

# Challenges for Brazil: A Dialogue

Center for Latin American Studies

University of California, Berkeley

Spring 2000

Panel I

## Brazil in the Global Economy

by Zachary Elkins

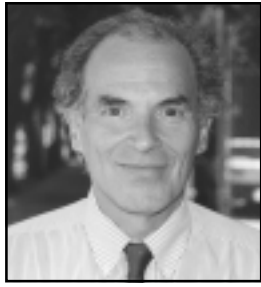
**R**ecent decades have witnessed the profound transformation of the American continent by forces of globalization and economic integration. Democratic reforms and new economic strategies have catalyzed rising productivity and ambitious growth, yet scholars and policymakers remain concerned about income polarization, poverty, and other social problems whose solutions have proved more elusive. How can policies harness the global market without threatening national prosperity, coupling market-driven growth with increased equity? In the context of today's increasingly prominent public debate around globalization, the Center for Latin American Studies convened a historic conference, "Challenges for Brazil: A Dialogue," on February 25. The event brought together scholars, policymakers, and opinion leaders from two of the region's most influential nations — the United States and Brazil — for an open discussion of contemporary economic and political transformations, and their implications for both countries.

The first of three panel discussions, "Brazil in the Global Economy," focused on the relationship between growth and social welfare. Its participants, distinguished by unusual records of expertise and accomplishment, brought to the table a diverse set of perspectives on development in Brazil and beyond. The panel was comprised of José Serra, a former senator and currently Brazil's minister of health; Cristovam Buarque, former governor of the federal district of Brasília and present head of

Continued on page 3

Participants outside the  
conference site





## Letter from the Chair

**Chair**  
Harley Shaiken

**Vice Chair**  
María Massolo

**Editor**  
Angelina Snodgrass Godoy

**Design and Layout**  
Isaac Mankita

**Design Consultant**  
Nigel French

**Photography**  
Nair Benedicto  
Misha Klein  
Margaret Lamb  
James Lerager  
Melissa Stevens-Briceño  
Hadley Vargas

**Contributing Writers**  
Zachary Elkins  
Marny Requa  
Fabrizio C. Rigout  
Jeffrey Sluyter-Beltrão

**Center Staff**  
Christopher Chinnock  
Margaret Lamb  
Isaac Mankita  
Dio Ramos  
Marny Requa  
Melissa Stevens-Briceño  
Adolfo Ventura

**B**razil is increasingly at the forefront of regional as well as international policy debates. As Latin America's most populous nation and the eighth most powerful economy in the world, Brazil plays a pivotal role in the region and globally. These realities, combined with the intensifying public debate around globalization, made the Center for Latin American Studies' recent "Challenges for Brazil: A Dialogue" conference especially timely.

The event brought together a group of diverse political and intellectual leaders from both Brazil and the United States for a series of in-depth discussions over the course of three days. We aimed to engage a far-reaching dialogue among Brazilian participants from across the political spectrum in a context of unusual openness made possible by the traditions of the University of California, Berkeley. In addition, we sought to encourage an emergent discussion between Brazilians and prominent political and labor leaders from the United States, as well as with key members of the UC Berkeley academic community.

Following an opening address by Dr. Ruth Cardoso, first lady of Brazil, the conference continued with three plenary panels. The first, entitled "Brazil in the Global Economy," explored the impact of global economic integration on Brazil and the United States, seeking to define the

choices faced by policymakers. The second panel, "Labor in the Americas: Brazil and the U.S.," examined the process of global economic integration from the perspective of unions, labor scholars and policymakers. Finally, the third panel, "Social Problems, Political Alternatives," focused on social problems in both countries and the political challenges involved in addressing them in today's increasingly globalized context. Each panel featured discussions among and between panelists and with key members of UC Berkeley's faculty, who asked targeted, probing questions to help focus the debate.

The panel discussions generated an unusual series of intellectual engagements, sparking considerable enthusiasm among participants and attendees. Following the daylong public forum, the dialogue continued to unfold through a series of structured working discussions and informal conversations held over the next two days. We hope the discussions which took place at "Challenges for Brazil: A Dialogue," will contribute to the ongoing exploration of these key issues in both Brazil and the United States, enriching policy discussions with the unique insights made possible through these exchanges.

We were proud to organize and host this historic event, and thank the William and Flora Hewlett Foundation for its generous support.

— Harley Shaiken

## Inside CLAS

<b>Brazil in the Global Economy</b> .....	<b>1</b>
<b>Labor in the Americas, Brazil and the U.S.</b> .....	<b>4</b>
<b>Social Problems, Political Alternatives</b> .....	<b>7</b>
<b>Conference Selections</b> .....	<b>11</b>
<b>Ruth Cardoso Teaches at Berkeley</b> .....	<b>27</b>

The Center for Latin American Studies Newsletter is published three times a year by the Center for Latin American Studies, International and Area Studies, The University of California, 2334 Bowditch Street, Berkeley, CA 94720-2312

# The Global Economy

Continued from page 1

Missão Criança, an NGO dedicated to the improvement of living conditions for children in Brazil; R. Thomas Buffenbarger, international president of the International Association of Machinists and Aerospace Workers (IAM); Antonio Barros de Castro, professor of economics at the Federal University of Rio de Janeiro and a former head of Brazil's development bank, BNDES; and United States Congressman David Bonior, the second-ranking Democrat in the House of Representatives and an increasingly prominent voice in U.S. debates on trade.

Minister Serra opened the morning's discussion with a detailed account of his country's economic development over the last thirty years. "Economic growth is essential," he explained, "precisely because it creates job opportunities and generates the fiscal revenues needed to finance expansion and improvement in public health, education, social security and sanitation services." Brazil's shift to an open market economy, he observed, has been sudden — a sharp contrast to the protracted process of political liberalization which eased the country into democracy. Minister Serra explained that the volatility of Brazil's currency stemmed from the country's vulnerability in the wake of the abrupt opening of its economy to unrestrained international trade. He criticized developed nations' failure to reciprocate by lowering trade barriers themselves, and accused the WTO of perpetuating this form of protectionism through its policies. "Brazil's very generous opening of its economy," he argued, "has had no corresponding gesture by developed countries."

Prof. Cristovam Buarque, on the other hand, insisted that growth must be subordinated to a larger concern: improving the quality of life for the majority of the population. The eradication of poverty, he argued, constitutes the principal



Rep. David Bonior

challenge. To solve this problem, he said, "We have to escape from the logic that poverty is the consequence of insufficient wealth, and that insufficient wealth comes from insufficient growth." Growth alone cannot guarantee an adequate distribution of resources, yet it too often serves as the unquestioned end-goal of economic policy.

The problem of poverty, for Buarque, is an ethical one requiring collaboration across ideological divides. Furthermore, he insisted that the problem could be solved with the creative management of existing resources. He mentioned a proposal to encourage the education of child laborers by paying their families a modest wage — equivalent to what the children would earn at work — in return for their commitment to keep their children in school. Such programs, he argued, have already been tested in parts of Mexico and Ecuador. The cost of their implementation worldwide would total some \$40 billion. Given that the United States expects a trillion-dollar budget surplus in the coming years, Buarque suggested that a portion of those funds be devoted to underwriting education for the world's 250 million child laborers. "Why not use a small part of [the

Continued on page 4



Panel I, left to right:  
Rep. David Bonior, Prof.  
Antonio Barros de  
Castro, R. Thomas  
Buffenbarger, Prof.  
Cristovam Buarque, Min.  
José Serra

# The Global Economy

Continued from page 3

surplus],” he asked, “for a large-scale international program to eradicate poverty through the transfer of income for families on the condition that [they] use this income to escape from poverty?”

Growth and economic liberalization are important goals, the IAM’s Thomas Buffenbarger argued, but they cannot proceed without some measure of protection for the working families of the world. In his remarks, Buffenbarger denounced multinational corporations’ pursuit of profits over people. “Will we have a global economy that is built on ignorance and arrogance in its continual refusal to acknowledge that workers’ rights and human rights are as much an economic issue as they are a moral issue?” he asked. “Or will we have a global economy that incorporates workers’ interests throughout the world? Will we have a global economy that pits workers in one country against workers in other countries? Or will we have a global economy that is based upon international rules that will raise the standard of living for the world’s citizens?” Basic labor standards must be incorporated into international trade agreements, he declared. He stressed that unions were not disposed to obstruct growth and trade but rather to help manage it fairly; indeed, they sought to have a voice in the process. “We want to be a part of the solutions to the world’s problems,” he insisted, “and we simply ask to be invited to that table.”

For economist Antonio Barros de Castro, a former head of Brazil’s influential national development bank, growth remains an important objective in itself. Prof. Barros de Castro agreed that growth does not eliminate poverty, yet noted that times of rapid growth have historically coincided with decreasing rates of poverty in Brazil. Growth, therefore, plays a pivotal role in



the resolution of social injustices. The problem of Brazilian growth, he argued, had to do with its “stop and go” nature, unlike the steady expansion rate characteristic of European economies; Brazil’s goal should be to achieve stability in its growth rates. Arguing against approaches that define the market alone as the engine of economic expansion, he observed that reliable growth is best fostered by two complementary mechanisms: first, the protection of profits in a key economic sector against the erosive effects of competition, and second, the menacing of these industries by some measure of external pressure. Protection, he cautioned, should not be conceived of solely as trade restraints; innovation, in particular, is one way of ensuring profits, as are trademark, reputation, and other approaches. The agenda for Brazilian policymakers, then, is “to rebuild the mechanisms of protection, [and apply] menace and pressure in order for growth to resume in a rapid and sustained manner.”

United States Representative David Bonior began by emphasizing Brazil’s importance in the world economy, calling for the United Nations to consider making Brazil a permanent member of its Security Council. “After all,” he remarked, “why should the structure of the U.N., or any international body, reflect the overarching dispute of the last century — the conflict between the east and the west — when the challenge of this century is to overcome the economic disparities between the north and the south?”

