This briefing aims to: analyse the main drivers and forces behind the next government and its possible implications to climate change

Final Election Results
On Sunday 28th October the extreme-right presidential candidate Jair Bolsonaro won the Brazilian Presidential elections, scoring 55% of the votes, or approximately 57.8 million votes. Fernando Haddad [the leader of the leftwing Workers’ Party], on the other hand, had 45% of the votes, or approximately 47 million votes. Jair Bolsonaro will take office for a 4 year-term on January 1st 2019. He is set to start announcing his transition team in the coming days.

Bolsonaro won in 16 out of the 27 states in Brazil. Except for the Northeast region and the State of Pará, all other regions and States were swept by Bolsonaro. The map below illustrates this divide.

State Elections: Brazil also elected its 27 State governors, of which at least 12 are Bolsonaro allies. The two states with the largest share of voters, São Paulo and Rio de Janeiro, are among them. João Doria, the entertainment businessman and former mayor of São Paulo is the new state governor of São Paulo, the powerhouse of Brazil. He is a member of the PSDB Party, a center right party that used to be one of the leading political forces of the country and was one of the most negatively affected in the elections by the association with corruption and political status quo. In Rio de Janeiro, the former federal judge, Wilson Witzel, a complete outsider in politics and member of a tiny political party associated with evangelical leaders (PSC), won over former mayor of Rio and C40 president, Eduardo Paes, by a large advantage (59.8% vs. 40.1%). Both new São Paulo and Rio de Janeiro Governors were associated with Bolsonaro’s campaign and won the elections due to the wave of support for the elected President.

Understanding Bolsonaro’s support basis
Although Bolsonaro won the election with 55% of the votes, in reality, less than half of his voters (or 10-15% of the Brazilian population) can be said to be “ultra-right” and supportive of Bolsonaro’s authoritarian and dogmatic views.
There are several reasons why Bolsonaro managed to amplify his support beyond this minority group to win the elections.

A key aspect is the **strong anti-PT feeling in Brazil** after 4 mandates under the Workers Party (PT) rule (Lula 2002-2006 and 2007-2010; Dilma 2010-2014 and 2014-2018\(^1\)). The evidence of the party’s involvement in corruption scandals released by the Car Wash anti-corruption operation, PT’s financial mismanagement, political arrogance and sectarianism started well before these elections and became politically irreversible after Dilma’s impeachment.

Other important aspects to understand this scenario are, the:

- (a) astonishing influence of social media and fake news in the electorate during the electoral period;
- (b) strong feeling of insecurity in most parts of the country and growing levels of violence\(^2\);
- (c) general distrust in the political establishment given the corruption scandals;
- (d) worsening economic situation of the middle class;
- (e) high (12%) levels of unemployment;
- (f) active and biased role of the judiciary and the media during the elections;
- (g) growing political power of Neo-Pentecostal churches in Brazilian politics.

While it is impossible to estimate the weight of each aspect in influencing the results, it is now very important to analyze the internal forces within Bolsonaro’s camp to start understanding the potential political forces in the next federal government.

One can divide Bolsonaro’s close circle of influence into three main forces:

1. Authoritarian and religious dogmatic allies
2. The Armed Forces, in particular the military
3. Neo-liberal economists

It is already clear that this is not a monolithic group. While they all agree on the core of what Bolsonaro stands for, there are several tensions between these main players. Bolsonaro had to change his discourse in several issues, for example, in relation to the privatization of state companies, merging of the ministry of environment and agriculture; the permanence of Brazil in the Paris Agreement, the extent of power for the super Economic Ministry, among others. The image bellow tries to illustrate these forces and some possible tensions and potential conflicts between them.

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\(^1\) Former President Dilma was impeached by the National Congress on April 2016 and her VP, Michel Temer, has been ruling since then.

\(^2\) According to the Brazilian Forum of Public Security [annual report](#), in 2017 there were over 63,880 thousand intentional murderers in Brazil.
1. The **Authoritarian and religious dogmatic allies** are the most influential group in Bolsonaro’s camp so far. They have led the election campaign and have been working together for more than 10 years. This group includes Bolsonaro’s own 3 sons and some politicians with minor political expression in Congress. Their approach resonates as an authoritarian rule of law and policy discussions are often superficial and dull.

2. The **Armed Forces allies** include strong former Generals that were active during the dictatorship (1964-1984) and are very close to Bolsonaro. Although this group is militaristic and conservative they have a strong and sophisticated background with a strong approach to bide by the rules. Their main flags are national sovereignty, order, discipline and social stability. They support the idea of a strong State and huge infrastructure projects that can unite the country. Bolsonaro’s Vice-President, General Mourão, belongs to this group.

3. The **Neoliberal economists** group has a recent history of alliance with Bolsonaro’s entourage. Led by Paulo Guedes, an economist and entrepreneur who has made his money mostly in financial speculation, he has been a key person in advising Bolsonaro to main governmental positions. He gathered a group of knowledgeable academics and experts in different economic areas, such as planning, trade, industry, energy as well as climate. As with the Armed Forces, many in this group are not sympathetic with, or agree with, the authoritarian views of the dogmatic group, but remained silent about it during the elections.

