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Brazil's Transition to Democracy

Brazil – the fifth largest country in the world – shares a border with almost every other country in South America and stretches across nearly half of the continent. Its population of more than 170 million people is the sixth largest in the world. Two-thirds of the population is concentrated along the coast and in the major cities: over 19 million in Sao Paulo and 10 million in Rio de Janeiro. Brazil is the world's largest producer of bananas, coffee, and orange juice. It is the world's largest exporter of iron and a major exporter of steel. The wealthiest regions of the country are the South and the Southeast (Brazil – History).

Brazil's experience with democracy before the third-wave transition was short-lived. It lasted from 1954 until 1964, immediately after which the authoritarian regime was established. The military played a leading role in the 21 years of authoritarian rule. The transition to democracy, which was initiated in 1985 and formally ended in 1989 with the first direct democratic presidential elections, was directed by the military. It thus falls in the category of transformation transitions (Huntington, 1991: 124), in which the

leaders of the preceding authoritarian regime manage to keep strong positions in the post-transition political life and a relatively untarnished public reputation.

Thus, the main actors in the Brazilian transition were the political elites. The transition has also been heavily influenced by the deep problems of extreme inequality in economic income distribution and widespread poverty. In light of the dependency theory, international economic institutions have become important actors in the Brazilian transition, due to the expectations that their guidance will provide a remedy to Brazil's economic problems. In the recent years of Brazil's continuing transition, the realization that external constructions of economic stabilization do not always provide the most appropriate solutions has brought about an increasing popular disillusionment and swing of voting patterns toward the left. The win of the Worker's Party candidate in the last presidential elections proved that the masses occupy an equally important role in the transition process. A closer look at the main events of the transition will provide a useful insight into its roots and main actors and will highlight its main economic problems and issues of political and institutional design.

The colonization of Brazil began around 1500 when Portuguese sailors, led by Pedro Cabral, started settling the area. The Portuguese, unlike the Spanish, were not so concerned with conquering and controlling the Brazilian lands; most of them were impoverished sailors whose primary focus was profitable trade (Brazil - History).

In 1807, as Napoleon Bonaparte threatened Portugal's capital, Lisbon, the Prince Regent Dom Joao fled to Brazil. Once there, Dom Joao established the colony as the capital of his empire. By 1821 the situation in Europe had normalized sufficiently for Dom Joao to return to Lisbon, and he left his son Dom Pedro I in charge of Brazil. The

following year Dom Joao attempted to return Brazil to a subordinate status as a colony but, responding to a growing desire for independence among Brazilians, Dom Pedro declared independence on September 7, 1822 and was crowned as an emperor (Brazil – History).

The monarchy lasted until 1889 when Dom Pedro's successor was deposed through a military coup backed by the wealthy coffee magnates, and a republican form of government was established. The regime which followed next also came into being by means of a coup. The result was a civilian dictatorship led by Getulio Vargas. He remained in power until 1954. His presidency was characterized by the establishment of corporatism and clientelism as an omnipresent tool of gaining influence in economics and politics.

A democratic regime prevailed in the period 1954-1964 (History of Brazil). President Kubitschek moved the capital from Rio de Janeiro to Brasilia, a city especially built for the purpose of being a capital. The hallmarks of the period were populism, nationalism, and developmentalism. Each of these contributed to the economic crisis that gripped Brazil in the beginning of the 1960s despite the robust growth of the 1950s.

A military junta came into power after a coup in April 1964, which deposed President Goulart (Brazil – The Military Republic). This year marks the beginning of the Brazilian authoritarian regime which lasted until 1985. Five presidents ruled Brazil under the authoritarian regime. The presidency of Marshal Castello Branco (1964-67) started with an attempt at semi-democratic rule which was not endorsed by the hardliners in the military junta. Among the most important events which institutionalized and consolidated the regime were the issuances of Institutional Acts #2 and #3. AI-2, issued in October

1965, abolished all political parties and direct elections of state governors. The following AI-3 established indirect elections of mayors of major cities and prescribed the creation of a two-party system with ARENA (National Renewal Alliance) as the progovernment ruling party and MDB (Brazilian Democratic Movement) as the loyal opposition. In his study of the authoritarian regime in Brazil, Wilfred Bacchus (1990) argues that the most significant mistake of the first government under Castello Branco was the severing of its connections with the industrial elite and the accompanying opening up to an influx of capitalist enterprise from abroad.

