



BRAZIL

A Tale of Two Countries

Alongside Brazil's sparkling beaches and intoxicating nightlife lie vast areas of mountainside shantytowns and extreme poverty.

BY TRACY MUELLER

SAUDADE IS A UNIQUELY PORTUGUESE WORD, similar to, but more complex in meaning than the English word “nostalgia.” It is a kind of longing mixed with unfulfilled hope—feeling happy and sad simultaneously. A.F.G. Bell describes saudade in his book, “In Portugal,” as “a turning towards the past or towards the future; not an active discontent or poignant sadness but an indolent dreaming wistfulness.”

“If there is a more Brazilian emotion, I am not aware of it,” said Fernando Henrique Cardoso, president of Brazil from 1995 to 2002, who visited The University of Texas at Austin in 2006.

Understanding saudade is crucial to understanding Brazil. The paradoxical emotion—acutely expressed in the melancholy songs of bossa nova—is indicative of both the triumphs and struggles of Latin America’s largest nation.

“Brazil is a country of contrasts and divisions,” says Kurt Weyland, government professor at The University of Texas at Austin. He researches democratization, market reform and social policy in Latin America and is the author of “Democracy Without Equity: Failures of Reform in Brazil.”

An undeniable juggernaut in Latin America, Brazil boasts the region’s largest economy. During the past two decades, it successfully expanded its exports beyond crops to include modern goods such as airplanes and electronics, and, along with the United States, is one of the world’s top producers of bio-fuels such as ethanol. In 2006, Brazilian companies invested more money overseas than multinational corporations invested in Brazil, making the country a net foreign investor for the first time in its history.

After years of rampant inflation—levels reached 5,000 percent by the end of 1993—President Cardoso introduced his “Real Plan” in 1994. The economic program tied Brazil’s newly minted currency, the real, to the American dollar and drastically lowered inflation rates, which remain under control.

“Brazil’s relatively stable economy is the foundation of its current success,” says Wendy Hunter, an associate professor of government who studies comparative politics and economic globalization in Latin America, with an emphasis on Brazil.

Political stability accompanied economic growth. After decades of coups and military rule, Brazil returned to full democracy in 1989, electing leaders such as Cardoso and current president Luiz Inacio Lula da Silva, who have positioned Brazil as a nation on the rise.

Brazil enhanced its international standing when it took control of the United Nations peacekeeping effort in Haiti in 2004.

“Previously, Latin American militaries often were asso-

BRAZIL

BY SIDNEY HALL

ciated with coups and human rights violations, so this was an important moment for Brazil's global reputation," Hunter says.

Brazil garnered additional attention when it led the South American trading bloc Mercosur in rejecting the U.S.-backed Free Trade Agreement of the Americas (FTAA) at the Summit of the Americas in 2005. Brazilian officials had concerns the FTAA would increase inequality in South America. The rejection proved to be a lasting impediment, and most experts agree the FTAA will not be realized.

The country also has been a key player in the Doha Round of the World Trade Organization talks, Hunter says. Partnering with India, Brazil has called on the United States and the European Union to reduce farm subsidies and increase support for agriculture in developing countries.

"As a moderate nation in an increasingly left-leaning region, Brazil maintains unique bargaining power with the United States, which needs an ally in Latin America to counter populist, anti-American leaders such as Venezuela's Hugo Chavez and Bolivia's Evo Morales," Hunter says.

Yet Brazil's social challenges—namely deficient education and widespread poverty—keep it chained to the past, unable to establish itself as the world leader it so desperately wants to be. It is saudade in action; power and potential alongside sadness and struggle.

The Brazilian education system needs an immense overhaul. Brazil is home to several prestigious universities, but the rest of the system fails to serve its citizens adequately, Weyland says. Millions of children from poverty-stricken regions stop attending school after the 4th grade.

"Brazil needs to significantly broaden its secondary education, so universities and employers can draw from a larger pool of highly skilled candidates," Weyland says. "Investment in human capital is critical right now."

The basic and secondary education system is struggling in large part because of a lack of government funding. Financing for education at those levels is woefully low compared to Brazil's notoriously oversized government employee pension plan.

