

RESTRUCTURING BRAZIL:  
Institutional Reform, Economic Liberalism, and Pluralism

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- INVENTING LOCAL DEMOCRACY: GRASSROOTS POLITICS IN BRAZIL.* By Rebecca Neaera Abers (Boulder, CO: Lynne Rienner, 2000. Pp. 269. \$59.95 cloth.)
- DEMOCRACY AND THE PUBLIC SPACE IN LATIN AMERICA.* By Leonardo Avritzer. (Princeton, NJ: Princeton University Press, 2002. Pp. 202. N.p.)
- TRANSFORMING BRAZIL: A REFORM ERA IN PERSPECTIVE.* By Mauricio A. Font. (Lanham, MD: Rowman & Littlefield Publishers, Inc. 2003. Pp. 288. \$75.00 cloth, \$25.95 paper.)
- FERNANDO HENRIQUE CARDOSO: REINVENTING DEMOCRACY IN BRAZIL.* By Ted G. Goertzel. (Boulder, CO: Lynne Rienner Publishers, 1999. Pp. 220. \$49.95 cloth, \$19.95 paper.)
- DEMOCRATIC BRAZIL: ACTORS, INSTITUTIONS, AND PROCESSES.* Edited by Peter Kingstone and Timothy J. Power. (Pittsburgh, PA: University of Pittsburgh Press, 2000. Pp. 480. \$50.00 cloth, \$22.95 paper.)
- THE POLITICAL RIGHT IN POSTAUTHORITARIAN BRAZIL: ELITES, INSTITUTIONS, AND DEMOCRATIZATION.* By Timothy J. Power. (University Park: Penn State University Press, 2000. Pp. 284. \$55.00 cloth, \$19.95 paper.)
- CONSUMPTION INTENSIFIED: THE POLITICS OF MIDDLE-CLASS DAILY LIFE IN BRAZIL.* By Maureen O'Dougherty. (Durham, NC: Duke University Press, 2002. Pp. 262. \$59.95 cloth, \$19.95 paper.)
- LOST FOR WORDS? BRAZILIAN LIBERATIONISM IN THE 1990S.* By Goetz Frank Ottman. (Pittsburgh, PA: University of Pittsburgh Press, 2002. Pp. 240. \$39.95 cloth.)

Over the past twenty years, Brazilians have witnessed and participated in the reform, renewal, and restructuring of their political institutions, economic system, and state-society relationships. The distribution of authority and the allocation of resources have been transformed through the return to democracy in 1985, the drafting of the

1988 Constitution, the decentralization of federal authority to states and municipalities, the entrance of new groups into civil and political society, the ending of hyper-inflation with the 1994 Plano Real, and the liberalization of Brazil's economy. In response, social and political actors have modified their strategies and practices to take advantage of the new institutional settings and political opportunities. The establishment of democracy has helped to foster more pluralistic and competitive political and civil societies.

Yet, as some authors in the books under review note, there has also been considerable stagnation and resistance to reform as various sectors have sought to stifle reform efforts. Basic improvements in the quality of life for most Brazilians have not occurred even though the basic institutional structure of the government has changed, the economy has liberalized, and new groups have been able to participate in formal political society. Violence, poverty, exclusion, and corruption remain constant themes in everyday Brazilian life.

The research topics vary greatly among the books reviewed, from the role of conservative politicians in the New Republic to the formation of middle-class identity in the city of São Paulo, but a recurring theme is how individuals and groups responded to the instability of the late 1980s and early 1990s as well as the increasing economic and political stability that developed after the Plano Real was launched in 1994.

This review essay is organized around three themes to demonstrate how the authors of the selected books account for the responses and strategies of the individuals and groups to the changing political environment. The first section focuses on politics at the national level. These works illustrate the continued importance of regional politics, personal loyalty, and maintenance of interest groups that cut across party lines. The second section focuses on the emergence of new actors within civil society but pays particular attention to how civil society organizations now interact with political society and new institutional arrangements. Brazilian local politics experienced a renewal during the 1990s as oppositional political parties were able to win local elections and begin experimenting with new policies and institutional types. The final section turns to ethnographic pieces situated in the city of São Paulo to demonstrate how macro-structural institutional and economic changes have led to micro-level shifts in how individuals and civil society organizations responded to the upheaval of the 1980s and early 1990s.

