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The 2018 Presidential Election in Brazil
dynamics and scenarios

Rules and schedule

- ❑ Two round elections
    - ❑ First round on October 07 and runoff on October 28
- ❑ No independent candidates are allowed (April 07 is deadline for candidate party affiliation).
- ❑ Party conventions (July 20 - August 05)
- ❑ Enrolling official candidacies (August 15)
- ❑ Electoral campaign (August 16)
- ❑ Electoral justice approves/rejects candidacies (September 17)
- ❑ Campaign on radio and TV (August 26 - September 29)

The context

- For the first time the incumbent is not competitive
- For the first time there is a viable outsider
- Weakened polarization: PT x PSDB but without their main actors
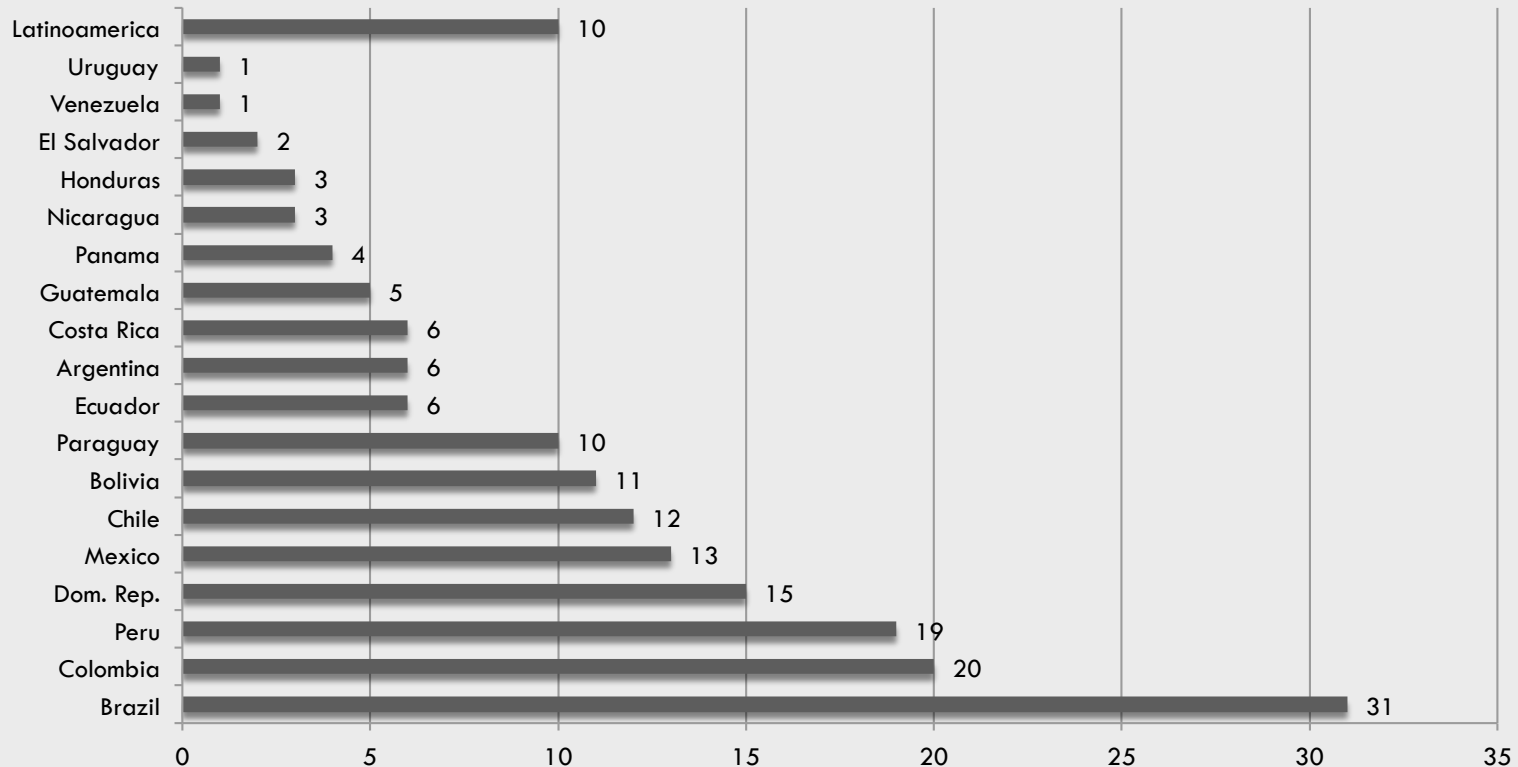- Exclusive public funding of campaigns

How corruption affects the electoral game?

☐ Do corruption charges affect electoral odds?

☐ Do voters refrain from voting in corrupt candidates who share their ideology/party?

☐ Do court convictions affect electoral odds?

How corruption affects the presidential race?

Latinobarometro 2017 (Corruption as the main concern)

The Paradox of unpopular corruption and popular corrupt politicians:

- **Luiz Ignácio Lula da Silva**

  □ Former President of Brazil (2003-2006 and 2007-2010).

  □ He was accused by Public Prosecutors as the main leader of a criminal organization (Petrobras Scandal)

  □ He has convicted for 9 years and a half for passive corruption and money laundry.

  □ The sentence was confirmed by the second instance of the justice with an increase in jail time (12 years and one month).

  □ He is still ahead in the pools for the 2018 presidential election.

The Paradox of unpopular corruption and popular corrupt politicians:

Examples flourish everywhere

- Ehud Olmert (Israel)
- Jacques Chirac (França)
- Asif Ali Zadari (Paquistão)
- Silvio Berlusconi (Itália)
- Edwin Edwards (Louisiana)
- Paulo Maluf (São Paulo)
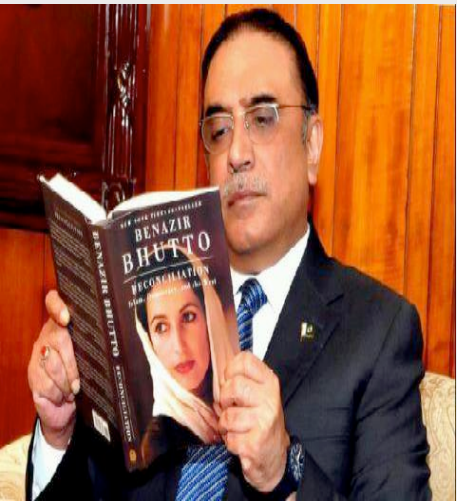
What explains this paradox?

