

AFTER THE ELITES, CIVIL SOCIETY'S DEMOCRACY IN BRAZIL

Luiz Carlos Bresser-Pereira

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Abstract. Starting from a proposed typology of democracy, which involves increased representation and/or participation (elites', civil society's, and people's democracy) the paper, after reviewing Brazilian class and elite alliances through out history, suggests that Brazil, as an intermediate developing country, is presently in transition from the first to the second type of democracy. Elite groups start to loose power in relation to a larger civil society, where public debate begins, and public opinion turn increasingly significant. If this trend is confirmed, the nation will start to learn from its mistakes, while some typical democracy of elites' categories – ‘enlightened elites’ making political pacts and drawing national projects – will loose relevance.

Brazil, in the last 15 years, after a long and uneven transition process, is experiencing true democracy. One could not speak properly of democracy in the Empire and in the First Republic: authoritarian politics was dominant in Brazil, as it everywhere, including in today's advanced democracies till the end of the eighteenth century. Some kind of elite or of association of elites – aristocratic, military, bureaucratic, religious – would concentrate political power, and use it to capture economic surplus. Room was created to democracy, when, at last, the emergence of capitalism allowed for the appropriation of surplus through markets instead of the use of direct force. I call the first forms of quasi-democracy, which then rise, “elites' democracy”. Civil rights were then basically secured and some formal electoral system was established, starting by England, United States, and France, but only a very small part of the population – male and rich – acquired voting rights and had access to power. This primitive form of democracy was dominant in the advanced countries throughout the nineteenth century. Yet, since the beginning of the twentieth century, we see in these countries the transition to a second stage of democracy: to “civil society's democracy”.

Meanwhile, Brazil, as the other Latin American countries, economic as well as political development got delayed. Democracy only became true in Brazil after World War II. Yet, the formally democratic 1945-64 regime would best be

defined as an elites' democracy. Since 1985, however, elites reveal exhaustion, and the transition to a civil society's democracy is finally taking place in Brazil – a transition that comes about in spite, rather than due, traditional political elites.

The last phrase summarizes my claim in this paper. In order to substantiate it I will have, first, to define my concepts; second, to briefly review Brazil's economic and political development; and third, analyze the present transition from elites' to civil society's democracy.

If I am right, this transition will mean a substantial progress or political advance for Brazil, since it will mean an increase in the degree of freedom and political participation. It will also represent an economic step forward: depending less on its elites, and getting involved in true public debate within civil society, people will learn from mistakes, and will be less prone to repeat policy mistakes. Instead of having to count with (improbable) enlightened elites, government decisions and legislation will be the outcome of real public discussion. Through it systematic learning will take place, in such way that, on one hand, public policies will less subordinated to interest groups, and, on the other hand, the repetition of gross policy mistakes will be avoided. We will still be far away from “people's democracy”, but not even the developed countries reached this stage.

Some Concepts

I am classifying all political regimes, before capitalism and democracy, under the name of authoritarian regimes. I know that they varied immensely, that the Greek philosophers already opposed monarchy to tyranny, aristocracy to oligarchy, and democracy to some forms of what we call today populism, when they did not just identify democracy with populism. Besides, since Rome, republic and empire were contrasted. Yet, although regimes, when not tyrannical, could be more or less just, more or less benevolent, none could be properly called democratic. All nations were ruled by some oligarchy; all were a manifestation of elites' politics.

Democracy only turned historically viable when the dominant elites stop requiring direct force – plunder, slavery, *corvée*, colonization, taxation – in order to appropriate economic surplus. Or, in other words, when elites started to be defined in economic rather than in military, religious, or aristocratic terms. Yet, the transition from authoritarian regimes to the first form of democracy, that I am calling “elites' democracy”, took long. And also long was – although not so much – the transition to elites' to civil society's democracy. In England, for, instance, the whole nineteenth century may be thought as a period in which an elites' democracy was dominant. Brazil, as most backward countries, adopted formal democratic institutions much before democracy turned real, so that most of the Empire (1821-1889) and the First Republic (1889-1930) could, at first sight, be thought in these terms. In fact, both periods were just authoritarian. An elites' democracy would only become true in Brazil after 1945, and a civil society's democracy is at last being set down after 1985.

Several other denominations may be used to indicate elites' democracy, each one having a special connotation: mass democracy, populist democracy, presidential democracy, delegated democracy, limited democracy. I am using elites' democracy to underline the contradiction between a ruling class or class coalition, on one side, and democratic institutions on the other. In it we see the combination of the various forms of elites' politics with three new historical facts: rule of law, freedom of expression, and regular elections. These traits authorize us to call the political regime democratic, but a democracy as Michels and Schumpeter assumed, probably reflecting their personal experience: a democracy in which political power is with elites, not with the people – political elites, organized in oligarchic political parties; elites, in a first stage, just fighting each other to become majority in their own realm, and later on, additionally striving to get some popular support.¹

Yet, as economic and political development took place, political elites started to lose control of social and political change, and elites' democracy changed into civil society's democracy. Change was gradual, although often a crisis – a fallback into authoritarian rule, as nazism in Germany and fascism in Italy, or, in a lesser dramatic way, as the military 1964-1984 regime in Brazil, or the Falklands islands' war in Argentina – made democratization abrupt, and, probably, definitive.

Why, after that, not to speak just of democracy? Why the restrictive “civil society's” democracy? Because I want to underline that democracy is a historical process in which civil society, and, later on, the people itself, becomes the real source of political power. In principle, “people's democracy” would be the only “true” democracy, but the change from an elites' to a civil society's democracy was already big enough to be singled out and welcomed. People's democracy or full democracy is a normative concept, not a historical one. Even the more advanced countries did not reach this stage. Or, I believe that normative concepts are much necessary in political theory, provided that they do not make us lose sight of the historical process.

I distinguish people from civil society. While people is a juridical concept – it is the sum of citizens equals under the law – civil society is a historical one: it is society politically organized, it is society structured according to the political power citizens derive from their capacity of organizing and representing other citizens, from their wealth and the power, and from the knowledge and the influence. In the twentieth century we witnessed a major change in the relations between society and the state. Before, political elites controlling the state took charge of institutionalizing or reforming it. Imposing the rule of law over a mostly oligarchic society was the main problem to be faced. Now, an increasingly democratic society, i.e., a much larger civil society, assumes the role of reforming the state. Political elites, of bourgeois, bureaucratic, and managerial

¹ - See Michels (1915: First Part); Schumpeter (1950: Chapter 22).

origin, continue to exist, but they are so diversified and pervasive that it turns difficult if not impossible to define their real power.

On the other hand, the more obvious form of civil society's manifestation, public opinion, turns decisive. Public opinion may be viewed as the outcome of mass culture or of media influence – and indeed it is while an elites' democracy is still dominant – but as civil society turns larger and more democratic, it increasingly depends on the existence of a public space where public debate plays an essential role.