During the term of the second authoritarian president – Costa e Silva (1967-69), a prominent hardliner among the generals, the reverse trend was underlying. The economic policies were dominated by nationalism and protectionism, while the government's harsh policies toward the population caused numerous strikes, student revolts, and guerrilla attacks. Institutional Act #5 marked the apex of military suppression of normal political life – it suspended all legal opposition, established presidential decree rule and granted the executive broad emergency powers.

In September 1969, following Costa e Silva's stroke and subsequent death, General Medici (1969-74) assumed the presidency. Although the years of his presidency were characterized by what is termed "Brazil's miracle economic growth" and the introduction of modest popularizing programs, strong repressive measures were still being adopted.

The situation changed during Ernesto Geisel's presidency (1974-79) when Brazil was severely influenced by the world-wide oil crisis in 1973. 1974 signified a shift in the voting patterns of Brazilians, too: the opposition party MDB earned 50.1% of the popular vote, with ARENA collecting only 34.7%. MDB won 16 of the 22 senatorial seats being

contested. Facing those mounting challenges, Geisel proclaimed the inception of the famous “abertura” (opening) policy, which would gradually lead Brazil to restoration of democratic rule. His moderate positions, however, were not greeted welcomingly by the hardline military members and a conflict between the two factions ensued in the following years. Towards the end of his presidency Geisel confirmed the “softening” of the regime by denouncing AI-5 (Brazil – The Military Republic).

Even though partial liberalization of the regime had started under President Geisel, the Geisel years still exemplified the military’s strategic dominance. In contrast, “during the administration of President Figueiredo the regime’s ability to dictate the tempo of events was undermined precipitously by eroding elite and popular support and by increasingly confident, aggressive opposition” (Smith, 1987: 185). After his inauguration Figueiredo promised that his successor would be civilian. The most notable concession of the military regime during the five years of his presidency was the end of the two-party system. In 1982, direct elections for state executives were held, in which 5 parties participated. Important governors were elected from the opposition. In 1983, the economic crisis reached its apex and forced the government to sign its first agreement with the International Monetary Fund (IMF). In exchange for the loan it provided to Brazil, the international financial community exacted wage cuts and reduction of the public deficit, which resulted in a 38 % decline in the purchasing power. Further sign of the growing public pressure on the authoritarian regime was the “Diretas ja” campaign from January to April of 1984 which called for direct presidential elections. Although it was unsuccessful and the next president was still elected by the Electoral College, it

contributed to the shift in popular mood and the decline of stability in progovernment political forces.

In January 1985, Neves won the presidential elections, thereby ending the 21 years of authoritarian rule in Brazil. In what some observers call “a stroke of bad luck” for the newly-born Brazilian democracy, the president-elect died one day before his inauguration leaving the presidency to Sarney.

The main characteristic of the military regime was its low degree of repressiveness in comparison to other South American regimes. Normal political process wasn't severely disrupted, but allowed to function within military-set limits. In the economic sphere the regime achieved mixed results. In the years 1968-73 and 1983-85 Brazil's GDP growth rates exceeded those of all or almost all Third World countries. The total GDP growth over the 21 years of authoritarian rule was 233%, with a GDP/capita growth from \$850 to \$1900. This growth, however, was combined with significant disparities in the distribution. Unemployment in the 1980s rose by more than 20%. By 1985 Brazil had amassed an external debt of \$100 billion – the highest among all Third World countries (Bacchus, 1990).

