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Development and citizenship in the semi-periphery: reflecting on the Brazilian experience¹

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Introduction

Sociological and comparative studies on Latin America that depart from the Western-European and North-American academic centres explain the socio-political contexts of peripheral regions and create explanatory models that are very often arbitrary. This has occurred since the II World War through modernization theories that tried to interpret the underdevelopment of the region by relating it in a perverse manner to the cultural and institutional heritage from the colonial period. In that way the catch-all culturalist typologies related to the Latin traditions and Iberian culture, were considered the causes of backwardness whereby the societies of the region were seen as “historical handicaps”, incapable of any social, political and economic development. It would be enough to remove the elements of cultural heritage, which had created the inadequate cultural values, and the obstacles to capitalist development would be cleared away. Autonomous thought in Latin America about modernization cultivated by dependency theory and CEPAL referring to the

¹ The article is the product of the lectures given at the Institute of International and Social Studies at Tallinn University during the two semesters of 2008/2009 and the research done at the Estonian Foreign Policy Institute. It will be published in the forthcoming Estonian Foreign Policy Yearbook.

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perverse consequences of capitalist development, as for example the widening of social and global inequality, did not take roots in mainstream academic centres, but were overthrown by globalization theories in the 90s with the triumph of neoliberalism.

Neither the modernization theories nor the globalization theories permit to comprehend satisfactorily the production of inequalities and the ways to overcome them, which nonetheless remains the main challenge in the so-called modern semi-peripheral countries³ such as Brazil. The semiperipheral modernization has been *contradictory* – accompanied by the emergence of pre-capitalist relations in the countryside and in the cities, exclusion and marginalization, but also by substantive democratization and construction of rights. In order to understand this process, emphasising cultural traditions as explanatory elements tends to disguise social dynamics, which are above all related to the material base and the power relations.

Moreover, today when the globalization theory pronounces the supremacy of the transnationalism and the diminishing of the relevance of the Nation-state as well as deterritorialization of social relations, then looking at the semi-peripheral country like Brazil, the Nation-state has played prime role during its history to guarantee citizenship and development, even if selectively. It might explain why the Nation-state continues to be the main object of dispute over material and ideological hegemony and symbolic recognition.

The task of this paper is to show that the “selective modernization” (Souza, 2000), which has not been implanted exclusively by colonial heritage but by the expansion of capitalist institutions in Brazil, has actually incorporated excluded segments of society during the *longue durée*. In that sense, the paper aims to explore the “double movement” (Polanyi, 2001) between the expansion of capitalist system and the expansion of the sphere of citizenship rights, and how the state power has been used to carry out these processes. The expansion of the sphere of rights will be analysed as a spontaneous action against the “accumulation by dispossession” (Harvey, 2007a; 2007b; 2005), which means commodification of labour and social life taking place through planned marketization. Growing legal and social recognition of parcels of society has changed the State-society relations and legitimated the political

³ From the economic perspectives the category of semi-periphery within the world-system lies between the core (the dominant 'Western' capitalist countries) and the periphery (developing countries in the South), and refers to the countries with industrial capacity (Wallerstein, 2000). These categories should not only be looked at from an economic nor political perspective, since the basic attributes tend to structure the whole social systems (Domingues, 2008).

system.

By using the sociological-historical approach the paper explores this social dynamics during the critical transformations in Brazil history: industrialization and urbanization (1930-1980), democratization in the 1980s, which coincided with the economic liberalization (1990s), and a 'left turn' in the beginning of 2000. The legacy of the role of the State in national development is well expressed by the politics that prevails after the so-called left-turn that took place in the beginning of 2000. The attempts of the current left-wing government to take up again the development agenda in order to invert the dependency conditions in relation to the central countries within the centre-periphery divide and construct more autonomous relations on the world trade arena are explored. Furthermore, under the scrutiny is the expansion of social rights, the South-South relations as well as the construction of the front of the peripheral countries in international trade negotiations.

