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Congress after the 2022 elections

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- The consensus after the 2022 congressional elections is that the 58th Brazilian Congress will move towards a more right-wing-oriented political makeup next year. Theoretically, this makeup will not only allow for passing reforms and privatizations, if President Bolsonaro wins his bid for reelection in the second-round runoff, but also block economy-hazardous measures, should his adversary Lula come to power.

- This study aims at:
  - Analyzing both Legislative House's partisan makeup. Have right/center-right-wing parties really taken seats from those more to the left of the political spectrum?
  - Laying out how this seating chart shift can translate into propensity (or struggle) for the next president to pass his bills.

Composição do novo Congresso Nacional confirma força da direita bolsonarista

New National Congress makeup confirms the Bolsonaro-led right-wing's might

ELEIÇÕES 2022

NOVO CONGRESSO É HOSTIL A LULA. VEJA PERDE E GANHA DAS BANCADAS AO LONGO DOS ANOS

2022 ELECTIONS

NEW CONGRESS IS HOSTILE TO LULA. CHECK OUT PARILIAMENTARY SEATS WINNERS AND LOSERS TIMELINE

Source: *Congresso em Foco*, *Folha PE*, Mar Asset Management

- The Chamber of Deputies seems to have become marginally more favorable to Bolsonaro. There was not a big change in the balance of power between left and right, but the smaller parties from cross-party groupings*, dwindled in favor of the two presidential nominees' parties. Likewise, governability does not seem to have leaped onto Bolsonaro's lap within this House, as shown by the projected average Governability Index (GI). However, parliamentary alignment with Bolsonaro is definitely greater than with Lula.

- The Senate, however, displays a significantly better political break-down for the current president, even though it does not ensure real political gain when we re-weight the GI. The president would have more wiggle room to approve Constitutional Amendments (PEC, acronym in Portuguese) and Supplementary Laws (LC, acronym in Portuguese) in the future. On the other hand, the Senate may prove to be very expensive for Lula in terms of political capital.

- The Liberal Party (PL, acronym in Portuguese)'s behavior will be decisive. As the largest group in both Houses, if it chooses to truly embody the opposing party mode against potential president Lula, the government would struggle to pass bills. Should the party follow its tradition and move towards the Center (*Centrão*, in Portuguese, for the "Big Center", a major voting block comprised of centrist parties), however, Lula's governability would not be as bad as speculated.

- In short, the Congress does not seem to have undergone a major turnaround. Regardless, Bolsonaro's capability to have bills and reforms approved is marginally higher, compared to these last years' scenario and significantly higher than that of former president Lula, which would have much lower governability levels than in past administrations.
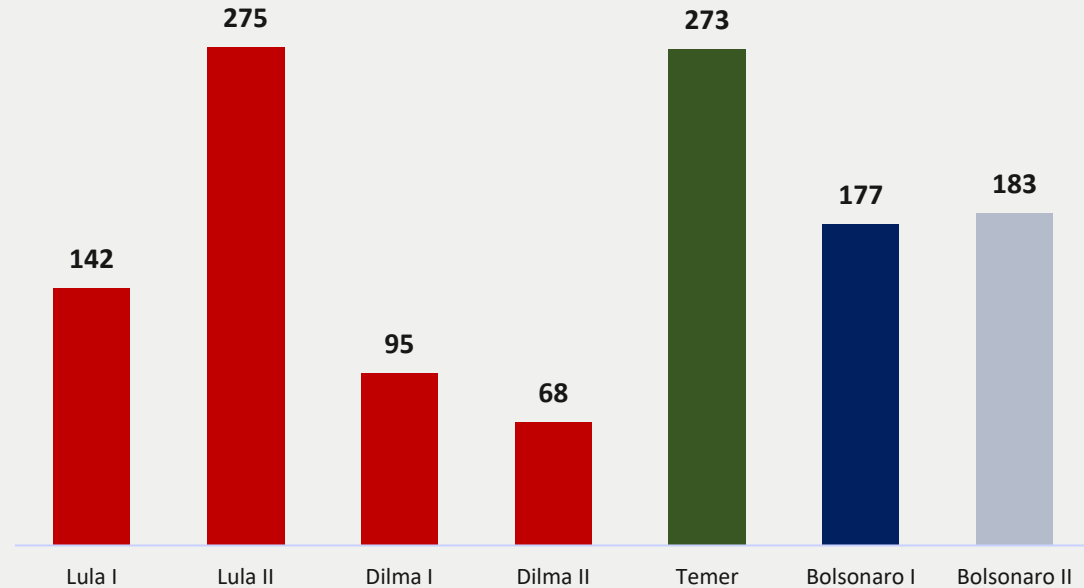
* *coligação*, in Portuguese. Temporary multi-party union, aiming at a specific election