As chief causes of the liberalization and decompression, initiated by the regime, analysts (Smith, 1987) cite the internal divisions within it; the emergence of a rival institution – the SNI (National Intelligence Service) whose repressive apparatus gradually grew larger and more influential; the increasing international criticism of human rights violations; and the rapid expansion of the urban middle class which became strong enough to contest the military's dominance. As a whole, the “abertura” succeeded in

protecting the military from reprisal and preserved its institutional power and capacity to exercise influence in the new civilian regime (Smith, 1987: 231).

Jose Sarney (1985-90), who took up the presidency after Neves' unexpected death, proved to be an obscure politician with no clear vision of the steps crucial to follow through the establishment of democracy. His economic policies were an even more decapacitating failure. 1986 was marked by an unprecedented inflation rate in response to which Sarney's economic team introduced the "Cruzado Plan" which achieved spectacular short term results (Roett, 2003). In the long term, however, it had a devastating effect on the inflation rate, which rose to 1000% in the early 1990s, on direct foreign investment, which declined sharply, and on the expansion of production, which froze together with the prescribed freeze of prices. In November 1986, a "Cruzado II" plan was launched. It initiated an increase in taxes, which was followed by a return of inflation. Unable to cope with the pressure, the government declared a unilateral moratorium on the payments of the external debt.

In light of Sarney's unsuccessful presidency, the 1989 elections, the first democratic after the end of authoritarianism, assumed special importance. The little known Collor de Mello (1990-92) became the first directly elected president, campaigning on a harsh policy towards clientelism and interest groups. His presidency had many merits, among which a moderate trade liberalization, commitment to privatization, and relocation of spending toward social programs. His image, however, was seriously impaired by corruption charges which led to his impeachment in September 1992 and by the continuing hyperinflation. An impartial assessment would label de Mello

as an important reformer (Kingstone, 2000), whose attempt to reform by imposition served as an example to Enrique Cardoso of the mistakes that should be avoided.

Following de Mello's impeachment in 1992, the vacant presidency was occupied by vice-president Franco (1992-95) who was an inactive figure. His single, most important action, however, was to appoint Fernando Enrique Cardoso of the PSDB (Brazilian Social Democratic Party) a financial minister in 1993, in the ebb of the inflation rise wave. Cardoso briskly implemented an "Immediate Action Plan" which introduced a new currency – the real, tightened tax collection and cut \$6 billion of government spending (Roett, 2003). In 1994 the economic stabilization was backed up by the "Real Plan". It prescribed an increase in interest rates, gradual shift toward a flexible exchange rate system, and reduction of federal deficit to stabilize prices. As a result of the Real Plan, inflation fell from 50% to 3% (Lamounier, 2003).

In 1994 Cardoso (1995-99) was overwhelmingly chosen as the next president. As a skilled consensus-builder he was able to form a broad coalition of parties with common interests to his PSDB. Moreover, he was able to attract the support of his rival party PMDB (Brazilian Democratic Movement Party) and carry out successfully his 1996 campaign for constitutional amendments. As a result, 6 amendments were introduced which led to further opening up of Brazilian economy to foreign investment. In 1997 another amendment was adopted which allowed for immediate presidential reelection. A successful privatization consolidated the economic achievements of the Cardoso team. Its highlight was the \$19 billion privatization of the telecom Telebras in 1998 (Kingstone, 2000). In 1998 Cardoso's reform by negotiation was put to a temporary halt by the economic crisis in Russia whose reverberation in Brazil caused the collapse of the Real

Plan. The foreign exchange reserves were lost, the real devalued by 40%, inflation rose to 10%. According to Skidmore, this economic disaster could have been avoided if the Cardoso team had devalued the real in 1996 when confidence in the stabilizing Brazilian economy was still high.

By the end of 1998 the economic crisis had abated. This allowed Cardoso to regain popularity and win the presidential election again. His second term is considered disappointing by economic analysts who are sensitive to the wealth distribution problem. They point out that Cardoso failed to build upon his successful first-phase reforms with second-phase reforms of more efficient redistribution. In addition, he did little progress on modernizing the judiciary, liberalizing labor markets and reforming the taxation system.

