the benefits of Brazil conforming to international market trends. This first occurred with Lula's third run for the presidency in 1998. The trend was accentuated in a striking fashion in the 2002 campaign. Beyond omitting the word "socialism" from the party's electoral program, a notable sign of moderation was the promise to adhere to Brazil's existing agreements with the IMF, widely seen as the ultimate enforcer of global capitalism. Retaining some "product differentiation," the party continued to underscore its commitment to poverty reduction and equity enhancement, but it did this by advocating policies well within the existing system, such as job creation, substantial increases in the minimum wage, and a minimum income provision. These and related measures were less ideologically charged and would deliver tangible immediate gains to less privileged segments of the electorate. No doubt the party's ideological moderation brought it closer to the center of the distribution of popular preferences.

Similarly, the leadership began to consider alliance partners that it would have rejected out of hand earlier, first on the subnational level and later in major national races.<sup>63</sup> The unavailability of the PSDB—a natural partner from an ideological standpoint yet the PT's archrival politically—made coalition building particularly difficult. Lula's insistent efforts to convince militants of the mathematical odds against winning the presidency without loosening the party's restrictive alliance policy paved the way for a stark concession to pragmatism: in 2002 the PT

<sup>63</sup> See "PT relege José Dirceu e abre para alianças," *Gazeta Mercantil*, September 1, 1997, A-8; and "Partido começa a discutir alianças," *Jornal do Brasil*, September 13, 1999, 2-A.

allied with the small right-wing Liberal Party (PL). Joining with the PL, led by evangelical pastors and affluent businessmen, was thought to be opportune for various reasons. Evangelicals, a group that voted against the PT historically, constitute a sizable share of Brazil's population.<sup>64</sup> The PL's stronghold, the state of Minas Gerais, contains the second largest number of votes in the country.<sup>65</sup> Moreover, the party's president, industrialist José Alencar, enjoyed strong connections to the business community. The calculation was that he could soften business resistance to the prospect of a PT presidency by becoming Lula's vice presidential running mate.<sup>66</sup> With similar calculations in mind, the PT sought support from a large faction of the PMDB (Party of the Brazilian Democratic Movement), arguably the most opportunistic of Brazilian parties. Thus, the PT broadened its external contacts by forging alliances outside the left. Nevertheless, as discussed below, it continued to maintain tight norms of entry into the party itself.

Another standard practice the PT adopted was to engage professional consultants and publicists who would follow public opinion polls and help the party adjust to their findings. In a departure from the previous eschewing of such practices in favor of building support for the substance of the PT's ideals and programs, party strategists had come to advocate taking account of voters' views, especially regarding the party itself. In this connection, they hired an analyst known to be sympathetic to the PT away from one of Brazil's major commercial polling firms. That individual's initial charge was to help soften resistance within the party to the very idea of tracking and conforming to public opinion.<sup>67</sup> Moreover, a survey research unit was created within a think tank of the party, the Fundação Perseu Abramo. Notably, although the adoption of opinion polling meant that the PT tried to figure out what the public actually wanted by listening from the "bottom-up," activists could still try to convince voters from the "top-down" to adopt the party's values.

Marketing the personal appeal of Lula constituted a further change. It reflected a growing acceptance of media images as an important basis of voters' judgments in a system where they tend to lack strong ideological moorings. It was also a concession to the popularity of Lula

<sup>64</sup> At least 15 percent of all Brazilian voters identify as evangelicals. Evangelical Protestantism is expanding rapidly among the working class.

<sup>65</sup> The perceived importance of Minas Gerais was one reason the PT also cultivated the support of PMDB governor, Itamar Franco. "PT não vence sem Itamar, afirma Dirceu," *Folha de São Paulo*, May 20, 2000, A-6.

<sup>66</sup> "Em busca do bilionário liberal," *Veja* on-line, February 27, 2002.

