

# The Brazilian Impasse

## Problems of a "Dual Society"

JUST OVER a year ago Brazil enjoyed a "Revolution." In April 1964, high Army officers, supported by landowning interests and urban middle classes, sought a way out of Brazil's economic, social, and political impasse by ousting the government of President João Goulart. They changed the Constitution, suspended political guarantees, attacked inflation by means of financially "orthodox" policies, and instituted a vigorous campaign against all those who had subscribed to the "dangerous" views current under the Goulart Administration. The influence of Communism was said to have been widespread; to purge Brazil of these un-Brazilian ideas was the concern of the zealously investigating commissions of inquiry set up by the Army.

Un-Brazilian ideas, however, have never been foreign to Brazil. On the contrary: Brazilians have always looked abroad for inspiration. In the past, writes João Cruz Costa,<sup>1</sup> Brazilians have acted as if "the literary, artistic, and philosophical moulds of Europe fitted Brazil perfectly." Although much has changed in the last forty years, many of to-day's ideas are still straight imports. This is perhaps less true of the home-grown "populist" ideas of Vargas and his pupil Goulart (quite incorrectly described as "Communist"). But it is true of the Com-

munists and, say, of the views held by the progressive wing of the Catholic Church (straight adaptations of French social Catholicism), and it is by reference to such imported ideas that solutions to the problems of the country are proposed and justified. The ideas do not exist *in vacuo*, of course. But why do some ideas "catch on," while others are total failures? This question is not satisfactorily answered by Cruz Costa, because he does not realise that philosophical systems cannot be "explained" by sociological or historical analysis; and also because he does not sufficiently distinguish between "philosophies," and the ideas about the actual or desirable organisation of society—the ideologies—which are related to them. It is really only in respect of the latter that sociological analysis can hope to identify the people who become committed to them.

For the truth is that there has never been a socially identifiable, substantial group of people in Brazil which has taken up and promoted any coherent set of ideas at all. Brazilian politics, like politics in much of Latin America, have been, and continue to be, profoundly *un-ideological*. True, Brazilian intellectuals frequently offer profoundly ideological analyses of their society. An interesting example is Hélio Jaguaribe,<sup>2</sup> who not only diagnoses the needs of his country, but also identifies the group that should be the carrier of the ideology of development he elaborates. He concludes that the right solution for his country's problems lies in a "neo-Bismarckian" State. An enlightened industrial bourgeoisie, in alliance with an urban proletariat, must "shoulder the leadership in promoting the development of the community, seen as a nation, in accordance with directives laid down by the State"—supporting a strong Executive in "arbitrating" between the different social strata and in modernising the country's archaic agrarian structure.

<sup>1</sup> João Cruz Costa, *A History of Ideas in Brazil* (Berkeley, 1964). The translation is by Suzette Macedo, who has rendered the author's involved Portuguese into very readable English (although there are, unfortunately, some rather serious translating errors). The book first appeared in the original in 1956.

<sup>2</sup> Hélio Jaguaribe, *Desenvolvimento Econômico e Desenvolvimento Político* (Rio de Janeiro, 1962). Jaguaribe was one of the co-founders of the influential Instituto Superior de Estudos Brasileiros (ISEB), and the managing director of a small but important semi-public steel corporation until his resignation in August 1964. His compact book well deserves an English translation.

Unfortunately for Jaguaribe the Brazilian industrial bourgeoisie do not act politically in conformity with the part he has written for them. During the Kubitschek period (1955–60) their influence seemed not negligible, and their stance progressive-nationalist; but in retrospect this appears largely illusory. Their supposed “neo-Bismarckianism” had little depth: since April 1964 they have shown themselves only too pleased with the elimination of the influence of the urban masses, and none too eager to press for effective agrarian reform.

THE EXPLANATION lies largely in the historical circumstances in which the industrial bourgeoisie arose. Until 1930 the Brazilian political scene was dominated by the coffee planters of São Paulo and their allies in Minas Gerais. They ran the Federal Government for their own benefit, transferring to the community the losses their coffee plantations incurred when supply exceeded demand in the world market. This was achieved by means of the famous “valorisation” policy—under which the State bought up surplus coffee to stave off a fall in market prices. But the Great Depression brought chaos to Brazilian coffee policies. The discontented Southern and North-eastern States, as well as the urban population and the Army, who had been excluded from participation in the nation’s politics, backed a revolt led by Getulio Vargas—a revolt which lacked an ideology, and was pledged to little more than the breaking of the stranglehold of the coffee planters on the national economy.