Having reviewed the most significant moments of the Brazilian transition to democracy, a look at some general theoretical explanations of the processes of democratization is necessary in order to place Brazil's transition into a wider context and assess its characteristics. Before beginning an analysis of the causes of democratization, a few clarifications could be of immense importance. First, democratization is different from democracy, thus, as Dankwart Rustow observes in his article "Transitions to Democracy: Toward a Dynamic Model", the factors crucial for the sustenance of democracy might be entirely different from the factors responsible for the bringing about of democracy (1999: 18). He argues that genetic analysis must be clearly distinguished from functional analysis and correlation shouldn't be comfortably applied as causality (p. 19). Second, because democratization means that the preceding regime had been some form of non-democracy (authoritarianism, dictatorship, etc.), it must be recognized that

“the factors responsible for the end of an authoritarian regime may differ significantly from those that lead to the creation of a democratic one” (Huntington, 1991: 35).

The outcomes of an analysis of the causes of democratization will inevitably depend on the definition of democracy one chooses as a criterion for the completion of the transition process. The normative, substantive definition of democracy will naturally lead to more stringent interpretation of the results of the transition process and will require a bigger number of basic preconditions. A procedural, minimalistic definition of democracy is likely to produce less stringent, more “practical” requirements and lead to a democracy that the defendants of substantive democracy might label “formal”, or “virtual”. Among political scientists, the most widely accepted definition of democracy is the latter. Nevertheless, a careful reading of the literature on transitions enforces the conclusion that substantive ideals and necessary comparisons to long-standing Anglo-American democracies are still very much prevailing and are the major cause for the differences between the two leading schools of thought on democratization.

John Waterbury gives a succinct account of the underlying premises of the two schools. The structuralists stress either a broad-based middle class, private entrepreneurial groups and widespread literacy, or sustaining civic values as the necessary preconditions for the establishment of democracy (1999: 261). These preconditions imply a long preparatory phase in simply temporal terms. The other school, which Waterbury calls the contingency school, doesn’t see a threshold of economic development, culture, or history as the causes of democracy. Whereas, according to them, a long preparatory phase may also occur, it is not necessarily of positive nature, thus democracy might be the result of a bitter struggle and ensuing “compromise between

contending groups that have repeatedly failed to impose their will upon one another” (Waterbury, 1999: 262). Contending groups, either political elites or masses, often accept democracy as a second-best solution when the other alternative is failure.

Waterbury’s analysis of the main divisions among the investigators of democratic transitions is accurate, though not detailed enough. Further subdivisions that merit mentioning inside of the structuralist and contingency schools have sprung up.

A summary of the structuralist school will inevitably start with the modernization theory – the oldest offered explanation of democratization. It was developed in the 1950s and 1960s. Its major proponents are Lipset and Cutright. It singles out economic development as the crucial factor of democratization. Economic development, embodied in a high GNP per capita as the most important index, entails the emergence of a strong urban middle class and increase in literacy – characteristics considered to be powerful facilitators of democratization (Lipset, 2003: 56-64). Modernization, describes Przeworski (2003: 109), is the “progressive accumulation of social changes that make a society ready to proceed to the final one, democratization.” The weakness of the theory and of Lipset’s extensive statistical data, however, lies in the fact that it doesn’t specify a cause-and-effect relationship. Because the data has been gathered just for a single moment in time, it is impossible to tell whether economic development is the cause of democracy or it is exactly the opposite (Rustow, 1999: 18). As Przeworski has also observed (2003: 110), thereby once again stressing the crucial difference between genesis and function, democracy “tends to survive if a country is “modern”, but it is not a product of “modernization.”

The 1950s and 1960s saw the emergence of another explanation of democratization within the structuralist school. The “culturalists” all proposed a wide spectrum of reasons whose unifying feature is the existence of certain civic attitudes among the population that need a long process of formation and thus fall into the category of structural factors. “Protestant ethic and the spirit of capitalism”, since the publishing of Weber’s book with the same title, have been pushed forward as the friendliest democracy-nurturing environments. Many scientists have taken little care to notice that such a precondition automatically precludes the largest part of the world from having any chance of becoming democratic.