Civil society is also the realm of markets, in which individuals and business enterprises compete. The society we live is a society in which everything turns into commodities. This could lead us to believe, following conventional wisdom, that capital and capitalists became overwhelming powerful, given their control of the media. Not so, the media also turned into merchandize, which is supposed to respond to customers-citizens demands. Merchandize media is replacing the old idea of advocacy newspapers. But this does not mean that political advocacy is dying. On the contrary, in advanced societies it is livelier than ever. The “commodified” media have to open room for several forms of public advocacy. Besides political parties, which are till a certain extent part of the state, civil society's organizations – corporative associations, grass roots organizations, and non governmental organizations – NGOs are permanently involved in defending interests and/or advocating public causes. The importance of the latter has become so great in civil society that some people started to use the expression civil society to indicate the collective action of NGOs. This is taking the part for the role. Other discovered the concept of “social capital” to indicate the cohesiveness of civil society. It is not here the moment to survey this literature.

What is important here is to underline the new, active role of civil society in reforming the state, while the state institutions regulate it. While in most countries – in Brazil particularly – is often said that the state created or formed society, now the vector changed or is changing. Civil society increasingly shapes the state, as politicians in parliament have no alternative but to hear public opinion, to respond to their constituencies.² A civil society's democracy is a limited democracy in many ways, but anyway a significant political development that takes place when a market economy becomes dominant. In the moment that markets are coordinating economic activities everywhere, that everything is transformed into commodities, is also the moment that politics grows in importance, and a country starts to become really democratic.

² - I analyzed this change in the paper “Sociedade Civil: Sua Democratização e a Reforma do Estado” (Bresser-Pereira, 1988b). In it I also discuss at length the concept of civil society.

Four Elites

In Brazil we have a long history of authoritarian politics, although our politicians always did their best to appear democratic. During the Empire, order, rather than democracy, was touchstone of the political system - order that, indeed, was very much required. The First Republic, after the 1889-93 military hiatus, was an essay of elites' democracy, but represented an advance in political terms. The Second Republic, between 1945 e 1964, was an elites' democracy. At that time, Vargas and Kubitschek's populism opened room, for the first time, for some form of people's participation, but the political pacts among elite groups remained the dominant political fact. Only in the Third Republic, that starts 1985, after a new and long military hiatus, a civil society's democracy begins to become true.

Before that elites' political power was as overwhelming as frustrating. Like most other Latin American elites, the Brazilian elites achieved scarce successes. Their most outstanding mark was the subordination, first to Portugal, since independence, to England and France, and finally the United States. A subordination which expressed itself in the colonial inferiority complex, in cultural mimetism, in the permanent search of acceptance or approval by the hegemonic countries, in the lack of autonomy in decision making, in the contemporary "confidence building strategy" guiding economic policy, in the incapacity of defining the national interest – an inability ignored by most, agonic for some. The outcome? The incomplete building of the nation; insufficient economic growth, dismal income distribution, and some effective political development.

Since the colonial period four social classes and their respective political elites succeed themselves in political power, got associated for long periods, and sometimes conflict each other: the mercantile bourgeoisie and/or the patriarchal landowners; the nineteenth century's patrimonial bureaucracy; the coffee planters' bourgeoisie, which was a transition class; and the industrial bourgeoisie. Today we only see two dominant social classes – the bourgeoisie and the public and private bureaucracy – but both became so large and so diversified that it is extremely difficult to define elite groups.

The mercantile and patriarchal bourgeoisie will dominate the colonial period, although politically subordinated to the Portuguese Crown, and will see its power to extend itself, yet debilitated, during the Empire and the First Republic.

The patrimonial bureaucracy was originated in the decadent landowners whose revenues changed form lands' rents to revenues from the state's treasury. All Brazilian intellectuals up to recently come from this social group, which, may be exactly for that reason, was seldom identified as a social class. In the Empire it is the ruling status group, first associated to the mercantile and patriarchal bourgeoisie, later to the coffee planters. Since the 1930s the bureaucracy starts loosing its patrimonial character become a modern, kind of Weberian,

bureaucracy. It was born from the traditional landowners, got associated to the coffee planters, and, beginning in the 1930s, associated itself to the new industrial bourgeoisie to promote industrialization.

The coffee's bourgeoisie emerged in the nineteenth century and turned dominant since the last quarter of this century, but since the 1930s experiences decadence. It played a strategic role in Brazil's economic growth.

The industrial bourgeoisie was the last classical social class to rise to wealth and power. Although some industrialization attempts took place in the Northeast and in Rio de Janeiro, we may only speak of a strictly industrial bourgeoisie since it emerges in São Paulo in the end of the nineteenth century. It will be originated mostly in middle class immigrant families initially dedicated to commerce, who will be able to profit the prosperity brought by the coffee exports.³

As the economy grew and society got diversified, the three original forms of proprietary classes – the mercantile, the industrial, and the coffee planters – turn into a large and open-ended, but relatively modern bourgeoisie. The patriarchal bourgeoisie and the coffee planters merged into today's rural businessmen, modern commerce, finance, and services groups appear and develop. The classical distinctions between a mercantile and a modern capitalist class vanish, in such a way that we may think today in just one capitalist class in Brazil, which is certainly divided in strata – small, medium, and high bourgeoisie – and distributed in many sectors and all regions of the country, but has one essential common characteristic: its revenues come from capital and entrepreneurship.

In the same way, with industrialization, the patrimonial status group partially changed into a modern state bureaucracy, while merged into a large new middle class, of salaried private managers and professionals. It is today an extremely large and amorphous bureaucratic middle class, public and private, which have in common deriving revenues from salaries – salaries paid by the state and by public non-state organizations in the first case, by business enterprises in the second. In a world in which knowledge, rather than capital, became the new strategic factor of production, this class derives its power and income from it, i.e., from technical and organizational knowledge. That is why it may also be called, as I used to do in the 1970s, “technobureaucracy”. Today I prefer to call it just professional class, given the negative connotations present in words related to bureaucracy.

This social class became so large and pervasive that led many to downgrade the explicative power social classes once had. There is an ideological connotation in this downgrading, but there is also a substantive basis. Given the dimension and pervasiveness of the professional class, strata within this class – the lower, middle, and high professional class – often seem more important in

³ - See Bresser-Pereira (1964) "Origens Étnicas e Sociais do Empresário Paulista"

explaining behavior than the classical relations of production that define and oppose social classes.

These two social classes – the capitalist and the professional – are increasingly interwoven. Successful business executives turn into new entrepreneurs, small successful entrepreneurs convert into business executives of large corporations. The road to economic success is mostly knowledge – technological knowledge, organizational knowledge. The new entrepreneurs innovate, invest, and succeed in a much more technical world. Their weapon is knowledge, imagination, and disposition to take risks. The interpenetration of the two classes is so great that the class distinctions become blurred. As the concept of technobureaucracy was used to include the private and the state bureaucracy, we may today speak of a “technobourgeoisie”, which includes the modern capitalists and the private bureaucratic or professional class.⁴

We still may think in a dominant capitalist or bourgeois class, who holds veto power on capital accumulation, and a ruling class, mainly bureaucratic. Yet the two classes are highly diversified in Brazil, internally divided in strata, while the limits between them become imprecise. The workers continue to be a defined social class, although there are a large number of clerical employees that are difficult to classify. The socially excluded, that have not been formally included in the labor force, are also a problem. But social classes’s borders are particularly blurred between the two dominant classes, making stronger the argument in favor of a technobourgeoisie. The capitalist and the professional class are mostly formed of middle strata, but we may find among them wealth and power elite, all levels of incomes below, and an immense variety of sectors or groups defined by gender, ethnicity, profession, region, etc. The labor class, on its hand, includes a large number of poor, highlighting social exclusion, which increased in the last 20 years, while the standards of living of the mass of workers improved modestly. Yet, a growing proportion of their members overcame the sheer subsistence level and participates in some way of the economic surplus, while their political leaders have at last a say in national issues.