#### RESTRUCTURING INSTITUTIONS AND ECONOMIC LIBERALIZATION

Timothy Power's book, *The Political Right in Postauthoritarian Brazil*, is an excellent addition to the body of literature that examines the transition from authoritarian rule to Brazil's New Republic. Power returns

to an issue raised during the “transitions debate,” where it was suggested that the conservative-controlled transition to democratic rule would limit the range and scope of the new democracy. Power shows how conservative groups acted during the transition and the drafting of the Constitution of 1988, as well as their behavior and attitudes under Presidents Sarney, Collor de Mello, Franco, and Cardoso. Power tackles the methodological problem of defining what constitutes a “conservative” politician in Brazil’s fractured multi-party system by including all politicians who had belonged to the military government’s political party (ARENA). While this definition does not capture the entrance of younger conservative politicians into the national politics, it does include the large numbers of politicians who were able to survive the transition from the authoritarian regime to the New Republic.

Power finds that conservative groups have not been aggressively opposed to the democracy as they have not sought direct military intervention. But these groups have done very little to allow for the passage of substantial reform legislation, without which it is difficult to speak of the consolidation of Brazil’s democratic regime. To explain why conservative groups have not aggressively resisted democracy but have worked within the existing institutions to retard the expansion of democratic practices, Power’s argument develops two strands: the socialization of party leaders under the military dictatorship and the strategic choices of politicians to protect their electoral bases.

Conservative politicians who participated actively in the military dictatorship’s party were socialized to interact with the executive branch in clientelistic terms. Power’s principal theoretical contribution is to show how the socialization of politicians under the military dictatorship directly influenced the political strategies they adopted to promote their careers and to defend their interests in the New Republic. Rather than explaining the choices of conservative politicians through a narrow reelection prism, the socialization explanation helps to explain why these conservative politicians have engaged in clientelism and why they have resisted reform.

Kurt Weyland addresses state reform in his chapter, “The Brazilian State in the New Democracy,” which is included in Kingstone and Power’s edited volume, *Democratic Brazil*. This edited volume, an updated version of the 1980s classic, *Democratizing Brazil*, focuses on the development of institutions and actors under Brazil’s New Republic. This book makes a broad contribution to the political science debate on Brazilian politics and will surely be a staple in university courses for years to come. Weyland argues that the economic and political crises of the 1980s led to a sharp deterioration of state capacity. The return to democracy reduced state autonomy as the government was forced to respond to the demands of the growing number of interest groups. The

state's weakness and decreased autonomy created, paradoxically, a political opportunity for reformists to win elected offices. While the transition to democratic rule was largely dominated by conservative interests, the state's failures allowed for the crafting of reformist campaigns that appealed to voters.

For example, the clientelistic excesses of President Sarney enabled an outsider, Collor de Mello, to create a reformist platform that helped him win the presidency in 1989. Collor de Mello was able to initiate some of the liberal economic reforms that would be more completely implemented by President Cardoso. The corruption that pervaded Collor de Mello's administration and contributed significantly to his resignation provided a platform for Cardoso to embark on a broader set of economic and political reforms. Cardoso operated in the growing pluralistic environment in which broad and continual negotiations were necessary to enact reforms. Weyland observes, however, that Cardoso's successful bid to amend the 1988 constitution to allow for his reelection was based on the widespread use of clientelistic exchanges to secure the necessary votes in congress. Cardoso's reform efforts were ultimately limited because the cost of amending the constitution was greater than the government could bear. This article is part of the growing body of literature that demonstrates how Brazil's expanding pluralism enables reformists to win office but also limits the breadth of change that can be implemented due to the continuing force of conservative groups.