Myron Weiner (as qtd. in Ganguly, 1999: 219) follows a similar path in an attempt to explain India’s democratization and argues that its success and stability are due to the democratic heritage of British colonial rule. It provided the Indian people with a long-lasting immersion not only in the intricacies of political discourse and “civilized” behavior, but also in the culture that made them possible.

Contemplating in similar fashion, Samuel Huntington stresses the importance of culture and especially religion for the emergence of democracy. His account on the reasons for the decline of legitimacy of Latin American authoritarian regimes in the 1970s and 1980s points out the changed policies of the Catholic church in these countries and its refusal to continue backing up the status quo. He goes on to assert that “[a] strong correlation exists between Western Christianity and democracy” (1991: 72) and “[d]emocracy [is] especially scarce among countries that [are] predominantly Muslim, Buddhist, or Confucian” (1991: 73).

Other important culturalists include Gabriel Almond and Robert Putnam who believe that the development of a civic culture is essential to the establishment of democracy. The role of the so-called “social capital” – the feelings of tolerance, mutual trust and cooperation, life satisfaction and willingness to compromise, fostered in non-political assemblies of citizens, such as bowling leagues and soccer clubs, has been extensively elaborated upon (Rustow, 1999: 15).

The international system is seen as a crucial factor for democratization by yet another group of structuralists. Samuel Huntington explains how important the changes of the policies of external actors, such as the decision of the European Community to include other countries, the emphasis on human rights in American foreign policy in the 1970s, and the perestroika in the Soviet Union, have been for the democratization processes of the Third Wave (1991: 85-100). John Waterbury, although clearly falling in the contingency school of thought, doesn't omit to mention that “outside of Europe democratic transitions are not only elite-driven, but reactive to external threats and inducements” (1999: 267) and illustrates that with Uganda's democratization which was caused by the agency of external donors like the United States and the democratic experience of other African countries. He thinks that Rustow's exclusion of international influences only weakens his model of democratization. Huntington further develops the argument in favor of international agency by elaborating on snowballing as one of the major causes of democratization in Eastern Europe after the break-up of the Soviet Union (p. 104).

International financial institutions, such as the International Monetary Fund and the World Bank, are also included in the agents of international influence. Their role

becomes very important in economically underdeveloped regions such as Africa. Richard Joseph's analysis (1999: 237-261) of the democratization process in sub-Saharan countries shows how economic failure can facilitate the breakdown of dictatorships by increasing their dependency for loans on international financial institutions, which in turn exact the implementation of stabilization and structural adjustment economic reforms. Being highly unpopular among people, these programs erode the support for dictatorships.

The policies of the international financial institutions, often considered harsh and unrelenting by large segments of the populations of democratizing countries, shifted the focus of a group of scientists and economists toward the issues of income distribution in underdeveloped countries. The dependency theory, devised by Latin American economists in the 1970s and early 1980s, claims that the enormous inequalities inherited from Spanish colonial rule and the concomitant absence of an entrepreneurial class are the reason for the lack of democracy in Latin American countries. In their study of democratization in Latin America, Huber, Rueschmeyer and Stephens reach the conclusion that the three clusters of power shaping the conditions for democratization – the balance of class power, the structure of the state, and the transnational structures of power – are all unfavorable to the establishment of social democracy, the only form of democracy which, according to them, can address the issues of income inequality. They argue that the weakness of the subordinate classes, most notably the working class, and their inability to self-organize and locate their interests in the political discourse are “responsible for the deficiencies in formal as well as in participatory and social democracy” (1999: 177).