Representative Bonior voiced deep concerns about the unrestrained opening of capital flows without protections for increasingly vulnerable workers. Protecting workers is an urgent task internationally, he maintained, not just in develop-

Min. José Serra

From left to right, R. Thomas Buffenbarger and Prof. Cristovam Buarque



# Labor in the Americas

by Jeffrey Sluyter-Beltrão

**B**razilian trade unions find themselves at a crossroads: despite the unprecedented strength of organized labor, shifting configurations of political and economic power pose sharp new challenges for the movement. The second panel at the “Challenges for Brazil: A Dialogue” conference provided an opportunity to examine issues of workers’ rights and social justice in the context of a globalized economy, highlighting opportunities and obstacles for trade union activism in the new millennium. The discussion featured panelists Paulo Paiva, Minister of Labor under the first Cardoso administration, and currently vice-president of the Inter-American Development Bank; Maria Hermínia Tavares de Almeida, a political scientist and labor scholar from the University of São Paulo; Paulo Pereira da Silva, president of Força Sindical, Brazil’s second largest labor central; and Luiz Marinho, president of the ABC metalworkers’ union and an increasingly prominent figure within the CUT, Brazil’s largest labor central. They were joined by two UC Berkeley faculty members, James Lincoln, Warren E. and Carol Spieker Professor in UC Berkeley’s Walter A. Haas School of Business and director of the Institute of Industrial Relations, and Prof. José Luiz Passos, of the Spanish and Portuguese department, whose questions to panelists focused on specific aspects of the debate.

Brazil’s reinvigorated unions played a pivotal role in the country’s recent transitions from authoritarian to democratic government and from state-centered, developmentalist programs to



Paulo Pereira da Silva

neoliberal economic policies. As Prof. Maria Hermínia Tavares de Almeida explained, organized labor has consolidated its role as a vocal, influential participant in the political process to a degree previously unprecedented in Brazilian history. At the same time, as labor leaders Luiz Marinho and Paulo Pereira da Silva made clear, the widespread hardships of the economic transition have placed organized labor on the defensive, shifting their efforts and priorities to maintaining real wage and employment levels.

In his opening remarks, Paulo Paiva of the Inter-American Development Bank emphasized the growing levels of unemployment which marked the 1990’s, and suggested confronting the problem through increased economic growth, job training, and new labor legislation. In this era of high unemployment, demands for labor law reform have two underlying causes. First, the democratization process triggered calls for social, political and labor rights; globalization further intensified pressures to make labor law more flexible. Paiva argued that the Cardoso administration had sought to improve workers’ individual rights in three basic areas — forced labor, child labor, and discriminatory labor market practices — in accordance with ILO conventions. These efforts had involved the cooperation of a variety of societal actors, particularly that of the leading labor centrals. Paiva concluded his presentation by affirming the government’s continued commitment to the principle of union freedom and to the preservation of workers’ rights enshrined in the 7th article of the Brazilian Constitution.

Professor Maria Hermínia Tavares de Almeida

Luiz Marinho



Continued on page 6

# Labor in the Americas

Continued from page 5



Dr. Paulo Paiva

suggested that Brazil urgently needs reforms of labor market institutions, civil service structures, and the social security system. Yet such changes affect public benefits for thousands of workers and are therefore sure to be contentious. As a result, the role of organized labor in the promotion of such reforms may prove pivotal to their success. Prof. Tavares offered three possible scenarios: first, she posed a “unions absent” scenario, in which the exclusion of labor from reform processes results in changes that place heavy burdens on workers; second, an “every union for itself” approach could be taken, in which the strongest unions apply selective political pressure to defend their own sectoral interests, producing meager results for workers as a whole; lastly, a “one for all, all for one” strategy featuring a solidly implanted, well-coordinated labor movement as an advocate of realistic reform proposals, effectively negotiating trade-offs that would cushion workers in general against the negative implications of the reforms. The first scenario, she argued, is implausible in a democratically governed Brazil, given labor’s consolidation as a central political actor. Organizational and political obstacles, including the low rates of union density in Brazil and the extreme organizational fragmentation, undermine the feasibility of the third approach. While top union leaders from leading economic sectors are important players, they rarely formulate common policies; their positions instead tend to vary from sector to sector, and even union to union. As a result, Professor Tavares concluded, the second scenario is by far the most probable of the three.

Prof. Maria Hermínia  
Tavares de Almeida

Indeed, leading labor categories, with high union density and established political clout, have already shown themselves capable of negotiating effectively on behalf of their rank-and-file constituents — metalworkers, dockworkers, and civil servants provide examples of such (relative) success stories. In sum, Professor Tavares forecast an uneven mix of results for labor in influencing reform of labor law, civil service and social security.

Paulo Pereira da Silva, president of Força Sindical — Brazil’s second largest labor central, with a strong presence among private sector workers — drew a broad portrait of Brazil’s contemporary social crisis. He began with the weakness of Brazilian parties, which hobbles their ability to carry out real reforms. Even recently passed social security reforms, he suggested, were so watered down that they produced little meaningful change. Though Brazil’s fiscal deficit needs attention, Pereira warned that the government’s economic adjustment policies lacked sufficient attention to the balancing of their social costs. He criticized the overwhelmingly speculative nature of the Brazilian financial sector, which provides few local, small-enterprise oriented investments — precisely the sort which, Pereira argued, are urgently needed. Brazil’s “egotistical elite” neglected the country’s unjust income distribution, inadequate educational system and rising unemployment, he explained. In São Paulo, for example, unemployment has soared to unprecedented levels (20%), while scores of people die each week in an

Continued on page 29



# Social Problems, Political Alternatives

by Fabrizio C. Rigout

The discussions at “Challenges for Brazil: A Dialogue,” revealed a surprising degree of agreement about Brazil’s social problems — and a sharp series of disagreements as to how they should best be tackled. Participants across the political spectrum shared concerns about unemployment, imbalances in the social security system, environmental devastation, underdevelopment, and other issues. Yet some of the conference’s most engaging debates emerged around which political programs and protagonists could produce meaningful social change in Brazil. The third panel, “Social Problems, Political Alternatives,” included an extended discussion of these themes by Raul Jungmann, minister of agrarian development; Vilmar Faria, special adviser on social policy to President Cardoso; Roberto Freire, president of the Socialist Popular Party (PPS) and senator for the northeastern state of Pernambuco; Jorge Wilhelm, Brazilian architect, urbanist, and former deputy secretary of the United Nations Conference on Cities (Habitat 2); Senator Marina Silva of the Workers’ Party (PT); and United States Congresswoman Nancy Pelosi.

Most panelists addressed the need to form new political coalitions to tackle Brazil’s entrenched social problems. As one of the main coordinator’s of Brazil’s federal land reform project, Minister Raul Jungmann opened the panel with what he called a “provocation” against the left — particu-



From left to right, Rep. Nancy Pelosi and Sen. Marina Silva

larly the Workers’ Party — for its reluctance to work in coalition with the party of President Fernando Henrique Cardoso. Cardoso was elected with support from conservatives and economic liberals, and according to Minister Jungmann, has presided over an ambitious program of agrarian reform that has already provided more families with land than in all previous administrations combined. “A smaller base, or a base made up exclusively of the left, would probably not have produced the same results,” Minister Jungmann explained, in praise of the broad political coalition on which Cardoso’s government is founded. “This is because the conservative sectors, or the right-wing sectors, wrapped up together as opposition, would recover power and veto ability outside of a pact like this.” He highlighted accomplishments of the land reform project: family agriculture today accounts for 13.8 of 17 million jobs in the countryside, and the cost of land has been dramatically reduced. Among other initiatives, Minister Jungmann discussed federal low-interest loan programs and discounts in land price for families who keep their children in school. He pointed out that these achievements were made possible, in part, because of the weakening political power of traditional landed classes, which have been forced to accept major defeats such as the federal government’s reclaiming of 93 million hectares of illegally seized lands.

Speaking as special adviser to President Cardoso, Vilmar Faria also emphasized the importance of crafting stable political alliances for change. A former professor at the University of São Paulo, the University of Campinas, and UC Berkeley, where he held the Rio Branco Chair in Brazilian studies in Spring 1999, Dr. Faria termed present inequalities and injustices in Brazil “immoral” and insisted that such problems be met with enlightened

Min. Raul Jungmann

Continued on page 8

# Social Problems, Political Alternatives

Continued from page 7

reason, rather than populism and demagoguery. Key to the success of any reform program, Dr. Faria argued, is the maintenance of stable political alliances with a long-term commitment to sustaining responsible social policy. These alliances must be founded on an enhanced democratic system that will guarantee access to political power for different groups in society.

Senator Roberto Freire argued for the need for international as well as national political coalitions to advance the cause of social justice. This priority is even more important today, after the end of the Cold War and the ensuing search for alternative political and economic paradigms. "In this context," said Senator Freire, "the United States, as capitalism's principal representative... is able to dictate what politics will be adopted, and the multilateral and international organisms then put this very thing into effect." Pointing to the example of Europe, the senator proposed the strengthening of a South American bloc that would have stronger political leverage to represent the region's interests in a multipolar world. He called upon Brazilian progressive organizations to follow the example of the European left, which now leads a European Union on equal economic and political footing with the United States. "Either we react together with South America against the dollarization of our economies, or we will be surrounded as a country because of the dollarization of our neighbors," insisted Senator Freire, referring to Argentina and Ecuador's recent decisions to peg

Sen. Roberto Freire



their national currencies to the United States dollar.

The author of several books on planning, urban life, and development, Jorge Wilhelm criticized the haphazard implementation of market reforms without consideration for their long-term social effects. He lamented Brazil's passivity in relation to the "Washington consensus" on privatization, deregulation, and trade, and insisted that "we cannot put the blame for not having a political long-term project and... a long-term strategy for the transition on globalization, because this is a decision that Brazilians must make." In the absence of a long-term strategy for social reform in Brazil, he described the new economy as an archipelago, where islands of modern consumers are set apart by "oceans of excluded people." Wilhelm proposed a "new Renaissance" led by the Third World, which would build up the conditions for a long-term market-economy socialism based on "new values that will substitute competition for solidarity, economic growth for human development, and consuming products for [basic happiness]."

Senator Marina Silva, one of the youngest senators in Brazil's history, affirmed that politics must change to incorporate new voices. "We have to learn the fundamental idea that the parties can no longer dominate state processes, like we used to think a few years ago," she said. As one of only six women in the 81-seat Brazilian Senate, Senator Silva spoke about social inequality by referring to her experience as a rubber-tapper and teacher in her home state of Acre, in Amazonia, where she helped Chico Mendes found the local chapter of the CUT labor federation in 1984. She condemned the continuing domination of the



Prof. Manuel Castells



Brazilian “oligarchies”, who are incapable of making pacts with other sectors of society and considering the interests of all.