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- Breaking down the parties into supporters and non-supporters of the candidates in the first or second voting round, we see a marginal gain in strength by the parties composing the ruling president's current coalition. The biggest change seems to be in the makeup within the blocks themselves: the two nominees' parties (PL and *PT*, acronym in Portuguese for Workers' Party) have both gained strength, while the supporting parties have dwindled.

- We put Bolsonaro's strength gain within the Chamber of Deputies in perspective by comparing his coalition size (defined herein as the parties that voted with the government ≥90% of the time during the past legislature) to those of past administrations. Supposing voting patterns from each party are constant and re-weighting the number of seats, Bolsonaro would increase his coalition by 6 deputies, but would still be far short of the legislative support Lula and Temer enjoyed in the past.

	Party	Current Seats	2023 Seats	Δ
Supports Bolsonaro in the 1st ir 2nd Round	PL	76	99	23
	PP	58	47	-11
	Republicanos	44	41	-3
	PSC	8	6	-2
	PTB	3	1	-2
		189	**194**	**5**
Have not manifest unified support	Novo	8	3	-5
	Patriota	5	4	-1
	União Brasil	51	59	8
	Podemos	9	12	3
	PSD	46	42	-4
	MDB	37	42	5
	PSDB	22	13	-9
		178	**175**	**-3**
Supports Lula in the 1st or 2nd Round	Pros	4	3	-1
	Avante	6	7	1
	Cidadania	7	5	-2
	Solidariedade	8	4	-4
	PDT	19	17	-2
	PV	4	6	2
	PSB	24	14	-10
	REDE	2	2	0
	PC do B	8	6	-2
	PSOL	8	12	4
	PT	56	68	12
		146	**144**	**-2**

Proxy for the Number of Deputies comprising Government Coalition

| Lula I	Lula II	Dilma I	Dilma II	Temer	Bolsonaro I	Bolsonaro II
142	275	95	68	273	177	183

*Weighted number for deputies from parties that are aligned and voted with the current administration in ≥90% of the sessions

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Source: *Congresso em Foco*, *Estado de São Paulo*, TSE (Superior Electoral Court), Mar Asset Management

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- The Governability Index (GI) identifies all roll-call voting tallies and measures these votes' conformity with government voting orientation. For example, Bolsonaro's Liberal Party (PL) scores 93, which means that 93% of the time these parties' deputies voted in agreement with the government's direction.

- The goal of this exercise is to estimate the average GI of a future government. For Bolsonaro, we regarded GIs from each party to remain as they were in the last four years and re-weighted them for the House's new seating chart. Regarding Lula, we estimated GIs from each party as an average of his party's time in office (2002-2016) and re-weighted them for the new House's makeup. Thus, Bolsonaro's GI for the next years would be 74.2 against Lula's 72.2.

- From this standpoint, the biggest uncertainty relates to Bolsonaro's current party behavior. In the Lula-Dilma era, the average Liberal Party (PL) GI was 86%. This number might look very high in the current context: former opposing party PSDB (Brazilian Social-Democracy Party), which faced the ruling Workers' Party in every second round run-off elections from 2002 to 2016, never had a GI higher than 43% during that time. If we correct the PL's GI to this number, Lula's GI would drop to 64%.