The other influential school of thought, the contingency school, as has already been noted, starts off from entirely different premises. Discarding all preconditions advanced by the structuralists, the originator of the contingency school, Rustow, discusses that “we should allow for the possibility that circumstances may force, trick, lure, or cajole nondemocrats into democratic behavior and that their beliefs may adjust in due course by some process of rationalization and adaptation” (p. 19). Thus, successful economic development is more likely to be the result, not the cause, of democracy. He proposes only one background condition – national unity, as necessarily preceding democracy. By national unity he means that the “vast majority of citizens in a democracy-to-be must have no doubt or mental reservations as to which political community they belong to” (p. 26), that is, divisions along ethnic, regional, or religious lines in which the integrity of the state is endangered, will dim the prospects for democracy. After national unity has been forged, the process of democratization unfolds in three phases: preparatory phase, decision phase, and habituation phase. Rustow defines the preparatory phase as “a prolonged and inconclusive struggle between well-entrenched forces” (p.26), thereby challenging the predominant notion that a consensus on fundamentals is essential to democratization. In fact, he states, a people should have been in conflict specifically over an issue of fundamental importance, otherwise it wouldn’t resort to democracy’s “elaborate rules for conflict resolution” (p. 36). This polarization might be set off by different issues that vary from country to country and involve groups with different social composition (p. 28) but is crucial to the process of democratization because it serves as an impetus for the “warring” sides to accept democracy as the second-best compromise, one step short of killing each other. Rustow’s model explicitly excludes international

influences and the example of developed democracies, because they might confuse and even forestall the development of local democracy. Instead, he argues, countries should honestly face their inner conflicts and devise appropriate procedures to solve them (pp. 28-29).

Whereas the preparatory phase may highlight the participation of large groups of the population, the decision phase, which follows next, is the arena reserved for political leaders and their distinct choice to adopt the rules of democracy. According to Rustow, “[w]hat matters at the decision stage is not what values the leaders hold dear in the abstract, but what concrete steps they are willing to take” (p. 31). The habituation phase is the period when, by applying them in everyday experience, people become habituated in the procedures of democracy. As with national unity, the rules of democracy needn’t be so much believed in as applied unthinkingly.

By introducing his dynamic model of democratization Rustow became the first proponent of the contingency school, which emphasizes the agency of political elites. Nevertheless, he allows for a certain participation of the masses in the preparatory phase, and to a big extent, in the habituation phase. Another representative of the contingency school, Adam Przeworski, sees democratization entirely as an interplay between political elites’ interests (Hardliners and Reformers in the authoritarian elite and Moderates and Radicals in the opposition elite) and its outcome contingent upon the elites’ projections of their role in the post-authoritarian, post-compromise political stage. Situations in which regime change is at stake depend neither on economic or cultural development, nor on the role of the masses, but rather “something cracks in the authoritarian power apparatus; a group begins to feel that perhaps it would prefer to share power with consent rather than

monopolize it by force, decides to make a move, and turns to eventual partners outside the regime in quest of assurances about its role under democracy” (2003: 80).

Przeworski distinguishes two phases of democratization: extrication from authoritarian rule and constitution of democratic regime. Extrication is necessary in regimes where the military was particularly strong and always results from understandings between Reformers and Moderates (p. 77). An entire set of different outcomes is possible, but for the stability of the subsequent democracy it is crucial to provide for the predominance of civil power over the military. Similar to Rustow, he doesn't see democratization as a one-way, irreversible process. In fact, he argues, the effort at democratization may be undermined and even abandoned when facing the inevitable high price that must be paid for economic restructuring (p. 85). This constitutes the most serious problem of dual transitions. The political leadership can best deal with economic hardships if it maintains good relations with the unions, because the role of the unions is crucial in disciplining their members and moderating their wage demands (p. 87). Once again, the emphasis is on the leaders of the unions, not on the masses themselves.

