Transforming Brazil

A Reform Era in Perspective

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emerge. Development activism was on hold, but Brazilian reformers continued to weave ambitious dreams and plans for social and overall development.

CHAPTER 4 *Social Development and Collective Action*

On April 22, 2000, Brazil celebrated the 500th anniversary of the Portuguese landing—or the discovery of Brazil by navigator Pedro Álvarez Cabral, as traditionally observed. The government made elaborate plans to commemorate the event with a yearlong series of public activities, starting with a celebration at the landing site at Porto Seguro in the northeastern state of Bahia on the date of the anniversary. The festivity turned into a fiasco when 2,000 demonstrators organized by the landless movement, Indians, and popular movements opposing the government launched "The March of the Excluded" at the same location and time. The ensuing confrontation, marked by the use of tear gas and some violence, led to 140 arrests and a dozen injures—all of it widely covered by the media. Two high-level federal officials resigned in the aftermath. Whether or not the country faced an identity crisis as a land of ethnic peace, as the *New York Times* reported, this mobilization was a high-profile protest of government policy and social conditions.[1] More important, the vigor of the collective action and the policies at which it was directed both deny credence to views of the post-1985 democratizing polity as a frozen democracy with a timid or ineffectual reform process and little substantive change in terms of oligarchical elite rule, the survival of clientelism and a weak civil society, and the inability to break new ground to address issues of massive poverty and inequality.[2] Bra-

1. For basic coverage see Larry Rohter, "500 Years Later, Brazil Looks Its Past in the Face," *New York Times*, April 25, 2000, A3. A few days later, Indian activists also disrupted a Catholic bishops' mass asking Indians and blacks for forgiveness of the sins committed by the church during the colonial period. They interrupted the ceremony to proclaim that Indians did not grant the forgiveness requested. The minister of tourism and the head of the Brazilian bureau of Indian affairs were forced to resign following the fiasco at the government's celebrations.

2. For example, Weyland (1996a), Sorensen (1993, 47–57), and Skidmore (1999). Weyland emphasizes the inability of democracy to bring major change in social policy, citing institutional dynamics as the main explanatory factor. The essays in Kingstone and Power (1999) offer a positive but tentative assessment of Brazilian democracy.

zilian democracy is now more vibrant, elite influence is decreasing, civil society has gained momentum and is able to challenge the status quo, and poverty and inequality are being addressed in promising new ways.

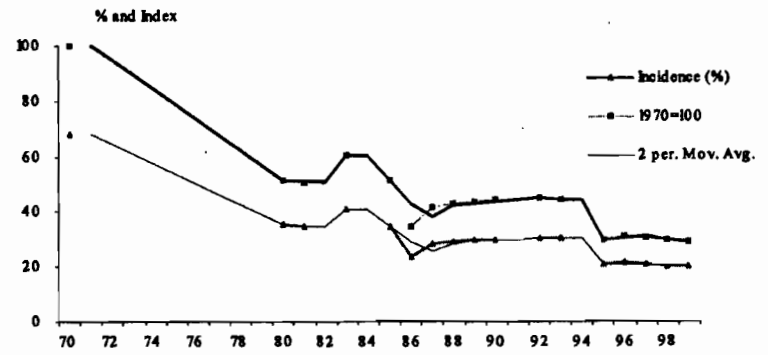
This chapter puts the spotlight on the interaction between social reform and popular collective action to further probe the depth of changes in Brazilian society. Interest groups, social movements, and civil society as a whole were involved in the construction of policies and institutions in postauthoritarian Brazil, and emerged as important actors with regard to social issues. The erosion of corporatist statism in the 1990s further shaped this process. From the perspective of the 1990s and beyond, the sharpened perception of the need for social development and the considerable agreement on social policy in the context of the reform process stand out, as does the role of the new civil society in articulating demands.

Social Development: Needs

The sheer dimensions and intractability of inequality and poverty in Brazil became increasingly evident as the country deepened its process of democratization. Diverse voices from civil society and government made just this point. At the beginning of the twenty-first century, after more than six years of reform, Brazil remained one of the most unequal societies on earth (Barros et al. 2000a), with over fifty million Brazilians mired in dire poverty.[3] Extreme inequality has been fairly constant for decades, in spite of the gradual increase in per capita income and changes in policy. According to IBGE, the gini coefficient[4] for metropolitan regions of the Northeast of Brazil are considerably worse, while metropolitan regions of the Southeast and South present coefficients similar to that of developed countries.[5] On the other hand, poverty decreased significantly through the 1970s in response to economic growth, as shown in fig. 4-1. After that, poverty rates took downward swings after the stabilization plans of 1985 and 1994. These were one-time effects, with the drop of the mid-1980s nearly wiped out shortly after. Still, in 1999–2000 Brazil had the lowest poverty rate in decades.

3. Henriques (2000) contains a collection of quantitative analyses of poverty and inequality by specialists affiliated with the Instituto de Pesquisa Econômia Aplicada (IPEA). For a qualitative presentation of mainstream Brazilian thinking on social needs and policy, see Barros et al. (2000a, 2000b) and Faria (2000a). Three issues of IPEA's new major bulletin on social policy, *Políticas Sociais: Acompahamento e andlise* 1 (2000), 2 (2001), and 3 (2001), elaborate on this point and on the search for more effective approaches to social policy (these reports are also available through the IPEA website).
4. See definition in fig. 4-2.
5. Fortaleza, Recife, and Salvador had in 1996 coefficients of 0.6180, 0.6082, and 0.6030, respectively, while São Paulo, Curitiba, and Porto Alegre presented coefficients of 0.5525, 0.5466, and 0.5707 (IBGE, *Pesquisa de orçamentos familiares*, 1996).

FIGURE 4-1. Poverty Incidence, yearly and two-year average trend line



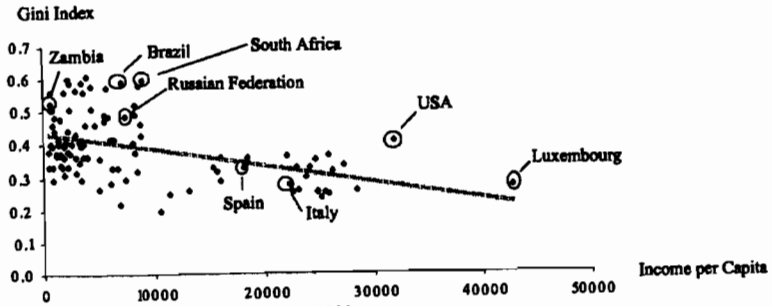
Source: IBGE, also reported in Rocha and Albuquerque (1999) and Rocha (2001)

But poverty remained a major problem. About 31.9 percent of Brazilians were poor in 2000, according to the Institute of Applied Economic Research (IPEA).[6] Approximately 53 million Brazilians live below the government's poverty line—income less than the minimum wage.[7] Economic growth and more effective social policies are essential to reducing poverty in the long run. A growing number of analysts have argued rather persuasively that persistent inequality is also a main cause of poverty and hence more aggressive redistributive measures will be necessary to eliminate dire poverty. In fact, Brazilians seem to have reached a near-consensus that extremely high levels of inequality are incompatible with a modern, humane democracy. Indeed, countries with comparable levels of income per capita show considerably less inequality (see fig. 4-2). Redistribution in the long run can be accomplished through such policies as enhanced access to education and health care, agrarian reform, credits for grassroots entrepreneurship, and the like (Barros et al. 2000b).

Brazil's social needs and social structure reflect long-term fissures and changes. The economy grew quite rapidly during much of the twentieth century. In fact, Brazil was second only to Japan in the growth rate it experienced from 1880 to 1980. The country changed extensively as it moved from a pri-

6. A 2001 study by Marcelo Neri, Centro de Políticas Sociais (Fundação Getúlio Vargas), argues that more than 50 million Brazilians (nearly 30 percent of the population) are very poor or indigent (*Folha de S. Paulo*, July 10, 2001). By indigent, this study means individuals with income of less than R$80 per month. IPEA and other official agencies use a different definition of indigent: those with incomes lower than a third of the minimum salary.
7. Estimates for 2000 indicate 54.1 million Brazilians are "poor"—55.2 percent of rural population, 28.7 percent of the urban, and 22.9 percent of the population in metropolitan areas. See "Índices de pobreza caíram no país após *Plano Real*, diz IPEA," *Folha de S. Paulo*, July 12, 2001.

FIGURE 4-2. Inequality and gini coefficient as function of GDP per capita, 1999



Source: *Human Development Report* 2001
Note: The Gini coefficient ranges from zero (least inequality) to 1 (most inequality).

marily rural society in the 1950s to a highly urbanized one by the mid-1990s, when 80 percent of its people lived in cities. A huge process of internal migration from the poor and rural Northeast to the cities of the Southeast, Brasília, and other growing parts of the Center-West was a key element in the process of urbanization. Though migration not infrequently meant social mobility, the highly skewed social structure inherited from the past endured.

The military regime did not create high levels of poverty and inequality, but certain policies of the 1964–1985 period cemented landlessness and related forms of rural poverty as enduring features of Brazilian society. A majority of Brazilians were still rural in the 1960s. The military's policies of agrarian modernization that gave incentives to large estates—including cheap credit for cattle raising, export commodities, and mechanization—contributed to land concentration. Small producers often lost their land and either migrated or joined the ranks of the landless peasants. Overall, poverty decreased in the period of high growth of the late 1960s and early 1970s, but inequality intensified thereafter as landlessness expanded. Population growth and the debt crisis of the 1980s contributed greatly to blocking social development, and hence to increasing poverty and inequality. Tensions and cleavages rooted in history and region survived the period of authoritarianism. Social exclusion and vulnerability had become deeply ingrained features of Brazilian society.

Brazil had a rather heterogeneous social structure. In fact, income per capita grew in a sustained manner during much of the twentieth century, representing significant economic development. Yet much of this growth was located in the prosperous Southeast, where industry continued to be concentrated. Though the São Paulo metropolitan area eventually lost some ground in this regard, it was there that a huge labor movement and the most important forms of collective action tended to be centered. By 1990, the wealthiest

10 percent of Brazilians held half of the total wealth and had incomes almost thirty times the average for the bottom 40 percent of the population. That year, 30.8 million Brazilians, 21.3 percent of the population, were below the poverty line. More than 63.1 million, or 43.8 percent, could actually be classified as poor. In rural areas, particularly in the Northeast, 43.1 percent were indigent and 70.8 percent were poor.[8]

The country had considerable room for improvement in every measure of social development as the 1990s opened, against the backdrop of considerable differentiation based on region and class. Brazil had low levels of educational achievement, a notoriously deficient public health system, and glaring shortages in housing and sanitation. In 1996, 14.5 percent of Brazilians were illiterate—with the highest rates found in the rural Northeast (45 percent) and the Northeast as a whole (29.2 percent). Still, though Brazil's educational levels were comparable to much less economically developed parts of Latin America, there had been noteworthy improvement. The illiteracy rate decreased from 33.6 percent in 1970, to 25.4 percent in 1980, 20.1 percent in 1991, and 13.6 percent in 2000. The rate decreased by more than 20 percent in a relatively short period of time, an accomplishment that normally takes much longer. Inequalities across income, region, race, and gender also diminished substantially. The improvements were due to urbanization and other demographic and structural factors as well as to changes in the educational system.[9]

From Need to Mobilization

In the democratizing context, collective action has articulated needs into political demands and has become an increasingly important factor in the dynamics of social stratification.[10] Social movements and nongovernmental organizations (NGOs) became significant players making claims about social and political reform in the 1970s and early 1980s, when the modern era of mobilization began. Studying Brazil's evolving social policy and the role of this third sector hence involves a focus on three decades and a shifting focus on the national, state, and local scenes (for example, Doimo 1995).

