



Lula Can Make 2008 a Very Good Year

By Roger F. Noriega

If Time magazine had wanted to recognize a true democrat and reformer as the 2007 Person of the Year, they would have chosen Brazil's president Luiz Inacio "Lula" da Silva over Russia's Vladimir Putin. Working within Brazil's free, pluralistic democratic system, Lula has focused on economic growth and social justice, getting tangible results with his new anti-hunger and poverty programs. Unlike Putin, Lula is also strengthening key institutions and the rule of law.

Every year, *Time* magazine chooses an important global protagonist as its Person of the Year. Explaining their choice of Russian president Vladimir Putin as the choice for 2007, *Time's* editors noted the dramatic impact that the controversial leader has had in restoring the self-esteem of an important nation. Anticipating criticism of their choice of the Russian autocrat, they concede that Putin "stands, above all, for stability—stability before freedom, stability before choice." By their definition, a better choice by far for Person of the Year would have been Luiz Inacio "Lula" da Silva, president of the Federative Republic of Brazil.

In choosing Lula, *Time* would not have had to apologize for choosing an autocrat because Lula is the definitive democrat. From remarkably humble beginnings, he made a contribution to humanity merely by being elected. In stark contrast to the willful Putin, Lula succeeds by proving that it is not necessary to sacrifice freedom for stability, and there is no reason to surrender political liberty for economic opportunity.

As for the comparative importance of two nations, Brazil's economy is on par with Russia, and its population is far greater. Brazil is a respected,

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influential country and is the driving force behind the auspicious goal of South American integration. Though Brazil's institutions are not perfect, unlike Russia's, they are being strengthened every day. Indeed, Brazil is among the world's most stable democracies, which is a remarkable achievement given its multiethnic character, geographic diversity, and large population still living in poverty—reasons enough to accord its leaders some measure of respect.

Lula has worked within a free, pluralistic process to meet his goal of breaking the "boom and bust" cycle that afflicted the Brazilian economy for generations. Although he is heralded for continuing "orthodox" macroeconomic policies, his greatest contribution is in recognizing that economic growth and social justice are indispensable and complementary goals. Rather than resorting to empty and divisive populist rhetoric, Lula is implementing practical anti-hunger and poverty programs that are becoming concrete examples for the rest of the world.

As a former labor negotiator, Lula can look across the table, take the measure of a man, and get the best deal for his people. His uncanny personal relationship with President George W. Bush has put Brazil on the map with Washington as an equal. Perhaps Lula's greatest strength is that—unlike Putin and some in Brazil's foreign policy establishment—he does not see relations

with the United States as a zero-sum equation. And his toughness and self-confidence are representative of Brazil.

Lula can make Brazil's economy unshakeable by liberalizing the labor market, reforming the antiquated tax system, offering incentives to high-technology industry, and providing protection for intellectual property worthy of a first-world economy. By doing these things, Lula can ensure that Brazil can compete effectively for global capital to sustain high-growth rates, generate millions of jobs that are the permanent cure for poverty, and push Brazil's economy into a higher orbit. This will make Brazil an industrial giant in its own right, not merely a warehouse for raw materials for China.

Lula can also rescue his international trade policy from the bureaucrats. He is uniquely suited to salvage a rules-based world trade accord to protect the interests of small economies, end the agricultural subsidies that impact third-world farmers, and generate broad prosperity.

Finally, Lula must find a way to tame the vestiges of corruption that plague most nations in the region. The rule of law is indispensable to responsible government, political stability, and a thriving market economy. It is not too late to confront the curse of corruption.

Lula is not a perfect man, but he is a good one. And even *Time* magazine should recognize that a true democrat and reformer is better than a superlative autocrat—anywhere, any year.