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Brazil One Year Away from the October 2026 General Elections

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Key Takeaways

- The conviction of former President Jair Bolsonaro and his co-defendants for various crimes by the Federal Supreme Court (STF) confirmed the strength of Brazilian democracy and its ability to withstand domestic and international pressure.
- The Brazilian right must now choose between demanding an impossible amnesty for the convicted men to satisfy the Bolsonaro base it will need in the 2026 elections, and accepting the conviction, which is approved by centrist voters.
- Beyond the elections, the economic reforms Brazil needs to revive its sluggish growth would require the highly unlikely support (regardless of the president and government) of a structurally conservative Congress that is keen to hold on to its privileges.
- COP30 in Belém is taking place in a deteriorating international context, while Brazilian policies are themselves sometimes ambiguous and could be revised in the event of a change of government.

Introduction

Brazil's general elections will be held on October 4, 2026, to elect the president, vice-president, members of the National Congress, governors, deputy governors and state legislative assemblies. For the presidential and gubernatorial elections, a second round will be held on October 25 if no candidate obtains a majority of the votes in the first round.

The political context is marked by the Supreme Court's sentencing of former President Bolsonaro to 27 years and 3 months in prison for several crimes, including an attempted *coup d'état*. The debate is now focused on a possible amnesty, which is dividing the Brazilian right.

Finally, the 30th Conference of the Parties (COP30) on climate change will take place from November 10 to 21, 2025, in Belém, capital of the state of Pará, in the Brazilian Amazon. It will bring together the signatory countries of the United Nations Framework Convention on Climate Change (UNFCCC).

The conviction of Bolsonaro and his co-defendants

On September 11, 2025, the Federal Supreme Court (STF) sentenced former President Jair Bolsonaro (2018-2022) to 27 years and 3 months in prison.[1] The decision was taken by four judges against one. Seven co-defendants (five military personnel, including four generals, and two police officers) were also sentenced to between 2 and 26 years in prison.

The Attorney General brought five charges against the defendants, based on damning evidence: attempting to abolish the rule of law, attempting a *coup d'état*, participating in a criminal organization (there were plans to assassinate Bolsonaro's elected successor, Lula da Silva, his vice-president Geraldo Alckmin and STF judge Alexandre de Moraes), damage to national heritage and damage to listed heritage (charges relating to the riot of January 8, 2023, during which the Presidency, Congress and the STF were devastated by Bolsonaro supporters, encouraged, according to the prosecutor, by the defendants).

Several noteworthy elements emerge from the facts and their conviction:

- **The defendants' sense of impunity.** The abundance of incriminating evidence shows that the defendants did not attempt to conceal their preparations for the coup, giving the impression that they were confident of their impunity. Given Latin American history, this did not seem unreasonable. This feeling of impunity also manifested itself in an unconstructive denial during the investigation and trial.

1. On September 16, 2025, Jair Bolsonaro was also ordered by a court in Porto Alegre to pay compensation of one million reais (approximately €160,000) for racist comments made in 2021.

- **Failure due to the generals' refusal.** A meeting at the presidential palace was decisive in the coup's failure: the one where Bolsonaro asked the heads of the three branches of the armed forces for their support. The generals commanding the army and air force refused (the former even responding to Bolsonaro that he should arrest him if he insisted), while the admiral commanding the navy accepted (and was convicted on September 11, despite arguing that he did not understand that it was a coup). The testimony of the two legalist generals was one of the prosecution's key pieces of evidence.
- **The first conviction of military personnel in Brazil.** Never before had military personnel been convicted in Brazil for undermining democracy. Before handing over power to civilians in 1985, the army, which had seized power in 1964, took care to have a very broad amnesty law passed in 1979 by a parliament under its control.
- **The firmness of the Brazilian justice system.** It is often, and sometimes rightly, criticized for its sluggishness, for the privileges enjoyed by judges, and sometimes for its venality. However, in the case of the coup plotters, the STF did not give in. It resisted both internal pressure (from the streets, *Bolsonarista* congressmen and a large part of the *centrão*)[2] and pressure from the United States.
- **Publicity of the proceedings.** All the evidence was widely disseminated and commented on in the media (both traditional and social) before the trial. The trial itself, which began on September 2, was entirely public and broadcast.