Average Governability Index by party during PT administrations (2002-2016)
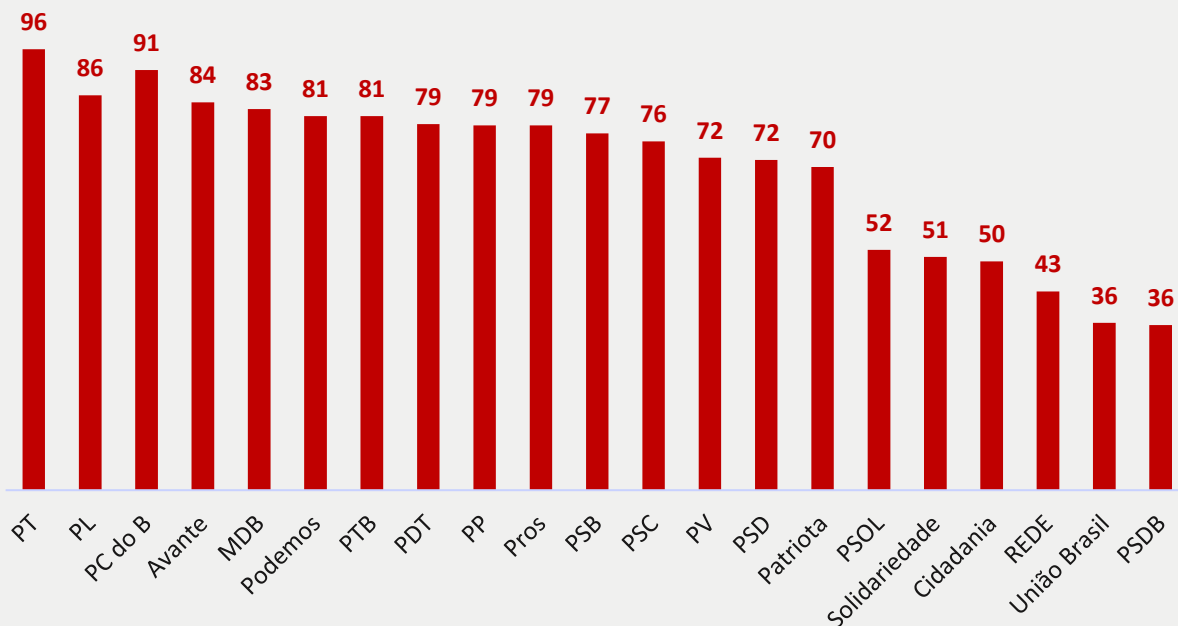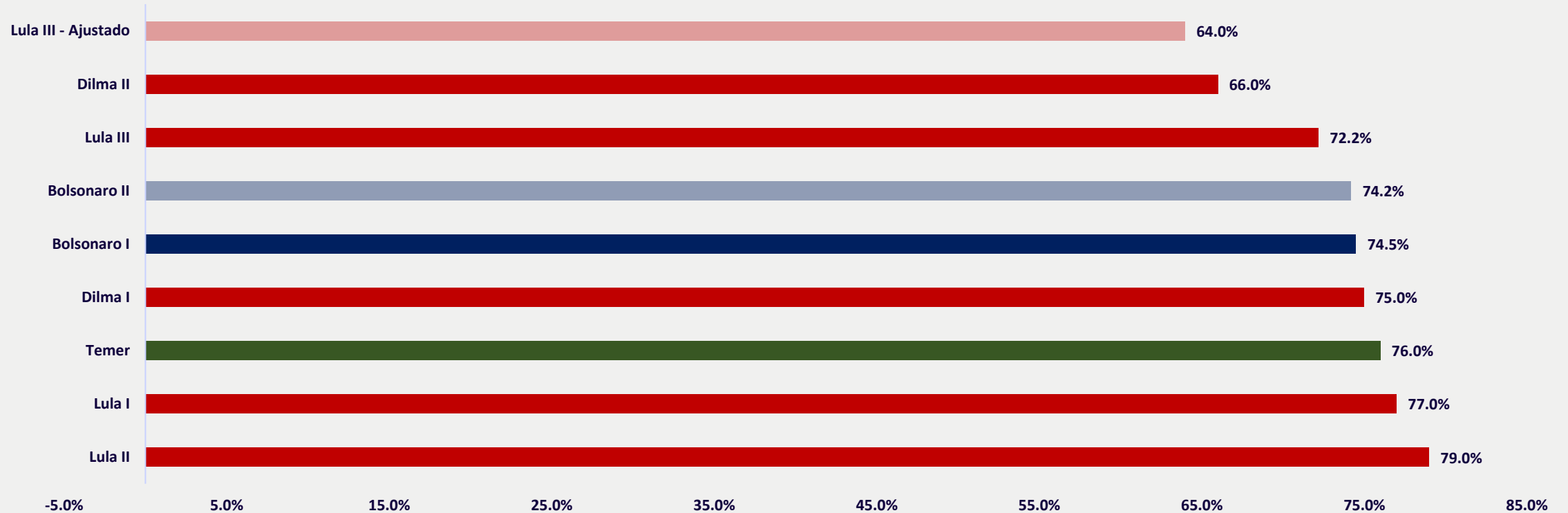