In her remarks, Senator Silva also called attention to Brazil’s immense biodiversity, arguing that it is as important for development as the existing advanced economic infrastructure. She stressed the importance of development which is sustainable in all aspects — economically, socially, culturally, and politically — and demanded that ethical priorities orient the technical problems of public policy, rather than vice versa. The author of a law on biodiversity, she criticized the practices of multinational pharmaceutical companies that profit from the medicinal knowledge of indigenous populations without compensating them for their contribution.

“I am always disgusted when I read in the news,” Senator Silva declared, “...that with one single plant from the state of Amazonas called *pedra húmica*, a Japanese laboratory has already managed to make \$25 million per year. And the Indians who know the *pedra húmica* well earn absolutely nothing.”

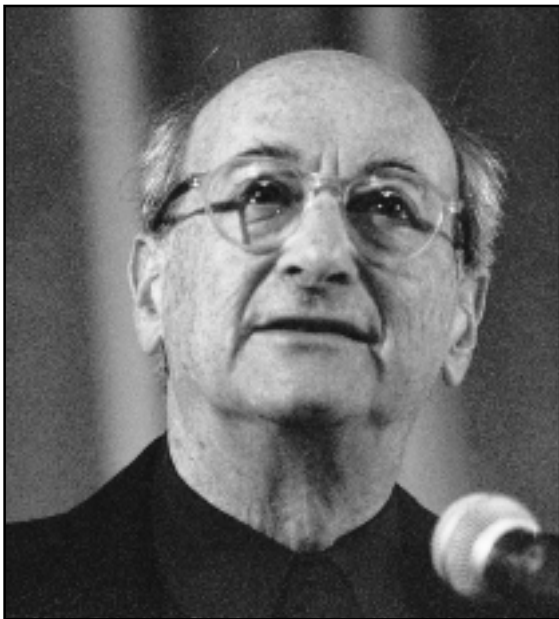
United States Representative Nancy Pelosi echoed many of Senator Silva’s environmental concerns, lamenting the destruction of Brazil’s environment by international companies seeking to profit from the appropriation and abuse of the country’s natural patrimony. “Protecting the Amazon is not only of interest to Brazil, it is of concern to the world for all the reasons that we know,” she said. “... We hear about this issue of



Dr. Vilmar Faria and Prof. Margaret Weir

sustainability and the conflict between development and preservation, ...we have to have our values in place as we make the judgements about how to have this sustainable development.” Rep. Pelosi criticized the hypocrisy of United States policy that puts corporate earnings before ethics, defending U.S. intellectual property even as it acquiesces to the plundering of Brazilian resources. She mentioned her own authorship of the “Pelosi Amendment,” which obliges U.S. directors of multilateral development banks to support loans only after an environmental assessment is carried out and made known internationally, including to the indigenous populations directly affected by the proposed project. “But unless we make the decision, the public policy decision, to do these things,” she asserted, “the free market will not necessarily have sustainable development as a value. We must insist on it.”

Following the participants’ opening remarks, the dialogue deepened in response to questions from a three-person panel of faculty members, including Professors Manuel Castells, of city and regional planning and sociology, Pedro Noguera, of the Graduate School of Education, and Margaret Weir, of sociology and political science. Professor Weir asked Senator Freire and Dr. Faria about the differences in their approaches to the reform of Brazil’s welfare state, which is notorious for its failure to adequately redistribute wealth to the disadvantaged. Both agreed entirely on the need to eliminate the disproportionate privileges currently enjoyed by civil servants. Senator Freire mentioned an ambitious program he proposed, but which had been defeated in the Senate. Dr. Faria pointed to the regressive financing and distribution of funds as the key problems of the Brazilian social protection system. “How it is possible to transform this? Personally I don’t see any way out [except] what we are suggesting: negotiate, negotiate, negotiate, in



Jorge Wilhelm

Continued on page 30

# CHALLENGES FOR BRAZIL A DIALOGUE

Welcoming: Chancellor **Robert M. Berdahl**  
Moderator: **Harley Shaiken**, Chair, CLAS  
Opening Remarks: **Dr. Ruth Cardoso**, President,  
Conselho da Comunidade Solidária

## *Panel I: Brazil in the Global Economy*

**José Serra**  
Minister of Health, Brazil

**Cristovam Buarque**  
Former Governor of the Federal District, Workers'  
Party (PT), Brazil

**R. Thomas Buffenbarger**  
International President, International Association  
of Machinists (IAM), U.S.

**Antonio Barros de Castro**  
Economist, Federal University of Rio de Janeiro  
(UFRJ), Brazil

**David Bonior**  
Representative, U.S. Congress, Michigan  
Second-ranking Democrat in the U.S. House of  
Representatives

*Faculty Panel*  
**Peter Evans**, Chair, Department of Sociology  
**Lourdes Sola**, CLAS Visiting Professor and holder  
of the Rio Branco Chair in Brazilian Studies

## *Panel II: Labor in the Americas, Brazil and the U.S.*

**Paulo Paiva**  
Vice President, Inter-American Development Bank,  
and former Minister of Labor, Brazil

**Maria Hermínia Tavares de Almeida**  
Political Scientist, University of São Paulo (USP),  
Brazil

**Luiz Marinho**  
President, Metalworkers Union, ABC District, São  
Paulo, Brazil

**Paulo Pereira da Silva**  
President, Força Sindical (Labor Federation), Brazil



## *Faculty Panel*

**James R. Lincoln**, Haas School of Business and  
Director, Institute of Industrial Relations  
**José Luiz Passos**  
Department of Spanish and Portuguese

## *Panel III: Social Problems, Political Alternatives*

**Raul Jungmann**  
Minister of Agrarian Development, Brazil

**Marina Silva**  
Senator, Workers' Party (PT), Brazil

**Nancy Pelosi**  
Representative, U.S. Congress, California (D)

**Jorge Wilhelm**  
Urbanist, Brazil

**Vilmar E. Faria**  
Chief Adviser on Social Policy to President  
Cardoso, Brazil

**Roberto Freire**  
Senator and President, Socialist Popular Party  
(PPS), Brazil

*Faculty Panel*  
**Manuel Castells**, Departments of City and  
Regional Planning and Sociology  
**Margaret Weir**, Departments of Sociology and  
Political Science  
**Pedro Nogueira**, Graduate School of Education

---

**February 25, 2000**

**The Clark Kerr Campus**  
**University of California, Berkeley**

*Due to space limitations, we are unable to print a complete transcript of participants' remarks. The following excerpts include portions of opening remarks, responses to faculty questions, and closing statements. For a more detailed account of conference proceedings, please visit the CLAS Web site at <http://www.clas.berkeley.edu/clas>.*

### Keynote



## Dr. Ruth Cardoso President, Conselho da Comunidade Solidária First Lady of Brazil

"I would like to contribute to this exchange of opinions by presenting an opening point that refers to the strategy of fighting poverty. Only collaborative action across several areas, government and non-government, can respond to this challenge in an effective way. The Brazilian experience of social exclusion is long. The mechanisms for fighting it were generally assistance-based, and as we know, did not produce effective results. We must learn from the past in order to look towards the future with a new vision that will allow us to build to build new strategies. ... We need coordinated actions across several areas: education, health, employment, welfare and so on. And we need to develop these in extensive partnership with civil society.

The fight against poverty is a fight for us all; citizen involvement is one condition for it. Moreover, all public organizations, be they civil or government, will only reach the degree of accountability we hope for if, on the one hand, they are transparent in their management and their deeds, and on the other, if they rest upon a sustained dialogue with society. For it is society that legitimates and evaluates this intervention.

...Exclusion is social and economic, and for this very reason, we have to look at two different times and paces of change. Progress in one sphere depends on advancements in the other, but not in a mechanical way or one of simple causality. In Brazil the first important step towards the improvement of living conditions for the poor was the Real Plan because it brought about a drastic lowering of inflation. Until the plan, those included in the labor market, even with low income, had some chance to defend themselves against inflation. But this situation was sustained at the expense of the

poor, who could not protect their income against devaluation. Social interventions continued after the consolidation of the economic initiative. Social policy has ever since opted for focused actions aiming at the poorest. Redesigned policies in education, health, professional training and agrarian reform had remarkable results. Some new policies were started in the field of welfare and micro credit. These changed policies make up a network that operates at varying speeds.

...The Brazilian experience combining inflation taming and grassroots oriented social policies is quite unique and demonstrates that the relationship between economy and society is more complex and more open to change than it might appear. ... Certainly the fight against social inequality in Brazil is a complex, albeit urgent, task. But the minimum requirements, stability and the new mentality for social policies, are set for the battle against income inequality in the 21st century. This is everybody's task, government and society. A partnership that brings together different social groups expands the possibility of citizen involvement. There is one fundamental condition for our advancement: the perfection and continuity of the democratic system.

...Without a strong democratic base, it is impossible to have citizenship and participation, which are two sides of the same coin. Society is made up of groups with conflicting and sometimes contradictory interests that require new channels for their manifestation. The opening of these channels is a challenge, and the condition for the narrative of Brazilian development to be told as a success story."



## José Serra Minister of Health, Brazil

“In contrast to the transition from the military regime to democracy in Brazil, which was a slow step by step process, the transition to an open economy has been abrupt, drastic and fraught with uncertainties. In the early 90’s, Brazil eliminated all quantitative controls and prohibitions of specific imports, coupled with strong reductions in import duties. But the country adopted those measures without at that time having the necessary expertise to cope with unfair trade practices. Even today, [Brazil’s] economy is almost free of non-tariff trade barriers.

...There is also room for a more cooperative attitude by Brazil’s major trading partners – the United States, the European Union and Japan – in both bilateral and multilateral terms. As a matter of fact, Brazil’s very generous opening of its economy has had no corresponding gesture by developed countries. Quite the contrary, those nations have maintained and even intensified the traditional forms of protectionism. As we know, they have a very special talent for imposing growing non-tariff trade barriers based on quotas, antidumping duties, environmental requirements, safeguards, countervailing measures, etc. The truth is that the World Trade Organization agreements have sought to protect the markets of the developed countries from competition in sectors in which the developing nations have comparative advantages, such as agriculture and textiles.