President Fernando Henrique Cardoso was at the center of Brazil's political life during the 1990s, and he was able to significantly restructure Brazil's economy through liberalization and privatization strategies. Two recent books focus on the central role of Cardoso in the creation of the Plano Real, which stabilized the Brazilian currency after more than a decade of inflation, and the subsequent liberalization of Brazil's economy during Cardoso's eight years in power.

Goertzel's work, *Fernando Henrique Cardoso: Reinventing Democracy in Brazil*, is a biography that traces Cardoso's trajectory from his youth through his academic career and ends with Cardoso's reelection for president in 1998. Cardoso was a very unusual president, not just in Brazil but also across the world, because he was a well-respected sociologist. In this book, Goertzel seeks to show how Cardoso's social science training (a PhD from the University of São Paulo) influenced his decision making as senator, minister, and president. Goertzel's main claim is that Cardoso's unique position as academic, policy maker, and politician enabled him to develop pragmatic solutions to seemingly intractable problems. The strength of Goertzel's book is the description of the evolution of Cardoso's thinking over three decades, from Marxist-inspired dependency theory arguments to the promotion of the liberalization of Brazil's economy in his eight-year tenure as president.

However, a weakness of Goertzel's account of Cardoso's first term in office is the strident defense of the strategies Cardoso selected to pursue his policy goals. Goertzel's explanation for why Cardoso sought to amend the constitution to allow a president to seek reelection mirrors the arguments used by the Cardoso administration. The reader is left with the impression that Goertzel is defending Cardoso's political strategies and choices rather than explaining them.

Font's work, *Transforming Brazil*, complements Goertzel. Font develops a theoretical framework to better situate the breadth of reforms completed during the 1990s. Did Cardoso's reforms result in a realignment of basic political and economic forces in Brazil? Font compares the reform initiated by Cardoso to U.S. President Roosevelt's 1930s New Deal and President Reagan's 1980s reforms to argue that Cardoso set in motion a major realignment. Under Cardoso's leadership inflation was controlled through strict monetary policy, state companies were privatized, the economy was opened to foreign investment, and tariffs were reduced or eliminated. Cardoso's political project was nothing less than a reversal of fifty years of state economic policy.

Font draws on pluralist and structural arguments to show how Cardoso was able to carry out policy reforms. The pluralist strand shows that it was necessary for Cardoso to negotiate with a broad range of political parties and multiple interest groups to pass legislation and constitutional amendments in Brazil's congress. Brazil's multi-party system enables several parties to act as veto-players in the legislative process. The complexity of Brazil's society and political structure forced Cardoso to build a broad base to secure the necessary support to amend the constitution.

A second strand of Font's argument is that Cardoso was among the first to take advantage of a growing consensus among business and political leaders that the economic liberalization was necessary to return Brazil to a period of economic growth. This recognition allowed Cardoso to build the alliances necessary to spark the realignment. While Font is critical of the unwillingness of the opposition Workers' Party (PT) to recognize this consensus, President Lula's first year in office may actually be the necessary evidence that Font needs to demonstrate that a realignment occurred. President Lula has distanced himself from the positions held by the PT for much of the 1980s and 1990s and, during his first year in office, has maintained many of the basic economic policies that he inherited from Cardoso.

One weakness of Font's argument is the shifting analytical categorization of the sources and opportunities for reform. During Cardoso's first term, the ability to pass legislative reforms is attributed to the choices and strategies of Cardoso and his team. However, Font blames events and actors outside of Cardoso's direct control for the

administration's inability to accomplish reforms during his second term. It is a curious logic: All of the positive reforms of the first term are due to the insightful strategies of Cardoso while all of the problems in Cardoso's second administration are due to the problems created by outside forces.

National-level politics, however, compose just one important arena in which there was significant reform during the 1990s. Brazil's 1988 constitution allowed for the decentralization of resources and responsibilities, which provided local governments with opportunities to create new processes through which to govern. Montoro's chapter, "Devolving Democracy? Political Decentralization and the New Brazilian Federalism," in the *Kingstone and Power* volume focuses on the interaction between democracy and decentralization. Montoro finds that the timing and sequencing of decentralization greatly affected the efficacy of political and administrative reforms. Decentralization has not been the panacea that some had hoped for, nor has it been inherently compatible with clientelism as others had feared.