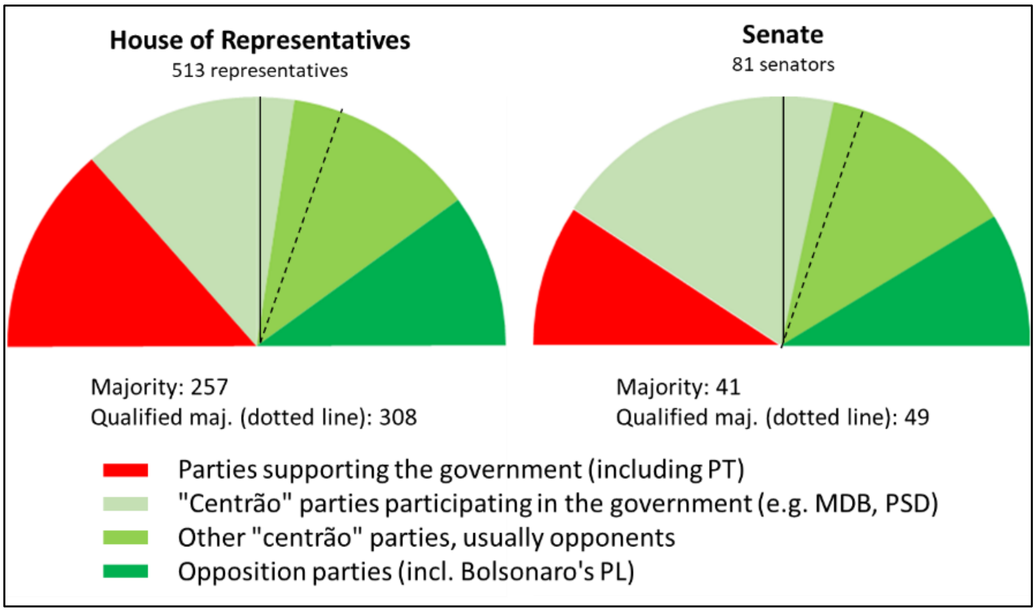
Between Bolsonaro supporters and moderates, the dilemma facing Brazil's right wing

After the ruling, and despite having a large majority in both houses of Congress (see Figure 1), Brazil's right wing is facing a dilemma that it is struggling to resolve. The issue concerns the possible amnesty of the coup plotters convicted on September 11, by the STF and, to a lesser extent, that of the rioters of January 8, 2023.

The Bolsonarist right (the PL, some evangelical pastors, the Bolsonaro family) is calling for a full amnesty for the eight people convicted on September 11, adding to this Bolsonaro's previous conviction (in June 2023) to eight years of ineligibility for his repeated challenges to the electoral system. For good measure, the rioters of January 8, 2023, whose fate the right wing had hitherto shown little concern for, would be included in this amnesty.

2. The *centrão* is a group of right-wing and centre-right parties (Jair Bolsonaro's Liberal Party is classified as far-right), which are conservative but whose ideology is rather vague, and most of which are likely to support any government as long as their leaders and congressmen receive political and personal benefits in return. However, this support can be withdrawn at any time.

Figure 1. The Brazilian Congress, October 2025



Source: the author, based on data extracted from the websites of the House of Representatives and the Senate.

There are three types of arguments: legal, political and even humanitarian. The first are in line with the opinion expressed by STF dissenting judge, the only one to have opposed the majority decision on September 11: on the one hand, the STF did not have jurisdiction to judge Bolsonaro and his co-defendants (a surprising argument, given that the same judge had no qualms about judging and convicting the rioters of January 8 – so surprising that it was not put forward during the defense's closing arguments), and on the other hand, the evidence gathered by the prosecution only demonstrated a vague "intention" to stage a coup, with no evidence of any attempt to carry it out. The political argument is based on the supposed need for "national reconciliation", which would require forgetting the possible (and disputed) "mistakes" of the accused. The humanitarian argument refers to the age and (indeed poor) health of the former president, and to the "family tragedies" resulting from the very heavy sentences imposed on the rioters.