...The United States is Brazil’s single largest trading partner, and drew the greatest benefits from the liberalization of the Brazilian economy. In the 90’s, while the United States’ deficit with the rest of

the world expanded threefold, with Brazil [the U.S.] has registered surpluses since 1995. Between 1990 and 1998, exports from the United States to Brazil more than tripled, while Brazilian foreign sales to the United States increased only by 27%. Despite Brazilian liberalization and the good will shown in relation to demands put forward by the United States in areas such as intellectual property, barriers to Brazilian access to the U.S. market kept existing, increased, and made a crucial contribution to the negative results for Brazil. Brazilian export goods such as orange juice, steel products, sugar, footwear, tobacco, gasoline, soybean oil, shrimp, alcohol are still subject to restrictions. In the case of these eight products, removal of the barriers would result in a 50% increase in the value of Brazilian sales or about \$830 million a year.

...More generally, developing countries have to cope now with a perverse strategy stance on the part of the developed nations: an endless process of introducing new theses — such as liberalization of services, investment agreements and social clauses — which would only worsen the already difficult situation of the developing world. The best example of the enormous pressures exerted by the United States within the WTO is the adoption of common labor norms with more comparable wage levels as a precondition for fair trade, denying conventional economic knowledge since Smith and Ricardo. It means the same as denying to the developing nations their comparative trade advantage of lower labor costs, preventing them from creating more jobs and paying better wages.”



## Cristovam Buarque Former Governor of the Federal District Workers’ Party (PT), Brazil

“...The [great] challenge in Brazil, which is the world’s challenge as well, is the eradication of poverty. I want to propose to you a revolution in the way of understanding the problem of poverty. We have to escape from the logic that poverty is the consequence of insufficient wealth and that insufficient wealth comes from insufficient growth. We can continue to grow, getting richer, [yet]the

people may continue to be poor because the relation [between growth and the elimination of poverty] is a false relation that functioned only until a certain point in the 1950’s, when wealth and growth were spreading throughout society. Today, wealth is not spreading; it is increasing for the same group of people. And so, the first thing [we need] is a new understanding of wealth, seeing

wealth as something separate from poverty. Second, we must see poverty under the wing of ethics. Poverty is something immoral for society; it is not a technical problem. Third, [we must] understand that to eradicate poverty it is necessary to attack it at its base, and to attack it with concrete measures.

...I am not proposing the construction of equality; I am proposing the eradication of poverty. For example, the first sign of poverty is children who are out of school. Today it is well known how to put children in school even before achieving economic growth: ... in Mexico, in many Brazilian cities, and in Ecuador today... poor families are receiving a wage if their children are allowed to study. This doesn't cost much money. There are 250 million children in the world who are working today. For 250 million children to be able to go to school with an income for their families, \$40 billion would be necessary — 13% of the service on the external debt. ...In the coming years, the United States will have a budgetary surplus of some trillion dollars and the debate here is what to do with this surplus. Why not use a small part of it for a large-scale international program to eradicate poverty through the transfer of income for families on the condition that these families use this income to escape from poverty?

...I think that the question is how to move to another kind of world ...how to globalize global-

ization. ...I want to repeat that the main way is not economic growth. We need economic growth, but economic growth will not put people together.

...The problem is how to abolish poverty among the people. ...We have resources to abolish poverty in Brazil, we know how to do that, we just have to move from the understanding that the problem is economic and to use the money we already have to do the necessary programs to abolish poverty, to put every child in school — and in good schools — to take health to every family in our country, to house our people, to put our young people in good places. All of these projects in the case of Brazil will cost less than 5% of our gross domestic product. I would estimate that it would be the same amount, on a global scale, in the world.

...We know how to globalize globalization in the case of Brazil. We just have to find the commitment to do that. And I'm not saying that it's a problem of right against left; no, this is an ethical problem. I think that the problem is not the conservatives versus the progressives in Brazil, but how to put together an ethical commitment with an ethical agenda by ethical people, ethical leaders that could do first what should be done first from an ethical point of view. And from an ethical point of view, the most important purpose is to abolish poverty. I think this is the challenge of globalization in the world."

## R. Thomas Buffenbarger International President, International Association of Machinists and Aerospace Workers, United States



"Given the nature of our representation, we [in the IAM] realize as much as anyone that our jobs are dependent upon the global economy. We know there is no turning back, that the global economy is here to stay. The question for us is not whether we participate in the global economy. The question is: what kind of global economy will we have? Will we have a global economy that is built on ignorance and arrogance in its continual refusal to acknowledge that workers' rights and human rights are as much an economic issue as they are a moral issue? Or will we have a global economy that

incorporates workers' interests throughout the world? Will we have a global economy that pits workers in one country against workers in other countries? Or will we have a global economy that is based upon international rules that will raise the standard of living for the world's citizens? Will we have a global economy that is negotiated by corporations or will we have a global economy where workers are at the negotiating table?

This was the fight that took place in Seattle. And I am proud that the IAM and workers from throughout the world, from developed countries

and developing countries, joined together in Seattle to protest the World Trade Organization. ...The IAM represented a majority of those workers who marched in the peaceful labor rally that was held during the first day of the ministerial. Our march made the international news and represented the point that a peaceful demonstration could also be effective in Seattle.

Our peaceful demonstration was effective for two reasons. First, it served to show the outrage of thousands of workers throughout the world over a trade organization and trade agreements that ignore the world's citizens. And secondly, it served as a way to educate the world's trade ministers on basic principles of human rights and economics. ...Together in Seattle we sought to [teach] the world's trade ministers what real trade policy must look like. A real trade policy that incorporates fundamental human rights. We taught them that a world trade policy that will lift workers in China is a trade policy that will raise living standards in Brazil and the United States. And we sought to teach them that imprisoning workers for merely trying to exercise their fundamental human rights will ultimately result in imprisonment of workers everywhere. Lastly, we sought to educate trade

ministers on the basics of democratic principles, that is, that a global economy built on the backs of working men and women, and their children, throughout the world is a trade policy that simply will not work.

...As people throughout the world spoke up in Seattle they formed a beacon, a beacon that shined a light on the WTO, exposing it to the world. The WTO as a result could not stand on its own, with the bright light of the world shining in, and it collapsed on its own weight. Since our demonstration in Seattle, our numbers have grown and our voice has gotten stronger. We will continue to educate our trade ministers and our governments until they finally at long last begin to understand that unless world trade organizations and agreements work in the interests of the world's citizens, they will not work for anyone. Our education efforts will culminate when trade ministers throughout the world finally understand and act on what we in labor already know. That is, integration of the global economy is for everyone, not just a few. That is what justice is all about, that is what a peaceful world is all about, and that is what the citizens of the world so desperately want and need."



## Prof. Antonio Barros de Castro Economist, Federal University of Rio de Janeiro, Brazil

"I will start with a few words about what is peculiar in Brazilian growth. First of all, we had a very strong regime of growth over forty years and in 1980 — precisely in that year — growth stopped. And from 1980 until now, ... instead of growth, we had a constant stop and go regime. Now from 1999 to 2000, [and especially in] 2000, there are many signs that growth possibly may be resumed and this is being transformed into a great debate in our country.

There are two positions about this. One... is the hegemonic position. I will not try to synthesize the thesis but I will only say that it's the thesis that is very much in favor of pro-market reforms. ...This thesis is facing a lot of difficulties in explaining

either Brazil's long-run trajectory or its present possibilities. First of all, this thesis is incapable of explaining why between 1940 and 1980, having chosen the wrong way, Brazil grew so much. Second, this thesis is entirely incapable of explaining why investment is rising [especially in] the automobile industry and telecommunications. The automobile industry is protected, very much, as in the old import-substitution model. And ... in telecommunications there is no such a thing as non-tradeable; everything — including price and conditions for investment — has been settled by special institutions. So both these sectors ... do not properly represent a simple market economy. It is a very politicized and institutionalized face of the

economy, and these are the sectors where growth has been very quick, very strong. So there are difficulties, severe difficulties. But the critical position about the reformists' thesis also has difficulties... They are absolutely unable to explain the differences, and they are quite considerable, between what happened to Brazil and what happened to Argentina and what happened to Peru, not to speak about Russia and Poland.

...Now, [I argue] that rapid and sustained growth supposed two mechanisms. Profit in an important set of industries must be somehow protected against erosion provoked by competition, and this is the first mechanism. Please, be careful; protection may be made in several ways. Innovation is the brightest and most well-known form of protecting profits. [Other forms include] trade-

mark, reputation, and of course institutional barriers. But there is the necessity of somehow protecting. ...Then comes the second argument: although protected, these industries have to feel themselves menaced. They have to feel that something is behind them and menacing them. Their positions must be contestable. These two mechanisms play together.

...My question may be phrased in the following way: Is it possible to rebuild the two mechanisms of protection, which may be a microeconomic protection, and menace and pressure for growth to resume in a rapid and sustained way in order for us to get out of stop and go, or to get out of a sort of lazy growth of three percent that any country in Europe can have?"

### Rep. David Bonior Second-ranking Democrat, U.S. House of Representatives



"Over the years ...the U.S. relationship with Brazil has been far more patronizing than respectful. That's why I hope that, if nothing else, one message today will be that the U.S. partnership with Brazil must not be based on old myths, but on a new reality: the fact that today's Brazil is a major industrial power and will continue to be in the future. And forging that kind of partnership requires policymakers in this country to rethink their assumptions about Brazil's role, not just in the Americas, but in the world. In that regard, I don't think that it is at all inappropriate that the United States and other countries explore the possibility of Brazil joining Russia, France, the United States, the U.K., and China as a permanent member of the United Nations Security Council. After all, why should the structure of the U.N., or any international body, reflect the overarching dispute of the last century, the conflict between the east and the west, when the challenge of this century is to overcome the economic disparities between the north and the south?"

...As a member of the United States Congress, I'm convinced that responding to the new challenges of globalization has never been more urgent

than it is today. ...It's true that over the last decade, foreign direct investment into Latin America grew from \$8 billion to \$67 billion a year. But it's also true that for the most part that capital wasn't used to create high-quality new jobs, but to purchase newly privatized public companies and to buy up other businesses. Are new jobs being created? Sure they are, but 85% are in what is called the informal sector, and too many of those are going to children. Today as many as 19% of Latin America's children aged 10 to 14 are working. That's why some of the most eloquent voices speaking out against unrestrained globalization aren't those of activists in the United States.