Labor and land reform issues are prominent on most levels of collective action, though Brazilians from diverse agendas and social backgrounds

8. This paragraph draws heavily from Vilmar Faria and Eduardo Graeff (2000, 17–19).
9. The gini coefficients in the UNDP's *Human Development Report 2002* show a slight increase in income concentration in the period 1997-1998, from .591 to .607.
10. Collective action by workers and "excluded" groups became particularly important in the changing yet uncertain context of the 1990s and is examined in some depth in this chapter. Elite contention is considered in chapter 5. Like all contention, elite behavior is generally shaped by the institutional and political context. In turn, it helps define the contours of the polity affecting collective action by other actors.

TABLE 4-1. Mass Mobilization since 1978, main movements

	Movement	Actions	Claims
1978–1985	Labor Mobilization and Unrest	Strikes, urban rallies	Labor autonomy, democracy, wages adjusted to inflation
1983–1984	Diretas Já!/Campaign for Direct Elections	Urban rallies	Direct presidential elections
1986–1993	Labor Unrest	Strikes	Adjustments to inflation
1986–1988	Various	Rallies, petitions	Shape constitution
1992	Movimento Pela Ética na Política/ Pro-Impeachment	Urban rallies	Impeachment of Fernando Collor
1993	Betinho's Campaign	Broad grassroots mobilizing	Press for government and private support for the poor and hungry
1995	Movimento dos Sem Terra (MST)	Land takeovers, sometimes bloody	Land for the landless, political agitation

launched other movements and organizations. Thousands of neighborhood associations and as many as 80,000 "base ecclesiastical communities" (CEBs) (Alvarez 1990) emerged in the context of democratic transition. Millions of Brazilians organized to demand improvements in urban and social conditions (Doimo 1995) and make demands related to democratization—direct elections, influence over the drafting of the constitution of 1988, the impeachment of Fernando Collor, and others. The most visible movements in the 1990s centered on hunger and poverty, the protection of rubber tappers in the Amazon region, the environment, and human rights (Pereira 1999). Land issues occupied center stage in mid-decade.

The emergence and evolution of a democratic state and a modern party system shaped subsequent cycles of collective action. Particularly noteworthy are the consolidation of decentralized federalism, the shift away from corporatism, and the new models of democratic governance that incorporate civil society at all levels of government. Institutional and structural factors shaped popular collective action and its policy impact in a path-dependent manner.[11] The deepening of democratization affected subsequent mobilization and political participation, giving each wave of mobilization a cascading effect but also a somewhat distinctive character.[12] Democratization sharpened the

11. This analysis emphasizes the perspective of political institutions, state elites, and social actors. An institutional perspective can help one understand policies as well as patterns of collective action. As shown in chapter 1, such an approach to Brazilian democracy and development has recently flourished.

perception and expression of grievances, leading to the expectation of enhanced social movement activity.[13]

Democratization made collective action easier in several respects. First, it reduced the cost of mobilization. After twenty years of authoritarian politics, the mere political opening encouraged the airing of pent-up demands and grievances. The formal repressive apparatus set up by the military was largely disassembled. It was now considerably safer to organize and articulate demands. Second, changes in civil society helped alter the opportunity structure. Institutional actors in the democratization process and a growing number of national and international nongovernmental organizations interested in poverty and human rights intensified their operations in support of social movements. The Catholic Church's CNBB and Land Pastoral Commission pledged their national reach to aid the mobilization of the landless. Social movements could now count on more resources and support. The media and academia, thriving in democracy, were sympathetic to popular mobilization. Third, uncertain about their own political bases in an evolving institutional and party context, emergent political figures and factions across the board sought the mantle of reformism and receptiveness to social pressure to cement relations with economic interests and voting blocs. Fourth, the shift away from centralization and corporatism to decentralized rule and other forms of interest intermediation affected collective action and contention. The initial stages of mobilization saw many social movements turn against a state traditionally perceived as authoritarian and illegitimate.[14] Until 1988, Brazil operated technically under the centralizing regime in place for decades. The reality was that states and cities were gaining political ground in the process of democratization. The constitution of 1988 put a highly decentralized form of federalism in place. Generally, the political opportunity structure became much more propitious to social movement formation and activity, even if the latter often had a fragmented character.

Following the early burst of collective action during the last years of military rule, particularly the labor strikes of 1979 leading to the creation of CUT in 1983, urban social movement activity subsided at the beginning of the post-1985 democratizing era. This presents a puzzle. The expansion of other

12. Works discussing social movements and related forms of collective action in the context of democratization include Boschi (1987), Mainwaring (1989, 1986a), Ruth Cardoso (1988), Gay (1988), and Avritzer (2000). Gohn (1995) lists major social movements in Brazil in the early 1990s. Garrison (2000) provides a very useful review of surveys and other materials documenting the rise of nongovernmental organizations and a new civil society in Brazil. Weyland (1996a) argues that the process of democratization intensified tendencies toward fragmentation in collective action.

13. Interestingly, social movement activity increased dramatically in the first years of the military dictatorship, when repression was at its highest (Maybury-Lewis 1994).

14. See Frances Hagopian (1998).

channels of interest representation and the pluralization of political life might be partly responsible for the drop in social movement activity after the onset of democratization. Two processes stand out in this regard: the emergence of a vigorous though fragmented political party system and, later, a mode of interest intermediation increasingly marked by an independent third sector with an increasing number of interest groups and nongovernmental organizations. These channeled grievances as well as energies and resources that might have gone toward the creation of social movements. Some social movements actually experienced transformations toward the NGO form as well as the political party.[15]

The dramatic expansion in the number and density of nongovernmental organizations and the creation of a new civil society began in the 1970s and grew steadily in subsequent years, particularly after 1985. By 1995, following rapid expansion, nongovernmental organizations were said to be mobilizing at least US$10 billion, or 1.5 percent of GDP. The Brazilian Association of NGOs (Abong) had 250 members at the turn of the century, but between three and five thousand were thought to exist.[16] A sample of those registered with Abong showed that 60 percent had been founded after 1985.[17] Brazil's Southeast accounts for the majority of the NGOs, particularly the largest.

Democracy made it easier for outside support and international NGOs to become significant forces in Brazil. External support is thought to account for approximately 80 percent of NGO funding. NGO activity has become prominent in particular sectors. For instance, a cluster of twelve or so NGOs focused on the Amazon region adopted the strategy of buying large tracts of land. The Amazonian Association alone acquired control of a portion of the state of Roraima larger than Belgium. Other organizations worked to shape policy toward or to protect local populations. The Amazonian Research Institute relies on a staff of 110 people to assess, often critically, government policy in the Amazon region. By the late 1990s, the Brazilian military, sectors of

15. Even more so than nongovernmental organizations, political parties appear to have attracted even more militants and resources away from social movements. The MST itself began to run candidates in the municipal elections of 2000. One way or another, activists were drawn to electoral activity and other institutionalized channels in the context of the deepening of the democratic polity.
16. Garrison (2000) reviews the evidence and mentions "over 3,000" in his summary (xi) and a credible estimate of 1,041 for 1988 and 4,000–5,000 in 1998 (11). He also cites a 1996 study by the World Wildlife Fund confirming the existence of 725 nongovernmental organizations in the environment field. Garrison agrees with the thesis of a "meteoric rise" of NGOs after the 1980s.
17. This discussion about NGOs draws from a series of articles published by *O Estado de S. Paulo* on July 30-August 2, 2000—including Marta Avancini, "ONGs, sem controle, ganham poder no País," "Controle de ONGs no País é inadequado," "Governo federal adota linhas de atuação de ONGs," "Novo papel do Estado ajuda a explicar crescimento do setor," Tânia Monteiro, "FHC defende debate a respeito do terceiro setor," and Luciana Nunes Leal, "Parceria causa polêmica entre grupos do Rio."

the media, and some political figures became concerned about what they saw as a concerted drive to internationalize the Amazon and the apparent threat this caused to Brazilian sovereignty. Congress ordered a congressional investigation to explore the mode of operation and the foreign links of NGOs.

Because of nongovernmental organizations, the environmental movement had in fact become a major player with regard to policy. The congressional lobby of *ambientalistas* defeated the powerful agricultural caucus on the issue of how much of the Amazon could be preserved. When Congress debated a Code of Forests in May 2000, the *bancada ruralista* wanted to reduce the amount of forests that could be set as preserves from 50 to 20 percent. But the environmental lobby convinced the National Council on the Environment and Congress of the need for a bill setting the figure to 80 percent. Few doubted that NGOs had become consequential players in the environmental policy domain. Brazilian nationalism was tested by the growing role of foreign and international actors, but few envisioned a massive reversal of this process.

After the mid-1990s, the federal government favored the expansion of the third sector as a way of deepening Brazilian democracy, a factor that helps account for the transition of NGOs from "near clandestine status a decade ago to being valued and visible development actors today."[18] It viewed nongovernmental organizations as essential parts of a civil society organizing itself—"an efficient way to aggregate wills around specific proposals to pursue the public interest."[19] Since the 1990s, the federal government has sought to rely extensively on partnerships between itself and the third sector, viewing the rise of NGOs as a worldwide phenomenon rather than as evidence of state weakness. Comunidade Solidária led the way in efforts to create a new legal framework for incorporating the third sector, including legislation to recognize a new type of legal entity, civil society organizations (Public Interest Organizations in Civil Society or Oscip),[20] to stimulate the involvement of third sector organizations in social policy.[21] The Ministry of Education reported partnerships with 230 businesses and NGOs. Comunidade Solidária supported the creation of an NGO to design and implement a literacy program. The partnership with this NGO was to serve as a model for others. Critics of the new relationship between the government, NGOs, and the private sector lamented the loss of militancy among social movement organiza-

18. Garrison (2000, 51). Garrison notes the pattern of collaboration between spheres of government, nongovernmental organizations, and the World Bank.
19. Tânia Monteiro, "FHC defende debate a respeito do terceiro setor," *O Estado de S. Paulo*, July 30, 2000.
20. Marta Avancini, "Controle de ONGs no País é inadequado," *O Estado de S. Paulo*, July 31, 2000.
21. Garrison and Abreu (2000) describe the work of several civil society organizations in the fight against AIDS, emphasizing partnership with various levels of government.

tions.[22] Other levels of government have also actively promoted or embraced the rise of the new civil society.