But the new government found it could not disregard the interests of the coffee planters. Coffee was vital to the country’s economy; the planters were still a powerful group—powerful enough to instigate a near-successful revolt against the Federal government in 1932. Consequently, Vargas found himself continuing the much-abused “valorisation” policy, albeit with important differences. The most important was that the operation was no longer financed by means of external loans (unobtainable at that time), but by *internally* created credit. The

result, as the eminent Brazilian economist Celso Furtado has pointed out,<sup>3</sup> was that large-scale unemployment in the coffee sector was prevented. This had far-reaching effects on the level of economic activity. The planters continued to make profits. But they no longer found it profitable to re-invest these in their plantations. The most promising sector appeared to be the manufacture of previously imported consumer goods. Prices had rocketed because of the scarcity of foreign currency; and in the absence of unemployment the internal economy seemed more stable than the international market. Thus the relative fall in national income from 1929 till the depth of the depression was, in Brazil, less than half that in the United States. Brazil was unconsciously implementing Keynesian policies well before the *General Theory*.

The first surge of industrialisation resulted, therefore, from the squeeze on imports during the early 'thirties and from the employment-stimulating policies of the government. During World War II this process was accentuated by the switch to war production of Brazil’s traditional suppliers. When, after the war, accumulated currency reserves had been run down by indiscriminate purchases, the government preferred strict import controls to devaluation of the *cruzeiro*. The most luxurious commodities became hardest to import; soon they commanded exorbitant prices. No wonder that a large part of Brazil’s plant came to be devoted to production which contributed little to the economic development of the country.

In analysing this process Celso Furtado, as an economist, focuses on standard economic categories: factors of production, responses to forces of supply and demand. In a recent work<sup>4</sup> Fernando Henrique Cardoso—despite occasional bias, due to his near-Marxist position, one of the most gifted of the younger generation of Brazilian sociologists—claims that Furtado’s economic analysis really takes the sting out of history:

If one does not refer to social interests, to the objectives and the decisions which antagonistic groups (within and outside Brazil) translate into action, the analysis takes the political nerve out of history: one would be falsely led to assume that industrial civilisation peacefully eliminates the conflict of interests between classes and the clashes between nations.

Now there is no doubt that Furtado is aware of such problems: he shows this in his analysis of the problems of the North-east of Brazil, which he came to know at first hand as Super-

<sup>3</sup> Celso Furtado, *The Economic Growth of Brazil*, translated by Ricardo W. de Aguiar and Eric Charles Drysdale (London, 1963).

<sup>4</sup> Fernando Henrique Cardoso, *Empresário Industrial e Desenvolvimento Econômico* (São Paulo, 1964).

intendent of the Development Commission for the North-east (SUDENE).<sup>5</sup> So the strictures of Cardoso are a little unfair. Of course it is true that behind the economist's impersonal factors, coefficients and curves, there *are* real social groups, with real interests. But on the evidence produced by Cardoso himself it appears that behind the surge of industrialisation up to the mid-'50s there was little more than the classical economist's postulate of profit maximisation. There was no class struggle, no bourgeois entrepreneurial mentality. For the period with which Furtado is concerned the process can be understood simply in terms of reactions in the market to economic forces.

STILL, one sociological factor of the greatest importance, neglected by Furtado, stands out in Cardoso's study. Although the influence of European immigrants has been of some importance, fundamentally Brazil's industrial sector expanded because the coffee planters found that investing in manufactures was more profitable than investing in agriculture. Most of the new industrialists were simply large landowners diversifying into manufacture. Those who did not actually retain their plantations, retained strong links with the land. Their style of life hardly changed; their social attitudes changed not at all. And this explains why the "ideology" outlined by Jaguaribe proved so ineffective.

Thus Cardoso's inquiry undermines certain simplistic views about the supposedly "dynamic" nature of Brazil's industrial sector. The majority of Brazilian *entrepreneurs* are traditionalist. A spirit of innovation is lacking. More often than not the enterprise continues under family control. Managers, as on the estates, are appointed more from considerations of personal loyalty to the family than for managerial expertise. The relation to labour is also paternalistic (and not necessarily merely exploitative); trade unions or collective bargaining are abhorred as "Communism." Political action is conceived, on the pattern of relationships prevailing in the traditionalist backlands, as a means of pursuing private interests—not as a way of changing the social context within which industry as a whole has to operate.

<sup>5</sup> Celso Furtado, *A Pré-Revolução Brasileira* (Rio de Janeiro, 1962) and *Dialética do Desenvolvimento* (Rio de Janeiro, 1964). The latter work is now in the process of translation.