Party	Contribution to Total GI in 2023		
	GI - Bolsonaro	GI - Lula	GI Adjusted - Lula
PL	17,9	16,5	8,3
PT	8,5	12,7	12,7
União Brasil	7,2	4,2	4,2
PP	1,1	7,2	7,2
PSD	0,2	5,9	5,9
MDB	0,4	6,8	6,8
Republicanos	0,7	3,8	3,8
PDT	10,0	2,6	2,6
PSB	2,0	2,1	2,1
PSDB	7,0	0,9	0,9
Podemos	7,1	1,9	1,9
PSOL	2,0	1,2	1,2
Avante	1,4	1,1	1,1
PSC	0,9	0,9	0,9
PC do B	0,8	1,1	1,1
PV	0,6	0,8	0,8
Outros	6,3	2,5	2,5
Total	**74,2**	**72,2**	**64,0**

- For either candidate, party loyalty within the Chamber would orbit around the historical average. Supposing the GI from each party remains as is in the case of a repeat term for Bolsonaro, the Chamber would show an average loyalty of 74.2% in 2023 against 74.5% in the past. Contrary to popular belief, the Chamber's new political makeup is not an omen of favorability for the right-wing movement.

- Should Lula come out victorious in the ballot, he would actually have a lower governability than Bolsonaro, but not very far from PT's historical average. Even so, if PL does follow a pro-Bolsonaro/opposition course, Lula's governability in Congress would go into dire straits, with an estimated score close to Dilma's second term.
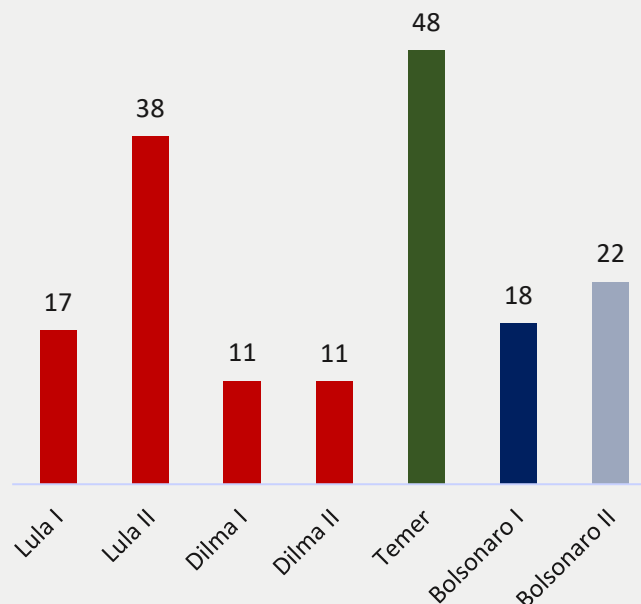
General Governability Index among presidents

President	GI
Lula III - Ajustado	64.0%
Dilma II	66.0%
Lula III	72.2%
Bolsonaro II	74.2%
Bolsonaro I	74.5%
Dilma I	75.0%
Temer	76.0%
Lula I	77.0%
Lula II	79.0%

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- Bolsonaro is looking at a better post-election senatorial makeup. The coalition of parties supporting him in the 2022 election has grabbed five extra seats this time around. This win has come mainly from senators, whose parties did not show unison alignment in the presidential election's second voting round. The parties supporting Lula suffered a marginal loss of only one seat.