The extent of civil society support for the entire reform approach seemed in doubt at moments of economic crisis, particularly in the context of political party competition. The 1998–2000 period was critical, as public opinion and some civil society organizations withdrew their support from the government. In 2000, the central government faced an uphill battle to ensure its very survival and the continuity of the reform drive. As that crisis receded through early 2001, Brazil faced new crises: the erosion of the exchange rate linked to the Argentinian crisis, an energy shortage initially thought to be of major proportions, and the economic turmoil of 2001–2002. These moments of vulnerability provide opportunities for assessing the significance of oppositional collective action and the extent of support for the reform program.

The Labor Movement and the New Urban Scene

The revival of strikes in 1978–1980, followed by the tripling of labor unrest in 1983, made the labor movement a key actor in the dynamics of democratic transition.[23] The modern labor movement emerged among the auto workers of São Paulo.[24] Like Luiz Inácio da Silva, many of them were immigrants from the Northeast. Two labor confederations were organized in 1983, the Central Única dos Trabalhadores (CUT) and the Central Geral dos Trabalhadores (CGT). A third, Força Sindical (FS), was born shortly later.[25] CUT has been the most active and political of the labor organizations. As left-leaning Brazilians mobilized around labor issues, the pool of potential recruits for other social movements decreased, partly explaining the drop in nonlabor social movement activity after 1983 (Sandoval 1998).

The new unionism differed above all in terms of relations with the state. It rejected the co-optative leadership (*pelegos*) of the corporatist system. Early decisions by the post-1985 democratic governments, reinforced by the constitution of 1988, democratized the election of labor leaders, curtailed government control of elections in trade unions, and ended the legal restrictions on labor confederations. Brazilian workers now had more freedom to organize in pursuit of their interests and redefine the terms of the relationship between labor and the state. This contributed heavily to the erosion of corporatism across diverse spheres of interest representation. The reshaping of civil society created new possibilities for the formation of political coalitions.[26]

A prominent role in the struggle for democracy gave labor the momentum it needed to claim to be a potentially dominant political force in the country. Born free of government tutelage, CUT emerged as the leading labor confederation in São Paulo and decided to seek direct political representation through a political party. After it formed the Workers' Party (PT), the PT-CUT exercised considerable influence in the Constituent Assembly of 1987–1988 and has been a major contender in each of the elections since 1985.[27]

The 1990s were not as auspicious. The political surge of the Workers' Party began to ebb early in the decade, when the party saw its national political ambitions frustrated. Defeats in the presidential elections of 1990 and 1994 were particularly painful, since labor leader Luíz Inácio "Lula" da Silva commanded early polls in both elections. As the elections of 1998 approached, the PT ran Lula again, but with Leonel Brizola of the PDT as vice president. The PT-PDT alliance lost to the Cardoso ticket by a wide margin. The channeling of working-class demands through a militant party came at a cost in terms of labor unity. Sectors of the labor movement not sharing CUT's socialist ideology either remained in CGT or joined FS, both of which were less politicized and more willing to collaborate with the central government.

But labor's political woes were grounded in underlying structural shifts. In 1986, 22 percent of the labor force was unionized, but the rate had fallen to 17 percent in 1996. Though productivity was rising at a fast annual rate of 7.5 percent (Faria and Graeff 2000), economic restructuring was taking a heavy toll in the labor market. The auto industry alone lost 150,000 jobs in the 1990–1997 period. Union revenues dropped by more than half during the same period, and the number of strikes in 1997 was much lower than in previous years.[28] Demand increased for better educated and trained laborers with new and more flexible skills, but the Brazilian labor force was not yet prepared for the challenge.[29] Certain sectors such as banking experienced sharp

22. See Luciana Nunes Leal, "Parceria causa polêmica entre grupos no Rio," and Marta Avancini, "Governo federal adota linha de atuação de ONGs," *O Estado de S. Paulo*, August 2, 2000. In Rio, the movement "Os Verdes" contrasted with the professionalized "Onda Azul." The latter was involved in government-sponsored programs. Several civil society organizations linked to the ministry or state-level secretary of labor carried out training.

23. Sandoval (1993, 1998) provides a well-researched and theoretically contextualized account of strike activity from the late 1970s through the early 1990s.

24. More precisely, automobile workers in the adjacent region known as ABC—the cities of Santo André, São Bernardo, and São Caetano—were the most mobilized.

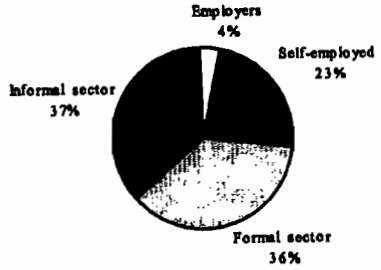
25. The two CGT's—Central Geral dos Trabalhadores and the Confederação dos Trabalhadores—were associated with the old, corporatist system. The FS apparently came from independent unions and workers previously affiliated with CGT. FS distanced itself from the CUT in supporting general government policy on the grounds of the national interest and a discourse about partnership (see Martins and Cardoso 1993, Cardoso 1999a and 1999b).

26. See Sallum (1996, 118–19). For accounts of the labor movement and the Workers' Party through 1990–1991, see also Keck (1992), and Sandoval (1993). Erickson (1977) provides an important analysis of labor mobilization in the context of the corporatism of the Vargas era.

27. Keck (1992), Danaher and Shellenberger (1995).

28. See, "Loteria Sindical," *Veja*, February 25, 1998.

FIGURE 4-3. Labor Force, employment in 2001



Source: Adapted from OECD 2001
Note: Employment corresponded to 90.4% of the labor force in 2001.

cutbacks. Outsourcing and the informal sector increased, industrial jobs decreased, and the service sector expanded.[30] Labor informality increased, as the informal sector accounted for 40 million workers and workers with formal jobs amounted to 30 million. As Brazilian industry adjusted to global competition by downsizing and relying on subcontracting and flexible employment, the threat or reality of job loss became a great force against militancy. Some workers themselves opened small businesses and abandoned the unions.

Strike activity had peaked in the era of high inflation, when collective action was required to negotiate frequent salary adjustments. The taming of inflation in the mid-1990s partly explains the decline in the union movement. But even at its peak, labor restlessness was a regional phenomenon to a considerable extent. Its core was the industrial workers of the São Paulo metropolitan area, many of them first-generation immigrants from the Northeast. However, as other urban areas attracted industry, even this core sector became less cohesive.

PT-CUT also made mistakes. When the Workers' Party positioned itself against the stabilization program and related measures in 1994, it misjudged the extent of political support for the anti-inflation drive. Public sentiment longed for economic stability and strongly supported the *Plano Real*. Labor now appeared as clinging to traditional positions and unable to respond to the economic realities and challenges of the 1990s.

After the mid-1990s, the central government began to de-emphasize corporatism in favor of a liberalized regime of labor relations based on freely negotiated contracts (including fixed-term contracts), free association, collective bargaining, and the right to strike. Complex labor regulations were simplified. The central government began to abstain from direct involvement in negotiations between owners and workers. The preexisting labor system was now in flux. Alternative unions formed, often with a focus on the defense of economic gains. The result was a labor movement with multiple organizational foci and leadership.

29. More than half of the Brazilian population had not finished elementary education (see www.itis.com.br/brasil/desemprego.htm; see also *Veja*'s interview with sociologist José Pastore [accessed on www2.uol.com.br/veja/170698/p_011.html]).
30. Without official papers; therefore, without access to basic social benefits.

Incorporation into the political system meant that labor could not claim exclusion to justify violent protest. Its role in the political party system obviated the need for noninstitutional protest activity. Labor-related organizations and social movements seeking to restore militancy began to wane in political significance. By 1998 the Workers' Party sought to form broader alliances and coalitions. Though the tactical coalition with Leonel Brizola and the PDT that year ended in failure, the party began to cast a wider net in 2000. It justified that move in terms of forming a broad opposition to the liberalizing reforms. It joined protests by affected business sectors and entered into conversations with other political currents. At the same time, the party and CUT supported protest activity by the militant landless movement, a radical political current that had gained ascendancy in the countryside. The PT and CUT hence were using a two-pronged effort to oppose the market-oriented reforms advocated by the Cardoso administration. The PT and other parties of the left gained ground in the 2000 municipal and gubernatorial elections, particularly in large cities.

Labor remains a formidable political force. As in recent elections, early in the electoral season Lula reemerged as the natural candidate for the 2002 presidential elections. The PT offered a moderate platform. Party leaders argued that they would embrace a different economic or development model, but its precise features remained unclear. With regard to the Workers' Party, the outcome of the elections would no doubt hinge in large part on the clarification of that question relative to the proposals of other candidates.

Other Urban Movements. Of the many urban social movements flourishing after 1985, the campaign against poverty founded by sociologist Betinho is one of the most visible and pivotal.[31] This movement reversed the trend toward erosion of social movement activity. It began in 1993, when activists from preexisting social movement organizations decided to organize a mass movement against poverty. The Committee of Citizen Action against Poverty and for Life (Comitê da Ação da Cidadania Contra a Miséria e Pela Vida) came to be known as "Betinho's campaign" in honor of its leader. A hemophiliac who contracted AIDS in a blood transfusion, Betinho made a public vow to devote the rest of his life to the struggle against poverty. Brazilians responded warmly to this appeal. Together with the labor movement and

other forms of collective action, this movement helped redefine the Brazilian polity of the democratic era. The fate of this movement confirms the capacity of the Brazilian polity to facilitate as well as to constrain collective action.

The antipoverty campaign added to the pressure for enhanced social policies. When the central government organized the antipoverty program known as Comunidade Solidária, Betinho was drafted into its council and the official campaign against poverty, though he would subsequently withdraw. The movement began to refocus by 1997. Betinho's worsening health and eventual death left the movement without a leader with national and international standing. Its loose organization made it very difficult for the movement to thrive nationally without an inspiring leader. Some of its militants joined political parties, but the movement's broad network of sympathizers and supporters allowed it to survive. It tends to concentrate in Rio, where it originated, and has become an active part of civil society, often acting in partnership with community organizations and businesses.[32]

Brazilian cities have witnessed extensive mobilization on a wide range of issues.[33] Many observers have characterized this phenomenon as a struggle for citizenship. Others have seen the diverse movements as a battle for human rights. Both characterizations underline the role of mobilization in the broadening and deepening of the process of democratization.

31. Betinho's name was José Herbert de Souza. The movement against hunger and poverty emerged from the mass mobilization of Citizen Action, a movement that pressed for the impeachment of Fernando Collor. Betinho was a Catholic activist born in Minas Gerais who joined the Goulart government in 1963. After 1964 he sought exile in Uruguay, Chile, Toronto, and Mexico City, where he deepened his studies in sociology. His reputation was that of a leftist activist who believed in democracy ("democracy without adjectives"). His brother Henfil, a much admired caricaturist of the 1970s and 1980s, used his brand of journalism to press for amnesty and the return of all Brazilian exiles, including his brother. (Also a hemophiliac, Henfil contracted AIDS and died from it several years before Betinho). Upon returning in 1979, Betinho launched the Brazilian Institute of Social and Economic Analysis (IBASE), an organization to support grassroots mobilization. Some of the impetus for Betinho's campaign came from the CNBB, led by Luciano Mendes de Almeida. Betinho's campaign had a loose, decentralized structure. After his death in 1996, the movement lost much momentum, though it continued to exist. See Roberto Bissio, "Betinho: The Conscience of a Society," n/d (accessed on http://www.capside.org.sg/souths/twn/title/betin-cn.htm).