...I raise this point because all too often opinion leaders in this country, Brazil, and really throughout much of the world, have characterized concerns about globalization and free trade as being both protectionist and limited to the United States. Well they are wrong on both counts. That isn't to say that U.S. workers aren't motivated by serious concerns of their own. While the U.S. is in the midst of an unprecedented economic expansion, with corporate profits growing by more than 30% over just 24 months, the truth is that American

families are having to work harder and longer to enjoy it [and] multinational employers in the U.S. routinely threaten unionized workforces with relocation of jobs outside the United States. ...So you might ask, do some U.S. manufacturing workers resent their counterparts in Brazil?

Well, you might be able to find some, but from my experience, what I can tell you is that what they truly resent is the power of transnational corporations to threaten their economic security. And they resent something else, too. They resent the reluctance of elected officials to challenge it. It's the fact that while these corporations control well over a quarter of the world's economic activity, no one controls them save for their stockholders. The 225

richest people in this world have more wealth than 41% of all of humanity, of all of humanity. And that's why that I'm convinced that the most important issue in the United States' relationship with Brazil isn't so much whether we negotiate a Free Trade Area of the America or what ties it might have with Mercosur. Instead, it's whether any trade agreement speaks to more than the interests of a small corporate elite. It's whether the trade agreements we craft incorporate what you could describe as a Bill of Rights for workers and their communities: A compact between labor, government and transnational capital to insure that as globalization moves ahead, that workers and the environment aren't left behind."

Panel II



**Paulo Paiva**  
**Vice President, Inter-American Development Bank**  
**Former Minister of Labor, Brazil**

"It seems to me that about two and half years ago it was decided by the WTO that the process of improving labor standards should be forward in defense of the basic labor standards, related to both collective rights and individual rights, and would be monitored by the International Labor Organization (ILO). And indeed in 1999 all countries had approved a solemn declaration of the ILO, which establishes exactly these rights.

...I believe that the discussion of these rights would be much more fruitful if tied in with the question of consolidating democracy, consolidating economic, political, and social rights, than with any kind of enforcement through trade. I believe that to try to progress along this way is not to progress at all. I think that what we should is find the areas where there is consensus within each country and then among countries. In the case of Brazil, for instance, there is much that government, the labor movement and entrepreneurs can agree upon. From the point of view of consolidation the autonomy and freedom of labor unions in Brazil, and the defense of rights, this is preferable to creating a control mechanism through trade.

...The way to have some control is less through

the institution or participation of governments than perhaps through the consumer's sovereign. I'd say that in the case of child labor, certainly the market is much more powerful to, for example, stop buying products that have used child labor than any kind of government control.

But, in any case, I would set a challenge, let first have all countries approve the major labor standard conventions of the ILO, and then let them discuss at the table how to connect this with trade. First...let all countries adopt these conventions, and then let them talk about how to create a control mechanism for their effectiveness.

...

There is the possibility of a consensus for the democratization of labor relations, that is for having freedom of association and collective bargaining. For that it is need to allow central labor organizations to be incorporated as formal entities, not only as legitimate but also as formal entities in the labor framework in Brazil, replacing the current corporative system. And the resistance lies not on the side of labor movement, but on the employers' side, based on the discontinuation of the existing confederative system.



...On this path of dialogue we have unique opportunity, which we should take up, for advancing in the theme of competitiveness policy, which [Luiz] Marinho calls "*cameras setoriais*" (sector chambers). Here there is an opportunity for debating the insertion of the Brazilian economy in a more integrated environment where workers, employers, and government can get together and debate...

Another lesson that I think we get here is that the dialogue [between] people who represent different entities, by their different insertions in Brazilian society, and their thoughts and ideas, still

indicates a certain consensus: that our great challenge is to try to combine efficiency and equity, to try to combine growth with fighting poverty and consolidating and deepening democracy. I think it is fundamental that we continue widening this type of alliance, to guarantee economic, political and social rights, which would lead us to revising the concept of development — and here I'm reminded of the recent book by Amartya Sen...when he deals with development as freedom. I believe that this is probably an inspiration for all of us to continue together, helping transform our country."

### Maria Hermínia Tavares de Almeida Department of Political Science University of São Paulo, Brazil



"First I'd like to remind you that today unions, central labor organizations, etc. are political actors in Brazil more than they ever were — even during the other democratic period, from 1945 to 1964. Nowadays it is impossible to have a public debate in Brazil without having labor representatives around the table, and this proves somehow how far democracy has come in Brazil.

Secondly, and less optimistically, the union world has its limits. The first limit is that of the labor market. Nowadays more than 50% of the economically active population belong to the informal labor market, and this is an area where unions have a hard time getting in. Apart from disagreements about unionization rates, and so on, the market sets a limit to the world of unions.

The other limit... has to do with the structure of the system, which divides, decentralizes, chops up the labor movement. There have been attempts to reduce fragmentation by building nationwide unions, and so on. Clearly, the two main central labor organizations have been moving in the direction of more initiatives in common, thus reducing the decentralization that existed until

recently, but the institutional framework does not make it easy for the labor movement to apply pressure in a unified way.

Finally, I'd like to address the question of the change in the system of labor relations. I think there is no one around this table who thinks it's necessary to maintain the old system that dates from the 40's. However, I personally don't think it's possible to go from this system to one where everything is contract-based — exactly because the situation in the labor market and the levels of organization vary so much. If the whole formal labor market in Brazil were like the sectors that produced the two labor leaders who are here today, we could leave everything up to collective bargaining and have no legislated worker rights. But this is not the situation of workers in the organized labor market as a whole, even less that of the non-organized labor market, so imagining that we will move from a highly regulated system to one with very few legal guarantees and everything up to negotiation, is dangerous to say the least."



## Luiz Marinho President, Metalworkers Union of the ABC Region São Paulo, Brazil

"I would say that we in Brazil succeeded in breaking with the military dictatorship, but we still have a little — or rather a big — dictatorship: the economic dictatorship, the dictatorship of social exclusion, of children dying everyday, of the mothers and fathers who ... are being murdered in the peripheral neighborhoods, of drug traffic, of corruption, of the great ills that afflict our country.

But I say that, in spite of all its problems, Brazil can be fixed. Brazil has fantastic potential in terms of job creation. I think our country, more than many others, would be able to generate thousands, millions of jobs, but certain decisions would have to be made.

The first decision concerns income distribution. We need, starting with a better income distribution, to breathe life into the market, to make the Brazilian economy grow and create jobs. For this to happen, we need a plan that takes into account Brazil as a whole, that looks at the country's potential and makes investments along those lines.

... In 1990, Brazil had 2.3 million unemployed; it was the eighth country in the world in terms of unemployment. Today we're in third place — we're almost champions — with 7.7 million unemployed. I'd say we've made some serious mistakes: although it was necessary to open up the economy and integrate ourselves with the global economy, this was done in an incompetent way. There was no planning; we got into the globalization process not to profit from it but in fact the reverse.

...Another problem that led to unemployment, to a deterioration in the economic structure, to several areas of our industry crumbling and being taken over by foreign capital — not that we have anything against foreign capital, not at all, but the problem is that foreign capital does not set roots in Brazil. It is said that capital has no motherland; I'd say it does: its motherland is where shareholders live. That's where decisions are made, where investments are moved around lightly, if things are not working.

...Now, with the current policy, the current economic policy, we won't solve the unemployment problem any time soon. With interest rates the way they are, the lack of available credit, and so on, it's all very complicated. If we live in a global economy, if Brazilian companies or those that operate in Brazil are participating in a global market, they are much less competitive if the cost of borrowing is high in Brazil and less credit is available than elsewhere.

So who gets the blame? The cost of labor gets the blame. Overhead for workers' benefits is too great, and this and that. It's all hogwash. Because if we take comparative salaries in Brazil and in the United States or Europe, ours are much lower. Of course there are things that can be negotiated or dealt with, but they must be dealt with more honestly than has been the case so far, with the government for example trying to abolish Article 7 of the Constitution, which amounts to abolishing vacations — not abolishing them exactly, that's not what the government is proposing, but allowing them to disappear — vacations, the December double salary, worker-vested unemployment funds, etc. — all these benefits that the working class acquired in Brazil after many years of struggle.

...I would say that, as union leaders, we are in agreement about the need to oppose what's called social dumping. In this we agree. Introducing... a universal clause in the defense of work conditions and pay, has been suggested by Bill Clinton himself. But, as Brazilian citizens we should be somewhat careful: we cannot overlook the risk that such clauses might be used simply as an underhanded and hypocritical means of surtaxing products from developing countries. ...Of course, everyone is against child labor and slave labor, for example. We agree in opposing these two things, but let's tread carefully, not to throw out the baby with the bathwater."

## Paulo Pereira da Silva President, Força Sindical, Brazil



“In Brazil today there is a great concern [about social problems] ... The labor unions used to just organize strikes [but] now we’re concerned with street kids. Almost all our labor unions have some initiative involving street kids, abandoned kids, who typically used to live on the streets begging... When there is a report of child exploitation the unions themselves contact the authorities, who go check, and report it further up the chain, and in the end the employer has to give in and stop using child labor.

There is also a whole set of initiatives — a project that took place in Brasília, with Professor Cristovam Buarque, consisting in getting kids off the streets, making them go to school, and [providing] their family [with] a small allowance, not much but enough to buy basic food and survive. This initiative has been growing nationally.

So, the whole society is involved in this effort, and if you now come with legislation that prevents products from that country to come into another country — it seems to me like a complication. I’d say in fact that this business of globalization has complicated the life of labor leaders — it was a lot easier earlier, wasn’t it? We were against everything, and it worked.

...I think we can’t start having overnight a bunch of social clauses to prevent countries from being able to develop. I think there should be pressure, and today there is pressure in Brazil, to prevent exploitation by employers of child labor. But I get a bit anxious when this is reported here in the States, because here all you see is bad news, when it’s something good it’s not reported. When good things happen in Brazil they’re not reported, but when there are children on the streets or other problems, it makes the headlines on the newspa-

pers here. So let’s not exaggerate, it’s not the complete disgrace that Americans think Brazil is, things are not quite so bad.

...

We are in a good position to grow, it’s a big country, a country with a great growth potential. We think investments are misplaced: we should instead be investing in microbusinesses, in small industry, and in the countryside — especially in the countryside, because jobs can be created there cheaply. Money is lent to big corporations, where jobs are expensive to create: to create a job in the industry you need \$400 to 500 thousand, whereas in a small business or in the countryside you can create a job for \$2000, or even less.

