Introduction: Neo-liberal Brazil and Beyond: Challenges and Alternatives for Development in the Twenty-first Century

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The Brazilian economic “miracle” of the 1960s and 1970s was predicated on inward-looking development focused on the domestic market, with high rates of protection from foreign competition, state subsidies, and a number of sectors controlled by the state. But the model also depended on the government’s sheer control of, and monopoly on, physical violence to harshly discipline the labour force. The rapid growth of these decades began to show exhaustion by the late 1970s and social mobilization became more open and common. By the late 1970s, a new political party and new social movements began to challenge the authoritarian military government, which had emerged from the 1964 military coup. On one hand, the Worker’s Party (Partido dos Trabalhadores, or PT) articulated several urban, social movements and forcefully demanded a return to democracy. On the other, the militant Landless Workers Movement (Movimento dos Trabalhadores Rurais Sem Terra, or MST) demanded land reform. Brazil had and continues to have one of Latin America’s most concentrated agrarian structures, with very few landowners controlling vast expanses of land.

Inequality reached such levels that even one of the military leaders in this period famously commented that the economy was doing very well but the people were not. Two major factors contributed to make the military regime unsustainable: the Brazilian model of development had become exhausted, with growth slowing down considerably, and growing political unrest led to the loss of support for the military among the elites. The military thus turned over power peacefully to a closely monitored civilian government in 1985.

The 1980s were such difficult years for Latin America—years marked by debt crisis and slow, often negative, rates of growth—that the UN Economic Commission for Latin America and the Caribbean labelled it the “lost decade.” This general trend clearly applied to Brazil. At the end of military rule and during the first few years of the return to democracy, Brazil experienced some of the highest rates of inflation in the world, in spite of harsh economic shock programs.
It was not until the mid-1990s, when the minister of finance and former dependency theorist Fernando Henrique Cardoso introduced a neo-liberal stabilization program, that inflation came under state control. Success in controlling inflation was such that Cardoso was elected to the presidency for two terms from 1994 to 2002. But the dark side of neo-liberal reform proved to be the continued deepening of inequality. Given that market forces are given free rein under neo-liberalism, economic, and social sectors that might have enjoyed some level of state protection had to fend for themselves. The state apparatus confronting workers was no longer particularly repressive, but neither would it defend them against capitalist entrepreneurs who now had to confront foreign competition, with downward wage controls often the result. Competition became the new instrument to enforce discipline among workers.¹

As James Petras and Henry Veltmeyer put it in Cardoso’s Brazil: A Land for Sale,² the former left-wing scholar and social theorist thoroughly disappointed anyone who had expected that his administration would introduce some kind of “third way” in Latin America. Far from implementing a social-democratic program, Cardoso sold off large and critical sectors of the economy to foreign interests and subordinated social policy to the demands of transnational capital, particularly to its major supra-state institution, the International Monetary Fund.

According to Leda Paulani and Francisco Oliveira,³ having named the 1980s a “lost decade” was premature in light of the results of neo-liberal policies implemented during the 1990s. Accumulated GDP growth, which had been 33.47% in the 1980s, fell to 19% in the 1990s. Accumulated per capita GDP growth rates shrank even further: from 10% during the 1980s to a mere 1.6% during the 1990s. Monthly unemployment figures from the Brazilian Institute of Geography and Statistics (Instituto Brasileiro de Geografia e Estatística, or IBGE) show that the level of unemployment was 5.4% in December 1980, 4.7% in December 1990, 9.4% in December 2000, and 9.8% in December 2004. From the early 1990s until late 2003, the average rate of casual labour calculated by the IBGE jumped from under 41% to almost 50% of the employed population in the country’s metropolitan regions. With all of these factors, Brazil’s distribution of wealth, measured by the Gini coefficient, has continued to stagnate since 1990 and remains one of the worst in the world.

Rather than elaborating upon the general political economic features of the neo-liberal reform in Brazil, which has been well documented, the articles in this theme section focus on critical issues that posit major challenges for development in the twenty-first century. Three of the articles address persistent structural inequalities in education, race, and land reform, much more so than can be addressed by political regime change, or even by significant changes in the economic model, such as a change from import substitution to

neo-liberalism. The fourth article deals with the planning and implementation of urban development in Curitiba, the capital of the state of Paraná and one of Brazil’s major southern cities. With Latin America’s urban population having exceeded 75% of its total population, issues of urban development become paramount, and Curitiba’s experience has been praised as a model in urban planning courses throughout the world.

The first article, by Mônica Ribeiro da Silva and Claudia B.M. Abreu, explores educational reform in Brazil from the early 1990s on. It highlights the central role played by multilateral agencies in defining the goals of educational reform. As in other Latin American countries, these agencies shaped reform to the needs posited by market-led, economic transformations and productive restructuring, which strongly permeated curricular reform. After 15 years of this reform, the authors point to its limits in improving Brazil’s historical educational insufficiencies. On one hand, the reform has failed to improve the population’s mean educational attainment, which has not surpassed five years of schooling. On the other, the quality of education remains stagnant. According to the authors, an essential aspect of the reform’s failure lies in the very conception of the curriculum, which was ambiguously articulated and poorly implemented.

In the second article, Paulo V.B. da Silva notes timid advances in another key realm of historical inequality: ethnic relations between blacks and whites. Such advances reflect the restricted impact of national discussions on racial inequality, the mobilization of the black movement (movimiento negro), and the government’s failure to combat discrimination. The author analyzes racism through the 1980s and 1990s in the press, television, adult and children’s literature, film, and school books. In these media, the black population continues to be under-represented and, when present, it assumes stereotyped features, such as an association with daily crime in literature and film, or participation in socially undervalued roles in television.

In the third article, Hannah Wittman analyzes ecological citizenship in the implementation of agrarian reform. She focuses on the Landless Workers Movement, one of the most combative social organizations in contemporary Brazil and Latin America at large. Using fieldwork conducted in an MST settlement, the author explores how this social organization has used agrarian reform to promote ecological citizenship and the community’s management of ecological resources. She conducts her analysis by contrasting the MST’s socio-environmental discourse with its agricultural practices. Her conclusion is that ecological models of agrarian reform, such as that adopted by the MST, can provide space for the exercise of newly won rights: the right to land as a means of production, as well as the opportunity to exercise collective decision making about the use and protection of environmental resources. In conjunction, the exercise of these two rights yields a new form of ecological citizenship.

Lastly, Cláudio Menna and Paulo Chiesa provide a historical overview of urban planning in Curitiba, which has been taken as a model sustainable city in planning schools around the world. Starting in the 1940s, Curitiba became a national and international

reference as an “ecological city.” What is the future of this exceptional city? Its roots go well into the colonial and republican stages of Brazilian history, with strong immigration flows, and yet, according to the authors, it is a modern and vanguard city. The 1990s brought new challenges to Curitiba, such as heavy population growth and lack of state funds to keep up with the city’s social programs. However, the authors highlight the achievements: the ability to materialize a plan implemented during six decades. They then propose possible scenarios for future development in the context of globalization. All in all, such plans continue to be anchored in the city’s own history.

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