32. See IBASE website (www.ibase.org.br).

33. Farah (1998a) highlights how local governments have stimulated mobilization by experimenting with diverse programs seeking to broaden opportunities for the participation of new community actors in the design and implementation of local public policy. Several of these projects are structured as networks linking civil society, government agencies, and other institutional actors. These are sometimes known as commissions or councils. Farah lists several examples, including the Permanent Commission for Monitoring Working Conditions in Mato Grosso do Sul (391) and others in education, health, housing, and other areas. Conde (1998) sketches a comparable approach in Rio's projects designed to turn *favelas* into neighborhoods. For a discussion of Viva Rio, a movement to promote personal security in Rio, see Fernandes (1998). Two of the self-declared pillars of that movement are partnerships and local associationism, both of which encompass mobilization. In other words, these projects seek to build local social capital as part of the policy-making process.

Agrarian Mobilization and Reform

Collective action around land issues experienced sustained growth through the 1990s and into the new millennium. Two competing organizations, the National Confederation of Agricultural Workers (CONTAG) and the Landless Workers Movement (MST) dominate the scene. CONTAG, the oldest of the two, emerged as the main agrarian organization representing rural laborers in the framework of the corporatist system. Though its leaders sought to reinvent the organization in the democratizing political system, they soon faced strong competition from the MST, whose struggle for agrarian reform and political change relies on aggressive tactics, such as land invasions, occupation of government facilities, and massive marches and demonstrations.

The Landless Workers Movement's first phase sought to build a national movement. By 1994, when the PT lost the elections and the Cardoso administration deepened the reform drive, the MST enacted a dramatic surge in tense, and not infrequently bloody, land takeovers. By 1997 this wave of collective action and the related social conflict provided a formidable challenge to the federal government.[34] The increasing militancy of the landless and advocates of agrarian reform surely negates the notion of a major slowdown in social movement activity in democratizing Brazil.[35]

The MST perfected the tactic of land takeovers involving hundreds or even thousands of individuals, many in family groups. Gathering on some adjacent public space or remote area during weeks or days preceding the land invasion, they would march on a given property and lay claim to it. The landless movement pursued a strategy of confrontation with local authorities and landlords as well as the federal government. Collective action was accompanied by radical political statements. Besides mass land occupations, the MST experimented with other forms of protest and agitation, including the temporary occupation of government buildings, mass rallies and marches, media campaigns, and other tactics. The MST grew rapidly. By 1996–1997 it represented the main focus of social tension in the country. At that point, the majority of Brazilians supported it.

The government's initial response included some land redistribution, promises for further land distribution, and the establishment of new agencies to track and address the land issue. The MST was not satisfied. In the months preceding the 1998 elections, this movement seemed to have declared war on

34. A pivotal event was the April 17, 1996, massacre by state and local police forces of seventeen farmers in the state of Pará. These farmers were part of a massive demonstration supporting land takeovers and agrarian reform. The press reported at least forty wounded and an equal number of people disappeared. This event was widely reported in the international media.

35. For background on agrarian mobilization see Maybury-Lewis (1994), Pereira (1997).

the Cardoso administration itself. As they pondered a mature response, the Brazilian authorities probed for a fuller understanding of agrarian dynamics.

Indeed, a historical and institutional perspective is needed to put this somewhat unexpected and rare movement in perspective, and to illuminate the interaction between the changing institutional context and localized socioeconomic cleavages in shaping social movement activity. In Brazil, large estates relying on slavery—or peon labor, though the latter was much less prevalent than in the rest of Latin America—dominated much of the countryside through the nineteenth century, with impoverished peasantries in many other parts of the country. This legacy was responsible for the high indices of inequality in land distribution and rural poverty in the Northeast. The historical phenomenon of poverty rooted in massive landlessness hence applied in particular to the North, Northeast, and most parts of the states of Minas Gerais and Rio de Janeiro. The southern part of the country provided an important contrast. Relatively small and medium-sized farming carried on by European and Japanese colonists or settlers flourished in major parts of São Paulo, Paraná, Rio Grande do Sul, and Santa Catarina since the last third of the nineteenth century. In any case, massive landlessness is perplexing considering the huge and relatively unexploited Amazon frontier—five million square kilometers (nearly 60 percent of the country's landmass). The Amazon frontier worked at best as a symbolic safety valve for conflicts in the adjacent Northeast, the part of the country traditionally exhibiting the most dramatic rural contrasts, problems, and conflict.[36]

Modern agrarian conflict came to the Northeast in the first half of the 1960s, when peasant leagues demanding agrarian reform surged into the sugar zone of Pernambuco. Partly in response, the Goulart government, the last in the 1945–1964 democratizing experiment, made moves toward the adoption of an agrarian reform. Though the military coup of 1964 put a lid on the situation, the agrarian question was now on the national agenda. In fact, the military's agrarian regime shaped agrarian developments henceforth (see also Houtzager 1998; Pereira 1997; Maybury-Lewis 1994). First, as sheer repression led to the break up of the radical leagues, the military incorporated rural unions into the corporatist system of interest representation in place since the Vargas era. Second, the modernizing military government enacted in 1965, and enhanced in subsequent decrees, a series of laws oriented toward an eventual agrarian reform. Known collectively as *Estatuto da Terra* (Land Statute), the agrarian reform legislation was at least as strong as any adopted under the democratizing governments through 1996.[37]

36. Rural mobilization tended toward millenarian or religious forms (for example, *Canudos*) as well as quasi banditry.

Third, the military adopted a massive program of regional development in the Amazon in 1966. Three components stand out: promotion of large-scale mining and agrarian projects, the construction of the Transamazonian highway, and a colonization program to settle five million *nordestino* homesteaders in the Amazon region. Starting in 1968, the government began to grant generous subsidies to large mining, cattle, and even industrial schemes.[38] The idea was to promote a large agro-industrial complex oriented to external markets. Ranchers began to claim vast expanses of land. Without access to the markets of the rest of the country, these projects could have only a limited impact. The building of the Transamazonian highway in the 1970s sharply increased the appeal of this region to new projects and settlers. And in 1970 the government founded the National Institute of Colonization and Agrarian Reform (INCRA) with the avowed goal of settling millions of farmers from the Northeast, the poorest region in the country and home to several of the generals ruling Brazil.

Military receptivity to land reform is explained in part by the prominence this issue had gained in the 1960s. A reformist logic argued that Latin American countries needed to redistribute land to avoid revolution, such as that in Cuba. The generals in power hoped to gain legitimacy by linking land distribution to the monumental plan for national and regional development. The new measures were part of a master plan to modernize agriculture and turn Brazil into a world power. The agrarian project became part of the official discourse on transforming Brazil.

But the colonization and development of the Amazon region turned out to be far from a peaceful and orderly process. The waves of land projects and migrants put considerable pressure on Indians, rubbertappers, and others who had adapted earlier to the Amazon environment. Both groups were relatively weak or small. The often bloody conflicts surrounding the penetration of the Amazons echoed distantly to most Brazilians, who tended to live near the Atlantic coast. Social conflict intensified when many of the small-scale homesteaders entered into land conflicts with large cattle ranchers. Between 1980 and 1996, as the military regime gave way to democratization, land conflict resulted in nearly 1,000 deaths—often denounced as killings or murders by the media and most observers. The absence of clear land titles fueled

37. The *Estatuto da Terra* was only partly implemented by the military regime, but it provided the main context governing subsequent approaches. The Constituent Assembly of 1987–1988 discussed putting more teeth into the agrarian reform legislation based on the *Estatuto da Terra*, but the cattle growers of central Brazil, mobilized into the UDR (União Democrática Ruralista), joined forces with other opponents to block progress in that regard.
38. A 1966 law created Sudam, a massive regional development scheme involving highly generous tax and other incentives in the area defined as "Amazônia legal" (legal Amazônia), a landmass encompassing the states of Acre, Amapá, Amazons, Pará, Rondônia, Roraima, Tocantins, and large parts of Maranhão and Mato Grosso.

the conflict. With titles all too frequently gotten through bribery in local and state-level registries, violence was precipitated alternatively by efforts at eviction and land occupation. In many cases, the relatively weak presence of national law enforcement made direct confrontation the likely way to settle issues of land possession or use. In this context, landowners either formed alliances with local and state police forces or built their own private forces.

Democratization created political conditions for land reform to resurface as a policy issue in 1985. Though trends in the countryside might have been expected to defuse the agrarian question, the rural poor were now more ready for political battle than at probably any other time in the country's history. Largely during the military era, they had organized 2,700 rural unions mobilizing nine million laborers. The 785 rural unions in existence in 1964 grew to 1,753 in 1972, 2,068 in 1975, and 2,732 in 1985. The number of unionized rural workers more than doubled between 1970 and 1974, doubling again to 6.9 million in 1980 and reaching 9.4 million in 1985.[39]

It is puzzling that much of this mobilization took place during the years when political repression was toughest. Maybury-Lewis (1994) sketches an institutional answer to this question. Brazilian corporatism specified that only one union per county could hope to gain legal recognition from the government—thereby monopolizing representation. In this context, the military's decision to extend to rural workers some of the services previously given only to urban workers triggered considerable competition to form unions and gain legal status. The argument about the impact of institutional structures on collective action is borne out in Pereira's analysis of the transformation of peasant leagues into trade unions in Pernambuco, partly as a reflection of the welfare programs the government was extending to workers (Pereira 1997). The leadership of CONTAG, the corporatist peak association for rural workers formed after 1968, had come to be perceived as legitimate by its rural constituencies.[40]

Yet other contextual factors—or the broader political opportunity structure, in the language of collective action theory (Tilly 1978)—help explain the explosive growth of rural unionization from the late 1960s through the 1980s and beyond. This was an era in which various new or recent nongovernmental organizations linked to the Catholic Church had a direct role in promoting

39. See Maybury-Lewis (1994, 119, 120). When, led by CONTAG, the Third National Congress of the rural workers met in 1979 to decide on a strategy in the context of the democratic transition, the representatives of the 2,275 rural unions in existence approved the use of strikes and other tactics to press for higher wages, autonomy from the corporatist system, agrarian reform, and other measures (Houtzager 1998). The Movimento Sindical dos Trabalhadores Rurais (MSTR) was the formal organizer of this gathering (Houtzager 1998).
40. For a useful analysis of the formation and trajectory of CONTAG through 1979 as well as the evolution of agrarian policy, see Houtzager (1998). CONTAG's website [www.contag.org.br] provides basic information about this organization.

consciousness-raising "base ecclesiastical communities" (CEBs), agrarian unions, and the legal defense of farmers. The Catholic Church strongly supported the MST via the CNBB and the Christian base communities. Inspired by Catholic liberation theology, the Conference of Brazilian Bishops developed a strong critique of Brazilian capitalism and declared itself to be an advocate of the poor. Turning words into deeds, it authorized the creation of the Pastoral Land Commission (CPT) in 1975, a highly militant and effective agency that gained considerable ground, developing a national network of local commissions and support groups.[41] Catholics in the southeast and south were on occasion also supportive of more conservative movements and helped rural workers organize around different principles.[42]

NGOs and other external actors hence help explain the new mobilizational drive of the landless. Political parties increased their role subsequently, in the context of competition for rural support. Though parties were relative latecomers in addressing land redistribution issues, democratization fueled agrarian activism. The Constituent Assembly of 1987 prompted strong calls for agrarian reform legislation.