A large proportion of *centrão* congressmen support amnesty, echoing this argument, sometimes, as in the case of Chamber of Deputies President Hugo Motta, in a "moderate" form that would maintain Bolsonaro's ineligibility. But while this rhetoric undoubtedly expresses the genuine convictions of the far right, it fails to hide the real motivations of the *centrão*: the desire for impunity and the desire to further expand the political and financial advantages of parliamentarians, particularly through "parliamentary amendments" (*emendas parlamentarias*, see box). The two objectives are linked, as shown by a draft amendment to the Constitution (PEC) voted on by MPs in mid-September 2025 before being rejected by the Senate, which would have made it very difficult to prosecute members of Congress, even though 80 of them are currently under investigation by the STF, notably for embezzlement of *emendas*.

"*Emendas parlamentares*": budgets at the free disposal of parliamentarians

These "*emendas*" are the latest incarnation of the "*mensalão*" ("big monthly payments", envelopes given to parliamentarians) of 2004-2005, the "*petrolão*" (illegal financing of parties by Petrobras, which led to Operation "*Lava Jato*") and the "*orçamentos secretos*" ("secret budgets") of 2020-2022. These practices have been condemned by the courts and the STF, but they continue. These are budget lines granted individually to parliamentarians. For the government, the aim is to "facilitate" the adoption of laws by these parliamentarians. The funds are supposed to 'support' projects, often infrastructure projects, in the constituencies. In practice, they are used to strengthen electoral bases by purchasing the most visible equipment possible (often without consideration of its actual usefulness) and occasionally overvalued, transfers to local authorities in the constituency, possibly run by relatives or close friends of the parliamentarian*, or even private works from which he or she is a direct beneficiary.

Emendas are far from insignificant. Today, they amount to 3% of the previous year's tax revenue. In 2024, they reached R$53 billion, or €9.1 billion, and 24% of "discretionary" spending (the vast majority of budgetary expenditure being mandatory), with a particularly sharp increase during Jair Bolsonaro's term of office. A recent study** shows that such power over budgetary expenditure is quite exceptional: "In none of the 11 countries [of the study, that is Germany, Australia, Canada, Chile, South Korea, Spain, the United States, France, Italy, Mexico and Portugal] is the power of parliamentarians to modify the budget so significant, particularly concerning sending resources to their electoral bases".

* The Speaker of the House between 2021 and 2025, Arthur Lira, MP for Alagoas, has been noted for this type of transfer (see J.-L. Martin, "First Year of Lula: Overview of the Political Situation in Brazil", *Ifri Memos*, Ifri, January 2024, available on: www.ifri.org).

** H. Tollini and M. Mendes, "É assim em todo lugar? Emendas parlamentares no Brasil e em 11 países da OCDE" [Is it like this everywhere? Parliamentary amendments in Brazil and 11 OECD countries], Insper,2024.

With the presidential election coming up in October 2026, the *centrão* needs to win back Bolsonaro's supporters without giving in to the demands of its most vocal representatives. It is impossible to reach the second round without the support of this electorate, which represents 25 to 30% of the population. Still, it is equally challenging to be elected in the second round by promising amnesty, as all surveys conclude that the majority of Brazilians are hostile to it, especially if it is broad.[3] However, *Bolsonarista*

3. A Datafolha survey conducted immediately after the ruling indicates that 39% of the population would support an amnesty. This figure also includes non-Bolsonaro supporters who believe that the sentences imposed were too harsh. The same survey indicates that 54% of Brazilians are opposed to any amnesty. Furthermore, according to a Genial/Quaest survey, Bolsonaro would currently win 24% of the vote in the first round of a presidential election, compared to 32% for Lula, who would crush him (47% vs. 34%) in the second round.