All this change means that civil society is growing, diversifying, and turning internally more democratic. Or, as long as an authentic civil society is being built, elites’ political power diminishes correspondingly. This is important on the political stand point, because it means a second major step in the process of democratization: with the transition from authoritarian regimes to elites’ democracy good government stop depending on the enlightened monarch, but continued to depend on “enlightened elites”. Or, we know how precarious was this dependence. Today, when elites stop being strategic, economic and political

⁴ - I am not including in the “technobourgeoisie” the state bureaucracy because it is not yet reasonably integrated in the national labor market. This integration was a central objective in the 1995 Managerial Reform of the Brazilian state, which is being gradually implemented. See, on the subject, Bresser-Pereira (1996, 1998a)).

development begins do depend directly on civil society – what means that both are getting entrenched in the social tissue, quasi-automatic or self-sustained.

None of the four political elites that intervened in Brazil's history was successful in developing and democratizing the country, but some development and some democratization did occur. In this paper I will try to understand and present in a synthetic way the historical process that lead Brazil from authoritarianism to democracy. It was a process marked by some successes and many failures – failures generally related to our elites' weaknesses in leading a people and building a nation. It was a historical process that left the country in an intermediary level of economic growth. The outcome is an uneven and unjust society, a democracy where not only social rights, but also basic civil rights, are often denied to the poor. Given this, some many questions are central: Do we have a future as a people and as a nation? The advances that anyway took place in the political process will, indeed, make Brazil governance less dependent on elites? Does this mean that a real civil society is indeed arising, getting involved in real public debate, and learning from mistakes?

My hypothesis is that since 1985 we are starting to experience real although limited democracy: the first manifestations of a civil society's democracy. On the other hand, Brazil is changing from a traditional and protected economy to modern and competitive one. If this is true, if these two major transitions are indeed happening, the two major frustrations that marked Brazil's recent history, starting in 1964 – the 20 years fall back into authoritarian regime, followed by 20 years of quasi economic stagnation – will be partially compensated, or overcome. I do not mean with that that these frustrations were inevitable. They were not. Yet, the transition from a traditional to a modern society, coupled with the transition from an inner directed, overprotected economy, to a competitive economy, in a global setting, involves necessarily some kind of crisis: an economic crisis that is being left behind since price stabilization was achieved in 1994, the exchange rate successfully floated in 1999, and a consistent reduction in the interest rates is since then taking place; a political crisis that may well be the contradictory way democracies get eventually stronger.

Elites' Politics: The Colony

For three centuries Brazil was externally dominated by the Portuguese crown, internally by a contradictorily mercantile and patriarchal bourgeoisie. The colonization was marked by two high moments: the sugar cane cycle, which came to a peak in mid seventeenth century, declining since then, and the gold mining cycle, whose climax happened a century later. Only the first cycle was deep-rooted in the colonial process, and the fact that it hit the highest point more than 150 years before the Portuguese domination ended, in 1822, give us an idea of the failure of the colonial elites in promoting development. In this moment

income per capita in Brazil was probably several times smaller than the one in United States.

Anyway, the discovery of gold and diamonds in Brazil promoted some economic growth, but it was by definition transitory. Since approximately 1750 – and for the next 100 years – the Brazilian economy would fall in decadence. This was also the decadence of the sugar cane planters (*senhores de engenho*). Recovery would only surface with the rise of the coffee plantations in mid nineteenth century.

In their classical works, Caio Prado Jr., Ignácio Rangel, and Celso Furtado analyzed Portuguese colonization's failure. Prado Jr., in *História Econômica do Brasil*, emphasized the “mercantile exploitation” character of the colonization, contrasting it with the “settlement's colonization” that took place in New England. Mercantile exploitation was a step ahead in relation to the commercial enclaves' colonization, which presupposed the existence of local production of valuable spicery, but it was not a form of colonization that would lead to the rise of a specifically capitalist mode of production, in the terms that Marx so well described. Based in the plantation system (more specifically, in the *latifúndio*), in monoculture, and slavery, it was an economic process incompatible with sustained capitalist growth. Sérgio Buarque de Holanda, in *Raízes do Brasil*, had already sketched this critic, showing how the Portuguese colonization was the fruit of adventure's spirit and the search for easy gain aiming eventually to return to Portugal, but Ignácio Rangel, with his thesis about the basic duality of the Brazilian economy, and Celso Furtado, with his fundamental book, *Formação Econômica do Brasil*, were the ones that demonstrated mercantile exploitation's essential debility in promoting economic growth in the colonial period.⁵

Gilberto Freyre has a quite different interpretation of this period. In order to assert his bold and radical (although conservative) thesis that the Brazilian people, including its elites, were the outcome of a large miscegenation process leading to relative racial harmony, Freyre was constrained to view the Portuguese colonization as a major success history, and the Portuguese colonizers as heroes that “triumphed where other Europeans failed: the first modern society, with national characteristics and durability, established in the tropics was created by the Portuguese... through hybridization they won over the climate's adversities and accomplished in Brazil a real colonization work”.⁶ It is true that Freyre was not an economist, and that he insisted, in *Casa Grande & Senzala*, that he was not making an economic and political analysis but a sociological one. He indeed made a fascinating portrait of social life in colonial Brazil, which he extended to the Empire, but the economic and political implications of his work are clear. On

⁵ - See Buarque de Holanda (1936/69), Prado Jr. (1945), Rangel (1953), and Furtado (1959). Among Furtado's works relating underdevelopment with mercantile exploitation I would list two particularly relevant, *Desenvolvimento e Subdesenvolvimento* (1961) and *Dialética do Desenvolvimento* (1964).

⁶ - See Gilberto Freyre (1933: 12-13).

one hand, he became one of the great authors in defining the national identity of the Brazilian people as he legitimized its racially mixed character. On the other hand, he was the ideologue of the decadent patriarchal bourgeoisie, which implanted in Brazil the slave and mercantile *latifúndio*.

Alfredo Bosi, for instance, makes a strong criticism of these views, whose arguments he calls inept. In doing that he is not only referring to Freyre, but to many others, including the ideologues of the “bandeirantes” – the Brazilian adventurers that in the seventeenth and eighteenth explored and expanded the Brazilian frontiers chasing Indians to make them slaves, and searching for gold and precious stones in the hinterland of Brazil.⁷ Colonial Brazil left one major heritage – the extraordinary baroque art in Olinda, Salvador, and Minas Gerais – but that was all. In the end of the colonial period Brazil was a poor country. The roots of Brazil’s underdevelopment and authoritarianism are in this period.