This radicalization was somewhat anachronistic in the sense that urban migration and the rapid modernization that the country and Brazilian agriculture had been experiencing made the arguments in favor of radical agrarian reform less compelling, particularly the notion of land expropriations with minimal or no compensation (Sorj 1988). More than thirty million rural individuals migrated to cities between 1960 and the 1980s, thereby turning what had been an agrarian society into a highly urbanized one.[43] Rapid urbanization created incentives for the further commercialization and intensification of agriculture. Considering, in addition, the opening of the huge Amazon frontier, an explanation of the pro-agrarian reform mobilization surrounding the Constituent Assembly of 1987–1988 and the increasingly militant movement is far from obvious.

41. Cousineau (1995) provides an overview of the role of the CEBs in the struggle for land in the Amazon region. The CEBs are groups of lay people who study the Bible using methods derived from Paulo Freire's *Pedagogy of the Oppressed* and go on to apply their lessons and reflections to their own lives. She describes in substantial detail the roles of priests, sisters, and lay members of the CEBs in protecting farmers, mobilizing into unions, and implementing land occupations. In turn, the CPT provides lawyers to defend farmers in land litigations, help with the legal issues of organizing, and the like. In general, the Catholic Church thus has a direct institutional role (CPT) and an indirect role (through the CEBs) in promoting social change. In addition, religious beliefs themselves, according to Cousineau, motivate resistance by providing coherent interpretations of the roots of rural social conflict. Substantial external funding from Germany and the Netherlands helped finance the mobilizational drives of the CPT on behalf of the landless.
42. For example, Maybury-Lewis (1994, chs. 4, 6).
43. See also Maybury-Lewis (1994, 29).

Martínez-Lara (1996) explains the agrarian reform's prominence in terms of Tancredo Neves's need to use agrarian reform as an issue to solidify the antiauthoritarian coalition. But rural mobilization beginning in the 1960s had made the agrarian reform movement a force to be reckoned with. Reflecting this context, CONTAG refocused in 1983, making land reform its main goal and land occupation its main tactic. Rural conflict escalated due to a strong landlord response that included the launching of militant antireform organizations such as UDR and the jelling of a *bancada ruralista* in Congress.

The Landless Movement. The MST became very active in the first years of democracy. In Rio Grande do Sul and Paraná, small farmers were made landless by their expulsion from Indian reservations, the construction of the Itaipu dam, and, more important, pressures from agro-business mobilized for land. By the mid-1980s several of these groups came together to launch the MST. The First National Gathering of the MST took place in 1984 in the city of Cascavel, Paraná.[44] The Constituent Assembly of 1987 brought the land reform issue to the forefront. The debate centered on rural property rights. Another issue was whether the law should exclude productive private land from expropriation. Though the constitution of 1988 ended up taking a mild position on agrarian reform, the MST continued to mobilize.

Sentiment for agrarian reform increased in the mid-1990s, fueled in part by the militancy of the MST and continued rural conflict. Many rural unions joined the Landless Workers Movement, as CONTAG lost considerable political prominence.[45] The MST had emerged as a well-organized and thriving national organization claiming to represent nine million workers through chapters in most Brazilian states and regions. National or regional MST

44. The MST maintains a website with considerable background on the movement [www.mst.org.br]. An account found therein identifies the meetings held in 1982 and 1983 in Goiás and Santa Catarina as key moments leading to the emergence of the MST as a differentiated organization with regard to the mobilizational drive of the Pastoral Land Commission (see, in particular, "O desenvolvimento do MST"). The latter document cites João Pedro Stédile, a key MST leader, giving credit to CPT and University of São Paulo sociologist José de Souza Martins for support. About the meetings leading up to the first national meeting in 1984, Stédile writes, "The whole business was very much integrated with the CPT, which supported the struggles making contacts and obtaining infra-structure" (see "O desenvolvimento do MST" [http://www.mst.org.br/historico/historia7.htm]). In this account, the 1984 meeting in Cascavel emerges as the moment in which the MST as such was formed (the original name was Movement of the Landless Rural Workers). A year later, in 1985, the MST organized in Curitiba, Paraná, its First National Congress of the Landless. The second, third, and fourth national congresses would be held in 1990, 1995, and 2000. The Fourth National Congress of the MST (Brasília, July 2000) defined the ideology of the movement as socialist and its main goal to be the radical transformation of Brazilian society.

45. MST stands for "Movimento dos Trabalhadores Rurais Sem Terra" or "Movimento dos Sem-Terra." But some takeovers had loose links to the national movement and members often used other names to identify themselves.

activists plan and organize local land occupations and other acts of protest and resistance, providing legal assistance and general support.

The MST posed a major challenge to Brazilian authorities in the 1990s, though the very status of the land issue and the tactics of the MST have led several observers to question the political potential of the new movement. Writing just before the late 1990s peak of rural conflict, Maybury-Lewis discounts the revolutionary potential of the rural movement, emphasizing that modern state structures such as Brazil's are "tactically flexible and peopled with managers often as well-versed in revolutionary theory as would-be revolutionaries [and are] elaborately arranged to co-opt, encapsulate, or, if necessary, repress them" (1994, 214). This author argues that many unions have a moderate or even conservative orientation, owing to their local allies and institutional contexts.

But the modernization of agriculture posed the biggest challenge to agrarian mobilization. A "new agriculture" resulted from the application of new technology and government policy.[46] Between 1985 and 1996, production grew 30 percent while the agricultural labor force contracted by 23 percent. Yields—productivity of land—increased at an annual average of 1.85 percent since 1987. Grain harvests of 51 million tons in 1980 had grown to 71 million tons in 1989 and over 90 million tons by 2000–2001. Together with political dynamics, the modernization of agriculture has led to higher standards of living for employed rural workers, as well as broader access to social security and health insurance. But overall unemployment increased in the countryside in response to mechanization and pressure from larger producers.

Sugarcane agriculture provides a case in point. This sector had experienced major expansion since the 1970s, when Brazil's auto industry responded to state incentives to manufacture cars running on alcohol extracted from sugar. But conditions accelerating in the 1990s led to a new era of transformation. The mechanization of sugar harvesting in more than 50 percent of the country's cane fields translated into a contraction of the labor force from 1.2 million to 700,000. In the case of the sugarcane producers of Pernambuco, the modernization of productive systems resulted in the shift from quasi peasantry to proletarian (Pereira 1997). Meanwhile, the central government sharply cut the system of incentives to sugar. Joblessness heightened social tensions and migration to towns and cities.[47]

The Brazilian countryside remains rather diverse and heterogeneous. If anything, uneven modernization appears to have actually reinforced the traditionally strong pattern of regional agrarian differentiation.[48] Brazil had differ-

46. Maílson da Nóbrega, "A nova agricultura," *Folha de S. Paulo*, April 21, 2000. Nóbrega notes that the new, more efficient agricultural sector was also favored by trade liberalization, which cheapened imported machines and equipment. The sharp contraction of state subsidies to inefficient producers also helped, according to this observer.

entiated land tenure systems based on different crops and relationship to markets, land, and wage regimes. These often overlap with racial and ethnic differences. All of these factors combined make coherent national collective action very difficult. The landless movement, which stands in some tension with CONTAG, has shown tendencies to splinter.[49]

Some landless groups have adopted strategies that are at odds with official MST discourse. Some have been inclined to negotiate with landowners themselves, as well as with INCRA and subnational governments.[50] In any case, the MST and other organizations were now key players in a major process of agrarian reform, a position they would be unlikely to cede to other groups.[51] The proliferation of landless organizations in most regions of the vast country created a dangerous situation in which diverse groups and individuals were drawn to the use of violence to gain or preserve ownership of land. The UDR has occasionally accused the federal and state governments of encouraging land takeovers.

By late 1999 the MST had taken on a political role that transcended agrarian reform. It had changed tactics in the context of the 1998 elections and the financial crisis of 1998–1999 to include urban demonstrations, takeovers of government buildings, and the shadowing of official events (as in the case of

47. Simon Romero, "Spoonfuls of Hope, Tons of Pain: In Brazil's Sugar Empire, Workers Struggle with Mechanization," *New York Times*, May 21, 2000, section 3, 1. Brazil abandoned the program of incentives to sugar producers as it increased its self-sufficiency in petroleum—from approximately half to nearly three-fourths of national consumption. Brazil's shift to export its huge sugar harvest of 20 million tons has been a major factor in depressed sugar prices in world markets. The crisis in the sugarcane sector has been a major factor fueling agrarian conflict.

48. This diversity is reflected in the different terms found in characterizations of Brazilian rural laborers. Unlike the peasantries of Europe, Asia, or Africa, Brazil's rural laborers originated as slaves and peons of landed estates, or as European and Japanese immigrants arriving after 1870. They can be small holders, *sitiantes* (*minifundistas*), *posseiros* (homesteaders or squatters, with substantial differentiation), wage workers or peons, seasonal migratory workers ("bóias frias"), renters, or sharecroppers.

49. For instance, there were nine different camps of landless workers seeking land in the Pontal do Paranapanema region of the state of São Paulo in early 1998. Five of them gathered dissidents of the MST and at least two of these, in turn, had generated their own dissident groups. These camps or movement organizations attract unemployed urban workers and migratory seasonal workers. Rivalries and competition for the same available lands marked the relations between these groups. The names of these camps were Esperança Viva, Movimento Terra Brasil, Movimento da Paz Sem Terra, Brasileiros Unidos Querendo Terra, Terra Brasil, Terra e Esperança, and Movimento Sem Terra do Pontal (see Daniel Hessel Teich, "Crescem no Pontal grupos alternativos ao MST," *O Globo*, May 1, 1998. See also "Orientação é não dar espaço aos rivais" in the same source). This helps explain why MST leader José Rainha declared an end to the phase of confrontation in that region.

50. Owners of underutilized lands have actually had incentives for some of their lands to be occupied, since the government would then pay a hefty price for the redistributed land. The actual process leading to expropriation required INCRA to declare the lands in question to be idle or nonproductive. Land occupations could hence take place with the prior knowledge if not acquiescence of land owners.

Porto Seguro). A backlash began to be felt shortly thereafter. Many Brazilians resented the violence often associated with MST actions. Public opinion polls showed 80 percent support in 1996, but by October 1999 the comparable figure was 28 percent.[52]

A number of academic critics argued that collectivizing agrarian reform was an anachronism (Martins 2000), since Brazilian agriculture had experienced considerable modernization. To these critics, rural masses often defined their problems more in terms of labor than land issues. Moreover, by the end of 2000, Brazil had record grain harvests, and the government had responded to the agrarian crisis, as discussed below.