pressure seems irresistible: Tarcisio de Freitas, governor of the state of São Paulo and the candidate most promoted by the right, after long trying to avoid taking a clear position on the issue, made his decision on September 7, with a fierce criticism of the "dictatorship" of the STF, and promising a general amnesty that would include Bolsonaro's return to eligibility. A return he probably does not believe in (the STF would oppose it) and which, of course, he does not hope for. However, it is by no means certain that such a strategy will be successful.[4] After the ruling, Lula's popularity rebounded, and according to the polls, he would win by a large margin in the second round against any candidate from the right or the *centrão*. But Lula will be 81 years old two days after the second round of the 2026 presidential election.

The necessary and impossible political reform

To address the evolution of Brazil's political microcosm, let us now open a section entitled "It was better before".[5] Admittedly, Brazilian politics has always been affected by corruption (we remember the lamentable and repeat offender Fernando Collor, who was president from 1990 to 1992). Admittedly, debates could be heated between the wise and moderate Fernando H. Cardoso, president from 1995 to 2003, who had brought Brazil out of the hyperinflation of the 1980s and 1990s, and his "communist" successor Lula. In 2002, it was possible to believe (wrongly, as subsequent events showed) that Brazil was facing a choice of society. But at least people were talking about politics and economics. Today, the "political" debate focuses on amnesty or, at the very least, reduced sentences for convicted coup plotters, on the impunity that parliamentarians want to grant themselves, or on the possibility of appointing MP Eduardo Bolsonaro, Jair Bolsonaro's third son who is in self-imposed exile in the United States where he campaigns for sanctions against his country, as leader of the opposition with all the associated benefits. When it comes to the economy, Congress is more interested in the *emendas parlamentarias* than in fiscal policy (beyond "Lula spends too much") or monetary policy (which is nevertheless completely out of the ordinary).[6]

> Brazilian politics has always been affected by corruption

4. In recent weeks, Tarcisio de Freitas seems to be leaning more towards a (virtually assured) re-election as governor of São Paulo than a presidential bid.
5. Lula, June 1, 2022: "How happy this country was when polarisation pitted the PT against the PSDB. The transition at the end of F. H. Cardoso's term [in 2002] was the most civilised this country has ever seen."
6. Monetary policy, which is extravagantly orthodox, deserves a debate that goes beyond proclaiming the sacrosanct "independence of the Central Bank". The real (inflation-adjusted) key interest rate (Selic) in Brazil is currently 9.9%; this figure is exceeded only in Argentina and Turkey, both of which have inflation rates above 30%, compared to 5.1% in Brazil (and in Argentina as part of a desperate defence of the peso). For public finances, this translates into interest payments of around R$1 trillion in 2024, or 6.3% of GDP, transferred to investors (funds, and behind them, often wealthy individuals: interest on public debt thus reinforces the concentration of wealth). For bank customers, this means interest rates on short-term business loans of between 19% and 46% per annum, and 12% to 14.2% per month on personal credit cards (figures for the four main Brazilian banks). It is therefore not surprising that the Brazilian financial sector's share of GDP (7%) is

It is, therefore, not surprising that Congress is the branch of government that inspires the most mistrust among the population. According to an August 2025 survey,[7] 82% of Brazilians did not trust it, compared to 12% who did. Opinions, although mostly negative, were much more balanced on the Supreme Court (49% vs. 51%) and on the government (47% vs. 52%).