- By the same criteria used to analyze the Chamber's new makeup (weighted by GI), Bolsonaro's coalition would have grown by four seats in the Senate, but still shy of the broad dominance experienced by Temer and Lula II.

- This gain, however, does not translate into increased average GI for Bolsonaro within the Senate, which would actually drop 0.5 p.p. in case of a renewed term, reaching 78.7%. Nonetheless, Lula's GI is considerably lower – 71% - signaling that a future PT administration would find it hard to pass bills in this House, even if PL votes in agreement 85% of the time.

	Party	Current Seats	2023 Seating	Δ
Supports Bolsonaro in the 1st or 2nd Round	PL	7	13	6
	PP	8	7	-1
	Republicanos	1	3	2
	PSC	1	1	0
	PTB	2	0	-2
		19	24	5
Did not manifest unified support	União Brasil	8	12	4
	Podemos	8	6	-2
	PSD	11	10	-1
	MDB	13	10	-3
	PSDB	6	4	-2
	PSB	1	1	0
		47	43	-4
Supports Lula in the 1st or 2nd Round	Pros	2	1	-1
	Cidadania	1	1	0
	PDT	3	2	-1
	REDE	1	1	0
	PT	7	9	2
		14	14	0

Proxy for the Number of Senators comprising Government Coalition

| Party	GI - Bolsonaro	GI - Lula	GI Adjusted - Lula
		Contribution to Total GI in 2023	
PL	17,9	16,5	8,3
PT	8,5	12,7	12,7
União Brasil	7,2	4,2	4,2
PP	1,1	7,2	7,2
PSD	0,2	5,9	5,9
MDB	0,4	6,8	6,8
Republicanos	0,7	3,8	3,8
PDT	10,0	2,6	2,6
PSB	2,0	2,1	2,1
PSDB	7,0	0,9	0,9
Podemos	7,1	1,9	1,9
PSOL	2,0	1,2	1,2
Avante	1,4	1,1	1,1
PSC	0,9	0,9	0,9
PC do B	0,8	1,1	1,1
PV	0,6	0,8	0,8
Outros	6,3	2,5	2,5
Total	**74,2**	**72,2**	**64,0**

- We have now used the GI to arrange the parties in order and assess how Bolsonaro's capability to pass PECs (three-fifths majority requirement) and Supplementary Laws (absolute majority requirement) has changed within the Chamber.

- Supposing that, within a party, the percentage of those who vote in line with the government is equal to its historical GI, Bolsonaro would need to have cumulative support up to PSD (Social-Democracy Party) to pass PECs and up to MDB (Brazilian Democratic Movement party) to pass an LC with the newly-elected House formation. The tug of war these last years required further support from PSDB for PECs and MDB for LCs approval.