Yet, many economists and historians have tried to locate the origins of Brazil’s underdevelopment not in the colonial period, but in the nineteenth century. On one side we have the sheer adepts of the theory of imperialism, like Günder Frank and Ruy Mauro Marini, who asserted the opposition of the advanced nations to Brazilian industrialization, and the more sophisticated structuralist economists at ECLA – the Economic Commission for Latin America and the Caribbean, headed by Raúl Prebisch, who related Latin American underdevelopment with the primary goods exporting model. Although Prebisch’s thesis on the deterioration of terms of trade was fundamental in criticizing the classical law of comparative advantages and in legitimizing state induced industrialization, it is not convincing as a basic explanation for Brazil’s relative backwardness.⁸

Still less convincing, however, is a third and more recent group of Brazilianists in the United States. Anxious to criticize the imperialist theories, that attribute underdevelopment to exogenous factors, they nevertheless also locate the origins of Brazil’s underdevelopment in the nineteenth century. Brazil would be prosperous country in early nineteenth century, but the incompetence of the Brazilian since then, rather than the exploitation of the Portuguese and English elites would explain Brazil underdevelopment. Or, this distinction between endogenous and exogenous factors is irrelevant. Backwardness is necessarily the outcome of both factors. The quality of local elites is by definition broadly consistent with the level of economic development, the cohesiveness of civil society, and strength of the respective state. What is important is to verify which was the level of economic development of Brazil when it achieved independence. These Brazilianists, using poor data, mostly collected by Maddison, who definitively was not concerned with developing countries, assumed that income per capita in Brazil and in United States at that

⁷ - See Alfredo Bosi (1992: 36).

⁸ - See Raúl Prebisch (1949).

time was equivalent.⁹ Or, this makes no sense. As I already alluded, at that time Brazil's income per capita was most likely several times smaller than the American one.¹⁰

Empire and First Republic

The Empire may be divided in two phases: the first, from the Independence to the conclusion of the Feijó regency, and the second, from mid nineteenth century to the military coup that established the Republic, in 1989. The first period is marked by all kinds of crises, and for the search of order, that Feijó eventually achieves. In this period, while the continuous decadence of the old patriarchal system, and the prosperity of slave traders are the more obvious social phenomena, we witness a much less clear, but extremely important fact: the political rise of the patrimonial bureaucracy, which, formed in Coimbra University, will hold most political positions up to the ministry level.¹¹ At this moment we may still define this group a patrimonial status group (*estamento patrimonialista*), following Max Weber, and, in Brazil, Buarque de Holanda e Raymundo Faoro.¹² Bureaucracy did not yet had expanded to the realm of the large private organizations, nor had achieved a critical mass in the public sector – what would occur in the twentieth century – to be viewed as a social class, endowed of specific relations of production and deriving their income from salaries, instead of profits (capitalists) or wages (workers).¹³ Yet, it was already a significant status group in the top of the social pyramid, deriving its income not from land rents but from the state's salaries and pensions.

⁹ - Angus Maddison, in several works, was able to find an enormous set of data on the long run growth of the OCDE countries. The incursions he made in the developing countries economic history, however, were always marginal.

¹⁰ - The referred Brazilianists are together in the book *How Latin America Fell Behind* (Stephen Harber, ed., 1997). See particularly Harber & Klein (1997). In the same line, although in a quite contradictory way, see Jorge Caldeira (1999). More advisable is to go back to Celso Furtado's classical book on the historical formation of the Brazilian economy (1959), or to Rands de Barros (1996).

¹¹ - José Murilo de Carvalho (1980) made a historical research for his Ph D dissertation in Stanford, where he shows that a large majority of the Empire's ministers were part of this status group of intellectuals, or, more precisely, of "letrados", initially formed in the Coimbra University and later on, in the schools of law of São Paulo and Olinda.

¹² - See Buarque de Holanda (1936/67: 105-116) and Faoro (1957/75). Buarque de Holanda is particularly critical of this elite group, "tied almost exclusively to traditional... anxious for achieving full tenure and stability in their lives, while demanding from themselves a minimum of personal exertion".

¹³ - My general or theoretical discussion of the bureaucracy as a social class is collected in Bresser-Pereira (1981): *A Sociedade Estatal e a Tecnoburocracia*. As I did in other occasions, I used Marxist tools to arrive to "non-Marxist" conclusions.

The Brazilian patrimonial system had strong roots in Portugal. Raymundo Faoro showed this in his *Os Donos do Poder* (1957/75) in a compelling way. In Portugal, feudalism never took hold. Already in the fourteenth century, the landowners' aristocracy was subordinated to the king, who, allied to the emerging mercantile bourgeoisie (which easily achieved nobility) and to a "domestic" patrimonial bureaucracy, became soon the major landowner himself. Based on military strength and in a sophisticated administration, the king was able to increase the state's taxing capability not only on agricultural production, but also on overseas trade, in this way establishing the foundations for Portugal's greatness in the time of the discoveries. The decadent aristocracy soon was offered salaries and other revenues from the state, getting transformed into a patrimonial bureaucracy, which, now, all powerful under the king, had two origins: plebeian and aristocratic.

Yet, one should not think the Brazilian patrimonial system as a mere transplantation of the Portuguese regime. If were not for other reasons, because the patrimonial system only became dominant in Brazil after the country achieved independence: before was the Portuguese crown that detained real power. Yet, in a similar form to what happened in Portugal, it emerged out of the decadence of landowners' class – in Portugal the aristocracy, in Brazil a mercantile and patriarchal bourgeoisie with aristocratic expectations. The patrimonial status group here will be formed by politicians and senior civil servants, most with a law degree, by doctors, cleric people, and, since the last quarter of the nineteenth century, by the armed forces officials.

In the Empire's first phase the patrimonial bureaucracy is still allied to the old patriarchal bourgeoisie, from which originated the slave traders in Rio de Janeiro; in the second, it allies itself with the new coffee planters' bourgeoisie. This political alliance will be maintained in spite of the advent of the Republic, and will only terminate with the 1930 Revolution.

It is hard to say that the patrimonial bureaucracy failed in developing the country and building a nation. The colonial heritage it received was oppressing: a *latifúndio* economy in decline, in which the only really profitable activity was slave trade; low level of education, with most of the population illiterate; no industrial activity; most institutions of modern capitalism still to be built; a disorganized and oligarchic society, where regional potentates in the backlands – *coronéis, jagunços* – established "states" within a state. Internal order was the most urgently needed social good. At that moment the monarchical institution helped to keep order and the unity of the country. Some major figures, like José Bonifácio and Diogo Feijó, left their mark in these first days. A reasonable political stability and a centralized state were finally achieved when the first half of the century was ending.

Approximately in this moment, in the West of São Paulo, was emerging a new coffee bourgeoisie. Coffee plantations begun in the Paraíba valley, between Rio and São Paulo, but the planters used slave work and adopted economic practices and ideas quite similar to the ones held by the sugar cane planters. It is

really in the West of São Paulo that surfaced the third major elite in the Brazilian history. The coffee bourgeoisie shared many vices with the old patriarchal elite, but the traits of modern capitalism were evident. The coffee *fazenda* was not anymore the dual *latifúndio* – closed, quasi self-sufficient, internally; mercantile, in its external relations – that Rangel and Furtado so well analyzed. We had now an almost modern bourgeoisie, which employed rather salaried labor from the immigrants (which it attracted to the country), instead of slave labor. A bourgeoisie that began to be concerned with productivity, the rational use of resources, instead of only counting with high margins and favorable markets, as it was proper of mercantile exploitation.