- Lack of **information** about candidates' involvement in corruption

- Public spending (**public goods**) moderates the negative impact of corruption on the probability of reelection

- Even informed voters may vote for allegedly corrupt incumbents if they expect to receive **material** benefits

Why information is not enough to curb corruption?
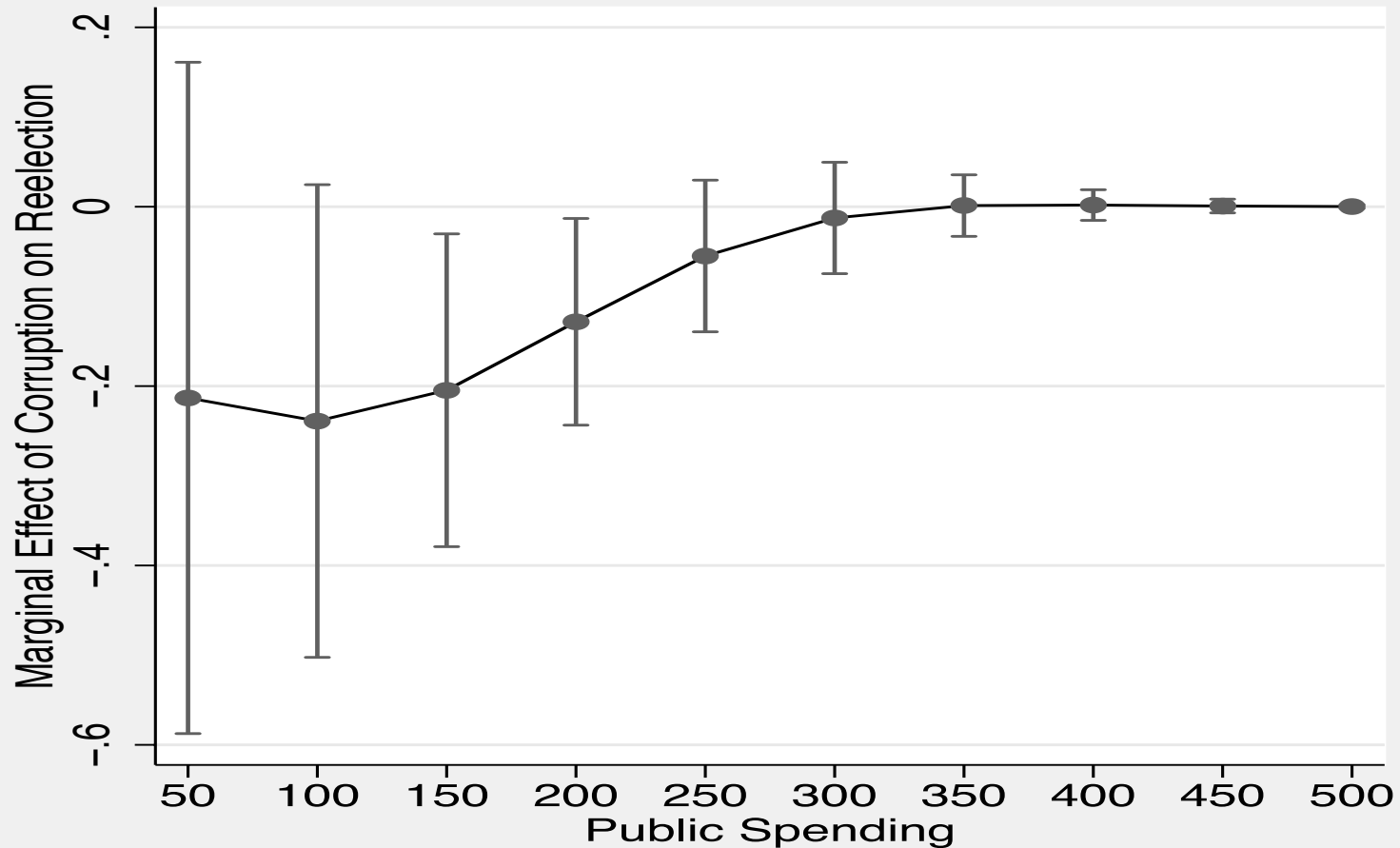
Although corruption decreases the probability of mayors' reelection (29%), this negative effect vanishes when public goods increase.

# Does corruption trumps ideology ?

What psychological mechanisms?

❑ Cognitive trade-off (tolerance): one should purposely choose a corrupt candidate when the benefits of sharing ideological views are preferred

❑ Change in perception (misperception): Ideology may change the perception of corruption, in such a way that voters may see corrupt candidates as honest..

  ❑ ideology may facilitate seeing someone else as similar to oneself and, for this reason, discounting corrupt information

Does corruption trumps ideology?

Traditionally ideology has been understood as a position on left-right continuum

- ❑ While some citizens may see liberalism and conservatism as primarily about social issues, others in terms of economics, while others as relevant to ideological categorizations.

- ❑ higher tolerance to a dishonest candidate ideologically preferred in both economic and social dimensions (sophisticated ideologues) than in one of these two dimensions (inconsistent ideologues).