<sup>6</sup> Computed from data in the *Statistical Yearbook of Brazil, 1963*, p. 92 ff.

Most enterprises in Brazil are small or medium-sized: in 1960 there were in the entire country not more than 380 firms employing more than 500 workers, less than 0.5 per cent of all enterprises.<sup>6</sup> It is among these large concerns, half of them in São Paulo, that modern attitudes are most widespread. Labour is accepted as a party with which one can bargain. Here the ground would seem most fertile for a progressive "bourgeois ideology"—and some of its most ardent supporters are indeed to be found among this group. But, according to Cardoso, even the leaders of most large modern enterprises do not think along such lines. For since the mid-'50s one increasingly finds among these large enterprises direct or indirect links with foreign companies, companies whose orientation is far removed from the nationalist *étatiste* concerns of Jaguaribe's ideal neo-Bismarckian bourgeoisie. Jaguaribe, and others like him, want to influence the structure of Brazilian society. But ideas cannot be effective without a social group to carry them into effect. It takes a social scientist with an empirical orientation, like Cardoso, to analyse the real obstacles to the acceptance of a seemingly appropriate "ideology."

THE BRAZILIAN political scene is not exhausted, of course, by reference to São Paulo and its industrial classes. There is also the other half of Brazil's "dual society." The population of Brazil is still more than 55 per cent agrarian. The large under-utilised estate producing for the internal market predominates in many areas. Living conditions for the rural masses are precarious; they squat, frequently without any legal protection, on the estates of the big landowners. Birth and death rates are high; illiteracy is widespread. Producing barely enough to subsist, many peasants, when life becomes too harsh, migrate to the cities. Thus they import into the "modern" sector the problems of the "archaic" part of the country.

Changes have taken place in recent years, especially in the sugar-growing areas of the North-east, where agriculture is capitalistic and the peasants a landless rural proletariat. But social relations in the interior still present certain dominant features. A peasant usually has a *patrão*, generally the man on whom he is economically dependent, be it landowner or commercial middleman. This patron-labourer relationship is marked by diffuse rights and

duties. Primary are the right of the patron to the peasant's labour, and the right—or better, the privilege<sup>7</sup>—of the peasant to the patron's aid and protection. Of course the relation is asymmetrical: the peasant “knows his place” and accepts the landlord's dominating position. The patron, with greater or lesser enthusiasm, takes it upon himself to pursue, as a favour, the peasant's immediate interests. It is not surprising that the few peasants who enjoy political rights (illiteracy, the main disqualification for voting, still runs to over 70 per cent in the more backward States) support the big landowners. Most candidates in rural areas are hand in glove with the local big-wigs; through a pyramidal system of patron-client relations the votes are “delivered” to the appropriate candidate. Probably a majority of to-day's Congressmen and Senators fit comfortably into this system.

This seeking and giving of personal favours is a widespread feature of life in Brazil, not only where there exists direct dependence on a patron. It permeates the political life of the country. The exchange of votes for specific promises operates even in the slums of the big cities. There the mass of recently-arrived migrants from the countryside falls easily under the spell of a demagogic patron-substitute.<sup>8</sup> The government of Vargas (not unlike that of Perón some years later) purchased the loyalty of the workers by enacting advanced labour legislation—administered by a Ministry which controlled the trade unions in one great pyramid of patronage. The allegiance of the urban middle class was ensured by providing, on a scale unheard of before, jobs in the military and civil bureaucracies. There is even evidence to suggest that the achievements of the recently mushrooming peasant leagues in the North-east (of which Francisco Julião's, though much-publicised, was only one among many) owe more to such a system of give and take be-

tween their (mainly urban) leaders and government officials, than to their political militancy as “class” organisations. The members themselves often see the leader as a new type of patron.<sup>9</sup>

The small-scale, immediate advantages which a patron-client system gives to the underprivileged are real. But its persistence also inhibits the development of more sophisticated political action. The deadlock between Congress and the Executive which led to increasingly radical and unconstitutional attempts by President Goulart to break it (and eventually to his removal in the *coup d'état* of April 1964) resulted from these basic facts of Brazilian political life. In contrast to the legislators, the President, whose constituency is the entire Federation, cannot be elected without the support of the masses. His “pact,” therefore, is primarily with them; his promises are of a populist and frequently demagogic nature.