Chamber's party makeup in order by Governability Index and Cumulative Votes

Source: *Congresso em Foco*, TSE (Superior Electoral Court), Mar Asset Management
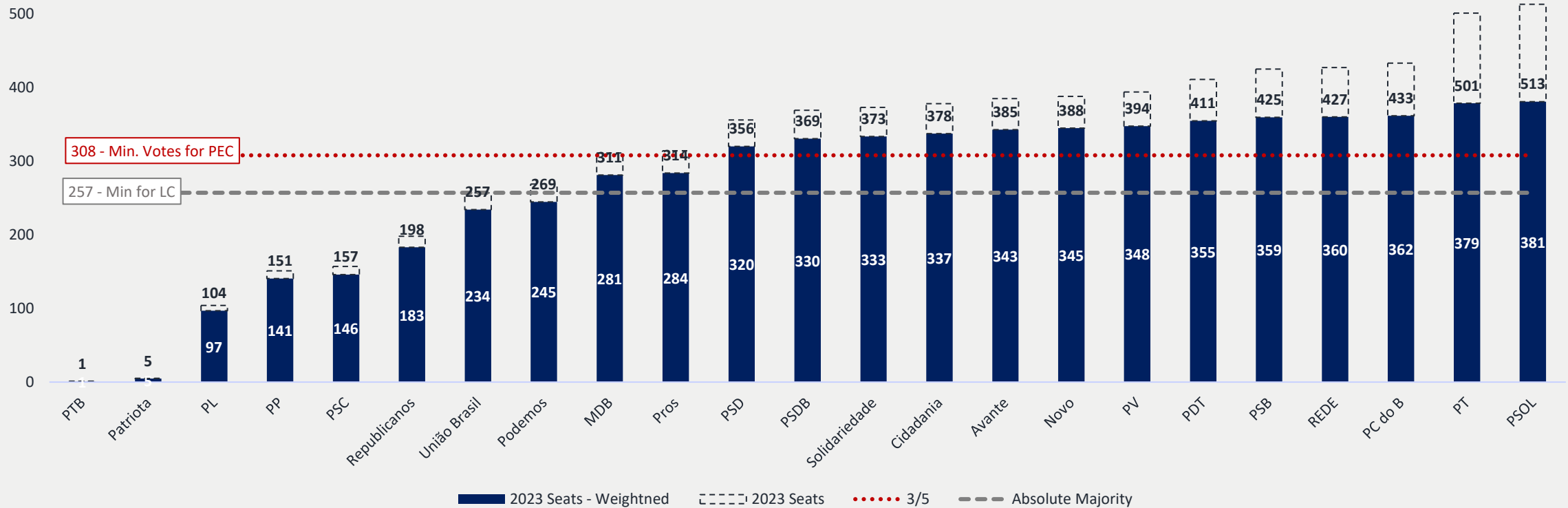
- To infer about Lula's governability, we have used the same methodology employed for Bolsonaro, but using the historical GIs from PT past administrations.

- To pass a PEC, Lula would have to go all the way up to União Brasil (Brazil Union party), which means tracking a long and politically high-cost way for the former president, given that he would have to bring together low-GI parties. The chamber's governability is worse for Lula than it is for Bolsonaro.