Ideology trumps rejection of corruption!
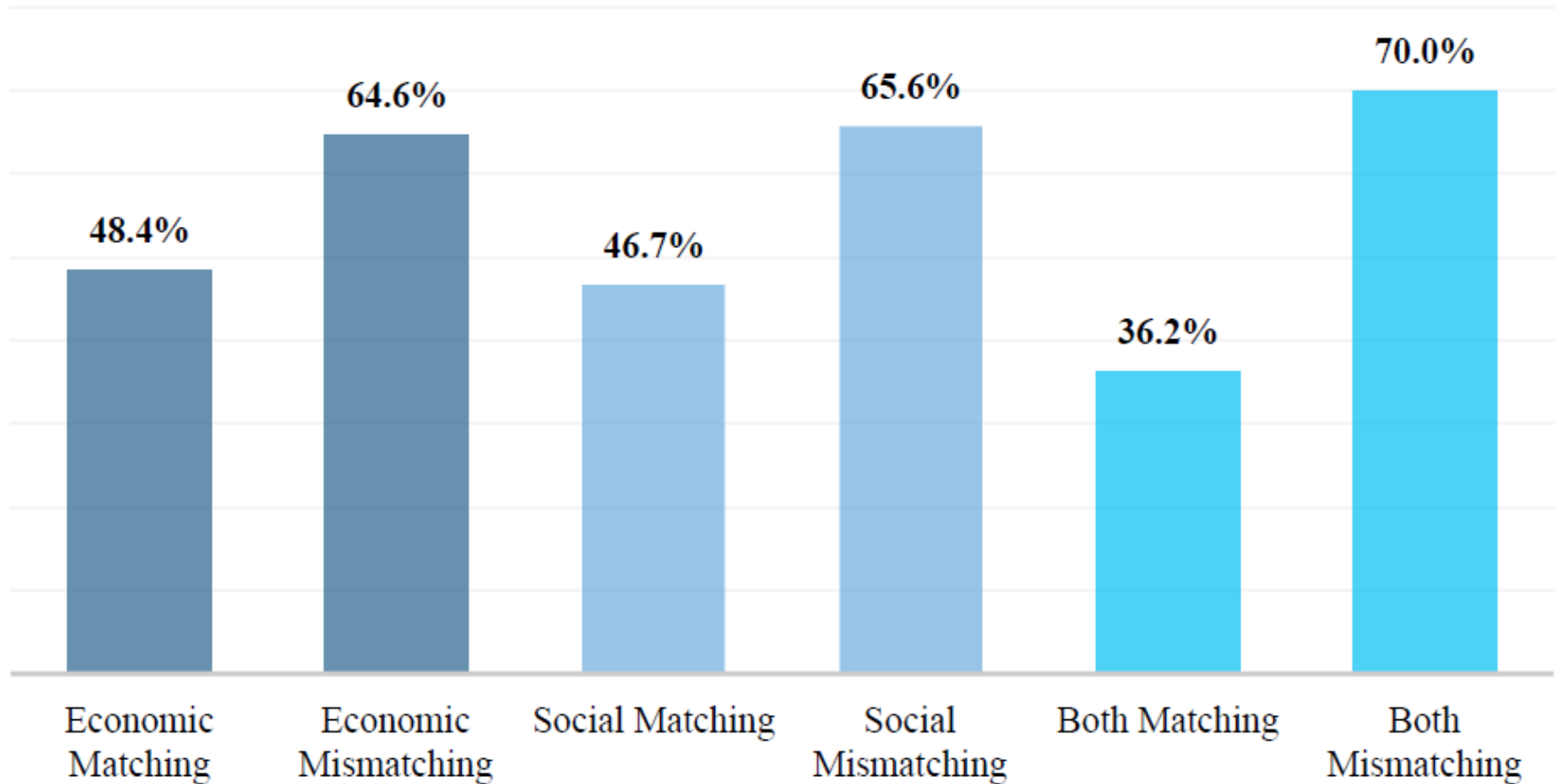
There exist significant differences between subjects in which ideology matched compared to when they did not match, both in economic and social ideological dimensions

Effect of cost-benefit tradeoff on the probability of vote change for different levels of perception of corruption
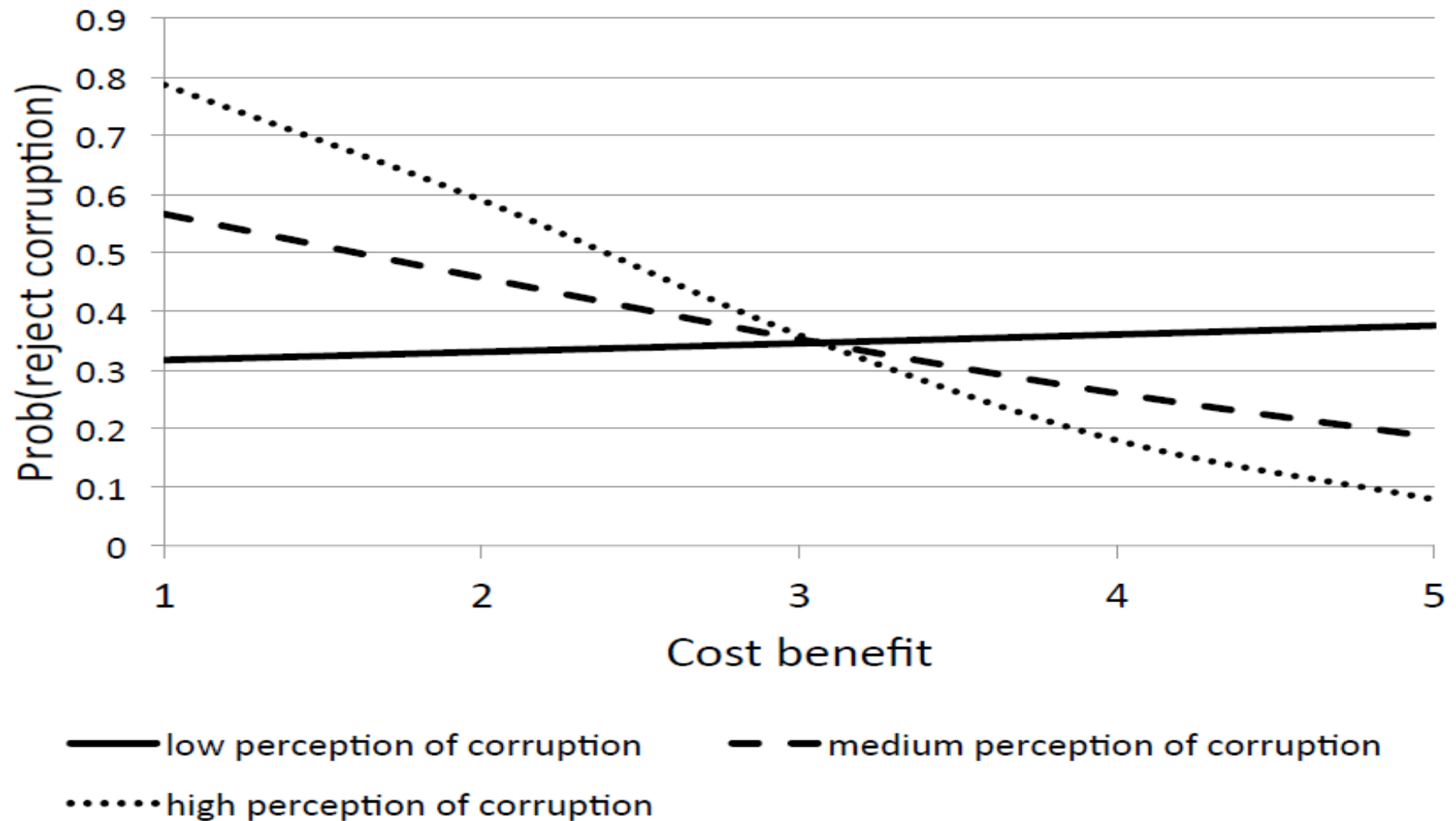
Sum-up of the main findings