Theoretical reflections on peripheral modernization

Latin America has been considered one the first laboratories of "underdevelopment" (Love, 1996). In the 1950s and 60s the theories that were the most common to explain development, backwardness and underdevelopment of Latin America were modernization theories and dependency theory. In the 1990s the modernization theories made their comeback in new globalization guise. After the II World War the modernization theories developed in the US academic centres lied on several assumptions regarding progress: that modernization is a global and irreversible process, concerning all the societies all over the world, whereby the traditional societies must catch up with the modern western societies. The division between the core and the periphery was based on culturalist typologies to whom were ascribed values that were favourable or not to the construction of modern political-economic structures. In peripheral societies the dominant values were supposed to be personalism, collectivism, particularism and ascription, while in the core countries secular, individualistic and scientific values predominated (Knöbl, 2003:97). The revival of modernization theories in the 90s repeated but also modified the original arguments. The modernization theories in the 50s and 60s argued that with time socioeconomic development in peripheral countries would result in the transition from tradition to modern values which would enable them to follow the capitalist development. The updated modernization theories emphasised that despite of the socioeconomic developments, the

cultural traditions would endure and shape the economic and political behaviour of these societies (Inglehart, 2005). However, despite of the socioeconomic development the cultural heritage, religion and colonial history of the countries form a distinct cultural tradition that continues playing decisive role in influencing the economic, political and cultural development giving rise to hybrid forms. For example, in Latin America the Iberian colonial heritage, permanence of Catholic culture and incorporation of indigenous element would make it the “Other” of the West.

Other theoretical approaches have contested this overstated importance given to cultural heritage within the process of reproduction of unequal development and have rather emphasised the relevance of material base and power relations in capitalist system. Semi-peripheral countries have produced some alternatives from the *socialstructuralist perspective* to the evolutionist assumptions of modernization theory. One of the most known and recognized approaches is dependency theory, developed in the 60s as a response to the modernization theories (Cardoso and Faletto, 1979). This perspective sustained that *underdevelopment* was not a phase apart but it was the element of one unitary system of capitalist development, or it should be examined within the *centre-peripheral relation*. However this diagnosis in a more pessimistic key saw in a subordinated inclusion of peripheral societies and their national economies to the international capitalist division of labour as a possible continuation of colonial condition in another level. The subordinate development would integrate the social inequality of peripheral societies with the context of sub-remuneration of work in underdeveloped countries, which corresponds to a significant improvement of working classes in the core countries. That is to say that international development is unequal and accompanied by marginalization, the idea that is summoned up by the notion “combined and associated development” (Cardoso and Faletto, 1979).

Within this context emerges another viewpoint regarding the peripheral conditions of the integration to the world society, especially within the framework of systems theory. This perspective abandons the view that peripheral societies are marked by pre-modern characteristics, which makes them “the Other” of the West and emphasise the need to reject exemplar and absolute models based on what progress or backwardness of societies is being determined, instead, it is important to qualify peripheral modernity itself (Souza, 1999).

Modernization theories overstrain Weber's argument about the „elective affinity“ between protestant ethics and capitalist spirit, by placing immense emphasis on the cultural heritage

and the origins of the cultures and treating them as structuring factors in the configuration of the market, state and society (Feres and Eisenberg, 2006). The theorists that represent a more systemic view however emphasise the need to overcome the „essentialist culturalism“, which separates culture from institutions. Instead the discussion over culture, according to them, should be related to the *institutional logic* (economic and political) in a capitalist system. In that sense the persistence of inequality cannot be related causally to colonial heritage, but is the product of the modernization process which has been implanted by the capitalist expansion itself and unfolds as a result of the interaction between external factors and internal social structures (Souza, 2005). In that process the State and the market, as modern institutions imported to the periphery, have anchored the modern *impersonal values* like individualism, meritocracy, achievement principles that have become effective in society and guide the human action and institutional functioning. In order to understand the differential access to scarce material and symbolic goods, its relation with ideological domination should be clarified (Souza, 2005).

It has in the case of the semi-peripheral countries that the modernization has taken place under the leadership of the State. The State was conferred the responsibility to guarantee modernization, integrate territory, support economic development and forge collective identity based on citizenship (Reis, 1999:118). However, neither the state nor the market in the periphery has been able to guarantee full inclusion and social integration of the entire population. The modernization in the periphery has been accompanied by “marginalization” or “exclusion” of large social segments.

In Western Europe after the II WW the organization of capitalism took place through pacification of class conflict through the access to full employment and access to rights, and by institutionalization of the legal and social spheres of recognition: 1) “individualism” as a leading personal idea; 2) an egalitarian conception of justice as a legal form of government; 3) the idea of achievement as the basis of assigning status; as well as 4) romantic idea of love. These spheres do not have only the function of realizing capital, but they are the spheres of recognition, which should also provide the power of self-transformation for capitalism (Honneth and Hartmann, 2006). An essential base for this moral progress is that the state regulated the accumulation tendencies of capital by means of regulatory social and economic policy. When the “neoliberal dedomestication” of capitalism became the „mechanism of social integration“, the culture of solidarity and independence have decreased. Hence, the

changes in capitalism as a social system have forced social-political institutions to adapt to transformed economic structures, which led to the growing insecurity and risk in Western societies. In the semi-peripheral country like Brazil we could talk about “disorganized capitalism” (Offe, 1985) and “accumulation by dispossession”⁴ since the implantation of capitalism there. In that context the institutionalization of the spheres of recognition mentioned above has been in Brazil unequal and selective.

