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Title: Theory and Practice in the Career of Fernando Henrique Cardoso: Part III

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Abstract. This is the third and final installment of an article which provides an analysis of an individual accomplished as a scholar of politics (through sociology) and a formal politician. The author is Dr. Ted Goertzel of Rutgers University. He can be reached at goertzel@crab.rutgers.edu.

For Cardoso, Marxist sociology is not a set of doctrines and principles handed down from the nineteenth century; it is a body of knowledge that has to be continually revised to fit changing circumstances. This kind of sociology is very demanding, because it requires him to "read everything" and make his own judgments about each policy issue. The technical details may be left to experts, but the major decisions are dependent on his analysis of the historical conjuncture.

When it is done well, this approach can be highly effective. When Cardoso first became Finance Minister, for example, his team of brilliant young economists told him nothing could be done until the political system had been reformed. Government spending had to be brought under control, corruption and inefficiency had to be reigned in. Once he did that, they could fix the inflation, no problem. Otherwise they couldn't make any promises. Many Brazilians were discouraged, fearing that the nation's chronic inflation and social problems were unsolvable.

If Cardoso had viewed economic policy as a technical issue, he would have accepted this economic advice, and he would have failed just as his predecessors in the Brazilian presidency did. As a dialectical thinker, Cardoso focused on the historical conjuncture. He knew that he had to solve the inflation problem quickly, because only that would give him the political clout necessary to make the needed reforms. He insisted that the economists put together a plan for monetary reform, and he told Congress he wouldn't implement it unless they put aside enough money to keep the government running through the transition period. Impressed with his plan and his confidence, and lacking any viable alternative, Congress passed his measures and hyperinflation was defeated.

In the 1994 elections, progressives around the world placed their hopes on the leftist union leader Lula da Silva and his Workers Party. Lula is a good friend and sometimes political ally of Cardoso's, and many of Cardoso's close friends belong to the Workers Party. But Cardoso declined to join the Workers Party when it was formed because he thought it was more focused on moral righteousness than on political reality. With hindsight, many of the Workers Party's supporters concede that he was right, at least with regard to the Party's stance in the 1994 election. In a recent book, two English leftists (Branford and Kucinski, 1995, pp. 65-66) who are strong supporters of Lula and angry critics of Cardoso's free-market policies, reach the following reluctant conclusion: Notable by its absence [in the Worker's Party program] was any specific reference to the vexed question of hyperinflation. The party still had a working-class mentality, born out of decades of wage bargaining, that found it impossible to imagine that a national agreement between employers and the government for eliminating inflation could serve the interests of workers. So the National Meeting demanded, instead, monthly wage increases, failing to see that this would merely feed inflation in a self-defeating spiral.

International Bulletin of Political Psychology

Fernando Henrique Cardoso won the presidency because he had a solution to the nation's most vexing problem and the opposition did not. His training as a social scientist enabled him to understand and use the latest economic knowledge about hyperinflation and its remedies, making his own judgments instead of relying on advisors.

As President, Cardoso has continued to do battle with those on the left who oppose privatization, deregulation and civil service reform. His first major struggle as President was to defeat a strike by petroleum workers--supported by many on the left--who opposed opening their industry up to foreign competition. He believes that Brazil's governmental bureaucracies are too large and inefficient, and that its social security system has made promises which cannot be met. The new Brazilian constitution, passed in 1988 by a constituent assembly eager to constrain future authoritarian governments, weakens his hand in confronting the interest groups. Many reforms require constitutional amendments, and some congressmen seem more concerned with political posturing than with the good of the country. There was dancing in the halls of Congress when the opposition stymied his first attempt to pass a much needed social security reform. The left is split into factions without viable policy alternatives to offer, but it has been able to join with machine politicians to block reforms intended to trim ineffective government agencies.

Brazilians of all political persuasions respect Cardoso as a man of integrity and exceptional ability, traits which were sorely lacking in several of his predecessors, but they wonder if his Marxist training and social democratic sympathies will make any real difference. His old friend from the Marxist study group days, So Paulo economist Paul Singer, insists that "all the reforms which he is implementing are those which all over the world the right is implementing. There is no difference." Perhaps, his critics argue, Cardoso's Marxism is little more than a biographical idiosyncrasy because the constraints of global economic forces mean that the best even a well-intentioned social democrat can do is to better administer capitalism. This cynicism is fed by the kind of determinist Marxism which believes that no individual can do much to change social forces.