- Voters are more likely to choose a dishonest candidate when they share the same ideology, even if corrupt.
  - This effect is stronger when both economic and social ideological dimensions match;
- People are less likely to perceive as corrupt politicians who share their ideology
- The way corruption is perceived affects choice:
  - the ideologically preferred candidate is corrupt, people are motivated to search for other reasons to support him.
  - motivated reasoning can manifest in both misperception of corruption and a biased cost-benefit tradeoff

Do convictions affect voters' choice?
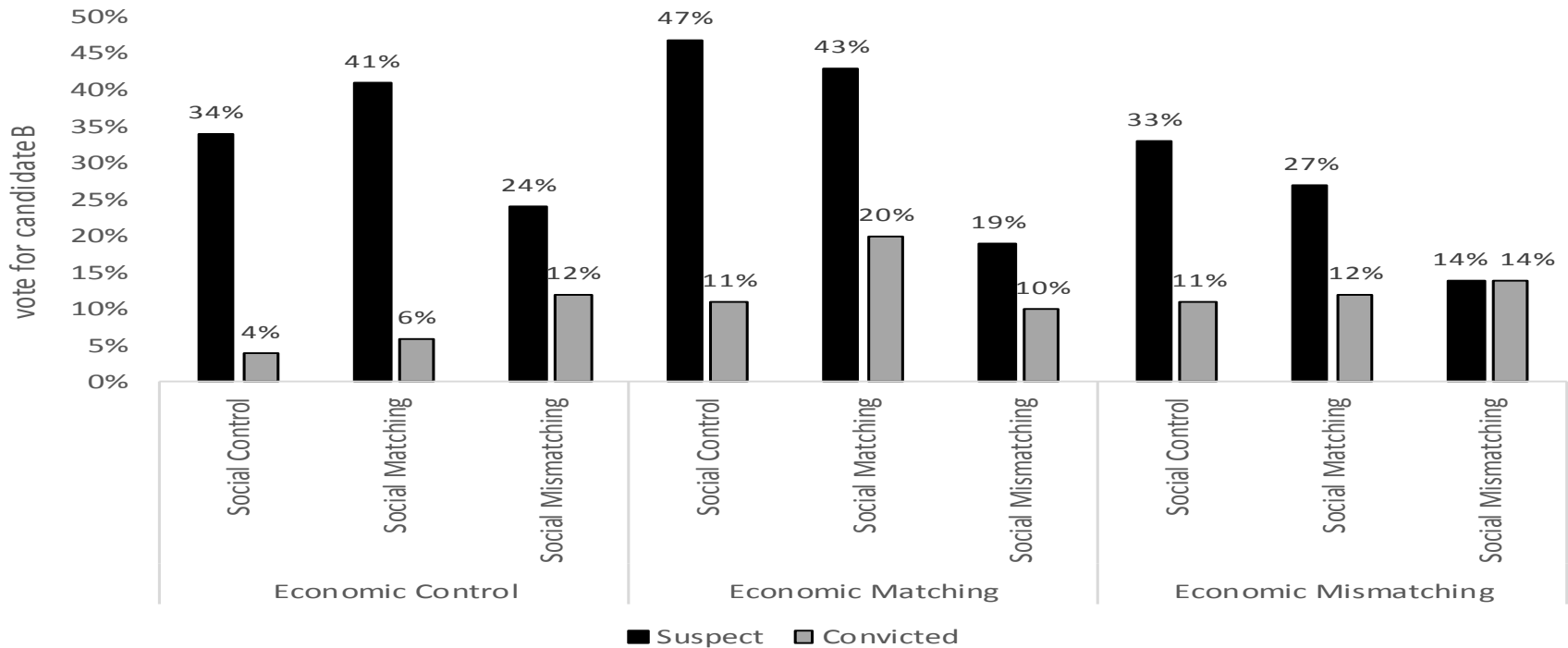
- The majority of respondents voted on candidate A, who had no record related to corruption and voted more often in the candidate B when suspect of corruption (33% on average) than when convicted for corruption (11% on average, $\chi^2 (1) = 58.0$; p < 0.001).
- The effect of ideology is significant for the suspect candidate ($\chi^2 (8) = 19.8$; p = 0.01) but not for the convicted candidate ($\chi^2 (1) = 8.52$; p < 0.385).

Do convictions affect voters' choices?

❑ Judicial punishment works not only curbing deviant behavior but also it has an effect on voters' perception and their electoral choice

❑ Judicial conviction and the imposition of penalties may discourage future misconduct and free voters from the spell of corrupt politicians.

Any evidence that conviction matter? DataFolha Pool (31/01/2018)

Results

- Still shows Lula ahead with 36%
- Above average among elementary education (47%)
- Family income of two minimal wage (47%)
- North (46%)
- Northeast (60%)

First round

Lula	36%
Bolsonaro	18%
Marina	8%
Alckimin	6%
Ciro	6%
Álvaro Dias	4%
Manuela	2%
Collor	2%
Meireles	1%
Blanks/Nulls	19%

Any evidence that conviction matter? DataFolha Pool (31/01/2018)

- The number of undecided, blanks and nulls has reached 46% of the electorate.
  - It suggests that a portion of Lula's voters has already started to consider voting in alternative candidates
- The number of voters that no longer considers voting in candidates supported by Lula increased from 48 to 53%.
- Lula should not rum: 51%
- Lula will not run: 43%
- Rejection of Lula: 40% (Temer 60%; Collor 44%; Bolsonaro 29%; Alckmin 26%)

Lula and PT's electoral strategies

Judicial survival

- Lula and PT will keep his candidacy as long as they can.

- This strategy may lead the PT and the entire left to be out of the runoff.

Dilemma

- How could the PT get rid of Lula, who is ahead in the race, and start betting in an alternative candidate?

The best for the left

- The sooner Lula's judicial penalties are implemented, the more unified and competitive would be the left

Is the PSDB (center-right) vs. PT (center-left) fight over?

- Without Lula in the electoral race, will the left be fragmented?
- PT will have an alternative candidate no matter what.
- Will PT lose its capacity to nuclearize the left?
- Would the left no longer be competitive in 2018?
- Who will be the "new PT" in the near future?

How will the center react and play?