The masses, however, are an important factor in the democratization equation, as seen by another group of scholars from the contingency school. Collier and Mahoney (1999: 97-119) believe that collective actors have been unduly underestimated in the transition literature at the expense of elite and individual actors. They explore and assert the role of organized labor protest for aggravating the legitimacy problems of authoritarian regimes and ultimately bringing them down. The place of working class mobilization is especially prominent in the destabilization/extrication transitional pattern

when the regime leaders have no exit project and labor-based parties have a better chance of entering the team of negotiators of the terms of the transition to democracy. Despite according a more influential position to the masses, the two authors, however, recognize that “it would be wrong to treat labor organizations as the primary force behind democratization at the end of the twentieth century” (p. 114) and that they place their emphasis on an earlier period when organized labor protest can be effective in putting pressure on authoritarian regimes and hastening their giving up of power.

Nancy Bermeo (1999: 120-141), another defender of mass mobilization, sets as her task to deconstruct the moderation myth – the necessary requisite of the strategic game of political elites in determining the outlines of the future democratic system. She argues that the radicalism of popular organizations does not automatically sidetrack the possibility of democratization. In fact, she asserts, “there is much more leeway for “extremist” pressures than the literature on democratization leads us to believe” (p. 127) and that in many cases democracy emerges despite wide popular mobilization, extremist violence and even bloodshed. The crucial variable is the projections of pivotal elites of the danger from the “threat from below” and the costs of toleration. The costs of toleration are not “a simple function of the presence or absence of extremism” (p. 132), but also depend on elites’ expectations of the effects of future reform on their survival. If elites don’t perceive the costs as unbearably high, they can choose to democratize either because they acknowledge their inability to provide order in the face of widespread mass protest, or because they expect to subdue popular organizations in the upcoming elections. Although Bermeo’s analysis is logically sound and largely succeeds in dethroning the moderation myth, it doesn’t endow the “threat from below” with any

constructive role in the democratization process and in essence treats popular movement yet again as depending on political elites, thus rendering further credibility to the theories of Rustow and Przeworski.

As a conclusion, it is useful to cite Huntington (p. 38) in order to illustrate the notion that all the theories just summarized are by no means at war against each other, but rather a collective effort to make sense of the ever-changing realm of political relations and reasonably predict the future:

- (1) No single factor is sufficient to explain the development of democracy in all countries or in a single country.
- (2) No single factor is necessary to the development of democracy in all countries.
- (3) Democratization in each country is the result of a combination of causes.
- (4) The combination of causes producing democracy varies from country to country.

These words might seem overly cautious, too generalizing, and even shallow but confronted with the need to construct a theory encompassing as many cases as possible, we discover they are the ultimate guideline we can cling to. They sanction the existence of all the different explanations of democratization among which we have the right to pick as many as we see fit in order to explain a particular case of interest.

Based on this theoretical summary, a year after the start of the presidency of the Workers' Party leader Lula da Silva, and 19 years after the end of the authoritarian regime, a few points may be made as a general conclusion about the process of democratization in Brazil.

Brazil's transition has been non-violent and directed by the military, at least at the stage of the authoritarian regime's breakdown. The decision to end the military rule was not so much induced by international influences, as it was obviated by the ineffectiveness of the authoritarian system to address the problems it used as a justification for its establishment. Since 1989, when the democratic transition was already firmly underway, new main actors have emerged on the political scene and contested the dominance of political elites. The effective addressing of issues, such as the land reform, the pension system, and the tax reform, with the hope of decreasing the economic inequalities, could not afford to exclude the masses from the political debate. The strengthening of the Worker's Party and its growing significance in Congress, and the emergence of movements such as the Landless Workers' Movement (which has more than 1 million members), indicate that in Brazil's democratic transition, proponents of that division in the contingency school, which stresses the role of the masses, have abundant evidence for proving their theory.

Economic stabilization and reforms, however, have been the more immediate priority of democratic governments in Brazil. The interests of the masses often were sacrificed, and their demands put off for a later period, in the face of efforts to follow IMF's agenda of cutting spending and raising taxes in order to receive stabilization loans in exchange. Over the next 3 years Brazil expects as much as \$10 bln in the form of IMF loans (Brazil Secures World Bank Loan). The economic policies of transition governments have attracted international praise, but internal opposition, as well. The rate of the land reform has been criticized by the Landless Workers' Movement, and recent riots and forced appropriations of land have occurred. The conflicts between the masses

and the economic policies of political elites in Brazil lend further credibility to the dependency theory.