The first phase of decentralization occurred prior to the end of military dictatorship and was dominated by governors who offered their support to the military government in exchange for increased local control over resources. The second period is the decentralization via the 1988 constitution, which resulted in positive (robust policy innovation) and negative (state banks used as corruption vehicles) processes. The 1990s mark the third period, which Montoro identifies as a dual process of recentralization of some services and authority, as well as the consolidation of policy innovations at the state and municipal levels. Governors and mayors lost access to resources, states and municipalities were required to spend resources in predetermined ways, and state banks were limited in their ability to issue new bonds. But reformist mayors and governors were able to use their newfound autonomy to innovative ends, including economic policy, health care, education, and budgetary decision-making processes. Montoro's article focuses on these innovations from the perspective of the mayors and governors, but he largely overlooks how pressures emanating from civil society influenced policy innovations.

#### CIVIL SOCIETY AND MUNICIPAL REFORM

Brazilian civil society experienced tremendous change during the 1980s and 1990s as new groups entered the political scene to deepen Brazil's democracy, to extend citizenship rights, and to utilize the new democratic institutions for their advantage. The emergence of new ideas and actors is the focus of two books, Leonardo Avritzer's *Democracy and the Public in Latin America*, and Rebecca Abers' *Inventing Local Democracy*.

Their case studies at Brazil's municipal level focus on the same institution, Orçamento Participativo (Participatory Budgeting), but their theoretical and methodological approaches to the subject are quite different.

Avritzer's theoretical contribution advances the debate on democracy and democratization in Latin America. He argues that the traditional frameworks utilized to study democratization in Latin America assume that limited citizen participation in political institutions offers the best opportunity for democratic consolidation. Avritzer asserts that this theoretical position limits the range of reforms needed to renew and, eventually, consolidate democracy. Avritzer argues that the possibility for renewal of institutions is most likely to come from groups and individuals that have long been excluded from state institutions. Avritzer's Brazilian case study (he also covers examples from Argentina and Mexico), as mentioned above, covers the implementation of Participatory Budgeting in the municipality of Porto Alegre. Avritzer shows how during the 1980s transition to democratic rule, civil society organizations sought to present their demands without having to engage in the clientelistic politics that have long been a hallmark of Brazilian political society. Community activists and social movement participants designed institutions that permitted open, public hearings and the election of their leaders as a means to diminish the likelihood that the leaders would accept clientelistic exchanges. Avritzer asserts that the initial idea for the citizen participation in the budgetary process came from an umbrella civil-society organization in Porto Alegre.

Abers' book provides excellent insights into how Porto Alegre's process was initiated as well as how the municipal government's efforts sought to foster participation. Abers' work tries to explain why this particular policy program has been so successful in a country and political context where policy failure is more common. Why did Porto Alegre's Participatory Budgeting help to mobilize and empower the poor? The answer to this question indirectly builds on the work of Avritzer. Abers uses a state-society "synergy" argument to show that municipal government officials were eager to increase the mobilization of citizens into new policymaking spheres. The government worked in conjunction with civil society organizations to create new participatory institutions.

According to Abers, the real lesson that should be drawn from Porto Alegre's Participatory Budgeting experience is that state policy and resources can be used to stimulate denser networks of active citizens. This rich case study provides excellent descriptions and analyses of the steps local government took to transform the distribution of authority within governmental institutions, and, as many governmental officials hope, within the community. Abers and Avritzer's arguments represent the poles of the Participatory Budgeting debates. Avritzer places

the explanation for the program on the development of a new civil society, in which civil society organizations pressured elected officials to create new institutional types. Abers, on the other hand, attributes the creation and the success of the Participatory Budgeting program to the PT's ability to foster the growth of a denser civil society.