<sup>67</sup> Author interview with Gustavo Venturi, São Paulo, August 9, 2006.



relative to his party.<sup>68</sup> By 2002 Lula had hired Brazil's best-known and most expensive publicist to run his campaign. Duda Mendonça, who generally advised candidates on the political right, went to work casting Lula in a more "presidential" style and formulating catchy yet unobjectionable slogans like "Lula, Paz e Amor" ("Lula: Peace and Love") and "O PT: para um Brasil Decente" ("The Workers' Party: for a Decent Brazil").

The electoral benefits of the party's adaptation are clear. Comparisons of key variables across the various presidential races in which Lula was a candidate before assuming the presidency in 2002 are telling in this regard. Falling rejection rates reflect the evolving image of the party and its leader in a less sectarian direction. Whereas the number registering an active aversion to Lula was judged to be as high as 40 percent of the electorate in 1989,<sup>69</sup> this rate decreased to roughly 32 percent in 1994,<sup>70</sup> fell further to approximately 27 percent in 1998,<sup>71</sup> and was estimated at somewhere between 10 and 16 percent in 2002.<sup>72</sup> Other survey responses also reflect perceptions of diminished sectarianism. For example, a 1994 poll asked whether respondents thought Lula, if elected president, would confer with a broad range of societal sectors (including the business community) or would confine his consultations to the party. In 1994 nearly 40 percent of all respondents thought he would not consult widely when making decisions.<sup>73</sup> By contrast, in 2002 only 14.8 percent of respondents reported thinking that way.<sup>74</sup>

The PT's more assimilated profile also widened the range of voters to whom the party appealed, readily discernible by comparing polls that use the same demographic categories across elections. Whereas Lula's early following featured an overrepresentation of people with high levels of education and middle-class incomes, over time his support base came to include more and more people from the lowest education and income brackets. While he suffered initially from a deficit of support among older Brazilians, by 1998 and 2002 he had made significant headway with that group. Similarly, whereas polls from 1989, 1994, and even 1998 show a 9–10 percentage point preference for Lula by males, he closed the gender gap in 2002. Notably, he also extended his support over a larger portion of the ideological spectrum, with the ex-

<sup>68</sup> Almeida (fn. 61), 12–15.

<sup>69</sup> IBOPE poll, no. 00198, October 1989.

<sup>70</sup> IBOPE poll, no. 00339, February 1994.

<sup>71</sup> IBOPE poll, no. 01259, September 1998.

<sup>72</sup> DATAFOLHA, February 2002; DATAFOLHA, September 2002.

<sup>73</sup> Almeida (fn. 35), 215.

<sup>74</sup> IBOPE poll, no. 1811, November 2002, question 28.

ception of people who classified themselves as being on the far right.<sup>75</sup> Moreover, the regional base of support for Lula evened out strikingly over time, as reflected below in Table 1. In 1989 PT followers were concentrated in the South and Southeast, Brazil's wealthier and more industrialized regions. By 2002 the party was able to bring into its camp a majority of voters from the less developed North and Northeast, along with the Center-West. In short, if the aim of PT strategists was to pick up more middle-of-the-road voters, they were successful.

At the same time many of the votes cast for Lula in 2002 bore some link to the PT's historic profile. Election and survey results suggest that the PT had evolved to the point of striking that crucial but difficult balance between assimilating to the political environment and retaining an alternative identity, a challenge more generally for former ideological parties seeking to broaden their support base.<sup>76</sup> As encapsulated well by Otto Kirchheimer: "There is need for enough brand differentiation to make the article plainly recognizable, but the degree of differentiation must never be so great as to make the potential customer fear he will be out on a limb."<sup>77</sup> In short, while adaptation helped expand its vote share, the PT continued to benefit from the broad contours of the political and economic profile it had established in earlier years.