New Approaches to Social Reform

Faced with traditionally high rates of inequality and poverty, Brazilian policymakers sought more effective social policies in the post-1985 period of democratization. But deep and lasting effects on social development eluded them. Because of the persistence of often dismal social conditions, a new activism with regard to social reform nevertheless did begin to emerge. This activism marked the constitution of 1988, which universalized a series of rights.[53] The perception that the statist model had spent itself as an engine of development made clear that the preexisting approach to social policy and its reliance on centralization and statism was no longer viable (Draibe 1998). The debate sharpened. In the 1990s, reformers accelerated the search for a new approach to social development. The thinking in the mid-1990s was that the state apparatus needed to be overhauled for it to serve a direct role in innovation in the social area (Faria 2000a). Together with fiscal equilibrium and stabilization, state reform would create conditions for a new approach to social development.

51. In effect, unexpected alliances were sometimes formed to transfer land with payments from the state. (See Bruno Paes Manso and Cynthia Campos, "Aliança do barulho: Fazendeiros e trabalhadores sem-terra transformam latifúndios improdutivos em negócios milionários," *Veja*, January 14, 1998).

52. Maurício Lima, "Marchando para trás," *Veja*, October 20, 1999. The loss in popularity between 1996 and 1999 was due, according to *Veja*, to too much aggressiveness in demonstrations, invasion of productive lands, organizing food riots, and making such far-fetched demands as moratorium on the debt, reversing the privatization process, and the impeachment of Cardoso.

53. Draibe (1998) overviews the evolution of Brazilian social policy since the 1970s. She maintains that only in the 1980s and 1990s did Brazil come to have a national policy with clear objectives, resources, and institutional consistency. To her, the constitution of 1988 and the Organic Law of Social Assistance (LOAS) in 1993 were both decisive in bringing about an integrated approach to social policy based on notions of citizen rights. The new approach came to have institutional existence with the 1993 Program against Misery and Hunger (PCFM) and the Programa de Comunidade Solidária of 1995.

A new approach to social policy began to emerge in the context of the post-1990s liberalizing reforms, as macroeconomic conditions began to improve. The central government was spending a considerable amount of money on social policy—nearly 21 percent of GDP, an amount significantly higher than the 15–18 percent spent before the 1990s (Draibe 1998). The emerging Brazilian approach to social development emphasized human development (education and health), decentralization and the devolution of functions to subnational governments, and partnership with stakeholders and civil society.[54] Agrarian reform and rural development gained salience in this context. The reduction of poverty through stabilization of income, somewhat higher minimum wages, and targeting acute forms of poverty became a major focus. Hamstrung by its inability to give immediate direct priority to growth and job creation, the early Cardoso administration relied on the stabilization program itself and on the strong currency to improve the standard of living of the poor. Real wages increased by 5 percent in 1994 and by 13 percent in 1995, as more than 10 million Brazilians experienced an improvement that took them out of poverty, as it is traditionally defined in governmental statistics.[55] The 30 percent increase in consumption during this period reflected the increase in the minimum wage and the above measures.

Dire poverty or misery decreased through the late 1990s. A study by Marcelo Neri indicates it fell by 1.5 percent from 1998 to 1999, while IBGE data indicate a 5.1 percent drop in 2000 in six metropolitan areas.[56] Meanwhile, the 2001 Human Development Index of the United Nations Development Program reports an improvement in 1999, as Brazil went from seventy-fourth to sixty-ninth position in terms of international ranking (of 162 countries).[57]

Cardoso's first term also emphasized basic improvements in education and health, two areas with a substantial lag in terms of social impact. Observers expected a major thrust in his second term (1999–2002), but a series of crises and threats prevented major new spending and made expectations of rapid turnaround unrealistic. Poverty may have decreased to its lowest levels ever

54. See, for example, *Avança Brasil*, the development-oriented program of Cardoso's second term (see also *Sete anos do real: Estabilidade, crescimento e desenvolvimento social* [Brasil, Presidente, 2001]).
55. Faria and Graeff (2000, 21).
56. Antônio Gois and Fernanda da Escóssia, "País tem 50 millhões de indigentes, diz FGV," *Folha de S. Paulo*, July 10, 2001.
57. Brazil also improved in the UNDP's IPH-1 Index of Human Poverty—from 15.8 percent in 1997 to 15.6 percent in 1998 and to 12.9 percent in 1999. The first UNDP's *Human Development Report*, that of 1990, characterized Brazil as a country with low levels of human development. Health, education, and income per capita are the three dimensions that make up the Human Development Index developed by the United National Development Program (UNDP) and reported yearly in its *Human Development Report*. The index was created in 1990 by the economists Mahbub ul Haq and Amartya Sen, who won the Nobel Prize in 1998 for his contributions to welfare economics.

after the adoption of the *Plano Real*, but it will take several years for current policies to have a full impact.[58] The current approach sets the basis for a new Brazilian approach to social reform. Brazil remained one of the most unequal societies on earth, and the federal government, subnational governments, and civil society felt compelled to focus on new approaches to poverty reduction and social development.

From Agrarian Reform to Local Development. The federal government responded to pressures for land redistribution with a distinctive approach to agrarian reform that emphasizes legalized land titles and turning the qualified landless into independent family farmers. It earmarks funds for legal land redistribution. Nearly 584,655 families received plots of land between 1995 and 2001, according to INCRA, and R$13.3 billion was invested. This was the greatest such effort in Brazilian history. Local development plans accompanied the expropriation and redistribution of land. Several programs—the National Project for Family Agriculture (PRONAF), the Land Bank, the Cocoon Project—provide credits, loans, and other incentives for the development of entrepreneurship among small farmers and cooperatives.[59] The focus is on enhancing the latter's capacity to enter the marketplace and remain competitive. The policies also aim at job creation, decreasing migration flows to cities, and rural development.[60] While promoting commercially viable forms of family agriculture, the policies also work to incorporate agriculturalists and rural workers into the social security program. The Cardoso admin-

TABLE 4-2. Agrarian Reform, 1995–2001

Year	Families Settled	Contracts	Hectares	Investment (R$ bl)	Land Invasions	Deaths in Conflict
1995	42,912	314	1,313,509	1.5	n.a.	41
1996	62,044	433	4,451,896	1.6	397	54
1997	81,944	637	4,394,524	2.6	502	30
1998	101,094	850	2,540,645	2.2	446	47
1999	85,226	782	1,478,536	1.5	455	27
2000	108,986	720	3,861,268	1.8	226	10
2001	102,449	539	1,697,043	2.0	157	14
Total	584,655	4,275	19,737,421	13.2	2,183	223

Source: INCRA

58. The annual poverty rate decreased from 41.7 percent in 1993 to 34.1 percent in 1999. Barros et al. (2000a).
59. The World Bank has helped finance Brazilian agrarian reform.
60. The federal government formed the Center for Agrarian and Development Studies in 1997 to study internal migration flows and rural development.

istration claims a leading role in the agrarian reform effort, while also acknowledging the role of popular mobilization.

The measures adopted succeeded in reducing agrarian conflict. Land confrontations resulted in 2,183 deaths in the 1995–2001 period, but a decreasing trend set in after 1996—30 deaths in 1997, 47 in 1998, 27 in 1999, 10 in 2000, and 14 in 2001.[61] The Northeast and the North account for many of the worst incidents of agrarian violence. In Pará alone, 447 deaths were reported for the thirteen years before 2000. The number of land invasions remained relatively high through 1999 and began to decline in 2000.

The agrarian reform process needs to be assessed in the broader context of the transformations experienced by Brazilian agriculture since the 1980s. The relatively closed and statist development model continued to shape Brazil's agriculture through that decade. The industrial model had a built-in bias against agriculture. The emphasis on industrial protection and the overvalued exchange rate constrained agricultural prices and agrarian development. Imported inputs were expensive. Subsidies stimulated agricultural production in targeted sectors favoring domestic consumption rather than exports. The elaborate system of government intervention began to experience alteration in the early 1980s, but it really began to be dismantled only toward the end of the decade.

The liberalization of the Brazilian economy since the 1990s has exposed its agricultural sector to competition, cheaper inputs from abroad, and restructuring. The deregulation and the reform of agricultural prices and credit policies were significant changes in themselves. All the elements of a new agricultural policy regime were not in place yet, but many of the features of the old model had been altered or eliminated by the end of the 1990s.[62] The changes, both structural and policy related, led to a contraction in the agricultural labor force and, less so, the area under cultivation, with significant variation across agricultural sectors. Harvests and profits increased as a result of gains in productivity—due to the more intensive cultivation of areas close to cities, the increased use of technology, migration of skilled farmers from the South to western and northern regions, and the reduced cost of imported inputs.[63] The restructuring of agriculture generated losers as well as winners,

61. From Ministério de Desenvolvimento Agrário, relying on the Land Pastoral Commission (CPT) for 1964–1999 and Ouvidoria Agrária Nacional for 2000–2001 [www.incra.gov.br/reforma/recordes8.htm]. These numbers are higher than those reported earlier in "Dados apontam menos mortes em conflitos," *Folha de S. Paulo*, November 20, 2000, from data by the Land Pastoral Commission.

62. Helfand and Rezende (2001). The debt crisis of the early 1980s led to a reduction of rural credit and the expansion of price supports, aimed at reducing the fiscal deficit and increasing the collection of foreign exchange as well as fighting inflation (3). Helfand and Rezende emphasize that trade liberalization, deregulation of agricultural markets, and changes in rural credit and price policies owed to the fight against inflation rather than to a deliberate plan for agrarian or general development.

contributing to rising tensions in parts of the countryside. The opening of agriculture incurred losses in some sectors exposed to cheaper imports, including seasonal grains from Argentina and Uruguay. Many small farmers in the South went bankrupt.

As with other social programs, the federal government has cast its agrarian reform and rural development efforts in terms of processes of local development emphasizing decentralization, partnerships, and local participation (Abramovay 1998). Noting that insufficient social capital is a recurring feature of disadvantaged areas, policymakers seek to rely on social movements and local NGOs as sources of leadership. A major theme is to promote the development of networks to coincide with regional economies, to stimulate economic cooperation and exchange. County commissions for rural development have been formed in a large number of counties, often with involvement by CONTAG. New strategies of rural development often emphasize the link between local sustainable development and urban or regional systems and dynamics.[64]

Human Development. Education and health, the two basic dimensions of human development, have been the most favored dimensions of social policy since the mid-1990s.[65] Lack of education is a well-known factor in poverty, and Brazil's educational system has been traditionally deficient. Its shortcomings became more glaring in the context of global technological advances and the information revolution. The average schooling of the economically active population just before 2000 was barely 3.9 years—considerably lower than neighboring Argentina (9.5 years), Uruguay (10.5 years) or even Paraguay (5.8 years). As with many other indicators of social development, major regional variations characterize the Brazilian case, with the Northeast, North, and the northernmost parts of the Southeast showing low scores, but other regions, particularly in the South and the Federal District, showing substantially higher scores.

The educational reforms have centered on basic education for students aged seven to fourteen. Rates of enrollment for this group grew from 89 per-

63. See, for example, Baumann (1999a, 25–26); Dias and Amaral (1999). The increase of 59 percent in profit levels between 1989 and 1998 reflected a 22 percent growth in productivity as well as a 31 percent improvement in the relative prices or terms of trade (Baumann 1999a, 26).