Two chapters from Kingstone and Power's book address the interaction between civil society actors and political society actors. Hochstetler's chapter, "Democratizing Pressures from Below: Social Movements in the New Brazilian Democracy," analyzes the entire cycle of social movements rather than just focusing on a particular movement or moment in time. Social movements are not dead, as some have proclaimed, nor, as is well known, did they turn out to be the harbingers of direct democracy as others had claimed. Hochstetler argues that these theoretical and political positions do not recognize the diversity of social movement activity nor the fluctuations associated with the social movement cycles. Understanding social movement activity is more complex under the New Republic because there are multiple arenas in which social movement activists may influence the political system. Social movement leaders now engage in differentiated forms of politics, including participation in participatory institutions, direct mobilization, lobbying the legislative branch, as well as working with NGOs to provide social services. Hochstetler's approach suggests that we avoid broader claims about the current status of Brazilian social movements and that we more closely examine how these actors are adapting their strategies to a changing economic and political environment. This emphasis is perhaps even more important today, under President Lula, as many former social movement leaders are now part of the government.

Nylen's article "The Making of a Loyal Opposition: The Workers' Party (PT) and the Consolidation of Democracy in Brazil," which appears in the Kingstone and Power volume is not only a clear, straightforward analysis of the PT, but it is also quite prescient in anticipating the changes that the PT would undergo during Lula's first year in office. The PT, which was founded by union leaders, social movement activists, and academics, offered a distinct break with Brazil's leftist tradition as the PT was a strong advocate for democracy. Nylen notes that the emphasis on internal democracy has helped to paper over what may be irreconcilable differences within the PT. These tensions between factions are most notable when the PT wins elections, especially mayoral and gubernatorial offices. The PT, during the 1990s, had its most important electoral and governing successes at the municipal level, and the party was able to overcome differences by implementing a range of policy programs and new institutions. Lula, a founding member of the PT and the principal public figure of the PT since 1980, now occupies

the Brazilian presidency, which may further exacerbate internal diversions. The PT's roots lie in social movement and union activity, and there is now a widening gap between the base of the party and the party's leadership. The PT is now one of six major parties in the country, but its cohesion will be tested as Lula must negotiate not only with different factions within his own party but with conservative members of Congress.

The debate on civil society, to which all of the above articles and books make noteworthy contributions, is now moving towards explaining how civil society actors are interacting with state institutions and political society actors. Research is being actively pursued to show how social movements and civil society organizations are participating in multiple political spaces, from lobbying in legislative offices to deliberating within participatory institutions to direct mobilization and street protests.

#### MICRO-LEVEL POLITICS IN SÃO PAULO

The last two books reviewed are ethnographic works situated in Brazil's largest city, São Paulo. The authors provide detailed case studies that account for how individuals and groups respond to the changing political and economic environment. The municipality of São Paulo now has over ten million residents and the metropolitan region has close to twenty million inhabitants. This megalopolis is the industrial and financial center of Brazil and is a magnet for Brazilian migration from the Northeast.

Maureen O'Dougherty's book, *Consumption Intensified*, examines the formation of identities among São Paulo's professional middle class. This work is a welcome addition to a growing trend in anthropology that examines sub-groups that have not traditionally been studied. São Paulo's middle class is large and politically important, and it has access to resources and jobs that do not exist in many other Brazilian cities.

O'Dougherty focuses on patterns of consumption, which are central factors that separate middle-class Brazilians from the vast majority of Brazilians. Since consumption, and not necessarily work, patterns are the focus, O'Dougherty analyzes how changes in the broader economy influence the construction and maintenance of identities at the level of the middle-class citizen in São Paulo. The inflationary period of the late 1980s and early 1990s, which undercut middle-class earnings and forced this group to spend time and resources to overcome their lost purchasing power, was a real threat to the identity of middle-class Brazilians because they struggled to maintain their wealth and ability to consume.