Brazil: some economic indicators

	2024		2021	2022	2023	2024	2025f	2026f
Population (million)	213	**GDP (real growth, %)**	4.8	3.0	3.2	3.4	2.5	2.5
GDP (bn USD)	2171	**Inflation (annual average, %)**	8.3	9.3	4.6	4.4	5.3	4.3
GDP/cap., ppp (USD)	22270	**Current account (% of GDP)**	-2.4	-2.2	-1.3	-2.8	-2.3	-2.2
Saving rate (% PIB)	14.1	**Public fin.: global balance (% GDP)**	-2.6	-4.0	-7.7	-6.6	-8.5	-7.7
HDI (2023)*	84	**Public debt (% of GDP)**	88.9	83.9	84.0	87.3	92.0	96.0
Governance (2023)**	37	**Change: BRL/USD (end of year)**	5.58	5.29	4.85	6.18	5.40	5.70

** Human Development Indicator (UNDP): ranking among 193 countries* *Source: IMF, World Bank, UNDP*
*** Average of the World Governance Indicators (World Bank) 3 à 6; ranking from 0 (worst) to 100 (best)*

Sources: United Nations; World Bank.

Such a political context has economic consequences. Indeed, beyond social transfers (Bolsa Familia and other programmes) that are useful and, in Brazil, efficient, it will only be possible to lift tens of millions of Brazilians out of poverty in the long term[8] by accelerating mediocre growth (per capita GDP in constant currency in 2024 was only 2.2% higher than in 2013). Such acceleration requires structural reforms. However, the conservatism of Congress makes it difficult to implement today, regardless of the government (but even more so for a left-wing government):

- A reform of the structure of budgetary expenditure would be most useful. Under the influence of various lobbies, many items are now determined as a percentage of total expenditure, which considerably reduces the amount available for discretionary spending. In 2024, these amounted to around R$220 billion (from which parliamentary amendments must be subtracted) out of a total budget of R$5.4 trillion.
- The pension system also needs to be reviewed. An initial reform was achieved in 2019 by Paulo Guedes, Bolsonaro's finance minister, who raised the retirement age. It was financially useful (even if not really fair in a country where the poorest start working much earlier than graduates), but it perpetuates privileges that primarily benefit parliamentarians (as well as

significantly higher than that observed in most countries (3.5 to 5%, with rare exceptions). All of this is obviously detrimental to investment and growth, and is socially regressive.

7. Atlas Bloomberg. This survey was conducted before the debate on Bolsonaro's amnesty and the PEC, making it more difficult to investigate parliamentarians. In January 2023, the same survey estimated that only 57% of respondents distrusted Congress.

8. However, poverty continues to decline, thanks in particular to these social transfers. According to the Instituto Jones dos Santos Neves (work available at: www.ijsn.es.gov.br), the population fell to 27.5% (59 million people) in 2023, compared to 31% in 2020. Extreme poverty fell to 4.4% (9.5 million) compared to 6% in 2020.

military personnel, judges, etc.).[9]

- The Brazilian education system is dual. A few public universities are consistently considered the best in Latin America, and are well funded and virtually free. But public secondary education is underfunded. As a result, children from wealthy families, educated in private fee-paying secondary schools, are much better prepared for the entrance exams to the best public universities than secondary school students from the public sector.
- Parliamentary amendments are inherently a perverse system for allocating scarce budgetary resources. Like the *mensalão* and the *orçamentos secretos*, they have become a means of "appeasing" parliamentarians. No economic assessment of their impact is ever carried out, as parliamentarians oppose it. It is therefore not surprising that Brazil ranks lower than Colombia and Argentina on the World Bank's "Control of Corruption" indicator.
- At the risk of challenging a dogma, monetary policy formulation should be redefined. The "fight against inflation" or the "defence of the real" are not sufficient to justify a real policy rate of 10% in a country where inflation is at 5%. This redefinition should be accompanied by incentives for greater competition in the financial sector: it is unrealistic to hope for a significant revival of investment with the current interest rate structure (see footnote 6). Such a reform does not depend solely on the government and Congress and would need to be negotiated with the sector. But it would require a very strong political consensus, which does not exist today. It will therefore not happen.

However, as most of these reforms personally impact parliamentarians or affect their constituents (e.g., evangelical churches, which are exempt from tax), it is complicated for a government without a qualified majority in Congress to push them through. But even a right-wing government or one dominated by the *centrão* would face the same difficulties, as was evident during Jair Bolsonaro's term in office. There is no Night of August 4th,[10] on the horizon in Brazil.