While the political game in National Congress will be crucial to many rights-based agendas, the positions of the government on key issues will depend not only on Bolsonaro’s take, but strongly on the balance between these close allies.

Despite the many competing polemic and urgent agendas that the new government will face, it is important to highlight that some proposals from Bolsonaro himself, and the dogmatic authoritarian group, are more likely to be pursued as soon as he takes office. This will have lasting implications for the Brazilian democracy and people’s lives. These and other conservative proposals are vital to Bolsonaro’s support basis and it is likely that he will prioritize them in the first period of this Presidency:

1. The typification of activism as terrorism: depending on the scope, this can give the government the right to indiscriminately label as terrorists movements, NGOs or civil society groups such as MST (landless workers movement), Greenpeace, Coiab (Coordination of the Indigenous Organizations of the Brazilian Amazon), Amnesty International, 350.org among many others

2. The “school without a Party”, an educational revisionist proposal that he and many religious groups pushed for years to “control” the curriculum of schools

3. The proposal to allow the police to “shoot and kill” with the duty of fighting armed drug dealers which will give a waiver for the police to kill many innocent people in shanty-towns

**Bolsonaro’s general approach to climate change and the tensions in these groups**

Bolsonaro is not a climate denier and has publicly argued to combat climate change through birth control of the poor. When invited to talk about fossil fuel subsidies, he responded invoking national sovereignty and self-determination to explain his position, but emphasized the importance of combating climate change.

Both the military and the liberal economists groups do not deny climate change and understand it is important for Brazil to consider climate related issues. His economic advisor, Paulo Guedes, is known for being highly pro-economic modeling and apparently understands the potential economic benefits for Brazil in a low carbon world. Guedes has not said anything in public about climate during the campaign, but has shown an interest in carbon pricing and forest based economy issues.

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2 Many groups in the Armed forces do not support him. Bolsonaro has a problematic background when serving the military, being expelled by the Military for bad conduct.

3 He is said to be highly intelligent and speaks several languages.
While the military looks at climate change from a national sovereignty and security perspective and the neoliberals look at it with economic opportunities in mind, the biggest problem is with the dogmatic group. Some of them are either climate skeptical or ignorant. Bolsonaro’s son, elected Senator, has made public statements denying climate change.

The Paris Agreement: in or out?
Bolsonaro said at the beginning of the campaign that he would pull Brazil out of the Paris Agreement (PA). He also claimed that international forums such as the UN, the Human Rights Commission and the Paris Agreement are international instruments to allow foreign intervention into the country and especially to control the Amazonian wealth.

Last week, however, he said that Brazil would not get out of the PA if it was assured that the PA would not threaten Brazil’s sovereignty over the Amazon or Brazil’s ability to explore mining and biodiversity in that region. His military supporters have used the same sovereignty and security concerns in relation to the Amazon for the past forty years.

Conflict of visions regarding the Paris Agreement withdrawal
There is a conflict of visions regarding the Paris Agreement. In favor to stay in the Paris Agreement are; segments of the military, modern agribusiness, segments of the industrial sector and the neoliberal economists. Against staying in are the most retrograde agribusiness and mining sectors and some of the dogmatic allies.

The neoliberals, the modern agribusiness groups and the industrial sector understand the negative impact getting out of the Paris Agreement would have on Brazil and are putting pressure on Bolsonaro to reconsider his position. They are bringing economic arguments to persuade Bolsonaro, such as the possible negative effect on the Brazilian commodities trade relations due to boycotts against food associated with deforestation, the negative impacts on the biofuel sector, diminishing foreign investments as well as the loss of opportunity for Brazil to benefit from its low carbon power sector and future bio economy.

While the fight against deforestation and the protection of the forest resonate quite well with the military, the most retrograde forces in the region supporting Bolsonaro come from the mining industry, land grabbers and cattle raising segments. They support any measure, international or national, that can help reducing the restrictions on deforesting the region, including the departure from the Paris Agreement. Their argument is also economic, putting an emphasis on the weight of agro in Brazilian economy, with a strong “anti-indigenous” rights narrative.

If Bolsonaro does decide to pull out of the Paris Agreement, there are legal procedures in place that he will need to bypass in order to do so. There are competing interpretations about the procedures to formalize a withdrawal from international treaties. The Brazilian Constitution (art. 84, VIII) says that the President has the exclusive power to “conclude international treaties, conventions and acts, ad referendum of the National Congress”. It also says (art. 49, I) that the National Congress is exclusively competent to decide “conclusively on international treaties, agreements or acts which result in charges or commitments that go against the national property”.

No similar precedents exist, although renowned jurists have been claiming that at least in cases of human rights treaties or with “significant moral and social values”, the sole decision of the President would not be enough and a confirmation of National Congress necessary. There is a lawsuit (ADI 1625) pending final judgement by the Supreme Federal Court that specifically addresses this issue. The case has been in court since 1997 and it is unlikely that any result will come out in the months to come.