#### PARTIAL ADAPTATION: CAUGHT BETWEEN THE SYSTEM AND THE PARTY'S PAST

Despite notable changes, path dependency was ever apparent. An important example of the party's incomplete transformation concerns how it sought to address financial shortfalls. The PT had always struggled in a system where political campaigns, financed disproportionately from corporate contributions, are among the most expensive in the world. Legal allowances for businesses to contribute directly to candidates and at exceedingly high rates (up to 2 percent of their gross yearly income) favor conservative political elites with ties to the private sector. Although candidates receive free television and radio time (in proportion to their party's representation in the lower house of Congress), they incur large expenses for the production of these advertisements, for ad-

<sup>75</sup> *Estudo Eleitoral Brasileiro*, Centro de Estudos de Opinião Pública (CESOP) (Campinas: University of Campinas, 2002).

<sup>76</sup> Space constraints preclude a presentation of evidence to this effect. A binomial logit analysis suggests that anticlientelistic sentiments and reservations about some aspects of market reform were important predictors of voting for Lula in the first and second rounds of the 2002 presidential contest. See Wendy Hunter, "Growth and Transformation of the Workers' Party in Brazil, 1989–2002," Working Paper no. 326 (The Helen Kellogg Institute of International Studies, University of Notre Dame, August 2006), 20–21.

<sup>77</sup> Kirchheimer (fn. 1), 192.

TABLE 1  
REGIONAL BREAKDOWN OF SECOND-ROUND PRESIDENTIAL ELECTION RESULTS  
(1989 VERSUS 2002)

	<i>Collor vs. Lula (1989)</i>		<i>Lula vs. Serra (2002)</i>	
North	70.5	29.5	58.2	41.8
Northeast	55.7	44.3	61.5	38.5
Southeast	50.5	49.5	63.0	37.0
South	48.3	51.7	58.8	41.2
Center West	63.2	36.8	57.3	42.7
Brazil total	53.0	47.0	61.3	38.7

SOURCE: *Banco de Dados Eleitorais do Brasil (1982-2004)*, organized by Jairo Nicolau, <http://jaironicolau.iuperj.br>.

ditional promotional materials like flyers and posters and for food and drinks and other handouts at events designed to drum up support.<sup>78</sup>

Corporate support is thought to be especially decisive in presidential campaigns. Monetary restrictions had hampered the effectiveness of Lula's previous campaigns in crucial ways, such as limiting his ability to travel and even to pay campaign workers. Yet the shift toward vote maximization turned the PT's limited resources into an even greater obstacle than when party building was the overriding priority and mobilizational strategies rather than catchall tactics were relied upon. Although the PT's image and aspirations had shifted by the second half of the 1990s, its financial standing continued to reflect a more radical past and posed an obstacle to its new ambitions.

Compared with other leading parties, the PT received less money from donations overall and a far smaller percentage of it came from corporations.<sup>79</sup> Its more mainstream counterparts, especially those in government, enjoyed access to *legal* campaign finance through their ties to the private sector. On the supply side, large businesses were understandably reluctant to finance a party that had for most of its existence called for significant economic redistribution. On the demand side, leading members of the PT's left wing actively rejected the Lula faction's desire to cultivate the business class. Fearing that business interests could co-opt and pervert the party's decisions over major economic issues and orientations, they even launched a campaign to prevent PT

<sup>78</sup> David Samuels, "Money, Elections, and Democracy in Brazil," *Latin American Politics and Society* 43 (Summer 2001).

<sup>79</sup> Whereas Cardoso's declared contributions in the 1994 campaign were \$41,366,843, Lula's were \$1,741,401. The numbers for 1998 were \$37,088,337 and \$1,933,129, respectively; Samuels (fn. 78), 31. In 1994 PT candidates (for various offices) each raised only about 10 percent of the amount from business that candidates from nonleftist parties raised. They did only slightly better in 1998 (p. 39).

mayors and governors from accepting *legal* donations from major companies. They tried also to force two PT governors to return such donations they had received from construction firms in their states.<sup>80</sup>