Nonetheless, Lula's government has achieved two significant victories in terms of tax reform. In November 2023, an initial reform significantly simplified indirect taxation, and in September 2025, another reform focusing on personal taxation reduced the tax burden on low-income earners and increased it on the wealthiest (notably by ending the exemption on dividend payments, one of the main ways for the latter to avoid tax). However, in October, the government suffered a setback in its attempt to increase the tax on financial transactions, which was rejected by the House of Representatives.

9. See "Inequalities between older people are considerable. They prolong and amplify those that existed during working life (income level, job stability, social rights, etc.)." in J.-Y. Carfantan, , "L'enjeu des retraites : au Brésil aussi", IstoéBrésil, 2025, available at: www.istoebresil.org.

10. A reference to the night of August 4, 1989, during the French Revolution, when the National Constituent Assembly, on the initiative of representatives of the nobility and clergy, voted to abolish feudal privileges.

COP30: a more difficult context and Brazilian ambiguities

Brazil has decided to host COP30 in Belém, the main city in the Amazon region. This is a powerful symbol, even if the choice of a remote city where such conferences are rare poses serious logistical problems.

In an international context where there is less interest in environmental issues, some of Brazil's objectives for COP30, such as accelerating financial flows towards climate action or strengthening the ambitions expressed by participants (as set out in their "Nationally Determined Contributions"), will be difficult to achieve. However, progress is expected on forest protection, notably with the launch of the Tropical Forest Forever Facility (TFFF), a mixed (public and private) financing mechanism aimed at preventing deforestation and the degradation of rainforests.

Brazilian policy is not without its ambiguities. Overall, the country is a good performer. Its energy mix features a 50% share of renewable energy, thanks to the widespread use of biofuels (33% of the total), the historical importance of hydropower and the rapid development of solar and wind power in electricity generation. Its greenhouse gas (GHG) emissions appear to have stabilized and are below the global average per capita (6.0 teqCO_2 in 2023). Deforestation continues to decline (- 32% in 2024), particularly in the Amazon (but it is increasing in the Cerrado, a biodiverse area located south-east of the Amazon).

> Above all, when it comes to the environment, nothing in Brazilian politics can be taken for granted

But Lula is also a "developmentalist", which sometimes leads him to rule in favor of projects that promote growth even if they have a negative environmental impact: hence his relative laxity on deforestation in the *cerrado*, his green light for oil exploration in the Amazon delta, and the suspension in August 2025 of a *moratorium* prohibiting the purchase of soybeans grown in Amazonian territories deforested after 2008. These choices also contribute to the "re-commodification" of the Brazilian economy and maintain its heavy dependence on the Chinese market, which absorbs around 30% of Brazilian exports (96% of these exports to China are primary or minimally processed food products).[11] This dependence could be exacerbated by the sanctions (political, since they were imposed because of the proceedings against Jair Bolsonaro) against Brazil implemented by the Trump administration.[12]

11. However, figures for the first half of 2025 show a slight decline (- 7.5% year-on-year), while imports from China are rising sharply (+ 21.4%). Brazil's bilateral trade surplus has therefore fallen from $22.6 billion to $112.3 billion over six months.

12. These sanctions could, however, be mitigated following a meeting between Lula and Trump, which they agreed to arrange during a phone call on October 6, although the date and location have yet to be determined.

Above all, when it comes to the environment, nothing in Brazilian politics can be taken for granted: a return of the right or the *centrão* to the presidency in 2026 would certainly result in a strengthening of the agro-industrial, oil and mining lobbies, and a weaker commitment to the fight against climate change.[13]

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13. See C. Pompeia "As políticas ambientais em disputa" in F. Kerche and M. Marona (eds.), *Governo Lula 3 – Reconstrução democrática e impasses políticos*, Université de São Paulo, 2025.

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