Positive	Negative
❑ Macroeconomic stabilization	❑ Temer is a toxic asset
❑ Federal intervention in Rio de Janeiro	❑ JBS Corruption scandal
❑ There are costs for changes in the partisan trajectories (majoritarian vs. legislative)	❑ Two accusations from the General Public Prosecutor
	❑ Extremely low level of popularity (3%) and government approval

Government Approval in Latin America

Latinobarometro 2017
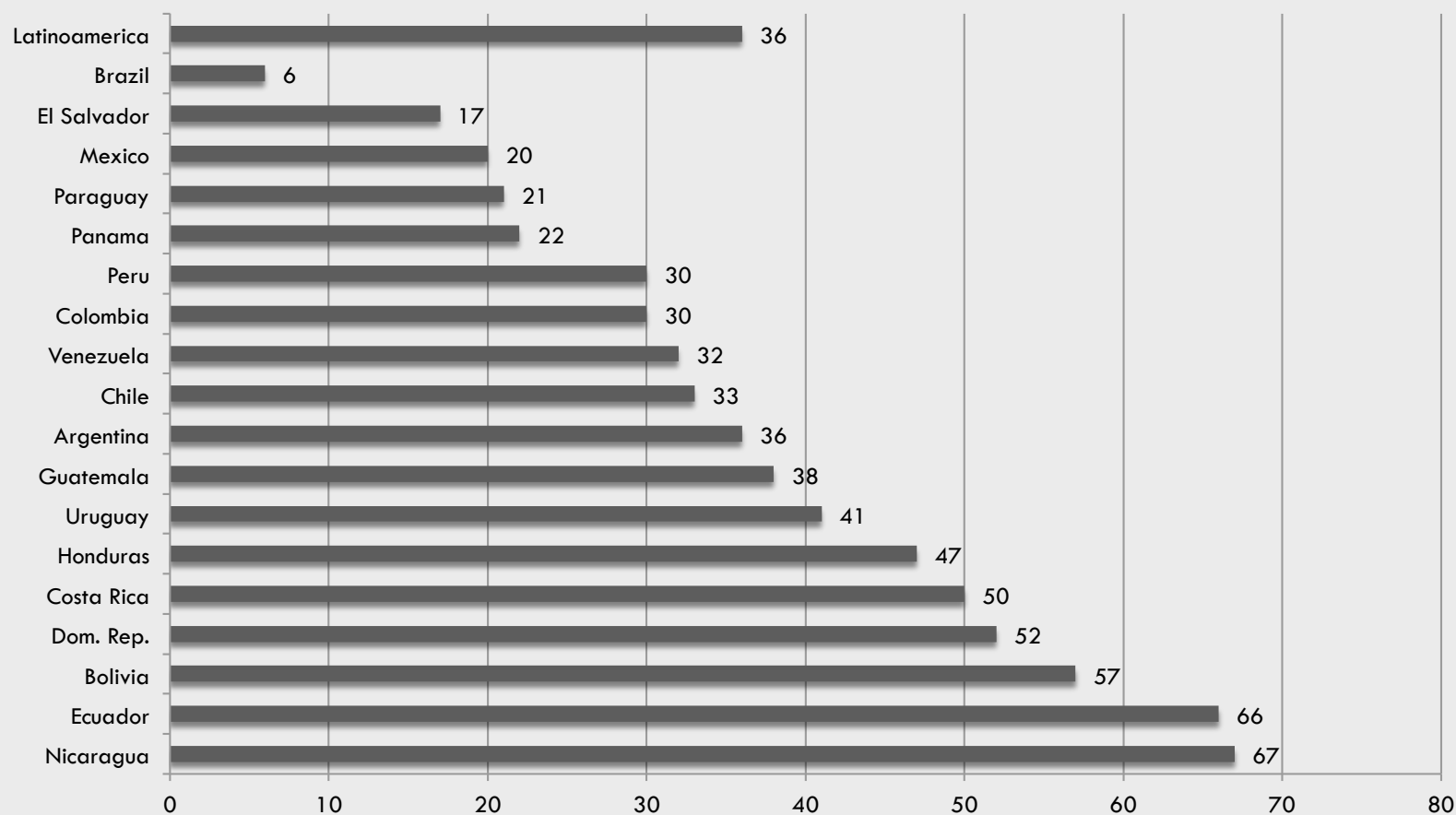
Majoritarian and Median Legislator games
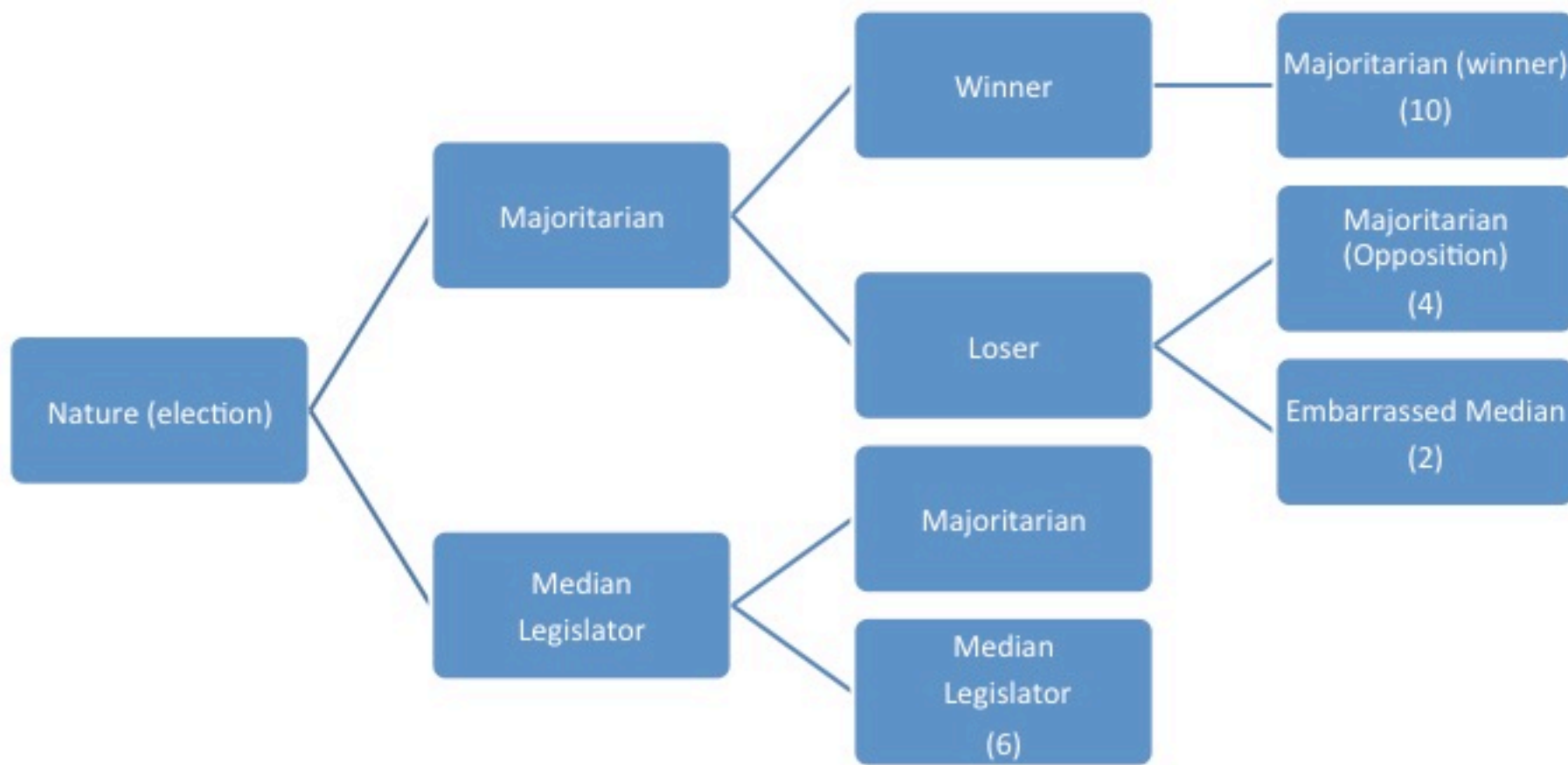
How will the center react and play?
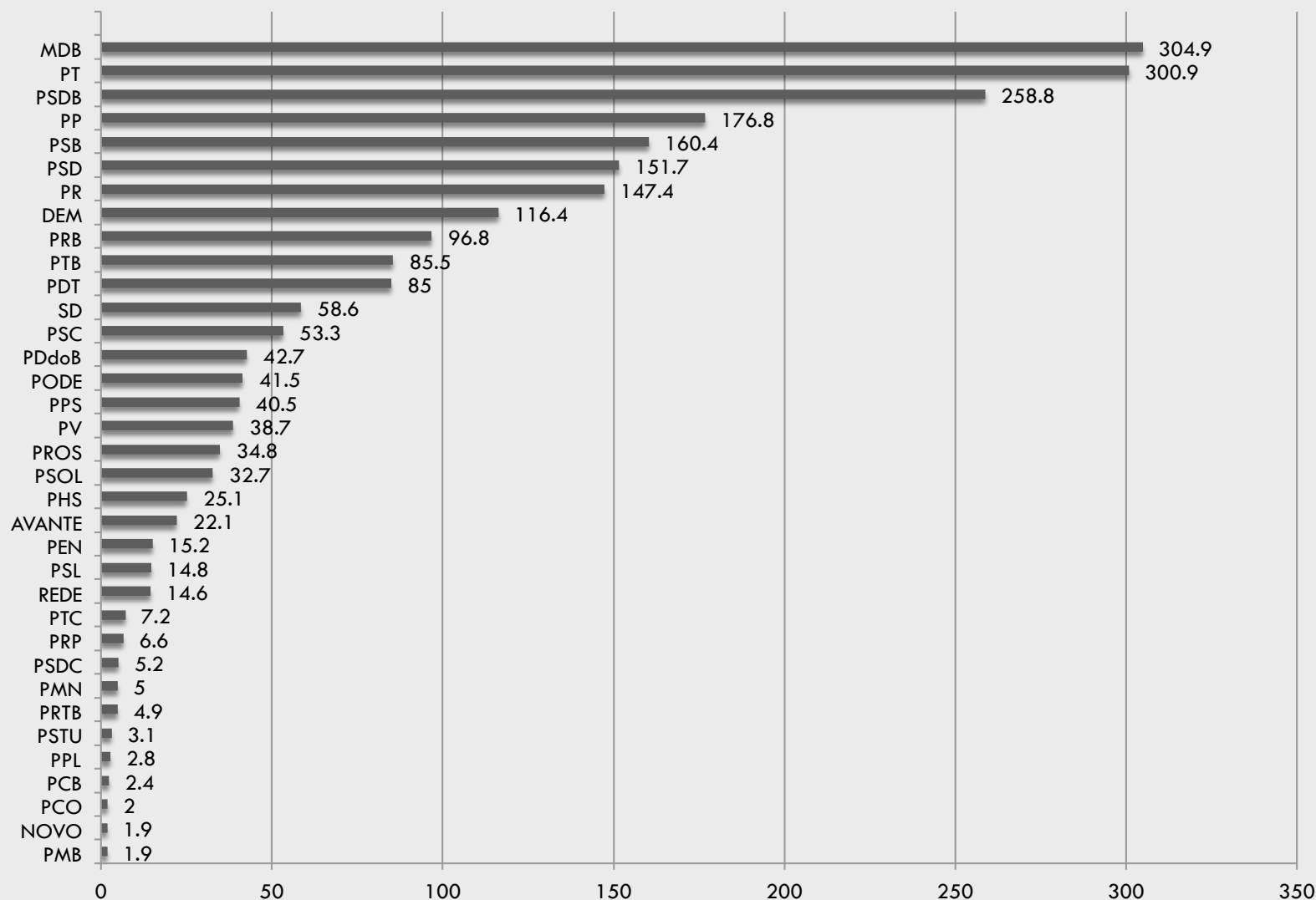
Will the PSDB launch a competitive candidate?