To make up for these shortfalls, the party developed a centrally organized fund-raising network with smaller businesses in cities where it governed. PT mayors extracted kickbacks from private and public firms seeking municipal contracts (most prominently in garbage collection and transportation) and then diverted these forced contributions to a secret campaign slush fund, the *caixa dois* (or “second till”). The party also engaged in shady deals with local bingo and lottery operations. Key actors within the PT have since underscored the special constraints the party faced and how it tried to overcome them through such exchanges. The brother of a former PT mayor murdered in connection with a *caixa dois* deal gone awry (Celso Daniel of Santo André) testified that his brother had regarded the scheme as a “necessary evil, the PT being denied the donations from big business available to its political opponents.”<sup>81</sup>

The conventional interpretation that PT corruption signals the party’s complete sellout and its convergence with other parties fails to appreciate the distinctiveness of these activities. Path dependency, a key notion within historical institutionalism, shaped the PT’s reliance on such tawdry operations as alternatives to typical (and mostly *legal*) corporate contributions. The highly centralized organization of the *caixa dois* network run by the PT bears the mark of the party and its history. Although other parties have engaged in such off-the-books schemes in municipalities, they have generally done so in a decentralized fashion. Isolated groups, not the party per se, have been implicated. Another important and distinguishing characteristic of PT malfeasance is that virtually all of those involved seem to have engaged in misconduct for the sake of the party and its growth rather than for their own personal enrichment. In short, while initial appearances might suggest that the PT became just like any catchall Brazilian party after the mid-1990s, important details suggest otherwise. The PT’s financing scheme (and subsequent scandal) suggests that the party found itself caught between the incentives of Brazil’s political system and its own historical commitments. It wanted to compete in the mainstream political game but was not entirely willing or able to play by its rules. This contradic-

<sup>80</sup> Vannuchi (fn. 33) confirmed the left-wing’s reservations about the party developing closer relations with big business.

<sup>81</sup> “How a Murder Is Reviving Brazil’s Furor over Corruption,” *Financial Times*, March 28, 2006.

tion ultimately and all too ironically took a toll on the party's image as the standard bearer of ethics in politics.

#### REMAINING DISTINCTIVENESS

On several core organizational characteristics, the PT remained quite distinctive even after moderating ideologically and instituting other changes in the period leading up to Lula's 2002 presidential victory. Reflecting the historical institutionalist perspective that behavior is bounded by norms and practices embedded in the past, the PT continued to have the highest rates of cohesion, discipline, and loyalty of any political party in the system. It scrutinized individuals rigorously before allowing them to run under the PT label and held them to strict standards of conduct if and when they assumed office. These features are part of a legacy of democratic centralism. PT legislators were judged to have the highest levels of agreement with one another over a host of issues.<sup>82</sup> The rate at which they voted together and in line with the leadership's directives was without parallel.<sup>83</sup> Migration toward other parties was almost unheard of. And when asked to rank order their commitments, it was deputies from the PT who expressed the greatest willingness to support the party program and label over their own interests and those of the districts they represented.<sup>84</sup> In short, even though the leadership made changes with an eye toward boosting the *organization's* vote share, as *individuals* PT politicians did not act with the blatant self-interest that characterizes many of their counterparts in other Brazilian parties.

Thus, even though the party became more normalized over time, its adaptation was uneven. The PT moved closer to the traditional Brazilian pattern on some dimensions than on others. The ways in which it conformed the most were predictable from a desire to win elections, the presidential election in particular, especially after structural economic changes had rendered unsustainable the party's historic project of societal transformation. Pressures to change the internal norms and workings of the party were less immediate and obvious, rendering the latter more likely to endure. The conclusion returns to the issue of the party's uneven adaptation, paying central attention to the analytical purchase provided by strategic and historical institutionalist frameworks.

<sup>82</sup> Roma (fn. 27).

<sup>83</sup> Souza (fn. 27).

<sup>84</sup> Hagopian (fn. 27); Leal (fn. 27).

## V. THE PT IN REGIONAL PERSPECTIVE: COMPARATIVE EVIDENCE

How representative is the PT's moderation of left parties and movements in Latin America in general? Has the left in other countries been subject to the same forces that pulled the PT into a pattern of centripetal competition? Why has political moderation taken hold among the left in Chile and Uruguay, whereas Hugo Chávez in Venezuela and Evo Morales in Bolivia were able to win majorities with a highly radical discourse?