Since mid nineteenth century started a long prosperity period. Few countries achieved, between 1870 and 1980, higher GDP per capita growth rates, and none GDP growth rates. The period was marked, in the economic side, by the abolition of slavery in 1888, and by industrialization, starting in the end of the century and getting momentum after 1930; in the political aspect, by major changes, most caused by three military coups: the declaration of the Republic, in 1889; the 1930 Revolution; and the 1964 Revolution. Between 1945 and 1964 we had the first clear elites' democracy. Between mid nineteenth century and 1930, the coffee bourgeoisie was dominant, and extremely successful. The proclamation of the Republic only strengthened it, as it empowered the federal states, particularly São Paulo. Yet, it was not able to directly promote industrialization. On the contrary, it rather opposed it – an industrialization that was the work of middle class immigrants. Thus, when industrial activity became dominant in Brazil, in the 1950s, the coffee bourgeoisie was waning as an elite group, in spite of the fact that industry developed in São Paulo using the domestic markets and the capitals that the coffee expansion had provided.¹⁴

After 1930

The successful alliance between coffee planters and the patrimonial bureaucracy was an authoritarian political coalition, which since the end of World War I was becoming increasingly incompatible with the development of the Brazilian economy, the rise of a capitalist class, and of a modern middle class. The 1930 Revolution, led by Getúlio Vargas, and the Great Depression, after a short crisis opened room to fast industrialization. A new political alliance, the “populist pact”, turns them dominant. It was composed by the new industrialists, by sectors of the old patriarchal bourgeoisie oriented to the domestic market (as the cattle-breeders of the South, from which Vargas originated), and by the new and modern bureaucracy that emerged to replace the patrimonial one.

¹⁴ - I demonstrated that the São Paulo industrialists where originated not in the coffee bourgeoisie but in an immigrant middle. See Bresser-Pereira (1964). The fact that these immigrants started in commercial business is in Warren Dean (1969).

The industrial bourgeoisie was emerging in São Paulo since the 1890s, but it will be after 1930 that the take-off or the Brazilian industrial revolution will come true. The new industrialists were mostly of Italian, German, and Lebanese descent. The ones with “Brazilian origin” (Brazilian grand-fathers) represented just 15 percent of total. Import substitution will be the basic strategy – in the 1930s and 1940s, a spontaneous strategy that, in a first moment, the fall in coffee prices favored, and that, in a second, World War II provided with a natural protection. Only in the 1950s the import substitution strategy became clearly deliberate, but in the early 1960s it was becoming clear that it had turned exhausted.

The modern state bureaucracy, on its hand, rose since the 1930s, as the Brazilian state and its armed forces grew and took charge of new roles. Formally it was born with the 1936-38 Civil Service Reform, in practical terms, through a long and difficult process which is not yet completed. This state bureaucracy will never embody the characteristics of the classical civil service for two opposite reasons: on one side, because the patrimonial and patriarchal forces of the past, continued to operate, while transforming themselves into clientelist practices;¹⁵ on the other hand, because soon the Weberian model proved too rigid, giving room to the early emergence of a managerial bureaucracy, particularly inside the state owned enterprises, and later, inside the state itself. The later process is still taking place, having culminated with the 1995 Managerial Reform, which, besides changing basic institutions, offered a new strategy and a new legitimacy to the modernization of the Brazilian state.¹⁶

The modern private bureaucracy, or the new managerial middle class, is the last of the three new dominant groups to surface. It called my attention in my first academic paper (1962). Together with the state bureaucracy, it forms the new modern professional class, which derives its power and revenue from technical and managerial knowledge.¹⁷ Today it is everywhere, but initially its importance was rather economic and social. It did not participate on the populist political pact, which was behind Brazilian industrialization between 1930 and 1960.

¹⁵ - This was the classical analysis made by Victor Nunes Leal in *Coronelismo, Enxada, e Voto* (1949).

¹⁶ - The classical analysis of this modern state bureaucracy was made by Luciano Martins (1973). The 1967 administrative reform, in the Castello Branco administration, institutionalized the changes; the 1988 Constitution reverted it. The 1995 Managerial Reform, that I led in the first Fernando Henrique Cardoso administration, gave intellectual and ideological legitimacy to the state bureaucracy's modernization. See *Ministério da Administração Federal e Reforma do Estado* (1995), Bresser-Pereira (1996, 1998), Petrucci and Schwarz, eds. (1999).

¹⁷ - My 1962 paper is “The Rise of Middle Class and Middle Management in Brazil”. In the 1970s I wrote several essays on the new class, which I called then technobureaucracy, but today I prefer to call professional class. These papers are put together in Bresser-Pereira (1981).

Industrialization and the populist political pact uniting industrialists and the modern state bureaucracy gave origin to the import substitution strategy and the national-developmental ideology, whose main analysts and proponents, besides Celso Furtado, in ECLA, were: Hélio Jaguaribe and Guerreiro Ramos, in the ISEB;¹⁸ Nelson Werneck Sodré, in the Communist Party, which at that time attracted a sizable group of Brazilian intellectuals; and Roberto Simonsen, and João Paulo Magalhães, in the industrialists' representative organizations.¹⁹ It is interesting to observe that this ideology, which legitimized Vargas' political and economic strategy, only got defined in the 1950s, when the Brazilian industrial revolution (1930-1960) was nearing the end. In this moment, several historical new facts were already turning not viable the populist pact, and the national-development strategy to Brazil.²⁰

This populist pact was not directly authoritarian, but was not particularly concerned with democracy: it was fully oriented to Brazil's industrialization. Thus, when, in the early 1960s, an economic and political crisis brought out, the 1964 authoritarian outcome was not surprising. The economic crisis was the direct consequence of the expansionary policies undertaken by President Kubitschek (1955-59). The ensuing political crisis, involving political radicalization, signaled the collapse of the populist pact, which was, in some way, a compromise between the left and the right in name of industrialization.

For twenty years, between 1964 and 1984, the military ruled Brazil. The new authoritarian and modernizing regime was a political coalition involving the bourgeoisie and the new professional class.²¹ Within the last one, the state bureaucracy, and specifically the military, remained politically dominant, but the new relevance of the private bureaucracy should not be underestimated. This alliance, under President Castello Branco, was able to overcome the economic crisis, reestablish the macroeconomic fundamentals, and, still in the 1960s, initiated significant economic reforms. Yet, in 1968 a new military in the presidency, Costa e Silva, take up again the import substitution, or the national developmentalist, strategy, while imposing full dictatorship (between 1964 and 1968 the regime was semi-authoritarian).

¹⁸ - The ISEB (Instituto Superior de Estudos Brasileiros) was created in 1955, institutionalizing with the state apparatus a group of nationalist intellectuals which existed since the late 1940s. From Jaguaribe see (1956, 1958 e 1961); from Guerreiro Ramos see (1955, 1957, 1960, 1961).

¹⁹ - See Simonsen (1944); Werneck Sodré (1959); Magalhães (1961).

