

The future of human beings is what matters

*di Luiz Inácio Lula da Silva**

For me, capitalism has never been an abstract concept. It is a real, concrete part of everyday life. When I was a boy, my family left the rural misery of Brazil's north-east and set off for São Paulo. My mother, an extraordinary woman of great courage, uprooted herself and her children and moved to the industrial centre of Brazil in search of a better life. My childhood was no different from that of many boys from poor families: informal jobs; very little formal education. My only diploma was as a machine lathe operator, from a course at the National Service for Industry.

I began to experience the reality of factory life, which awoke in me my vocation as a union leader. I became a member of the Metalworkers' Union of São Bernardo, in the outskirts of São Paulo. I became the union's president and, as such, led the strikes of 1978-1980 that changed the face of the Brazilian labour movement and played a big role in returning democracy to the country, then under military dictatorship.

The impact of the union movement on Brazilian society led us to create the Workers' party, which brought together urban and rural workers, intellectuals and militants from civil society. Brazilian capitalism, at that time, was not only a matter of low salaries, insalubrious working conditions and repression of the union movement. It was also expressed in economic policy and in the whole set of the government's public policies, as well as in the restrictions it placed on civil liberties. Together with millions of other workers, I discovered it was not enough merely to demand better salaries and working conditions. It was fundamental that we should fight for citizenship and for a profound reorganisation of economic and social life.

I fought and lost four elections before being elected president of the republic in 2002. In opposition, I came to know my country intimately. In discussions with intellectuals I thrashed out the alternatives for our society, living out on the periphery of the world a drama of stagnation and profound social inequality. But my greatest understanding of Brazil came from direct contact with its people through the "caravans of citizenship" that took me across tens of thousands of kilometres.

When I arrived in the presidency, I found myself faced not only by serious structural problems but, above all, by an inheritance of ingrained inequalities. Most of our governors, even those that enacted reforms in the past, had governed for the few. They concerned themselves with a Brazil in which only a third of the population mattered.

The situation I inherited was one not only of material difficulties but also of deep-rooted prejudices that threatened to paralyse our government and lead us into stagnation. We could not grow, it was said, without threatening economic stability – much less grow and distribute wealth. We would have to choose between the internal market and the external. Either we accepted the unforgiving imperatives of the globalised economy or we would be condemned to fatal isolation.

Over the past six years, we have destroyed those myths. We have grown and enjoyed economic stability. Our growth has been accompanied by the inclusion of tens of millions of Brazilian people in the consumer market. We have distributed wealth to more than 40m who lived below the poverty line. We have ensured that the national minimum wage has risen always above the rate of inflation. We have democratised access to credit. We have created more than 10m jobs. We have pushed

forward with land reform. The expansion of our domestic market has not happened at the expense of exports – they have tripled in six years. We have attracted enormous volumes of foreign investment with no loss of sovereignty.

All this has enabled us to accumulate \$207bn (€164bn, £150bn) in foreign reserves and thereby protect ourselves from the worst effects of a financial crisis that, born at the centre of capitalism, threatens the entire structure of the global economy.

Nobody dares to predict today what will be the future of capitalism.

As the governor of a great economy described as “emerging”, what I can say is what sort of society I hope will emerge from this crisis. It will reward production and not speculation. The function of the financial sector will be to stimulate productive activity – and it will be the object of rigorous controls, both national and international, by means of serious and representative organisations. International trade will be free of the protectionism that shows dangerous signs of intensifying. The reformed multilateral organisations will operate programmes to support poor and emerging economies with the aim of reducing the imbalances that scar the world today. There will be a new and democratic system of global governance. New energy policies, reform of systems of production and of patterns of consumption will ensure the survival of a planet threatened today by global warming.

But, above all, I hope for a world free of the economic dogmas that invaded the thinking of many and were presented as absolute truths. Anti-cyclical policies must not be adopted only when a crisis is under way. Applied in advance – as they have been in Brazil – they can be the guarantors of a more just and democratic society.

As I said at the outset, I do not give much importance to abstract concepts.

I am not worried about the name to be given to the economic and social order that will come after the crisis, so long as its central concern is with human beings.

**The writer is president of Brazil*