Cases of leftist moderation (namely, Brazil, Chile, Uruguay) share two important features that distinguish them from instances of radicalism (Venezuela and Bolivia): the perception among citizens and policymakers of stricter constraints emanating from global capitalism and domestic neoliberalism, and a state and party system with a medium to high degree of institutional strength. Contrasting conditions prevail where the left is more radical. Countries with diversified export-dependent economies foster leaders who promote cautious economic management, pragmatic institutional reforms, and more open trade. States with solid records of governance and parties with relatively stable anchors in society leave little possibility for the successful rise of political outsiders promising sweeping change. The convergence of these economic and political factors set tight limits on the left's willingness and ability to pursue a radical strategy.

Economies subject to the discipline of global markets, coupled with well-functioning states and institutionalized party systems, have greatly restricted the left's room for maneuver in contemporary Chile and Uruguay, as in Brazil. Models of institutional strength, they stand out in the region for their low levels of ministerial turnover, corruption, and electoral volatility.<sup>85</sup> Widespread approval exists for the market-oriented goals of productivity, efficiency, competitiveness, and fiscal discipline. Chile's demonstrated ability to sustain singularly impressive growth rates and greatly reduce poverty has helped consolidate the neoliberal model. Such signs of good governance and smooth functioning make it hard for the radical left to make headway. Thus, Chile's radical left, the Communist Party, is totally marginalized.

Although the state and party system in Brazil do not rise to the levels of institutionalization that exist in Chile and Uruguay, the last decade has seen a strengthening of both. Brazil is closer to Uruguay and Chile than it is to Venezuela and Bolivia in these respects. Enhanced

<sup>85</sup> Payne, Zovatto, and Díaz (fn. 25), 154.

governability—reflected in outcomes such as controlled inflation, lower ministerial turnover, and a sharp downward trend in party system volatility—suggests a state and party system undergoing consolidation. Brazil's economy, while large and diversified, is tightly constrained by global capitalism. Brazil lacks anything like Venezuela's oil that would lead citizens and government officials to think that the country could escape the prevailing economic constraints. As in Chile and in contrast to Venezuela, the market economy in Brazil is institutionally consolidated.<sup>86</sup> Brazil managed to implement structural reforms, though more incrementally than Chile. These and related conditions have thus restricted the left in Brazil, as in Chile and Uruguay, to effecting change within fairly limited parameters. Given the comparatively large size and diversity of Brazil's economy and the somewhat weaker level of political institutionalization found in the country, the PT's adaptation is especially noteworthy.

Such constraints hold far less in Venezuela and, prospectively, in Bolivia, where left leaders promising sweeping change have gathered support and persuaded large numbers of voters that it is possible to defy established business at home and evade economic constraints abroad. Since his election in 1998, former army officer Hugo Chávez has sought to enact in top-down fashion a self-styled "Bolivarian revolution" or "socialism of the twenty-first century." A surge of popular mobilization brought Evo Morales to office in 2005 on the ticket of a new political movement, the MAS (Movimiento al Socialismo). A leader of the country's coca growers, Morales came to power hailing economic nationalism, indigenous identity, and a more grassroots style of democracy.

Hugo Chávez and Evo Morales emerged in contexts of extremely poor governance, reflected in outcomes ranging from escalating corruption to economic crises.<sup>87</sup> Voters in both countries held the political establishment responsible for the state's deficient functioning. Partyarchy in Venezuela—that is, the long-standing rule of the ossified Acción Democrática and COPEI—made this rejection particularly pronounced.<sup>88</sup> The subsequent erosion of traditional parties, which reached a veritable state of collapse in Venezuela, opened the door to the rise of political outsiders.

<sup>86</sup> Javier Santiso, *Latin America's Political Economy of the Possible* (Cambridge: MIT Press, 2006).