Chamber's party makeup in order by Governability Index and Cumulative Votes

Legend: ■ 2023 Seats - Weightned | ⬚ 2023 Seats | ••••• 3/5 | ‒ ‒ ‒ Absolute Majority
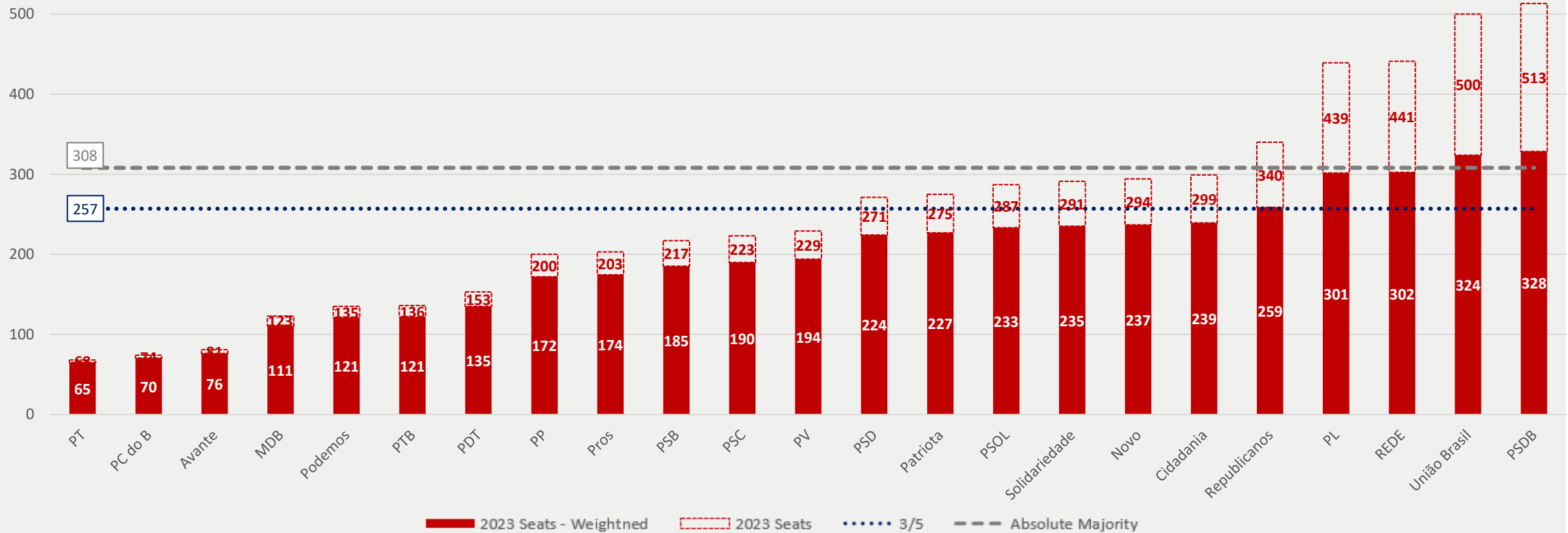
- In order to pass an LC in the senate, Bolsonaro needed to reach out to MDB and he still does, but with more room to spare. Regarding PECs, he needs to reach PSD in both scenarios, but, again, with more slack.

Senate's party makeup in order by Governability Index and Cumulative Votes

Legend: 2023 Seats - Weightned | 2023 Seats | 3/5 | Absolute Majority
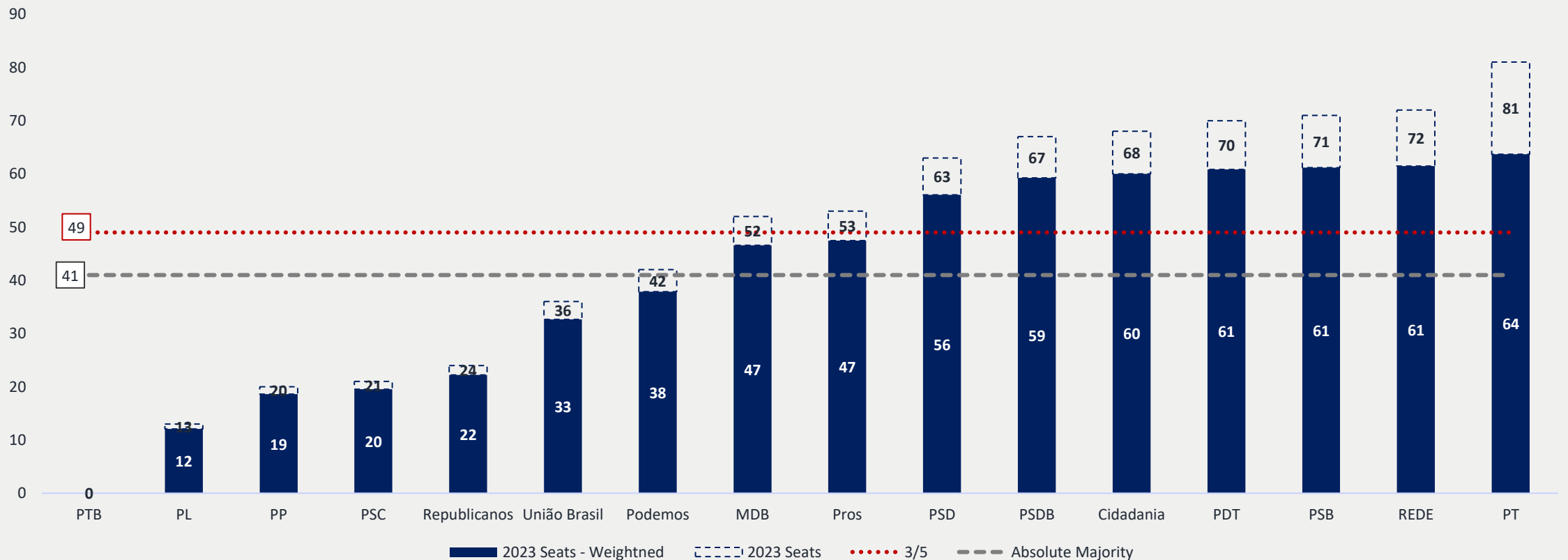
- In order to have a PEC approved, Lula would have to reach all the way out to União Brasil, which means reaching a party with an approximate 40% GI. Lula's governability in the Senate would be quite troublesome.