As a whole, the conclusion is that the direction of the democratization process is straightforward and it seems unlikely that Brazil will suffer a second reversal to authoritarianism. What still remains problematic is the ability to make democracy function effectively. Very important for the effective functioning of democracy is the improvement of accountability – a concept that seems inherently alien to South American political systems. The development of accountability and other crucial questions of the functioning of Brazilian democracy were reflected in the construction of the country's institutional framework. Kingstone and Power distinguish four phases in the institutional design of Brazilian democracy. The first phase in 1985 marked an extreme liberalization of the party system: party fidelity was abolished, barriers to the formation of parties were removed, and multiparty alliances were allowed in elections.

The second phase of institutional design was the period of the drafting of the present Constitution – 1987-1988. The Constitution is largely considered unnecessarily long and rigid, contributing to potential conflicts and imbalances between the executive power on the one hand and the judicial and legislative branches on the other. Lamounier points out the volatile nature of the executive's right to issue the so-called "provisional measures", which are an echo of the authoritarian regime's decree-laws. Also problematic is the extremely complicated procedure for constitutional amendment. Due to the high controversies surrounding the issue of presidentialism, a plebiscite was scheduled for 1993 to decide the system of government – presidential or parliamentary, and the form of the regime – republic or monarchy.

The results of the plebiscite, which is the third phase of institutional design, were in favor of presidentialism – 55%, with only 25% support for parliamentarism. The breakdown of the vote into social groups showed a stronger inclination towards presidentialism in the masses than in the elite.

The fourth phase of institutional design occurred in 1994 when 5 constitutional amendments were adopted. The most important of them introduced the shortening of the presidential term from 5 to 4 years without right for immediate reelection. In 1997, however, Cardoso managed to secure a new constitutional amendment which gave any current president the right to run for immediate reelection. Thus, an important step toward enhancing both vertical and horizontal accountability was taken.

Brazil's current election system calls for two-round direct majoritarian elections for president, governors and mayors of the largest cities and first-past-the-post contest for senators. The most controversial feature of the election system is the open-list proportional system which is used in the direct elections for representatives in the Chamber of Deputies and in state assemblies. It was apparently designed to give the voter both more freedom and influence in the election process. This, however, in practice leads to lower accountability of the representatives after the election and weakens party organization and discipline. Another problem of the election system is the overrepresentation of some states and the underrepresentation of others, because according to the Constitution no state can have fewer than 8 and more than 70 seats in the Chamber of Deputies.

The party system, in contrast to the stability of the authoritarian years, is today characterized by a large number of political parties with weak organizational structures

and internal discipline. In addition, by allowing high permeability of inconsequential parties in Congress, the low threshold for admission engenders dysfunction. In 1991, there were 19 parties present in Congress. Another disturbing and persistent trend is the phenomenon of party-switching which was practiced by 1 out of every 3 deputies in the 1987-91 and 1991-95 Congress mandates. The largest parties PSDB, PMDB, PFL, PPB (Brazilian Progressive Party), PTB (Brazilian Labor Party) have chaotic and unpredictable behavior in the legislation process with 10-15% internal minority consistently voting against the majority. These characteristics of Brazil's political system led Lamounier to the conclusion that the Brazilian political system is "structurally geared toward dispersing and diluting political power, constantly eroding the strength and cohesion of any majority" (Lamounier, 2003: 270).

Despite the inadequacies in the design of Brazil's political system and the discrepancies they cause, in the recent years democracy has been functioning satisfactorily and a steady progress in economic stabilization has been made. In the spirit of Rustow's arguments, it should be mentioned that this data doesn't allow us to make a conclusion on the cause-and-effect relationship between democratization and economic development. As much as we might want to simplify our task by designating one of them as the reason for the other, the complexity of reality, as Brazil's case proves, by no means bestows such a gift upon us.

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