²⁰ - I was able to detect these new facts, and show that the populist alliance was dead, in one of my first papers. See Bresser-Pereira (1963): "O Empresário Industrial e a Revolução Brasileira".

²¹ - I originally studied this alliance in the second edition of *Desenvolvimento e Crise no Brasil* (1970: 94-95). The political coalition between the bourgeoisie and the bureaucracy is also in the concept of "bureaucratic rings", developed by Fernando Henrique Cardoso (1971, 1975).

Till mid 1970s the authoritarian bureaucratic-capitalist coalition was maintained untouched, as the bourgeoisie feared communism and was enchanted by an economic miracle, characterized by extremely high rates of economic growth (1968-74). Yet, after that, and particularly after 1977, the bourgeoisie started to break down its authoritarian political alliance with the military, proving wrong the annalists that asserted its intrinsic authoritarian character. In a 1978 book, *O Colapso de uma Aliança de Classes*, I predicted that the transition to democracy would occur because, on the contrary, the Brazilian bourgeoisie, as all bourgeoisies, tend to be democratic since the moment that institutionalized markets give it opportunity to realize profits without use of direct force; and because the bourgeoisie is a large class, requiring clear rules for acquiring and exerting political power. In the moment that the bourgeoisie changed its political position, and started to ally itself with the democratic forces in the working and the private professional class, the transition to democracy was a question of time.²²

In 1980, the national developmentalist strategy, grossly injured by high foreign indebtedness, fell into deep crisis. More than a mere balance of payment crisis, bringing out high inflation, it was, externally, a solvency crisis, and domestically, a fiscal crisis of the state, requiring adjustment and state reform. Before that, however, the crisis had a political outcome: it pushed ahead the democratic transition. In the first semester of 1994 the political fight for democracy, led by civil society's organizations, got momentum. The campaign for direct elections, "Diretas Já", led by Franco Montoro, governor of the state of São Paulo, was a mass political movement in which, for the first time in the history of Brazil, civil society was the main actor.²³

The democratic transition became reality in the end of 1984. A broad center-to-the-left political alliance, which headed the democratic transition, was in power. Given the strategic role held by the industrial bourgeoisie, the assumption was that it would be, within the political coalition, the hegemonic class, and that the major industrialists, which had been so vocal in democratizing the country, would constitute the more influential elite group defining a new "development project" and leading the country toward resuming economic development.

Yet, the assumption proved dramatically wrong. The industrial bourgeoisie did not become dominant, a development project was not defined, Brazil did not resume growth. The new leaders underestimated the fiscal crisis and the solvency crisis the country was immersed, and got involved in a populist

²² - The competing explanation for the democratic transition was that it was the outcome of the victory of the "soft" over the "hard" military groups. In spite of being naïve, this interpretation turned dominant. Democracy continued to be a donation, rather than a conquest.

²³ - On the role of civil society in the transition to democracy see my 1983 paper, "Os Limites da 'Abertura' e a Sociedade Civil".

expansion, while a leading industrialist was Finance Minister – an expansion that ended in disaster early 1987. Fiscal adjustment and reform only began in 1990, price stabilization was finally achieved in 1994, after 14 years of high inflation and 12 failed stabilization attempts. As a trade-off, the local currency got grossly overvalued for the next four years, only recovering equilibrium in 1999, when was successfully floated. Since then, the real interest rate – the last major macroeconomic fundamental to be adjusted – started to go down, but, when I write this paper (July 2000), it was still above 10 percent a year. Given the time elapsed before recovering macroeconomic stability (after 20 years it is not yet fully completed), the country’s per capita GDP, that had grown at yearly rate of 3.9 percent between 1950 and 1979, fell down to 0.7 per cent between 1980 and 1998. It was quasi-stagnation.²⁴

Although almost achieving macroeconomic stability, the country, in the year it completed 500 years of history, remained a developing country, marked high foreign indebtedness, low rates of economic growth, gross violations of civil rights of the poor, huge inequalities and privileges. During all this time Brazil was governed by elites, which were able to impose order, but failed in promoting economic development, social justice, and freedom. Failure was not complete, some results were achieved that the Cardoso administration is consolidating, but for the ones that had high hopes after World War II, in 1945, and after democracy was secured, in 1985, frustration rather than sense of achievement is the dominant feeling.²⁵

Civil Society’s Democracy

Yet, I refuse to be pessimist. Economic development was frustrating, but anyway happened. Inequality never was so accentuated, but living standards have been moderately improving for most, adult illiteracy came down to around 15 percent, infant illiteracy is tending to disappear, children mortality has been going down, life expectancy going up, fertility rates fell dramatically, and the population growth rate is below 2 percent. Social change was immense. The bourgeois and the professional middle classes – almost non-existing in the beginning of the century – turned into huge realities today.

Yet, political change may have been still more impressive. Political development happened in society’s the three “political instances”: civil society, i.e., society politically organized; the state, i.e., the institutions endowing state

²⁴ - In the same periods the growth of per capita GDP in the OECD countries was respectively 3,3 and 0,5 percent. For an analysis of the reasons behind stabilization taking so long, see “Incompetence and Confidence Building behind Latin America’s 20 Years Old Quasi Stagnation” (Bresser-Pereira, 1999).

²⁵ - This feeling is particularly evident in the writings of Brazil’s leading economist in this century, Celso Furtado. See, for instance, his last essay, “O Longo Amanhecer: Reflexões sobre a Formação do Brasil” (1999).

apparatus endowed with “extroverse power”;²⁶ and the government or the administration, i.e., the group of politicians and high officials that command the state, and the decision-making process itself within the state. The higher the level of economic development of a country, the higher will be its political development, i.e., the more diversified, cohesive, and active will be civil society, the more effective will be state institutions and the more efficient the state apparatus, and the more legitimate and competent will be government. Thus these three political instances are correlated among themselves, and with the level of economic development.

This correlation, however, is not perfect. Sometimes the economy goes ahead of the political sphere, sometimes behind. Within the political sphere the three instances have also somewhat different dynamics. My hypothesis is that civil society went ahead of the state and the government spheres. The transformations in civil society step up in the 1970s, spurt by the fight against the military regime. When democracy was achieved, civil society continued active and demanding. Sometimes demanding too much, ignoring economic constraints, believing that the limit to aspirations is just others groups’ interests. But this is something inherent to civil society’s dynamics. The important is that, as it got more organized and more vocal, its voice began to be heard. Be the voice of individual organizations of civil society – unions, NGOs, grassroots associations – or civil society’s general voice: public opinion.

Change in civil society reflected in the others political instances. For long government in Brazil cannot be viewed as mere “dominant classes’ executive committee”. Since 1985 governments cannot anymore be defined as representing a “hegemonic historic bloc”, in Gramsci’s words. Its decisions do not correspond anymore to a “national project” that can be defined in reasonably clear terms. Decisions, policies are the complex outcome of multifold and contradictory interests and political pressures, and of politicians and high officials’ perception of what is the national interest, or of what has public opinion support.

Economic constraints are more present than ever, given the country’s high indebtedness, and the ensuing economic system’s external fragility. They severely limit government’s and pressure groups’ power. Capitalists, not only local, but also the multinational enterprise, continue to have what is inherent to capitalist economies: veto power over some policies given their control of capital accumulation. Powerful interest groups continue to play the rent-seeking game. Corruption is widespread. But there is yet a large room for political decision-making, which is increasingly dependent on public opinion.