64. José Graziano da Silva's Project Rurbano at UNICAMP (University of Campinas) sketches "the new rural Brazil" (o novo rural brasileiro) in these terms and shows the depth of new thinking in this regard. Professor Silva is closely identified with Lula and the Workers' Party. At the University of São Paulo, José Eli da Veiga has also advanced a conceptualization of rural development that emphasizes decentralization, rural education, local social capital, an expansion of measures favoring family agriculture, and more intense efforts at reducing rural poverty and inequality (for example, Veiga [1998] "Diretrizes para uma nova política agrária" [www.datateerra.org.br/semce/zeeli.htm]).

65. See note 54.

cent in 1994 to 96 percent in 1998. By 1999, 3.4 million additional youngsters had been enrolled in the school system, bringing the rate of enrollment for that group to 97 percent—up from 82 percent at the beginning of the decade. Of these new enrollees, 2.3 million were in the Northeast and 530,000 in the North. The goal is to universalize education and to prepare young people and adults for the new, more demanding labor market.

Measures adopted after 1994 and the creation of the Fund for Teacher Development (FUNDEF) help explain the primary educational system's improvements through the late 1990s and into the first years of the new century.[66] FUNDEF designates 15 percent of all fiscal revenue and constitutional transfers to states and municipalities, with funds transferred directly to school systems at the state and local levels. Funds are also allocated to poor parents as an incentive for their children's attendance. The resources are collected at the federal level and distributed to local units in proportion to the number of elementary schools and students enrolled. The constitution of 1988 had mandated the transfer of tax revenues to local facilities, but many of the resources thus spent had continued to be applied to political interests and clientelistic practices, often with an emphasis on political visibility (Caixeta 2002). FUNDEF has substantially reduced such practices. It also emphasizes quality rather than quantity. For example, the number of state schools was reduced by 21 percent between 1996 and 2000. Counties are becoming more involved with elementary education. In 1997, they were responsible for 40.7 percent of the students and states for 59.3 percent, while in 1999 the figures were 49.4 percent and 50.6 percent, respectively.

Critics of FUNDEF argue that this system leaves states and municipalities with a very narrow margin to finance junior and secondary education.[67] However, secondary and professional education are also receiving attention. Access to intermediate and university education has traditionally benefited the upper and middle classes disproportionately. Prior to the 1990s, only 10 percent of students with elementary education reached the secondary level. Higher levels of enrollment in primary education are generating pressures for expansion at the intermediate level, where the number of enrolled students increased from 3 million at the beginning of the decade to 6.7 million in 1998. The programs on the development of secondary education aim at creating 10 million new spaces in high schools. Another on the development of

66. Created in 1996 and nationally implemented in 1998, FUNDEF—Fund for Maintaining and Developing Basic Education and for Teacher's Improvement—increases resources specifically designated for basic education for children seven to fourteen years old. The leadership of respected economist and educational leader Paulo Renato de Souza as minister of education throughout the entire two terms of the Cardoso administration was an important factor in Brazil's educational reform.

67. See "Anos FHC dão prioridade para o ensino fundamental," *Folha de S. Paulo*, October 21, 2002.

TABLE 4-3. Elementary Education, 1995–2000

Grade Advancement Rate		Grade Repetition Rate		School Evasion Rate	
1995	1999	1995	1999	1995	1999
64.5	73.6	30.2	21.6	5.3	4.8

Source: MEC

professional education seeks to create 200 new professional schools to train 500,000 students.

Besides stemming dropout and repetition rates by paying poor parents to keep students in school, the federal government has also increased budgets for food, transportation, health assistance, books, and didactic material to students and teachers, as well as for school televisions and computers. Teacher salaries increased by 13 percent in state and county systems. Gains reached 49 percent on average across the counties of the Northeast.[68]

By 2001, it was clear that the educational reforms were making a difference in the lives of millions of Brazilians, even if the full impact on poverty and inequality would take years (see table 4-3).[69] The literacy rate rose to 85.2 percent in 2002. Illiteracy for individuals ten or more years old dropped to 12.5 percent in 2000 from 19.7 percent in the early 1990s. Comparing the indicators of 1991 with 2000, rural areas improved the most, with literacy increasing by 12.5 percent.

However, policymakers still face great dilemmas in deciding how to accomplish their goals. One of them continues to be the relative emphasis between advanced and basic education. Brazilian public universities are often institutions of excellence. However, the public university system continues to account for more than half of the education budget, while elementary and secondary education, essential for a developing country such as Brazil, and critical for the poor, lack the resources for a breakthrough in performance and contribution to development.[70] Meanwhile, public universities favor the rich and the middle classes, who could afford to pay for private education, with poor and minority students being grossly underrepresented.[71]

68. The Ministry of Education publishes a considerable amount of data on its website, www.mec.gov.

69. For evidence of the reforms' effectiveness, see data in *Human Development Report* (2002) and IBGE.

70. East Asian countries, in contrast, have done much better in providing universal basic education and linking it to fast economic growth and development.

71. The very comprehensive exam that applicants take to apply for acceptance to universities screens out less qualified students, who often come from the underprivileged, since private elementary and secondary education is normally much better than the underfunded public system. The number of applications to public universities is much higher than the number accepted.

Health. Brazil has also made important reforms in its health sector and faces comparable dilemmas. Population increase and the persistence of high rates of contagious diseases have traditionally interacted with comparatively low rates of life expectancy to make the need for better public health blatant. Poor administration and graft in the health sector have been widespread. Coupled with high poverty levels, deficiencies in public access to health care help explain the high mortality rate and incidence of contagious diseases. Poor public health mostly affects the poor, since the middle class and the elite rely on private health care when necessary.

The challenges of public health policy differ from those in education partly because the majority of hospitals are not government owned. The Brazilian health system in the early years of the twenty-first century had approximately 6,500 hospitals and clinics. Of these, 30 percent belonged to the government (federal, state, and municipal), sometimes linked to federal or state universities, while 40 percent were philanthropic hospitals and 30 percent were private.

When the constitution of 1988 proclaimed health to be a universal right, the idea was that Brazilians would be provided with free health care, regardless of age and type of disease. Presumably, public or private hospitals linked to the SUS (Universal Health System) would provide treatment. Created in 1990, the SUS sought to rearrange health services by linking university hospitals belonging to the Ministry of Education with the public and private health networks in states and counties to form a system capable of providing universal health care.[72] The constitution emphasized decentralization, simplified control,[73] and social participation in the operations of the system of universal health care.[74]

The traditionally deficient health system faced budget cuts during 1990–1992 (Singer 2002). The Itamar Franco administration did not improve matters. Delays in paying the private hospitals linked with the SUS system contributed to the sense of crisis and, later, the perception that the system had fallen victim to fiscal austerity. In 1993, the Social Security Ministry stopped the practice of transferring funds from salary contributions to the Ministry of Health. To replace those funds, alternative mechanisms were mobilized with

72. The entire network of public providers (federal, states, and counties) would cover the population in a universal manner, without restrictions (Médici 2002). Like most branches of the Brazilian government, the Ministry of Health provides a great deal of information in its website [http://portalweb02.saude.gov.br/saude/].
73. Although decentralized, the system now has a single control in each sphere of the government, avoiding the previous multiple efforts in place among the structures of INAMPS (National Institute for Health Care of Social Security), the Ministry of Health, and state and county bureaus.
74. More than 80 percent of high-risk procedures (health surgeries, transplants, etc.) are performed in public hospitals and affiliates of the SUS.

resources from the FAT (Fund to Assist Workers) and COFINS (Social Security Contribution) taxes. However, the delay in paying private hospitals persisted. The Cardoso administration increased average health expenditures by nearly 30 percent with respect to the last year of the Itamar administration. In 1997, a peak year, the expenditure per capita reached R$121.[75]

That year, a special or provisional tax expected to yield US$4.5 billion to improve public health went into effect. The CPMF, the financial turnover tax, had a major impact in the financing of health care. Of the R$19.5 billion spent by the Health Ministry in 1998, it financed R$6.7 billion (or 42 percent of the total expenditures). The role of the CPMF in financing health care grew in subsequent years. Initially viewed as a step toward a new health policy that ameliorates some of the worse consequences of poverty, this tax does not provide a permanent cure to the ills of the public health system.[76] The health budget remained inadequate in relation to need and the government's goals after the adoption of the CPMF. Congress passed a constitutional amendment in September 2000 to better fund the SUS.[77]

The Cardoso administration accelerated the process of decentralization of the health system. It increased the role of community participation through the program *Agentes Comunitários da Saúde* (PACS) and instituted a popular family doctor program known as *Saúde da Família* (PSF). The public health system moved to emphasize preventive action and the production of generic medicines at a lower price. More attention was given to the poorest and most remote regions. As states and municipalities increased their share of the total health expenditure from 6 percent in 1982 to 37 percent in 1999 (Médici 2002), the federal level decreased its contribution toward the financing of health care expenditures. New partnerships with civil society have sought to decrease the dependence on funds collected from the federal government. Health Councils are increasing civil society participation in the management of the system in all spheres of government. States and counties are promoting partnerships with civil society in accordance with a new management paradigm that changes the focus from addressing medical problems once they surface, to a combination of actions and services to promote wellness and the prevention of disease.

By 2001, the prevention-oriented PSF had more than 154,000 community agents to assist 91 million individuals in 4,719 counties (out of the approximately 5,500). Since the number of community agents in 1994 had been less

75. In 1995 the government had planned to apply R$80 per capita annually and exceeded this goal. From 1994 to 1998 the expenditures in health ensured an average of R$115.59 per person.
76. One drawback of the CPMF is that it is yet one more cumulative tax on production and distribution.
77. Economist José Serra provided considerable leadership in reforming the health system as minister of health during the period 1998–2002.

than 30,000, there was a fivefold increase in seven years. In 2002, the Health Ministry had nearly forty programs focused on specific diseases, prevention, and professional training for nurses. The family health program provides access to medical and dental consultation with the aim of diminishing the incidence of endemic diseases. A program for women concentrates on cancer prevention and gynecological assistance. Another for the elderly provides medical assistance that integrates leisure and educational activities. The new health system has sought to expand and modernize hospitals and medical centers, including laboratories for sanitary, epidemiological, and environmental vigilance. As the universal health system turned into a national goal, SUS became one of the largest public health chains in the world.

There have been improvements in infant mortality, life expectancy, and control of contagious diseases. Infant mortality has decreased substantially—from 74.2 per thousand in 1980 to 37.5 per thousand in 1996, and 35.3 in 2000 (see also fig. D-12). The North and the Northeast still have very high rates, but the new approach is also making a difference there—between 1994 and 1997, infant mortality in parts of the Northeast experiencing the new policies fell by half. Life expectancy rose from 66.03 to 68.6 years between 1991 and 2000, according to IBGE data (see also fig. D-9), while the *Human Development Report 2002* notes an increase in life expectancy from 67.5 years in 1999, to 67.7 years in 2000.