<sup>87</sup> Scott P. Mainwaring, Ana María Bejarano, and Eduardo Pizarro Leongómez, eds., *The Crisis of Representation in the Andes* (Stanford, Calif.: Stanford University Press, 2006).

<sup>88</sup> Michael Coppedge, "Explaining Democratic Deterioration in Venezuela through Nested Inference," in Frances Hagopian and Scott P. Mainwaring, eds., *The Third Wave of Democratization in Latin America* (New York: Cambridge University Press, 2005).

Beyond benefiting from poor state functioning and a weak institutional context, Chávez and Morales have reaped political advantage from the central presence in their economies of a valuable and nonrenewable natural resource: oil and natural gas, respectively. Both leaders have used these resources to rally nationalistic sentiments by reinforcing the perception that wealth was squandered by venal political elites willing to sell out the national patrimony to foreign firms.<sup>89</sup> Rents from natural resources have buffered Venezuela from the full impact of market constraints. Morales has tried to persuade supporters that the same could eventually be the case for Bolivia. In the current boom times a valuable natural resource can effectively remove or at least diminish the economic constraints that have induced the left in other countries to moderate. Oil in Venezuela, home to the largest energy reserves in the Americas, gives Chávez room to defy the dictates of the international economic order and avoid making the kinds of structural adjustments and reforms that left-leaning leaders in other countries have enacted. An unusually long period of high oil prices has financed Chávez's "missions," a set of antipoverty programs that has been critical in sustaining his popularity.

The convergence of a political system in deterioration and the discovery of major natural gas reserves fueled the prospects for a radical left alternative in Bolivia. After 1985 Bolivia saw the emergence of a multiparty system that managed to tame and incorporate new antisystem forces. But by the late 1990s political parties had become targets of rising discontent due to inefficient government performance and corruption.<sup>90</sup>

<sup>89</sup> This perception among Venezuelans is documented in Alfredo R. Keller, "Populismo Institucional e Populismo Revolucionário na Venezuela," in Germán Lodola, ed., *Neopopulismo na América Latina* [Neopopulism in Latin America] (Rio de Janeiro: Konrad Adenauer Stiftung, 2004); Aníbal Romero, "Rearranging the Deck Chairs on the Titanic: The Agony of Democracy in Venezuela," *Latin American Research Review* 32, no. 1 (1997). On Bolivian perceptions, see Antonio Aranibar, "Los Bolivianos, La Democracia y el Cambio Político: La Emergencia de un Nuevo Sentido Común" (Paper presented at the WAPOR [World Association for Public Opinion Research], First Latin American Congress, Colonia del Sacramento, Uruguay, April 2007).

<sup>90</sup> René Antonio Mayorga, "Bolivia's Democracy at the Crossroads," in Hagopian and Mainwaring (fn. 88), 158. Evidence of the weakness of the Bolivian state leading up to the explosion of social protest in 2000 is considerable. One widely used indicator of poor governance is corruption. Transparency International's Corruption Perception Index supports the profile of the Bolivian state as more corrupt than the Brazilian. See Transparency International, *Corruption Perceptions Index, 1997, 1998, 1999*, [www.transparency.org/policy\\_research/surveys\\_indices/cpi](http://www.transparency.org/policy_research/surveys_indices/cpi). Indicators presented by Daniel Kaufman, Aart Kraay, and Massimo Mastruzzi confirm this depiction and rate Bolivia worse than Brazil in overall government effectiveness. See Kaufman, Kraay, and Mastruzzi, "Governance Matters V: Aggregate and Individual Governance Indicators for 1996–2005," and "Appendices" (Washington, D.C.: World Bank, 2006). Moreover, efforts at administrative reform in Bolivia brought marginal results. See "Bolivia: From Patronage to a Professional State: Bolivia Institutional and Governance Review," Report no. 20115–BO (Washington, D.C.: World Bank, 2000). The pact that provided a political support base for stabilization and market reform there was greased by a large amount of political patronage, as discussed by Eduardo A. Gamarra, "Crafting Political Support for Stabilization," in William C. Smith, Carlos H. Acuña, and Eduardo A. Gamarra, eds., *Democracy, Markets, and Structural Reform in Latin America* (Miami: University of Miami, North-South Center Press, 1994).