"The government spends 5 percent of gross domestic product (GDP) to support the public employee pension fund, which pays employees 100 percent of their salary once they retire," Weyland says. "But it uses less than half of 1 percent of the GDP to fund Brazil's signature education assistance program for poor families."

Financial imbalance is a serious problem that extends far beyond the federal budget. Next to its sparkling beaches and intoxicating nightlife lie vast areas of mountainside shantytowns and extreme poverty.

"Brazil has one of the most skewed income distributions of any nation," Weyland says. "Ten percent of Brazil's population receives half of the nation's income, compared to the United States, where 25 percent receives half of all income."

The elite control the poor with a divide-and-conquer strategy that encourages dependency vertically through class levels, while stimulating conflict within the lower class, Weyland explains. People use their personal networks of friends and relatives to ask for favors that benefit a very narrow group. Members of the lower class are seen as competitors, not friends.

"Many of Brazil's poor do not form trade unions or organize mass movements to rise up against the elite," Weyland says. "The lower class is quite fragmented, with each sector focusing mainly on its own special interest."

Brazilian politics operate in a similar fashion. The govern-

maintained the status quo. Even his Bolsa Família (Family Grant) government welfare program, the cornerstone of his social platform, is a redesigned version of policies begun by his predecessor Cardoso.

The reluctance of Brazilian politicians to implement drastically different policy is somewhat understandable. In the past, a change in power was often accompanied by street violence, politically motivated arrests and stifling tension throughout the country. For modern leaders wary of repeating history, compromise and moderation are the order of the day.

While Brazil has been more successful politically and economically than other Latin American countries, its recent stretch of modest economic growth and slow-moving politics prevent it from becoming a truly global competitor.

Weyland says Brazil is falling behind peer nations Russia, India and China. Those four countries, also known as the BRIC countries, are the world's top emerging markets. From 2000 to 2005, Brazil's economy grew an average of 2.5 percent annually compared to more than 6 percent in Russia and India and more than 9 percent in China.

The country's limited developmental achievements also hinder its rise as an international leader. The United Nations ranked Brazil 69th on the 2004 Human Development Index, behind Croatia, Malaysia and Cuba. The index measures average achievement in three basic dimensions of human development: a long and healthy life, knowledge and a decent standard of living.

Brazil's immobility tarnishes its global profile, yet protects its welfare. Skyrocketing inflation, turbulent political battles and a crippling debt crisis in the 1980s severely damaged Latin American countries. Brazil experienced some of these problems, but suffered far less than other nations because of its political stability and strong domestic economy.

In particular, President Cardoso implemented promising and beneficial initiatives during his two terms that laid the groundwork for potentially increased economic growth and improved social conditions.

"There are no miracle cures to resolve Brazil's longstanding problems," cautions Weyland. "Instead, patient determination will be required to build on the advances already initiated and enact further economic, social and political reforms."

To feel saudade is to feel both happy and sad, longing for both the past and the future. The emotion reflects Brazil's contradictory nature. A country of success and failure, of troubled history and ambitious hope, Brazil is indeed a country of contrasts and divisions. And, yet, it remains a country of possibility. ▮▮▮



"Patronage is the constant currency of Brazilian politics...No party has a majority, so politicians must form coalitions across party lines to have any hope of seeing their agendas passed." — Kurt Weyland



"As a moderate nation in an increasingly left-leaning region, Brazil maintains unique bargaining power with the United States, which needs an ally in Latin America to counter populist, anti-American leaders such as Venezuela's Hugo Chavez and Bolivia's Evo Morales." — Wendy Hunter

ment exists on a tangled network of alliances and favors. With more than 20 parties represented in the National Congress, politicians must master the game of give and take in order to gain any traction.

"Patronage is the constant currency of Brazilian politics," Weyland says. "No party has a majority, so politicians must form coalitions across party lines to have any hope of seeing their agendas passed."

The proliferation of alliances—often between ideologically dissimilar factions—is part of the reason Brazil has not seen many sweeping policy reforms or profound social changes. There often is little variation from one presidential administration to the next.

Lula, the current president, represents the Partido dos Trabalhadores, (Workers' Party). Traditionally left-wing, Lula moderated from extreme socialism the closer he moved toward the presidency, finding little electoral and congressional support for radicalism, Weyland says.

Rather than push for dramatic change, Lula essentially has