THERE ARE few signs that the Army-backed administration of President Castelo Branco has managed to break this fundamental deadlock. The President has manoeuvred precariously between the moderates, who want a return to constitutional legality and a certain measure of reform, and the proponents of a tough “anti-Communist,” U.S.-oriented, and politically reactionary policy. It seems, then, that there is little chance in the near future that the centre of gravity of Brazilian politics will shift from the traditionally dominant social strata.

The truth is that neither the populist reformism of Vargas or Goulart, nor the superficially impressive pace of industrialisation in São Paulo and elsewhere, has changed the structure of Brazilian society in any fundamental way. Simplistic explanations can all too easily blind us to this basic fact, whose significance for Brazil, and for Latin America generally, hardly needs to be emphasised. The impasse in which Brazil and so much of Latin America is caught has its roots deep in structural (and mental) rigidities, formed during a long experience of slavery and economic marginality. We can, perhaps, do little to help Latin Americans to break this mould; but we can at least refrain from urging them to adopt our own traditional, yet often profoundly irrelevant moulds—whether we call them “Communism” or “free enterprise” or “representative democracy.”

<sup>7</sup>The distinction is elaborated in Richard N. Adams, “Rural Labour,” in John J. Johnson (ed.), *Continuity and Change in Latin America* (Stanford, 1964).

<sup>8</sup>This problem is analysed in an interesting little book by Carlos Alberto de Medina, *A Favela e o Demagogo* (São Paulo, 1964).

<sup>9</sup>A most perceptive examination of this question is found in Benno Galjart, “Class and ‘Following’ in Rural Brazil,” *América Latina* (VII 3, 1964). See also the paper by Anthony Leeds, “Brazil and the Myth of Francisco Julião,” in Joseph Maier and Richard W. Weatherhead (eds.), *Politics of Change in Latin America* (New York, 1964).

S. E. Finer

# The Argentine Trouble

## *Between Sword & State*

SO PERSISTENT is violence in Latin American politics that it has produced its own vocabulary.

In Europe we use the terms "revolution" or "coup" to describe those innumerable irruptions of the military into political life which are so marked a feature of the sub-continent. But not in Latin America. There, *revolución* connotes a profound social change (as in Mexico or Cuba or Bolivia); *machetismo*, the change of government by massive hand-to-hand fighting (like the Castro-Batista struggle in Cuba); the *golpe de estado* means, specifically, making away with the persons of the governing authorities; and the typical military "revolution" is described there as the *cuartelazo*, the "barracks revolt." The various stages of the *cuartelazo* have their special nomenclature too. It begins with the *trabajos*, the tentative sounding out of opinions, and proceeds to the *compromisos*, the deals and undertakings between the various participants. Action follows—the treason of the barracks or garrison, accompanied by the *pronunciamento* or *grito*. Then comes the march on the centres of power, the seizure of communication posts, the establishment of the military *junta* and the rounding up of opponents.

Latin Americans discriminate between the modes and methods of political violence for the same reason that the nomadic Somalis are said to have forty-five separate names for the camel—by virtue of perennial familiarity and dependence. In the last quarter-century, only three republics have enjoyed an uninterrupted spell of civilian government (Mexico, Chile, and Uruguay). The bare statistics of violence in the

sub-continent read like a nightmare—or a bad joke. It is reckoned that Venezuela has experienced some 50 "revolutions" since her independence; for Bolivia the number is reckoned at about 150; and for Mexico, despite its stability in the last forty years, the tally is over one thousand. And the experience still continues—not simply in the small and socially backward countries of Central America, but even, as we have recently seen, in a vast and developing country like Brazil.

Why? Shortly (and deceptively) the answer is that except for Costa Rica, Chile, Mexico, and Uruguay, where special factors have operated, the military are strong and militant and civilian institutions are feeble and timid.

In many of the republics, notably those in Central America, local particularism is pronounced. Politics is largely a struggle between rival urban élites over the heads of a predominantly passive and hermetic native peasantry. It is a strife of personalities, powerful by virtue of their social or economic position, to broaden and consolidate their power at the national level. But these generalisations would not hold, say, for Argentina, ethnically homogeneous, tolerably well off, urbanised, and to a fair degree industrialised.

On the strictly political level some generalisations do hold and they serve to make the main point—the feebleness and diffidence of civilian institutions. Apart from the Army, practically the only organised group in Latin America is the Roman Catholic Church. The only parties of any organisational weight in Latin America have been those few populist parties like the APRA in Peru, the *Acción Democrática* in Venezuela,<sup>1</sup> or the first flush of the MNR in

<sup>1</sup> But note the recent rise of Christian Democratic parties in Venezuela and in Chile.