O'Dougherty's best illustration for how the middle class carves out a separate identity is her rich discussion of the Disneyworld experience in Florida. During the hey-day of the Plano Real, it was possible

for many middle-class families to go with their teenage children to Disneyworld. The Plano Real initially overvalued Brazil's currency, thereby making a trip to Disneyworld affordable. Disneyworld, according to this account, represents the middle class's ability to relive an international experience through the display of photos, gifts, and stories. The trip also came to represent access to cheaper goods than could be purchased in Brazil. Purchasing electronic goods connected middle-class *Paulistanos* to the world market, even though many of the individuals interviewed were struggling under conditions of limited economic opportunities. São Paulo's middle class now shares an international identity in which many individuals have more in common with the middle class from New York or Paris than they have in common with the poor majority of São Paulo. This class's increasing social from the rest of the *Paulistano* and Brazilian population suggests that Brazil's growing pluralism may make it increasingly difficult for cross-class political alliances to be formed.

Goetz Frank Ottman's work, *Lost for Words*, tackles a very different subject within São Paulo: the role of the progressive Catholic Church. Ottman seeks to explain why and how the seemingly strong progressive Catholic Church movement of the 1970s and 1980s appeared to suffer such a dramatic decline in attendance and mobilization during the 1990s. Ottman selects a region of São Paulo that had a strong history of participation and had been included under the domain of a "progressive" bishop after the Vatican divided the archdiocese of São Paulo into two archdioceses. Ottman's methodology is based on the premise that this region provided the best opportunity for the progressive Catholic Church to succeed.

For Ottman, the earlier strength of the progressive Church can be attributed to the progressive Catholic Church's successful creation of a political cultural project that unified followers along spiritual and class lines. *Cultura popular*, *povo*, and *luta* were unifying themes that brought individuals together and allowed them to engage in activist politics. Ottman argues that the progressive Church was unable to modify its message during the 1990s and thus lost much of its relevance. The progressive Catholic Church was unable to find a complimentary project that could appeal to potential followers. This line of argumentation places the most significant explanatory weight on the the progressive Church's inability to create a coherent message, while it downplays the institutional setting in which the progressive Church was situated.

Ottman's second argument is based on the growth of pluralism, but it is not well developed, as it appears principally in the concluding chapter. The new political environment includes the pluralistic competition among groups, such as evangelicals, gangs, political parties, and sports clubs as they each compete for followers in São Paulo's expansive and

numerous *favelas*. The expansion of the number of groups created a crowded field in which the progressive Church had a more difficult time ensuring the its followers' loyalty while simultaneously being forced to compete with multiple groups over the distribution of scarce resources. External factors, such as new political opportunities for activists, competition from evangelical groups, and the withdrawal of support from much of the official Catholic hierarchy assume a greater relevance in the concluding chapter than they had been given throughout the work. However, Ottman's argument is largely cohesive as he is able to show that the progressive Catholic Church has been unable to develop its message to meet the demands and needs of São Paulo's youth.

#### CONCLUSIONS

The books and articles reviewed in this essay seek to show how their focus of study (i.e., conservative politicians, reformist politicians, and civil society organizations) created or reacted to Brazil's changing environment. Tremendous political and social change occurred in Brazil during the 1980s and 1990s, which forced political and civil society actors to revamp their strategies and practices to respond to the demands of the new environment. The works draw on institutional incentives and socialization pressures to help to account for how and why actors are pursuing particular types of strategies. The institutional incentives are not just being analyzed at national levels, but scholars are showing how Brazil's decentralization now influences outcomes at state and municipal levels. Social pressures continue to be a vital part of the explanations regarding political choices and strategies as the coalitions formed under the last decade of military rule continue to influence the behavior and attitudes of competing coalitions. We should expect these coalitions to weaken over time, but to date they continue to exert a significant influence on the strategies pursued by conservative, centrist, and leftist politicians as well as on organized groups in civil society.

The books reviewed in this essay capture just a part of the broad diversity of experiences, outcomes, and strategies that are being utilized by Brazilians as they seek to find ways to utilize the new institutional and economic settings. In Brazil it is difficult to refer to a unified set of strategies utilized by political parties, local governments, or social movements. Rather, economic and institutional changes have created a political environment in which a broad range of individuals and groups are experimenting with new policies and strategies to not only pursue their own goals but also to promote the consolidation of Brazilian democracy.