- PSDB plays the presidential game as protagonist since 1994 no matter if it is the winner or the loser.

- Current Governor of São Paulo, Geraldo Alckmin

- PSDB is a national party with high degree of local connections.

- It governs several cities and important states.

How will the right parties react and play?

- ❑ Bolsonaro will probably run for a small party.
- ❑ He will have a smaller slot on TV and radio
- ❑ Also a smaller portion of public funding
- ❑ His main asset is social media
  - ❑ It mostly works for converted voters
- ❑ He is a single issue player

Distribution of electoral and partisan public funds (R$ million), about 2.4 billion

Party	Value
MDB	304.9
PT	300.9
PSDB	258.8
PP	176.8
PSB	160.4
PSD	151.7
PR	147.4
DEM	116.4
PRB	96.8
PTB	85.5
PDT	85
SD	58.6
PSC	53.3
PDdoB	42.7
PODE	41.5
PPS	40.5
PV	38.7
PROS	34.8
PSOL	32.7
PHS	25.1
AVANTE	22.1
PEN	15.2
PSL	14.8
REDE	14.6
PTC	7.2
PRP	6.6
PSDC	5.2
PMN	5
PRTB	4.9
PSTU	3.1
PPL	2.8
PCB	2.4
PCO	2
NOVO	1.9
PMB	1.9

Electoral funds and number of cities governed by the party

# Electoral funds and number of cities governed by a party
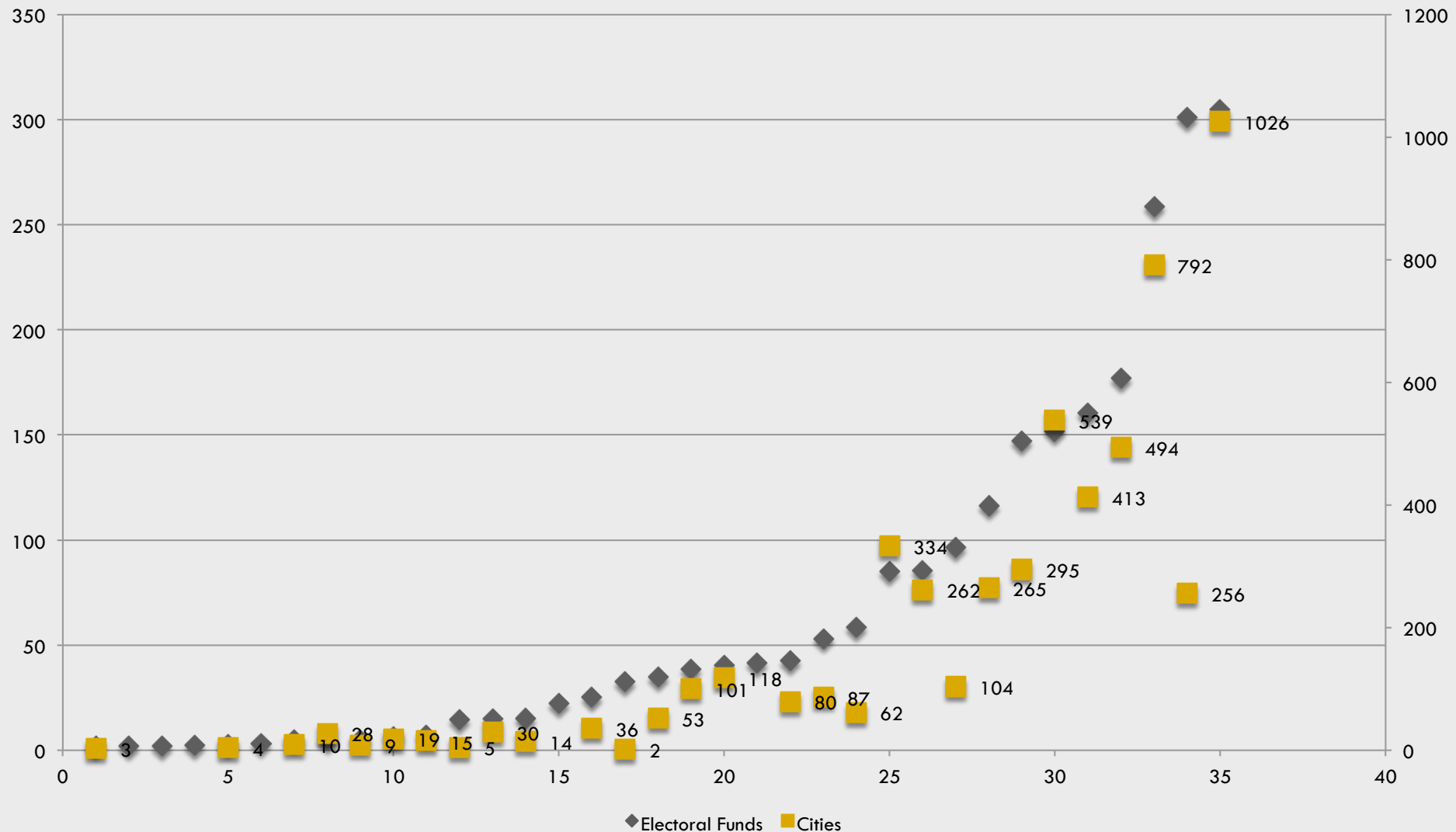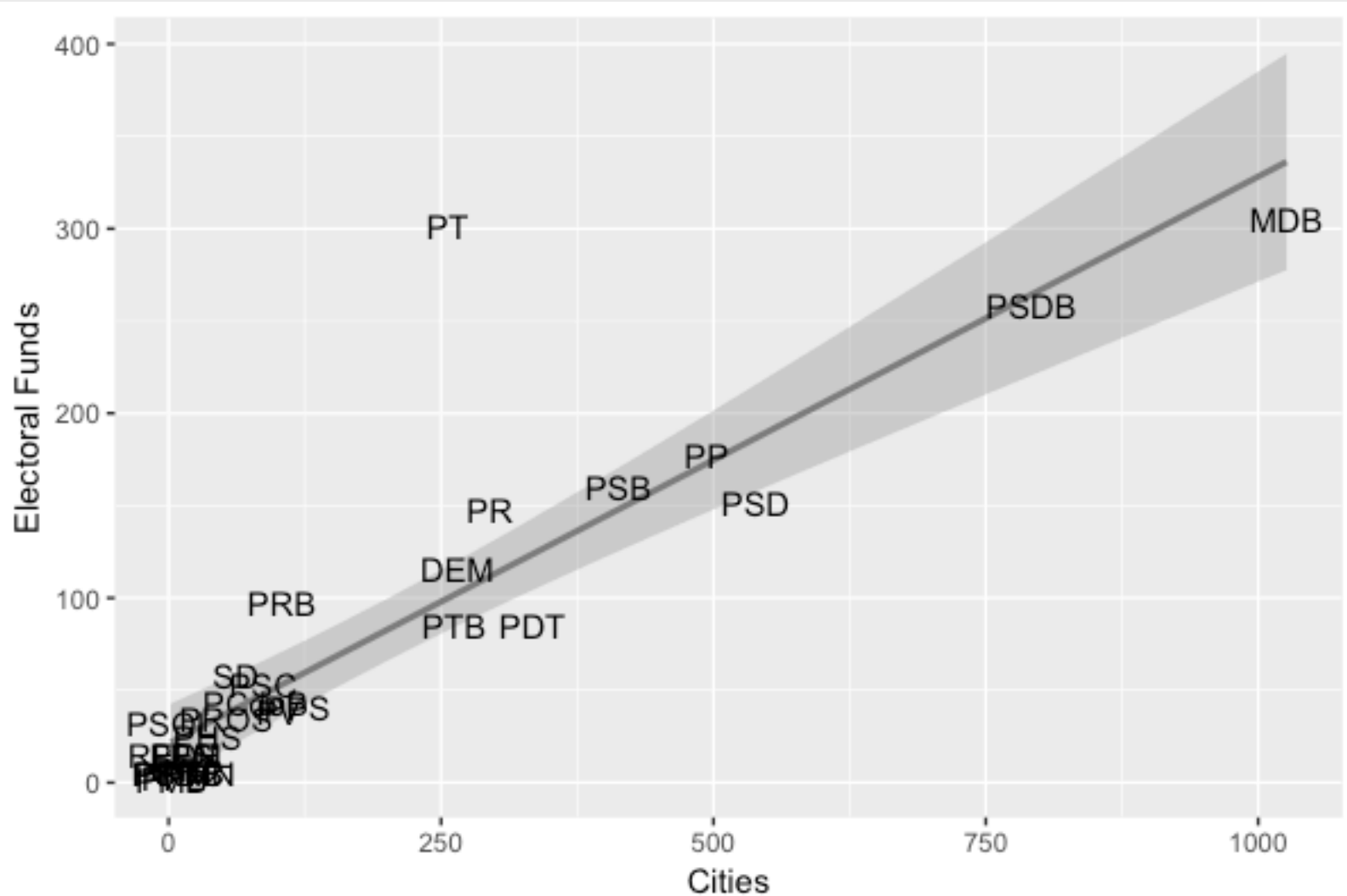
Dominant Beliefs in 2018's Election