Given this, it seems unlikely the Brazil would withdraw from the Paris Agreement, for the international regime, the sole declaration of withdrawal from a major developing country like Brazil would have a negative effect. Even if Brazil does not pull out of the Agreement, and despite the fact that Brazilian emissions targets are incorporated in domestic climate law, the Bolsonaro government shall do little to fulfil its NDC, especially regarding deforestation.

Trump is a role model for Bolsonaro and his influence in Bolsonaro´s position on the issue should not be underestimated. For example, recently he also mentioned that like the US, Brazil could cut carbon emission without needing to be a member of the Paris Agreement.

Hosting the COP25 in 2019
There is anxiety and differences of opinion among CSOs and government officials regarding the impact, nationally and internationally, of having Brazil host the 25th COP next year. Unless the present Brazilian government withdraws its offer
officially at COP24, it will be hard to imagine the UNFCCC rejecting Brazil’s offer and therefore it is likely that the COP will be in Brazil.

Despite the potential difficulties, the Ministry of Environment and many NGOs see this as an opportunity to put pressure on Bolsonaro and to give international visibility to his potential bad doing on environment and human rights issues. The Minister of Environment may also have a personal interest to push the COP to be hosted by his hometown, Salvador, in Bahia.

Many at the Foreign Affairs ministry, some civil society groups as well as former Environment Ministers are very concerned about the possible negative impact of Brazil’s hosting the COP for the international negotiation itself. They know the potential influence of President Trump and US diplomacy on Bolsonaro and that a Bolsonaro government could push for less ambition and not release its 2050 LTS before 2020.

In November, the head of the Brazilian Climate Department in Ministry of Foreign Affairs will change and Ambassador Everton Vargas, who currently heads the Brazilian mission in the European Union, will be in charge. Ambassador Vargas is a very experienced climate negotiator having held this position several years ago. He has strong positions on sovereignty and North-South issues, so it is expected that he would stick to his standpoint regardless of who is the new Foreign Affairs Minister.

**Energy related issues**

Investment in renewables, especially in solar and wind, are in Bolsonaro’s official program but it is unclear at what scale. The potential minister of infrastructure stressed the need to reopen the discussion about large hydropower plants in the Amazon. The program is also clear on the important role of natural gas and incentives to non-conventional gas. Bolsonaro has indicated the fear of increasing Chinese investment in the energy sector in Brazil, again reinforcing sovereignty issues. Many in his camp, in particular the Armed forces, are pro-nuclear but have not yet emphasised this yet.

Two key issues that the new government will need to face are;

1. **The Power Sector Reform law:** the present government officials submitted the proposal. Although its approval would be positive to create a legal environment for more competitiveness in the power sector and therefore open up the possibility for the increase of energy efficiency and new renewable solutions, it is not enough to limit the increase of fossil fuels in the matrix.

2. **Privatization of state-owned energy companies**, notably Petrobras and Eletrobras. Initially influenced by the neoliberal group, Bolsonaro announced the privatization of energy State owned companies, but had to review his position about the extent of possible privatization after some groups linked to the Armed Forces complained about the need to maintain State control over this important sector. This issue is part of a larger public administration reform and should be addressed early in his government.

**Land Use and Forestry**

The prospect of a win by Bolsonaro has already negatively affected deforestation in Brazil. A growth of about 36% in deforestation rates in the Amazon happened in the past few months alone, putting in doubt Brazil’s ability to meet its 2020 emissions target. Bolsonaro has made several declarations about forest conservation and deforestation, especially related to the Amazon region. He talked about the right to deforest, explore minerals and other wealth to allow economic growth. However, more recently even his own supporters have started to contest his views about deforestation in the Amazon.

The proposal to merge the Environment and Agriculture ministries, for example, was widely criticized by some key agribusiness players, asking him publicly to review his position.

Two key issues where the new government may quickly inflict negative measures are the deadline for implementation of the **Forest Code registry**; and the revision of the **environmental licensing procedures**. The latter is already in Congress and includes the license for large infrastructure projects in the Amazon such as hydropower plants, but also road and

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4 Nabhan compared the Paris Agreement to toilet paper in a closed meeting with allies and confirmed this to the press.
5 It has already been postponed three times and was supposed to start on January 1st, 2019. He will probably postpone it again.
logistics that are priorities for the agribusiness to facilitate the commodity exports. Bolsonaro is likely to gather the support of the majority in the new Congress to approve these measures.

**Foreign Affairs**

Bolsonaro’s geopolitical views are not clear. President Trump is his main reference when talking about world leaders and Israel is a key benchmark for Bolsonaro, as he praised it’s technology advances in dealing with adverse climatic conditions and its strong self-determination and security values. Contrary to PT’s focus on relationships with the Global South, Bolsonaro will follow a very developed country led-foreign policy, continuing, for example, to pursue the affiliation to OECD.

His focus will be in fostering bilateral relations and regional integration in trade agreements. He has already voiced concern about China’s investment in Brazil’s infrastructure, but due to Brazil’s high dependence on China trade, he was obliged to review some of his own comments.

Foreign Affairs is still an obscure area in the new Government and will only become clearer after the appointment of his/her Minister. There are rumors about giving the Chancellery to the political elite, favoring someone that represents agribusiness international trade interests.