The discovery of new gas reserves and President Gonzalo Sánchez de Lozada's 2002 proposal for a gas pipeline through Chile, Bolivia's historic enemy, gave critical impetus to radical left sentiments. Morales positioned himself in the December 2005 election as the defender of Bolivia's national interest. While hailing coca growing and indigenous rights, he rallied and extended his base by promising full state control over the hydrocarbons sector and ended up winning more than 53 percent of the vote. Natural gas reserves give Morales much more bargaining power in office than he would otherwise have enjoyed in a country as poor as Bolivia. But since Bolivia still needs to develop its gas sector, the country remains more constrained economically than oil-rich Venezuela. Recognizing the need for foreign capital, Morales has begun to moderate his anti-neoliberal discourse. Initial claims to pursue outright nationalization have been scaled back to proposals to raise taxes on private mining companies and increase Bolivian shares in joint ventures. Economic realities have induced his government to be more pragmatic than the earlier radical rhetoric would have suggested.

## VI. CONCLUSION

How can we understand key aspects of the PT's evolution from obstructionist opposition to pragmatic government? What accounts for major changes as well as important lines of continuity in the party? To answer this question, this article draws on insights from rational choice and historical institutionalism and responds to calls to combine the two in productive ways.<sup>91</sup> Relying on both traditions offers a richer account of the PT's evolution than either alone can provide. Bearing out Hall and Taylor's assessment of these two strands of institutionalism,<sup>92</sup> "[e]ach seems to be providing a partial account of the forces at work in a given situation or capturing different dimensions of the human action and institutional impact present there."<sup>93</sup> Indeed, the PT did adjust to external inducements and constraints in crucial ways. Yet historical legacies modified its adaptation.

The main story of the PT's evolution between 1989 and 2002 is that of a radical programmatic party that became transformed into a catch-all party. This story is well told from a rational choice perspective. Approaching the PT's evolution with this analytical lens focuses attention on the strategic situation the party faced at different moments and the

<sup>91</sup> Hall and Taylor (fn. 2); Katznelson and Weingast (fn. 2); Thelen (fn. 2).

<sup>92</sup> Hall and Taylor (fn. 2), 955.

<sup>93</sup> Ibid.

associated choices it made. Conduct at the broadest level, for example, whether the party pursued policy seeking and difference or vote maximization and accommodation, can be understood in these terms. Following recent exhortations to move away from orthodox notions of preference formation within rational choice,<sup>94</sup> the present analysis does not assume the PT's preferences as given but shows how they were shaped by ongoing developments and prevailing circumstances. Indeed, new incentives and pressures that unfolded by the mid-1990s induced a shift away from policy seeking and differentiation and toward vote maximization and moving closer to the center of the vote distribution. The party began to employ many of the tactics of its catchall competitors in order to capture the majority of votes necessary to win a presidential election. The shift was unexpected in light of the PT's previous radicalism and the important role the party had played in anchoring the left.

Testimony to the powerful role that external incentives exert on political parties is the fact that even the PT, with a committed core of militants and a history of radicalism, adjusted eventually to them. If even the PT could not resist employing the logical instruments of a vote-maximizing strategy within the economic and political context that unfolded, it is unlikely that any other party of consequence could have. That the very individuals responsible for implementing these changes had played a prominent role in the party's founding and once supported radical platforms bears out a strategic understanding of political change.

Yet the PT has not become "just like any other Brazilian party," contrary to a frequent charge leveled in the Brazilian media. Insights from historical institutionalism add a crucial layer of complexity and nuance to the story. The party's history conditioned the ways in which it rose to external challenges. After modifying its strategic motivations in the mid-1990s, the PT responded to a dense and complex mix of parameters and preferences that at times pulled it in conflicting directions. A full account of the party's evolution requires explaining important aspects of continuity (for example, high internal discipline), as well as distortions in some efforts at adaptation (for example, the *caixa dois* phenomenon). Rather than conforming fully to the expectations of a strategic framework, the party's conduct was influenced by enduring historical commitments and norms. These complexities help account for the unevenness of the party's adaptation.