Mental molds about how the world should work

- ❑ Developmentalism (1964-1994)
- ❑ Social inclusion without fiscal constraints (1995-1994)
- ❑ Fiscally sound social inclusion (1995-ut to now).
- ❑ Intolerance to corruption (specially after the Mensalão trial).
  - ❑ Corruption is the main issue, ahead of unemployment, security, health

Fiscally Sound Social Inclusion

Discussion
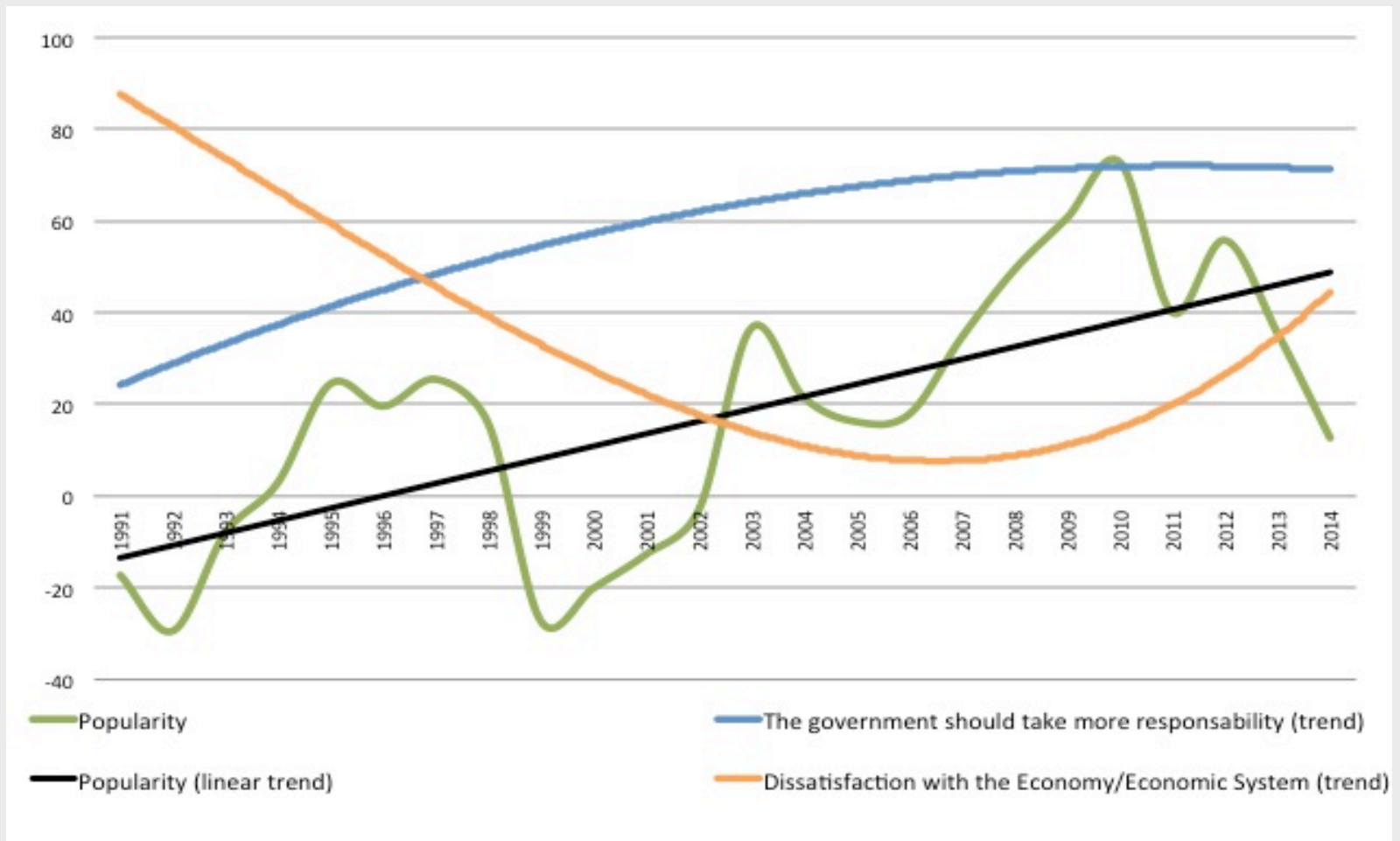
- ❑ Two forces running in opposite directions
  - ❑ Social demand for the novelty vs. professionalism with concentrated assets.
- ❑ The Lula's strategy of keeping his candidacy will fragment the left and their candidates will not be electorally viable
- ❑ Candidates that deviate from the dominant belief will not be competitive