...I mentioned this issue about industry layoffs and increased production — this means someone is making money, and it’s not the workers. We believe there has been a greater concentration of income. Companies started laying off workers and producing more and using better technology. So, if production went up, if technology is better, if they’re making more money, we want to work less in Brazil. For this reason we had a meeting among the three top-level labor organizations, Força Sindical, CUT and CGT, and decided that we will make a great campaign, including big strikes in some sectors of the economy, to reduce the workload, because we work 44 hours there. We want to work 40 hours a week, which is already a lot compared with other countries, but we think it would be a reasonable number. And we believe that with this we would create 1.7 million new jobs. It won’t solve the problem of unemployment in the country, but it will certainly help thousands of people who have no jobs today.”



Panel III participants, left to right: Sen. Roberto Freire, Dr. Vilmar Faria, Jorge Wilhelm, Rep. Nancy Pelosi and Sen. Marina Silva. Not pictured: Min. Raul Jungmann.



## Raul Jungmann Minister of Agrarian Development, Brazil

“The actors who are the motivators of change in the Brazilian agrarian realm are, in the first place, the social movements, the unions, the associations and also those who unite all the family farmers. To them is given the duty of organizing, pressuring and fighting for changes and improvements and above all for their own inclusion in a country characterized by immense inequality in landholding in the countryside. Meanwhile, it is also necessary that the parties of the Center, of the Left, join with these social actors because the agrarian question is one of the most important and central questions. And it is still necessary to add to these, the disposition, the elasticity, and above all, the performance of the President himself, Fernando Henrique Cardoso, in the sense that he has invested, from the highest executive function of the country, he has looked for all of the ways in which to help us to resolve this problem.

... I want to ask a question: when Representative Nancy Pelosi ... pushes us on the issue of the Amazon burning, at the same time I remember that the United States has not been fulfilling the decisions made during Eco92 in which she participated. The United States has not brought the necessary resources to the global environmental funds so that,

among other things, the Amazon will not burn. So then, which United States [are we talking about]? Which United States, the one that pushes us on the subject of the Amazon or the one that does not provide the resources promised in international agreements, that doesn't observe or give the necessary support for the Climate Convention and polluting gasses and many others? That which puts its development as a nation, which is very just, in front of more global questions, or that which, at the same time, becomes emotional [about] the situation of the Brazilian Indians — those very same people who out of poverty and even misery, still burn a part of the Amazon Forest today, although they are not the only nor the primary actors responsible. Which U.S.? Which one of them? If we do not resolve this question with clarity, then it is necessary to say that a good part of the preoccupation with our Amazon — which could also be the preoccupation with what is happening today in the American forests here, or even with the TAIFA in Russia that also suffer a very large process of aggression and destruction — we run the risk of thinking that a good part of that which is being expressed here today has the strong smell of eco-colonialism.”



## Senator Marina Silva Workers' Party (PT), Brazil

“I am from a country that lives a paradox. Although the country is considered the eighth largest economy in the world, this richness is contrasted with shameful indices of poverty in the sense that we have more or less 70 million poor people... These poor people survive on an average of 149 *reais* per month and there are people who live below this poverty line with less than one dollar per day. We have a social reality that includes 15 million illiterate youths. This puts us in a situation that compromises our possibilities for the future if we don't invest correctly in education for our young people.

...And, I want to say, that [we have] points of intersection with the developed countries. ...I don't

see any difference between the landowner who pays a private militia to prohibit agrarian reform, assassinating the landless, and those who have a purely monetarist vision and who are not able to understand that the taxation of capital flows could also — just like agrarian reform — solve the problems of immense and impoverished groups. If, in the case of Brazil, there are four million landless who would benefit from agrarian reform, certainly we would be able to benefit a billion people in the whole world with the taxation of capital flows. This is a wealth that belongs to humanity, and if it is humanity's, it ought to be returned, especially to the less-favored groups.

If we are talking in the context of globalization,

we have to frame the question in the following way: we have experienced technical advance that is impressive as Professor Cristovam [Buarque] says, but from the point of view of ethics, we are still in the pre-history of our development. It is this disparity between ethics and technology that puts us in the situation we are in today of trying to resolve Brazilian social problems here.

...The political can no longer be understood as belonging exclusively to the parties and to the politicians. We have to learn and begin together the politics of society and the politics of the politicians. We have to learn the fundamental idea that the parties can no longer dominate political processes, like we used to think a few years ago — principally us from the Left. This no longer functions in the new social reality that we have.

Now we have to learn to act in networks, and to know that in order to have a sustainable politics we do not necessarily need to all think religiously the same way. On certain golden ethical principles, we can make alliances around specific points. I can disagree with Minister Serra on a specific question, but that a single health system has to function, it has to function, and this I will support. I can disagree with some proposals but, on others I agree, and it is this that I am calling sustainable politics. We cannot negate the partnerships and the future alliances with a dogmatic vision in which we all have to think alike the same way. ...For me,

political power must be diluted, decentralized.

...From the point of view of globalized relations, we have to believe that the developed countries cannot continue using and abusing technology to the detriment of those natural resources of developing countries, taking into account that without such resources we wouldn't have any way to use its technology. I am always disgusted, when I read in the news ... when I see that with one single plant from the state of Amazonas called *pedra hímica*, a Japanese laboratory has already managed to make \$25 million per year, and the Indians who know the *pedra hímica* well earn absolutely nothing. I am fairly outraged when I see that with a substance taken from the sweat of a frog species in the Amazon, an American and Italian laboratory is making more than \$30 million. So I ask myself, if they are able to make so much money with the sweat from our frog, I can't help wondering about the sweat of our people. And so I want to say that in order to resolve the social problems of developing countries, we have to justly divide the benefits of technology, of the internalization of knowledge, of the recognition of the wisdom of traditional populations and the autonomy of developing countries in relation to natural resources. Once this has been laid out, we can be in any part of the planet discussing our social problems as that is what is positive about globalization."

### Rep. Nancy Pelosi U.S. House of Representatives (D-CA)

"Protecting the Amazon is not only of interest to Brazil, it is of concern to the world for all the reasons that we know. ...You know we hear about this issue of sustainability and the conflict between development and preservation, ...in Latin America whether it's the Bio-Bio in Chile, damming that river, whether it's what I just talked to President Pastrana about in Colombia, which was an oil project in the lands of the U'wa indians in Colombia, it happens all over and we have to

have our values in place as we make the judgements about how to have this sustainable development.

But the point I want to make is that this issue is a larger issue... because now I think we have to take some of this discussion to a different place. For years, for example, we have been trying to get the issue of AIDS — because that's a sustainability issue, it's about the economy of countries — to get the issue of AIDS on the agenda of the G-7. I don't know when I've heard the G-7 ever talk about



AIDS. They've told us it takes years to put their agendas together and we have to be three years ahead if we want to get on, and we've been asking for 10 years. But all these issues that we're talking about here cannot only be discussed in these kinds of fora, which are very important, but they have to be on the agenda at the highest level of people if they're talking about the economies of the developing world, if they're talking about the economies of the developed world, they cannot ignore [these] issues... sustainability includes many more things than it used to. It has to include the sustainability of an economy where the managers make 50 times as much as the workers — and that would be reasonable ... nowadays it's even much worse than that. That is dangerous. That is not sustainable. So a lot of these other newer concepts... we never

imagined 10 years ago that the disparity between workers and managers and owners would be as great as it is today, with the creation of wealth in the high-tech community.

...As far as intellectual property is concerned, it's a funny thing about intellectual property, when it's U.S. intellectual property, we'll do anything to protect it. In fact, we'll even keep costs high in selling AIDS drugs in Africa because of intellectual property concerns in the U.S. But when we're talking about the Amazon, we have to be as fair. ...When we talk about intellectual property, we have to think in larger and different ways, but certainly respectfully of the indigenous people in the region who are responsible for bringing forth some of these formulas; many have been with them for centuries."



## Jorge Wilhelm Urbanist and Consultant, Brazil

"Any project for the human development of Brazil has to face two very strategic obstacles. One of them is the financial public debt, and this means domestic and foreign. And the second one is an outrageous social debt, the maintenance or widening of the social gap. This is not new. What is new is the way we tackle these two problems. We have been competently reacting to short-term policies and to short-term decisions and sudden and unpredictable initiatives that come from abroad. We have not been, in my opinion, sufficiently competent to think of these problems in a long-term measure, in a long-term national project. We have been competent in that because just to react with a short-term project means always to work on urgent issues. And urgent issues do not translate necessarily in fundamental, basic issues, those issues that deal with the human development of a country. Brazil still lacks such a long-term project of development, a concept for its future, a political vision of what we want to do with our country, and a strategy to build it. Any long-term project needs in my point of view, to be placed in

an overall global framework, taking account of the present period of transition of history and of the fact that this transition is profoundly marked and accelerated by the new global connectivity.

In this period of transition, some dynamics are set up and present important changes. And I mention only three of these changes. The first one is a new geography that is being set up. It is not the geography of mega-cities. It is not the geography of global cities either. I propose this new geography as an archipelago, a global archipelago of islands of modern consumers, such as they exist in New York, in Los Angeles, in Bombay and in São Paulo. But when you talk of islands, you are talking of the oceans that surround these islands, and these are the oceans of the excluded and "irrelevant" people. In some cases the islands are big and the oceans are small, in other countries the islands are small and the oceans are big. People on the islands live speedily, those in the oceans slowly...

The second element of this important change is the negotiation of a new social contract. In this negotiation of 'who does what', the actors are

different from what they were in the 18th century. We have to deal with the state, yes, we have to deal with civil society, organized and very often not organized. We have to deal with production and when we speak of market economy and production, usually we only invite producers to negotiate, in the terms of the corporations, and not the workers. We have to deal with both, because both should be part of the new social contract.

The third element of this transition period is inside capitalism itself, the inner tensions, the contradictions, and the eventual changes in the capitalist system. There is no reason to think that history has arrived to an end. And what was in the recent past a contradiction between two economic systems — as one of them failed and does not exist anymore — reveals now as tensions inside the only economic system that is practiced. There is no reason to think that there are no contradictions because there are contradictions between the financial sector and the production sector. There

are contradictions among transnational corporations, as well as between the center and the periphery and so forth. And of course there are contradictions between capital and labor, and for the time being, capital is winning. What system will best serve a market economy?