The above analysis thus suggests that political institutions, the focus of rational choice institutionalism, are insufficient to explain the adap-

<sup>94</sup> Katznelson and Weingast (fn. 2).

tation of left parties. Whether or not radical parties choose to reorient themselves and respond to given institutional incentives depends on the broader economic context and structure of political competition that prevail. And even when they choose to do so, their adaptation may well be incomplete. Transformation along any given dimension can be distorted by historical norms and commitments within the party. Likewise, change can occur more on some issues than on others. For example, Downsian logic may induce a party to moderate on a key dimension of competition, such as the market versus state cleavage. Yet the same party that succumbs to such logic may nevertheless retain a left or alternative identity on other issues. Rational choice institutionalism thus needs to recognize the issue-specific nature of change within parties.

Describing the PT after Lula's 1989 loss to Fernando Collor, Margaret Keck wrote: "While prevented by its very project from fully adapting to its political environment, it has not succeeded in changing it. Ten years after it began, the PT remains an anomaly."<sup>95</sup> How could one characterize the party in 2002, on the eve of its long-awaited move from opposition to government? Having adopted many of the practices of its catchall competitors, the PT was no longer an anomaly. In crucial ways the party had become normalized in response to pressures exerted by its economic and political environment. Yet in other ways it retained features that distinguished it within the system of Brazil's political parties, with internal currents clinging desperately to the "very project" that prevented a more complete transformation. Although change was bounded and "layered," the accumulation of adaptations made over time did lead to an important reshaping of the party.

Lula's first term in office (2002–6) would reveal more about the complexities and complications of maintaining such an "in-between" or hybrid status. Executive power opened up new demands and conflicts as the structure of institutional incentives facing the party shifted from the electoral to the governing arena. The policies implemented to ensure Lula's reelection in 2006 reinforced the process of normalization begun while the PT was still in the opposition and then after 2002, with the PT in government. The question that lies ahead is whether the PT will continue to adapt and converge ever more with its catchall counterparts or whether it will undergo an internal process of reformulation, embracing anew the values and practices that had distinguished the party previously. Will change, which started on the external front, proceed toward the internal front, making the PT look even more like other Brazilian parties? Unequivocal steps toward further normaliza-

<sup>95</sup> Keck (fn. 4), 19.

tion would deprive Brazil's party system of the many hopes raised by its once most promising political alternative. Yet restoring the past is improbable, especially as the PT sheds its ranks of some of the individuals who valued and defended the party's historic features the most and likewise brings into its fold others who conform more readily to the vote-maximizing organization that the party has become.

APPENDIX  
PARTY'S GROWTH AT DIFFERENT LEVELS  
(1989–2002)

<i>Lula's Record in Presidential Elections</i>			
<i>Year</i>	<i>1<sup>st</sup> Round % of Votes</i>	<i>2<sup>nd</sup> Round % of Votes</i>	
1989	17.2	47.0	
1994	27.0	—	
1998	31.7	—	
2002	46.4	61.3	

<i>Congressional Elections</i>			
<i>Year in Chamber</i>	<i>% of PT Seats Seats in Chamber</i>	<i># of PT Senators</i>	<i># of PT</i>
1982	1.7	8	0
1986	3.3	16	0
1990	7.0	37	1
1994	9.6	50	5
1998	11.3	60	8
2002	17.7	91	14

<i>Municipal Elections</i>		
<i>Year</i>	<i>PT MAYORS</i>	<i>PT COUNCILLORS</i>
1982	2	127
1988	36	1006
1992	54	1100
1996	115	1895
2000	187	2475

SOURCE: *Banco de Dados Eleitorais do Brasil (1982–2004)*, organized by Jairo Nicolau, <http://jaironicolau.iuperj.br>.