Public opinion’s formation follows a complex process. The media dispute readers or viewers, denouncing rent-seeking and corruption. They do that,

²⁶ - “Extroverse power” is the distinctive characteristic of the state because it is the only organization that has power outside the realm of its employees. Private organizations have some power over suppliers, and clients, but a limited one, while the power of the state over citizens is necessarily great, although limited in democracies.

sometimes, in an unaccountable way, but, anyway, the role they are playing in the new Brazilian democracy is highly positive. But the media are just one of civil society's forms of existence. Civil society's organizations of all kind, and prestigious individuals of several origins have also a role in forming public opinion.

As the economy develops and turns more complex, the role of the state and of governments becomes increasingly strategic. The neo-liberal ideological wave, which became dominant in the early 1980s, tried to check the growth of the state. Globalization, as it made national-states more interdependent, and increased markets' pervasiveness, seemed to go in the same direction. But globalization and increased economic, technological, and social complexity requires more state, not less state, and particularly, better and more legitimate governments. Thus, neo-liberals' success in checking the state was limited. And governments' competence in policymaking turned more pressing than ever.

On the other, the increased complexity of economic life required, on the part of the state, more specific regulation. Thus, not only the newly privatized sectors, but also many industries call for semi-autonomous state regulatory agencies. Again, the competence of decision-makers in government turns crucial. A competence that often was lacking in Brazil.²⁷ But if this competence is often absent, civil society's criticism is not. It does not limit itself to criticize rent-seeking and corruption. It also criticizes inefficiency on the part of the state bureaucracy and mistaken decision-making on the part of politicians and senior officials.

This change is a going historical process. The Gramscian concepts of hegemony and historical bloc were relevant for the understanding of Italian politics in the 1920s and 1930s, as the correspondent Latin American ideas of national project and political pacts helped us, Brazilians, to grasp Brazil's politics till recently. But these concepts correspond to an elite's politics, not to a civil society's democracy. Thus, they lost most of its relevance to understanding what is happening today.

We still may say, in Gramsci's terms, that the crisis that broke out in the 1980s – the worst economic crisis independent Brazil ever lived, and a serious political crisis – was “a hegemony crisis”, since, from that time on, nor the old political elites, nor the new economic and political groups that emerge everyday, have been able to persuade society of their views. But if this is a hegemony crisis, it is probably the final one, pointing up the transition from an elites' to a civil society's democracy.

This transition is achieved as long as society and politics pass through conflicting processes of fragmentation, disorganization, and reorganization. As

²⁷ - In “Incompetence and Confidence Building Behind Latin-America's 20 Years Old Quasi-stagnation” (1999) I explained the regions' extremely small per capita growth rates as a partial outcome of incompetent policymaking.

long as the old elites and the political and social actors face an enormous difficulty in defining their own interests in a way that makes sense on a larger standpoint. According to Sérgio Abranches, who has been forceful in highlighting the deep social transformations in Brazil, “with democratization, political fragmentation and factions’ diversification were exacerbated... the elites’ circulation increases the interests’ imprecise definition... the number and the character of interests affecting strategic public policies change recurrently”.²⁸

Some see these changes as negative. I believe they are wrong. They express civil society’s advance and increasing complexity. As markets and economic agents are much less “rational” than conventional economists assume, civil society does not follow a rational design, it does not obey a given unique logic. It is formed of political actors that try to identify their own interests with the common good, but their success in defining their own interests in a sensible way is almost as big as in making them consistent with the general interests.

Thus, one should not put too many hopes in democracy, nor establish conditions for its full consolidation that are not realistic. When, in the mid 1980s, the transition to democracy took place, these hopes went too far. As Marcus Melo observed, democracies are not necessarily efficient and effective forms of government, but, “although imperfect, it is the only legitimate political system”.²⁹

In other words, democracy is not the more perfect but it is the less imperfect political regime. In the twentieth century it became historically the only legitimate political regime. Besides granting civil and political rights, democracy is the regime that in capitalist or market-coordinated economies better protects social rights, and, last but not least, best assures order or political stability. While, in pre-capitalist societies, the dominant classes appropriate economic surplus through the use of direct force, for which the control of the state was essential, was a survival condition for them, authoritarian regimes were the only alternative. In these times the best political thinkers could expect was an “enlightened monarch”. Democracy was dangerous because intrinsically unstable, because it did not assure order. Things changed radically from the moment that elites were able to appropriate economic surplus through the market. Since then democracy became the only acceptable political regime to the large middle classes – bourgeois and bureaucratic – that characterizes modern social systems.

Yet, democracy does not make miracles. It is risky to ask too much from democracies not yet consolidated. To require, for instance, that it be a social democracy, where social rights are fully respected. Given the stage of economic and political development, should demand this, not require. In the process of development this objective will be achieved. Democracy will hasten the process. But if we want to achieve a full welfare state in the short run, we risk falling into

²⁸ - See Abranches (1993: 24).

²⁹ - See Melo (1995: 45).

economic populism. In this vein, Fábio Wanderley Reis criticized the view that if the Brazilian democracy does not soon turn into a social democracy, it will not survive as a democratic system.³⁰ This is just not true. The Brazilian democracy, after 15 years, did not turn into a social democracy. It slowly progresses in this direction, but, as a democratic political regime, it remains if not stronger, as strong and stable as it was in the moment of the democratic transition.

Civil society's advance in the last 50 years has been immense. In 1950 Brazil had 11 million electors, corresponding to 21 percent of the population; in the 1998 presidential elections the number of electors had risen to 106, corresponding to two-thirds of the population. The number of associations of all kinds increased sharply. In mid 1980s Wanderley Guilherme dos Santos conducted a survey that demonstrated how impressive was this growth of civil society's organizations searching convey demands, to advocate policies and ideas, to influence government and change the state.³¹ Since then the number and political weight of civil society's organizations only augmented. Public non-state organizations of all kinds, be them grassroots associations, the traditional social assistance organizations, service organizations mostly in education and health care, and the "new" public advocacy organizations (NGOs),³² as well as corporative organizations, representing interests of workers, businessmen, neighbors, and middle class groups did not cease to be created. All these organizations belong to the Third Sector, but some have relatively little political significance, while other, like the corporative ones, the grassroots associations, and the real NGOs³³ have a distinctive political character, as long as they are actively promoting their interests or their ideas.

These changes did not turn Brazil a more just society. It became famous president Cardoso's saying: "Brazil is an unjust society". But there is little doubt that Brazil is turning into a more democratic society. A society depending increasingly less on its elites, and increasingly more on its civil society. In it there is not the equality required in the concept of "people", in which all citizens are equal. In civil society each ones' power varies according to his or her individual and collective capacity to defend interests, ideas, and values. But all, including the poorest, have some sort of freedom, and, so, some way of

³⁰ - See Reis (1988).

³¹ -See Santos (1985).

³² - Brazilian NGOs emerge informally in the 1960s, and have as a kind of "founding act" a meeting in a Rio de Janeiro, in 1972. This history is related by Leilah Landim (1998).