In Brazil we cannot put the blame on globalization for not having a political long-term project and planning, and consequently a long-term strategy for the transition, because this is a decision that Brazilians must make. And we are free to do it. We cannot make the fatal mistake that was done by the ruling oligarchy in the 19th century, when the emperor, the government and the oligarchy put all their chips betting on the past, slavery, instead of betting on the future, which was capitalism at that moment. Similarly, we cannot now place all of our bets looking backward to neo-liberal capitalism instead of forward to something that might be a new market-economy socialism.”

## Vilmar Faria Chief Adviser on Social Policy to President Cardoso, Brazil

“Brazil is a large country, well endowed with human and material resources and where, most fortunately, religious, linguistic, and cultural differences are not strongly divisive. Brazil... has become one of the largest and more complex urban industrial societies at the periphery of the world system, if not the largest and the most complex. However... poverty and indigence are still widespread. Educational attainment is far from what could be expected given the Brazilian development level. Health indicators remain alarmingly low. Regional imbalances are still large, and income and wealth inequality reached one of the highest levels among modern urban industrial societies. In such a context, the persistence of a large array of deep social problems does not find any justification, and deserves only one strong value judgment: the Brazilian social situation is immoral.

The reasons for this sad picture are complex, historically rooted and not entirely explained by

existing academic knowledge. To face the challenges resulting from this situation is an urgent responsibility for all Brazilians, but particularly those few who belong to its tiny privileged yet insensitive economic, political, social and cultural elite segments. [Given] the differentiation and the complexity of contemporary Brazilian society, it's natural that several actors and groups will disagree regarding causes and solutions for this immoral situation. However, I would like to submit that for the public debate to reach fruitful and viable political solutions, the actors involved should share a set of principles, values and attitudes. Such principles should be combined in such a way that an adequate value context will be created to function as a springboard from which a set of policy options would be discussed, designed, adopted, and implemented.

Three such values, principles, attitudes or ideological commitments are outstanding. First,



moral indignation with the Brazilian social situation. Second, enlightened reason to guide policy discussion, choice, and design. Third, strong commitment to radical democracy as the appropriate institutional framework for policy adoption and implementation. Without the first, moral indignation, we run the risk that the long-term persistence of social problems in Brazil will continue to feed indifference, lenience, and an attitude that poverty and destitution are natural phenomena and not historical and social conditions amenable to human intervention and resolution. Without the second, the guidance of enlightened reason, the debate on policy design and choice can be dominated by demagoguery, by the illusion of solutions as easy and simple as false, and by an inadequate grasp of the policy constraints and difficulties. Without the third, strong commitment to radical democratic values, and the consequent respect for diversity and difference as well as for negotiation and lawfulness, the political arena can be easily dominated either by authoritarianism, be it enlightened or not, or by populism, be it from the right or from the left. Or even more probably, by a perverse combination of both. The dialogue that is taking place now is a lively demonstration of how an adequate combination of such commitments is useful for generating solutions and compromises.

...Certain rights and privileges are associated with the [social welfare] system. [This] is extremely

difficult in the context of a reform that must be democratic, negotiated, discussed. Destroying the privileges without affecting rights... this is a complex process; it is difficult and the advances have been very slow. [In Brazil there is a saying:] it is necessary to go slowly when transporting the figure of a saint, because the saint is made of clay. In some cases, and this is extremely important to consider, the Brazilian welfare system is perhaps one of the few programs [in the country] that has a redistributive element. ... However, I believe, as Senator Roberto Freire said, that anyone would agree that the reform of the pension sector is absolutely strategic for the functioning of the system of social protection in Brazil. ...How it is possible to transform this, personally I don't see any way out [except] what we are suggesting: negotiate, negotiate, negotiate, in such a way that the democratic institutions, from top to bottom, are empowered by popular pressure and by a correct understanding of these questions — beyond party divisions and beyond the lines, then we will carry out a reform of the system of social protection that is worthy of its name. In truth, Brazil's problem is a problem of how we are going to reconstruct a republican system of social protection, but it is necessary to remember that this is not a technical question, it is basically a political question."



## Senator Roberto Freire President, Socialist Popular Party (PPS), Brazil

"As incredible as it may seem, Brazilian society is so paradoxical that on this point regarding social welfare, there is no difference between the opposition I represent and some sectors of Fernando Henrique Cardoso's government... There is agreement over the defense of the state, and therefore there is agreement to overcome a precarious social welfare system constructed to guarantee privileges for those who are integrated in the state. The people who are integrated in the state are not just those who take advantage of it for their

income-concentrating politics. They are also people who — for whatever reason — received some of these income distributions such as the workers' movement from the ABC region of São Paulo. The workers' movement represents one of the most dynamic sectors of the economy and has a real advantage within the state from the point of view that — and this was discussed here today by two important leaders of the working movement in São Paulo — ... these leaders said that [today] there is a new relationship because the State was



always at the service of this sector of the economy.

...I am from a region that suffers tremendously from prejudices. It was said here that there is a fiscal war and in Brazil there has been a whole fiscal politics geared towards privileging São Paulo — with refunds, with incentives, with subsidies in certain moments. For example, in the process of industrialization, the decision was made to install an automobile industry in São Paulo because of its level of [capital] accumulation, because of the surplus that it generated and because of its proximity to essential raw material from Volta Redonda. This industry concentrated income to such an extent that in Brazil this monstrosity exists — 45% of the country's GDP is concentrated in the state of São Paulo. And the tendency is that these interests that built themselves up in São Paulo are so strong and so independent from ideologies, independent from social class, they are so strong that the Brazilian state is at their service.

On the other hand, the public servant entrenched in the patrimonial state has also sometimes received enormous benefits and privileges. In the area of social security, this is flagrantly obvious. Today, when one discusses social security, there is a

paradox. [We had] a proposal for the reform of social security which would radically change its structure, creating a simple and universal system of repartition with a ceiling of 10 minimum salaries for all Brazilian citizens and above this, a complementary social security for capitalization (which would be an important system not just for guaranteeing the integration of those who, with retirement plans, can also guarantee themselves in terms of their income, but also an important advance for investments, a savings account for the national economy.) ...For a moment, the government thought about accepting and [then] immediately rejected it because of pressure from its base. And it is having tremendous difficulties doing a social security system reform, given that it was a project of at least two opposition groups. ...The public servant in Brazil does not want to talk about changing social security. This is the contradiction in Brazil. This is one of the paradoxes of a state that was privatized a long time ago in the interest of those integrated in the state, whether they are capital interests, or, unfortunately, whether they are labor interests from some sectors."

Bottom left: UC Berkeley Chancellor Robert M. Berdahl opened the conference.

Bottom Right, fom left to right: Amb. André Amado of the Rio Branco Institute, Amb. Rubens Barbosa, Brazil's ambassador to the United States, and Dr. Ruth Cardoso



## The Global Economy

Continued from page 4



Professors Peter Evans, chair of the UC Berkeley sociology department, and Lourdes Sola, visiting professor at CLAS and current holder of the Rio Branco Chair

Prof. Antonio Barros de Castro

ing countries; nations such as the United States have a moral responsibility to join forces with their counterparts from the South in seeking fair, equitable solutions to the new problems presented by global trends. Citizens, corporations, and governments must reorient their attention to prevent the erosion of worker's rights and promote the inclusion of such considerations in international agreements. Cross-border collaboration, he stated, has never been more important. Rep. Bonior argued that it is necessary to forge a new "compact between labor, government and transnational capital to insure that as globalization moves ahead, workers and the environment aren't left behind."

As part of the discussion, two UC Berkeley faculty members posed targeted questions to the panelists, seeking to focus attention on specific



Prof. Harley Shaiken, conference moderator

aspects of the debate. Professor Peter Evans, chair of the sociology department and a noted Brazilianist, remarked on growing opposition in both the United States and Brazil to the practices of global governance organizations. In light of such developments, he asked, can we begin to envision a common agenda, shared by those in both countries who seek to change the operations of institutions such as the International Monetary Fund or the World Trade Organization?

Arguing that both countries share the same core values, including a basic belief in citizens' right to come together democratically to improve their condition, Rep. Bonior underscored the need to enshrine a basic "bill of rights" in international trade agreements. Thomas Buffenbarger concurred,



pointing to labor's recent successes based on new globalized strategies for activism. Minister Serra was unequivocal in his support for the spirit of social justice and worker's rights, but emphasized the potential use of such humanitarian goals as protectionist measures. Such clauses, he argued, can be abused in trade relations, particularly in the context of the United States and Brazil. The United States, he continued, defines intellectual property as a trade issue, but not capital volatility, an important consideration for Brazilians. As such, there is a peril in introducing such provisions to bilateral trade agreements when the parties are not equally empowered to define the terms of the debate.

Professor Lourdes Sola, president of the Brazilian Political Science Association and current holder of UC Berkeley's Rio Branco Chair in Brazilian studies, directed her question to the need to

Continued on page 30

# Ruth Cardoso Teaches at Berkeley

by Marny Requa

**R**uth Cardoso has a unique perspective on contemporary Brazil. As a seasoned anthropologist, the president of a major community service organization, and Brazil's First Lady, she focuses on the intersection of government, civil society, and cultural change. An understanding of their interdependence is necessary, Dr. Cardoso argues, in formulating strategies to address the country's complex social problems.

As a visiting professor at Berkeley in February and March, Dr. Cardoso shared her reflections on these relationships in a series of activities at CLAS. She taught a graduate seminar on youth in Brazil, held a public talk on *Comunidade Solidária*, and delivered the opening address at the "Challenges for Brazil" conference on February 25. During her stay, she also took advantage of the respite from her political activities, and the availability of Berkeley's libraries, to work on her own academic research.

In his opening remarks at Dr. Cardoso's public lecture, Prof. Harley Shaiken described her as "a public intellectual" and a keen observer of political and social developments during periods of residence in Brazil, Chile, and France. Insights from her diverse experiences ran through Dr. Cardoso's talks and seminar: when she discussed transitions in the family, the role of women, political participation, and academic theory, her contributions were enriched by her unusual expertise.

In her public lecture on *Comunidade Solidária*, Dr. Cardoso described how the lessons of the past are used to direct the organization and to avoid pitfalls that have traditionally befallen large community service groups. By serving as a link between government agencies, community groups, universities, and corporations, *Comunidade Solidária* exemplifies Dr. Cardoso's conviction that "fighting social exclusion must be the project of both government and civil society." Key to its success is the organization's flexibility in working with community groups and small, local-based NGOs to fight poverty, illiteracy, and hunger.