In the area of contagious diseases, Brazil's AIDS program has received international acclaim.[78] Brazil is one of the few countries to offer free AIDS treatment, while avoiding millions of hospitalizations. The program of prevention, control, and assistance to those stricken with the virus sponsors training and educational campaigns. In 1995, the number of cases of AIDS in Brazil was 11.9 per 100,000 inhabitants. In the following year this number rose to 14 per 100,000, fluctuating by only 0.5 until 1998. After 1999, the trend drastically reverted. In 1999, the Ministry of Health enabled 150 maternity hospitals with the medicine (AZT) to treat AIDS, reducing the transmission of the virus to newborns by 70 percent. In 2000, 90,000 people were treated with appropriate medicine distributed by the Ministry of Health. The national production of comparable and generic medicines had started to guarantee reduction of expenditures and kept the universal policy of access to care. By 2001, there had been a marked increase in the number of women assisted to prevent the disease.

Though still relatively modest when compared to need, the gains in health as well as education have contributed to a higher score on the Human Development Index (HDI).[79] Brazil advanced eight positions since 1990, when it scored 0.713, improving to 0.757 in 2000 and earning the 73rd position in a ranking of 173 countries.[80] This achievement in poverty alleviation earned Cardoso the United Nations Development Program (UNDP) Award for Outstanding Leadership in Human Development in 2002.[81] Critics of the new approach to health point out that the system is still far from meeting demand. Others argue that it often does not allocate resources efficiently—for example, financing high-technology procedures for higher income users who would be able to cover them privately, instead of focusing on basic health for all. In the past, local health facilities were often accused of mismanagement, but the main problem was often the inadequacy of revenue. The CPMF was meant to alleviate the problem, but it is not enough and remains controversial.

A New Approach to Welfare and Social Development. After improving in the 1970s, a decade of economic growth, overall social conditions worsened in the aftermath of the crisis of the 1980s, contributing to the formation of social movements and NGOs demanding citizenship rights and the redress of grievances with regard to basic social policy. In the 1990s, changing civil society and political organizations pressured various levels of government and contributed to new thinking with respect to social policy. That inequality and poverty failed to decrease significantly, while economic slowdown returned in the late 1990s, added to the sense of urgency about social development.[82]

78. For example, Stephen Buckley, "Brazil Becomes Model in Fight against AIDS," *Washington Post*, September 17, 2000, A22. See also John Garrison and Anabela Abreu, "Government and Civil Society in the Fight against HIV and AIDS in Brazil," World Bank and IESE, May 2000.

79. The HDI ranks nations using averages of three indices measuring health (life expectancy at birth), education (adult literacy rate and enrollment ratio [primary, secondary, and university]), and GDP per capita (purchasing power parity in US$, or PPP). The HDI ranges from 0 to 1, with the most developed countries close to 1 and the least developed closer to zero. Brazil's score of .757 in 2000 placed it among nations in the middle range of human development. It ranked somewhat higher than Latin America as a whole (.747), but lower than Argentina (.844), Chile (.831), Uruguay (.831), Costa Rica (.820), Mexico (.796), Panama (.787), Colombia (.772), and Venezuela (.770)—as well as lower than most English-speaking countries in the Caribbean.

80. IPEA and other branches of the Brazilian government dispute the data used by UNDP and argue that Brazil should have a higher ranking (for example, "Para o governo, números estão defasados," *Folha de S. Paulo*, July 7, 2001). See also F. Barbosa and L. Paraguassú, "Uma década de avanço modesto," *O Globo Online*, July 24, 2002; "Dados estão desatualizados, sustenta IPEA," *Folha de S. Paulo*, July 24, 2002.

81. Cardoso was the first recipient of the UNDP's Mahbub ul Haq Award. The awards committee was chaired by Nobel Prize-winning economist Joseph Stiglitz, a critic of the IMF. See UNDP website, "President Cardoso of Brazil is winner of the UNDP Award for Outstanding Leadership in Human Development" [www.undp.org/dpa/pressrelease/releases/2002/october/15oct02.html]. See also "Com o selo da ONU," *Veja* [http://www2.uol.com.br/veja/231002/p_050.html].

82. Elisa Reis (2000) shows that Brazilian elites as a whole recognized poverty and inequality as top policy problems, though those in the private sector place responsibility on the government.

Early in the decade of the nineties, prominent intellectuals and policymakers organizing the Fórum Nacional/Instituto Nacional de Altos Estudos (INAE) started a national debate on new approaches to development and modernization. Several of the resulting publications have contributed to framing the debate on social policy.[83] Reflecting the new context, Brazil's evolving approach to social policy began to center on the concepts of partnerships with civil society, municipalization and decentralization, and a new result-oriented management of social programs.[84]

In 1996, the Council of Comunidade Solidária, a program led by Ruth Cardoso, Brazil's noted social scientist and first lady,[85] began to actively promote a dialogue between government and society to build a new strategy for social development and consensus about specific national priorities in social action. This program was part of the Cardoso administration's effort to support the third sector and promote social development. This entity promoted the search for ways to speed up policy design and implementation. It sought to identify areas of conflict or disagreement and to develop dialogue and research around them. From 1995 to 1998, it focused on 1,369 counties, where it invested R$7.8 billion. The broad discussion involving government officials with civil society, intellectuals and academics, and other specialists is a component of the new national thinking about social policy (see appendix C).[86]

It can be surmised that Brazil was making strides in adopting a new, still emerging paradigm of social development, even if the stabilization and fiscal adjustment priorities imposed limits on spending in the social area.[87] *Avança Brasil*, the general plan of the second Cardoso term, articulated part of the new approach to social policy based on partnerships with civil society and the private sector, decentralization, and a new management style (see appendix C). Social programs have deliberately moved away from *assistencialismo*—the traditional welfare policy emphasizing handouts to the needy—toward

83. The books published by Fórum Nacional include Velloso (1991a) *A questão social no Brasil*; Velloso (1991b) *Crescimento com redistribuição e reformas: reverter a opção pelos não-pobres*; Velloso and Albuquerque (1993) *Pobreza e mobilidade social;* Velloso, Albuquerque, and Knoop (1995) *Políticas sociais no Brasil: descentralização, eficiência e equidade*; and Velloso and Albuquerque (2001) *Soluções para a questão do emprego*. The Fórum Nacional's website [www.forumnacional.org.br/] provides abstracts of these and other publications.

84. See also publications from Ministry of Planning, Management, and Budget, particularly those on *Avança Brasil*.

85. An anthropologist, Ruth Corrêa Leite Cardoso before becoming first lady dealt with social movements, youth, and other aspects of Brazilian society. She used her position in this program to promote partnerships between government at various levels, private business, and NGOs. Comunidade Solidária has supported a literacy campaign and the recruitment of college students in programs to address social problems by working directly in the affected communities.

86. Peliano et al. (1998) discusses Comunidade Solidária.

87. See, for example, Velloso and Albuquerque (2000).

addressing underlying factors. The ministries of Education and Health have developed policies with an eye toward addressing the root causes of poverty and misery.[88] Other ministries and such entities as BNDES and Banco do Nordeste have developed programs to promote microentrepreneurship and microcredit to stimulate employment. The list of over fifty priority projects and programs in *Avança Brasil* includes Entrepreneurial Brazil (*Brasil Empreendedor*), PRONAF and agrarian reform, and various others geared toward the generation of self-employment and microenterprises.

Social spending has been channeled directly to institutions at the local level. This has reduced the traditional mediating role of politicians and functionaries, something too often associated with clientelism, corruption, and waste. While targeting Brazil's poorest counties, Active Community (*Comunidade Ativa*) and the Alvorada Project (*Projeto Alvorada*) have sought decentralized forms of intervention that rely on the participation of local groups and NGOs, often creating programs to help mobilize constituencies. At the same time, the government has passed laws to make the creation and operation of NGOs easier.

In the context of Brazil's decentralized federal polity, county and state-level civil society are involved in a great deal of activism and experimentation at subnational levels. Local governments, often adhering to egalitarian and participative ideologies, are encouraging partnerships with nongovernment groups and organizations. Subnational governments are engaged in efforts to reform state action in the social area, self-consciously embracing a break with the centralized approach of the past.[89]

Conclusion

The social programs pursued since the mid-1990s have met promising, though limited, short-term success. However, policies promoting human and social capital and the removal of structural impediments will take time to bear full fruit. With a large number of Brazilians living under dismal conditions, the results are not yet commensurate with these phenomenal needs. Social development remained a major issue in 2002, when Brazilians elected a new president.

That Brazilians seem to share a near consensus about the need for more effective social policies, including the reduction of poverty and dire misery

88. A noteworthy addition came with the Fund to Combat Poverty (Fundo de Combate a Pobreza), a program with a budget of R$3.1 billion signed into law in July 2001.

89. Farah (1998b) lists new subnational projects conforming to this approach. Farah lists ten main criticisms of the old model and lists projects in education, health, general policymaking, job generation, poverty alleviation, rural development, and others. These projects seek to increase effectiveness and enhance access to public services and participation by new social actors.

and redress of the great disparities in well-being resulting from centuries of social exclusion, provides grounds for guarded optimism. Several new and interesting approaches are being implemented or tried. Sustained and enhanced over time, the best of these will make a major difference.

The dilemma of precisely where to draw the line between competing priorities, a prominent question through the crises of 1998–2002, will shape Brazilian policy-making and politics for years to come. Fiscal priorities will no doubt continue to constrain the design of social policies. To implement redistributive measures while at the same time pursuing stabilization, liberalization, and growth is a great challenge. Each of these goals requires vast amounts of resources. Simultaneous emphasis on all of them is a sure formula for failure, including the return of inflation and fiscal imbalances.

The deepening of democracy and the growing role of civil society organizations, together with economic recovery, are the best hope for sustained progress. Because of these forces, politicians and the elite will have a harder time ignoring the needs of the poor. Truly interesting is the possibility that popular sentiment may be converging with the perceptions of a critical mass of policymakers and stakeholders to sustain the new activism in social policy.

Democratization has further complicated policy-making and the game of politics by bringing new actors into the polity and by sharply decentralizing public authority. A growing number of third sector organizations articulate demands and participate in processes of reform. Parties, social movements, nongovernmental organizations, and related groups add to the formidable array of forces shaping political dynamics. The complex political system will continue to make it a major challenge to act cohesively in terms of a view of the national interest arrived at democratically. Governance problems could prove costly. But decentralized federalism offers opportunities to exercise authority in the pursuit of diverse aims. Decentralization (particularly municipalization), partnerships, changing civil society, and community involvement are contributing to an increasingly pluralistic decision-making system. This tendency is a key dimension of the overall transformation of Brazilian society and polity. It is unlikely that future democratic governments would be able or willing to reverse it. Still, the new institutional framework is under development and needs to be consolidated. Questions about institutional design and the forces shaping it are quite important.

In conclusion, in several social policy domains, the Brazilian polity is experiencing a hitherto unknown level of pluralization of political forms and processes encouraging experimentation and collaboration. The fledgling approach to social policy reinforces the role of NGOs and social movements as active agents at lower levels of government, which in turns reinforces decentralized federalism and democratic governance. Brazilian social development will depend on the new institutional frameworks being built at the local level as much as on the articulation across the three levels of government and between the state and civil society at the national level.