³³ - There is a recent tendency in Brazil to give a broader definition of NGOs, encompassing all non-profit organizations. Yet, in the book that I edited with Nuria Cunill Grau (1999) on public non-state organizations, we clearly distinguished the corporative from the public non-state organizations, and, among the later, between the NGOs and the social assistance and service organizations. The grassroots associations fall in between the two major groups.

transforming it in effective rights, not only because they are citizens, but because they come to participate in some civil society's organization.

Or, it is this larger freedom, it is this democracy which advances although remaining badly imperfect, that make me to be optimist – or not pessimist – in relation to economic and social matters. Some form of public debate is emerging. The sheer disqualification of each other remains the more common behavior, but there are signals that people begin to realize that this way leads to nowhere. That only building a public space, where issues instead of people are discussed, we will be able to learn from mistakes. In the economic realm, where not only economic populism on one side, and dumb orthodoxy, on the other, lead to so many sheer policy errors, the construction of a public space where minimal discussion rules are observed is particularly welcomed. Repeating gross mistakes – as for instance, the decision to get indebted in the 1990s after the economic disaster that the same growth strategy (“growth *cum* debt strategy) caused in the early 1980s – will be less likely to happen. In the same line, the confidence building approach – adopting the economic policies that Washington and New York recommend in order to build confidence instead of carefully evaluating them – will have increasing less room to prosper.

In the social realm, democracy's advance means a greater capacity of demanding and negotiating on the part of the poor. But if there is public debate, this means that demands will have to be realistic, as they already are in many sectors of the Brazilian working class. For long the working class as well as the bourgeoisie was victim of populist politicians, originating from the right as from the left, and of incompetent intellectuals. Populist politicians and inept experts will not disappear from a moment to another, but they will be much more exposed to criticism in a society where civil society is engaged in public debate.

Thus, I give a major weight to democratic debate's advance in the transition to a civil society's democracy. A civil society's democracy that will get consolidated only when public debate will become generalized in Brazil. When public debate will be able to build a reasonable common ground, some core values and basic discussion rules, that, on their turn, will reinforce the debate. When a political center and an idea of justice become the reference around which candidates from the left and the right fight each other. When presidential elections will cease to be a salvation or damnation problem. Or, in other words, when the continuous rise of a large professional and bourgeois middle class, and of a qualified working class (with middle class standards of life) strength up the existing civil society, making democracy a definite and definitive reality.

In the 1950s I learned with Guerreiro Ramos that populist politics was opposed to an ideological one, representing the second form a positive development. Today I do not deny this advancement, and remark that it did occur in Brazil. But one should not mix up ideological politics with radical politics. Democracy is the realm of debate and conflict, but also of compromise and consensus. For that reason, instead of using the distinction between populist and ideological democracy I prefer to speak of a transition from elites' to civil

society's democracy. Ideologies will be always present, as will be present group and class's interests. Political parties and politicians will lean to the left or to the right, will give priority to justice or to order. But in order to obtain support and win elections they will have to stick to economic constraints and recognize the consensus or quasi-consensus achieved by civil society through public debate. Thus, it will make no sense that presidential candidates spouse opposite views on core issues. On the contrary, they will have to dispute the political center, and, with this objective in mind, they will have to get closer, but never becoming equals. This already happens in advanced democracies, and starts to happen in Brazil.

Civil society's empowerment, the emergence of a public space where true public debate takes place shall not hinder social criticism – a criticism that in some moments has to be radical, given the radical character of injustice and privilege in Brazil. But, if criticism should not be naïve, nor Panglossian, it does not have to be pessimist, it does not need to be permanently predicting chaos, economic stagnation, disaster. History does not tell us this lesson. On the contrary, it shows that, if today poverty and social exclusion are overwhelming, in the past standards of leaving were worse; if the disregard for the poor's civil rights is today a sad reality, in the past lack of freedom was generalized; if injustice and privilege continue to be actual and terrible evils, now we start to dispose of political means to curtail and eventually eliminate them.

The general objective is to advance toward good state (democratic) and good government (legitimate and competent). When we compare Brazil's stage of economic development and the quality of three political instances – civil society, the state, and the government – with the corresponding variables in the developed countries we realize how long and difficult is the route ahead. Many will be the obstacles: on one side, the anti-national forces adopting neo-liberal and globalist ideologies;³⁴ on the other, the anti-market corporatist and patrimonial factions; and, between them, profiting from the low level of political development among the poor, the corrupt, and clientelist and populist political practices. But these difficulties should not lead to disbelief. There is an increasing social unconformity in relation to all this – an unconformity that civil society is beginning to process in political terms and to transform in effective political action.

For five centuries Brazilian elites were not successful in promoting economic development and social justice. They just went half way. Now, however, new opportunities are open to Brazil with the transition from an elites' to a civil society's democracy. We will depend less on our elites. They will be present, and should not be dismissed, but their power will be diluted in a larger civil society. A much repeated wisdom – the idea that in Brazil it was not society

³⁴ - By "globalist" ideology I mean the ideology that asserts that with globalization national-states lost autonomy, and, consequently, that the states and governments lost relevance. In fact, globalization is a real phenomenon to be analyzed and lived with, globalism, just a mistaken ideology based in half-truths.

that created the state (through its elites), but the state engendered society – will be increasingly just a conventional wisdom, because in democratic regimes the role of reforming the state and shaping institutions belongs rightfully to the people, or, while this does not become true, it belongs to civil society.

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Brazil undertook to democratize with a civil society whose...Â Civil Society Social Movement Labor Movement Democratic Transition State Violence.Â Frances Hagopian, "Democracy by Undemocratic Means? Elites, Political Pacts and Regime Transition in Brazil," *Comparative Political Studies* 23 (1990), p. 155. CrossRefGoogle Scholar. 59. Ruth Berins Collier, *Paths Toward Democracy: The Working Class and Elites in Western Europe and South America* (New York: Cambridge University Press, 1999), p. 134. CrossRefGoogle Scholar. 64. This is a summary of Dassin's study provided by Craig Arceneaux, *Military Regimes and Democratization in the Southern Cone and Brazil* (University Park, Penn. -civil society = values and norms -social contract: communities willingly come together to form gov -gov will have the same characteristics as the population -democracy will work when the population has democratic norms and values -civil people --> civil society -some cultures more "civil" than others, and this affects the success of democracy.Â -locke equates gov with people, tocqueville says people restrain gov -locke says cs is cultural, tocqueville says structural -locke focuses on civility, tocqueville focuses on power. Locke and Tocqueville. -both generally believe associations and norms are strongly related -norms of civility promote associationalism -associationalism promotes civility -both view civil society as beneficial and necessary for a robust democracy. It moves civil society practices from clientelism to associationalism, but does not contribute to the capacity of civil society to self-organize, at least in the time-frame considered. We also show that this democratizing effect on civil society practices and networks is conditioned by pre-existing state-civil society relations.Â This paper contributes to the growing body of research on participatory democracy and the literature on associational democracy by exploring the impact that institutional reforms have on local-level configurations of civil society. In the 1980s a wide range of participatory experiments were initiated in Brazil, most notably Participatory Budgeting in municipal governance.