Senate's party makeup in order by Governability Index and Cumulative Votes

Legend: 2023 Seats - Weightned | 2023 Seats | 3/5 | Absolute Majority
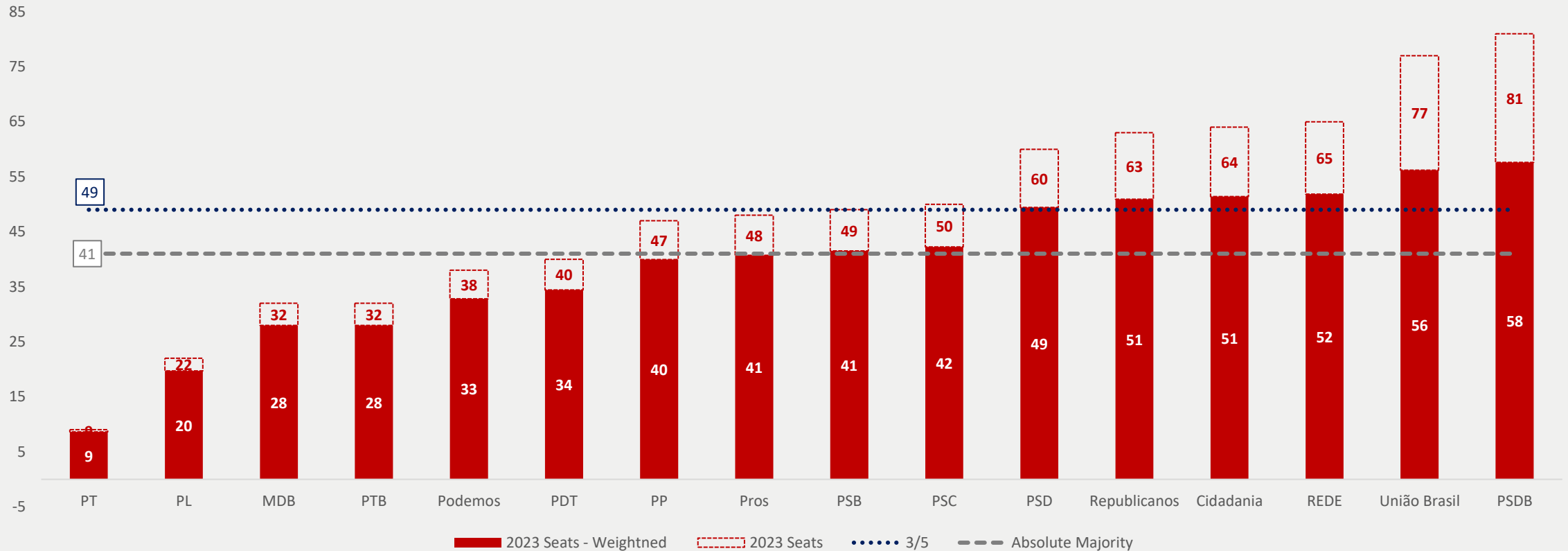
Source: *Congresso em Foco*, TSE (Superior Electoral Court), Mar Asset Management

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