How valid are these arguments? Paul Singer is correct in observing that Cardoso's economic policies are similar to those implemented in countries such as Argentina, Chile and Mexico. Cardoso's economic advisors have been trained in the same universities, and apply many of the same state-of-the-art economic ideas as their colleagues in other countries. But there is a difference in Cardoso's broader social goals: most Latin American leaders are trained in law, political science or economics, while Cardoso is very much a sociologist. The economists and lawyers have often temporarily fixed the economy but have failed to integrate the masses into the benefits of the reforms. When the benefits fail to trickle down, resentment builds up and reform efforts are sabotaged.

As a sociologist, Cardoso has a profound understanding of class and group differences. He also has a long history of involvement in social movements independent of government and corporate circles. He and his anthropologist wife, Ruth Cardoso, have ambitious plans to mobilize non-governmental forces to address social problems. These plans have been on the back burner in the first years of his administration, when absolute priority had to be given to economic and administrative reforms. If he succeeds in consolidating these reforms, and in having the constitution amended so that he can run for a second four-year term, he may be able to do more to incorporate the country's marginalized groups.

If Cardoso is to succeed in mobilizing support for his social initiatives, he will need as much constructive support as he can get from the left. He is disappointed that the left dissipates much of its energy in complaining about the lack of resources to sustain the old patronage systems, resources which in the

International Bulletin of Political Psychology

past might have been found by inflating the currency at the expense of the poor. He believes that "the old-fashioned ideas which still dominate sectors of Brazilian thought, especially in organized groups, impede the recognition that we have to break with the bureaucratic norms of the past."

Cardoso believes that too many Brazilians are caught up in a "failure mania" and simply do not believe that the country can break away from its past. These cynics recall the old saying, "Brazil is the country of the future...and always will be." Cardoso is convinced that those days are gone and that Brazil is already competing strongly on the world stage. Those who are stuck with what he calls the "whining mentality" of the past must be confronted, lest their pessimism become a self-fulfilling prophecy.

Cardoso's critics believe that he has gone too far in accommodating to multinational capitalism, and they dismiss his social reform ideas as mere window-dressing designed to build support for his political party and for his own reelection. In practical political terms, however, his strongest opposition is still on the right, not the left, and armed revolution is out of the question. Whatever their moral qualms, at this point in history Brazilian progressives have no realistic alternative to supporting Cardoso in his reformist efforts.

On a metaphysical level, Cardoso's "dialectical" approach has logical similarities to methods which are known under a number of rather obtuse labels such as prescriptive contingency theory (Priem and Harrison, 1993), narrative positivism (Abbott, 1992) and sequence methods (Abbott, 1990). These methods focus on "historically and situationally specific combinations and sequences of political processes" (Goodwin, 1996, page 19), instead of searching for invariant causal models. These theorists, however, very seldom address historical conjunctures or practical problems such as controlling inflation. The kind of conjunctural analysis which is useful to decision-makers is more likely to be found in the work of applied economists and in the writings of journalists, in magazines such as *The Economist*, than in academic journals. (See Abbott, A. (November, 1990.) *A Primer on Sequence Methods*. *Organization Science*, 1, pp. 375-392; Abbott, A. (May 1992.) *From causes to events: Notes on narrative positivism*, *Sociological Methods and Research*, 20, 428-455; Branford, S., & Kucinski, B. (1995.) *Brazil: Carnival of the Oppressed. Lula and the Brazilian Worker's Party*. London: Latin American Bureau, 65-66; Goodwin, J. *Caught in a winding, snarling vine: A critique of political process theory*. (Unpublished paper.) Department of Sociology, New York University, 269 Mercer St., Room 446, NY, NY 10003, goodwin@socgate.soc.nyu.edu; Priem, R., & Harrison, D. (1994.) *Exploring strategic judgment: Methods for testing and assumptions of prescriptive contingency theories*. *Strategic Management Journal*, 14, 311-324.)

(Editor's Note: With a better understanding of Cardoso's political psychology, IBPP readers also might better predict how he reacts to the recent drop in the Bovespa stock index and whether he attempts to avoid a large devaluation of the real--after devaluations of Thai, Philippine, and Malay currencies--that could lead to inflationary pressures and reduced investor confidence.) (Keywords: Cardoso, Policy, Praxis.)