While thinking broadly is essential in a country as large as Brazil, *Comunidade Solidária* addresses issues in different ways in different communities, Dr. Cardoso explained. The organization interacts with public programs but maintains the support of individual communities because it is funded partly by the federal government and partly by local



Dr. Ruth Cardoso

businesses and foundations. "*Comunidade Solidária* is not government and it's not civil society," Dr. Cardoso said. "It's something new and ambiguous, with the support of both."

Youth are clearly at the center of Dr. Cardoso's interests. *Comunidade Solidária's* programs aim to work directly with young people, both because of their vulnerability — to unemployment, poor education, violence, inequality — and also because of their "energy and desire to learn, communicate with each other, and change society," according to Dr. Cardoso. The graduate seminar "Youth in Brazil" focused on youth as both agents, victims, and beneficiaries of social change. Younger generations, Dr. Cardoso argued, are those best suited to living in the contemporary world, but also those most vulnerable to our lack of understanding of the effects of emerging trends.

Many argue that young people today are apathetic, a notion that Dr. Cardoso emphatically rejects. Instead, she notes that their lack of participation demonstrates a need for new forms of representation and new means of measuring interest. She pointed to spontaneous movements — when youth have come out strongly to protest

Continued on page 28

## Ruth Cardoso teaches at Berkeley

Continued from page 27

government actions — as proving they are “like a sleeping force.” Unlike the generations of the 1960’s and 1970’s, who struggled for democracy in Latin America, today’s young people do not feel represented by these political institutions. Whereas the older generations insist that “democracy must be supported,” today’s youth question just what is being called democracy.

Dr. Cardoso’s course also focused on the effects of cultural changes spurred by technology, the diffusion of media, and globalization. In today’s world, she argued, people move in and out of identifications with various subcultures, defying the rigid boundaries of the past. “Youth culture” is a language, something to be consumed rather than an enduring community. Using studies of funk dance in Rio de Janeiro over the course of a decade, she identified key characteristics of contemporary cultural relations in Brazil. From 1988 to 1997, the music played at the funk dances — originally imported from the United States — was “Brazilianized” by consumer demand, transforming it into a national symbol and creating an economic network for its consumption. Media was “the instrument of its integration,” according to Dr. Cardoso, even though the press continually misrepresented the dances as violent gatherings. The music, first favored by working-class youth,

eventually became popular among a larger pool of Brazilians. This represents a departure from past patterns of cultural production, in which the upper classes took the lead in importing trends and influencing tastes. The example of Brazilian funk illustrates the evolving ability of Brazilian consumers to control the direction of contemporary cultural trends, molding international influences to local contexts.

Having worked for political change, studied as a social scientist, participated in the women’s movement, and pioneered new forms of community service, Dr. Cardoso approaches these discussions from multiple angles. Despite this — or perhaps because of it — all of her endeavors draw strength from a single deep conviction. For Dr. Cardoso, today’s social problems can only be tackled through a perhaps-unconventional combination of forces and approaches. As she stated in her keynote address at the “Challenges for Brazil” conference, “Only collaborative action across several areas, government and non-government, can respond to this challenge in an effective way. ... Only with a new mind-set can we achieve the necessary urgency and efficiency.” ■

Marny Requa is a graduate student in Latin American studies.



## Many Thanks

The Center for Latin American Studies would like to express its gratitude to all the staff and volunteers who worked on “Challenges for Brazil: A Dialogue.” Pictured are, in rear, Christopher Chinnock, Ingrid Perry-Houts, Fabrizio C. Rigout, Marny Requa, Angelina Snodgrass Godoy, María Massolo, Misha Klein, and Margaret Lamb; in front, Isaac Mankita, Alix Vargas, Melissa Stevens-Briceño, and Allison Davenport. Many others, including Josh Bloom, Zach Elkins, Jeff Sluyter-Beltrão, Glauber Silva de Carvalho, Ben Goldfrank, Aaron Schneider, Renata Andrade, Wendy Wolford, Soledad Falabella, Julie Rodriguez, Nich Thompson, Adolfo Ventura, Julie Ekstrom, Jason Katz, Khamly Chuop and Dionicia Ramos also contributed immeasurably to the success of the event. Thank you to all who participated.

# Labor in the Americas

Continued from page 6

“undeclared civil war” ravaging the country’s largest cities. Lastly, both a regressive tax structure and a skewed social security system protect the relatively well-off while leaving tens of thousands of workers with barely enough to live on, fueling the country’s daunting public deficit. Major reforms of the current system of unusually generous social security benefits for public sector employees, he argued, must be undertaken to address the social problems of the country as a whole.

Union activist Luiz Marinho also addressed contemporary social problems. Brazil, he insisted, has incredible potential for economic growth and development, but needs far-reaching policy changes favoring a better distribution of income and generating more jobs. Unlike Pereira, he did not emphasize social security reform; as the largest union of public sector employees, the CUT has been reluctant to endorse any far-reaching changes to existing social security benefits for civil servants. Rather, Marinho suggested three areas where a modest investment of public funds could create significant numbers of jobs: agriculture (via land reform), tourism, and educational training (including much-needed commitments to local research and development). He emphasized indicators of declining social welfare in Brazil, pointing out the country’s rise from 8th place in the global rankings of total unemployment in 1990 (with 2.3 million) to 3rd place by decade’s end (7.7 million). Industry has declined, becoming ever less national, while international firms expand their presence in Brazil but fail to establish “firm roots” in the country. The restructuring of modern production processes has challenged unions to play a constructive, mediating role, particularly in those sectors where owners have demonstrated little willingness to develop a cooperative relationship. Marinho stressed that living conditions for Brazilian workers in general have become ever more difficult; some 29 million workers must regularly put in overtime hours, and 7 million retirees are forced to continue working to make ends meet. Recently released statistics show that real wages declined almost 3% nationally over the past year. He concluded by calling for an increase in the minimum wage, emphasizing the CUT’s support for a set schedule of increases that would gradually raise the minimum wage over time.

In response to a question from Professor James Lincoln, several panelists revisited themes raised during the conference’s first panel, “Brazil in the



Prof. James R. Lincoln

Global Economy.” Although they affirmed their support for fair labor standards as expressed in ILO conventions, most were hesitant to endorse international efforts to ensure their application in Brazil. Paulo Paiva, for example, preferred to see changes of labor law emerge as expressions of Brazil’s domestic process of democratic consolidation rather than subjecting such changes to international determination. He believed that negotiations among labor, business and government leaders should take place relatively free from external constraints, particularly threats to the country’s economic development. Paulo Pereira largely agreed, emphasizing the critical role to be

Continued on page 31

From left to right, R. Thomas Buffenbarger, international president of the IAM; Owen Herrnstadt, the IAM’s director for international affairs; Paulo Pereira da Silva, president of Força Sindical; and John Fernandes, Força Sindical’s director of international relations



## Social Problems, Political Alternatives

Continued from page 9

such a way that the democratic institutions, from top to bottom, are empowered by popular pressure and by a correct understanding of these questions — beyond party divisions and beyond the lines — then we will carry out a reform of the system of social protection that is worthy of its name,” Faria replied.

In response to a question about the sources of social change in Brazil, Minister Jungmann responded to Rep. Pelosi’s earlier comments by



criticizing the contradictory role played by the United States. On the one hand, he suggested, the United States pressures Brazil to control unsustainable growth in the Amazon; at the same time, however, it fails to fulfill its own commitments to environmental projects as stipulated in international conventions. “Which United States [are we talking about]?” Minister Jungmann asked. “Which United States, the one that pushes us on the subject of the Amazon or the one that does not provide the resources promised in international agreements, that doesn’t observe or give the necessary support for the Climate Convention and polluting gasses and many others? ...If we do not resolve this question with clarity, then it is necessary to say that a good part of the preoccupation with our Amazon ...a good part of that which is being expressed here today has the strong smell of eco-colonialism.” ■

Fabrizio C. Rigout is a graduate student in the sociology department

Prof. Pedro Noguera

---

## The Global Economy

Continued from page 26

reconcile growth, stabilization, and equity in Brazil. What government policies, she asked, would best advance these aims?

Referring to previous remarks by Antonio Barros de Castro, Cristovam Buarque responded that he did not question the need for economic stability. Rather, he questioned the directing of government policy based on abstract economic figures instead of the gripping realities of people’s lives. Education, health care, and other social objectives need to be first on the list, he insisted, and policy should be designed with these priorities in mind. Minister

Serra agreed that growth alone does not necessarily generate social justice. This, he argued, does not contradict the need for stable economic growth, as Prof. Castro had explained, but underscores the need for both strategic economic policy and innovative social spending to redress Brazil’s endemic inequalities. ■

Zachary Elkins is a Ph.D. candidate in the political science department currently completing a dissertation on the democratization process in Brazil.

## Labor in the Americas

Continued from page 29

played by societal actors in efforts to resolve Brazil's problems and suggesting that, given the severity of those problems, it seemed dangerous to accede to international standards which might block Brazil's economic development. "I think no one disagrees with [fair labor standards]," Luiz Marinho explained, "...But as Brazilian citizens we should be somewhat careful: we cannot overlook the risk that such clauses might be used simply as an underhanded and hypocritical means of surtaxing products from developing countries. We have to be careful nowadays. Of course, everyone is against child labor and slave labor... We agree in opposing these two things, but let's tread carefully, [so as] not to throw out the baby with the bathwater." ■

Jeffrey Sluyter-Beltrão is a Ph.D. candidate in the political science department whose dissertation focuses on the internal politics of Brazil's New Unionism movement from 1978 to 1995.



Prof. José Luiz Passos



Conference attendees filled the auditorium

Center for Latin American Studies  
University of California  
2334 Bowditch St., #2312  
Berkeley, CA 94720-2312  
Tel: (510) 642-2088  
Fax: (510) 642-3260  
Email: [clas@uclink4.berkeley.edu](mailto:clas@uclink4.berkeley.edu)

In addition to comprehensive coverage of recent and upcoming events, the CLAS Web site constitutes a unique resource for the study of Latin America, featuring original articles and remarks by CLAS visitors and associates, streaming video of conference highlights, photo galleries, and extensive links to major publications, research institutions, political organizations, and other relevant sites.

[www.clas.berkeley.edu/clas](http://www.clas.berkeley.edu/clas)