Brazil facing rapid social transformations

Brazilian development unfolded under what has been called by various social scientists as “conservative modernization” (Vianna 1994; Reis, 1998), which originated from the accord between big land owners and industrial bourgeoisie. This process created in the long run industrialisation and consequent urbanization. As a “late-late industrializer”, its industrialization started in the beginning of the 20th century. By the end of the 20th century Brazil was a middle-income country – with per capita income more than \$7000, although income is highly unequally distributed. During the period of 1930 and 1980 the socioeconomic structures in Brazil were completely modified. The importance of the primary sector in the economy diminished more than twice: from the 65.9 per cent to 29.9 per cent, while the industrial sector grew from 19.4 to 24.4 and tertiary sector from 19.9 to 36.7 per cent. When in the 1930s Brazil was exclusively agrarian then in the 1980s it was predominantly urban and industrial. The urban population in 1930-1980 had more than doubled, growing from 31.2 per cent to 67.6 per cent of the entire population. During the period of 1965 and 1980 Brazilian grew in average 8.8 per cent per year (Santos, 1994).

These structural changes after the II World War took place under certain type of economic organization driven by the “developmentalist” ideology of economic nationalism, where the state had the intervening power in economy and promoted domestic industry, through the policy of import substitution industrialization (ISI) (Kohli, 2004). This policy was sustained by social corporatist pact established between ruling classes, land owners,

⁴ It implies dispossession of the affected from the means of producing their subsistence. By this concept Harvey (2007b) refers to the continuation and proliferation on accumulation practices, which Marx treated as of ‘primitive’ or ‘original’ during the rise of capitalism. These include commodification and privatization of land and labour, and forceful expulsion of peasant populations; conversion of various forms of property rights into exclusive forms of property rights; suppression of rights to the commons. What is most curious is that the state with its monopoly of violence and definitions of legality plays a crucial role in both backing and promoting these processes. Commodification, privatization of public assets and state redistribution (upwards) has been a signal feature of the neoliberal project to open up new fields for capital accumulation.

middle classes and modern working class, who were under the protecting wing of the State (Domingues, 2008; Avritzer, 2002; Sader, 2008). This “developmentalist” ideology combined populism and autonomous economic development, which prevailed in entire Latin America between 1930 and 60s, and created opportunities for new reembeddings for peasants and proletarians, which is to say that they were integrated to the economic development and provided with social rights (Reis, 2000). While in Western Europe neo-corporatism was developed under liberal or social-democracy, then in Latin America it had the pattern of cooptation-repression that implied fewer rights and more State control over workers organizations and movements (Domingues, 2008:8).

During the period of 1964 and 1985 Brazil was under the military dictatorship, supported by the US administration as part of its imperialist intervention in Latin America after the national-popular revolution in Cuba⁵. The military government, which came to power with the support of antipopulist and antisocialist national and international dominant bourgeoisie class in Brazil, changed the ideological basis of the national project, although preserving the corporatist structures. The labour was unorganized completely, above all the rural sectors (Love, 1996:189).

With the military regime there was a substantive shift from a relatively inward-looking country to a more outward looking country, that is to say that the import substitution industrialization was combined with the promotion of foreign exports and heavy borrowing of foreign capital (Kohli, 2004). The authoritarian regime continued the nationalist project, which implied no direct rupture with the previous path put on track by President Vargas⁶. The military regime did not destroy the interventionist apparatus of the state, on the contrary they strengthened the existing state institutions – for example the oil company Petrobras – and created various others. Furthermore they strengthened the Brazilian Development Bank (BNDES), created in 1952 (Velasco e Cruz and Moraes, 2008:6). At the same time the alliance with foreign capital was the basis of the economic development model, whereby the capital accumulation was directed to internal investments and urban consumption, not benefitting all the social sectors in an equal manner (Cardoso and Faletto, 1979:152).

Integration with the world economy became the main purpose during the dictatorship. The

⁵ Ironically enough, military *coup-d'État* in Chile took place in 9/11 of 1973. These kind of 9/11s supported by the US government emerged like mushrooms after the rain: in Brazil and in Bolivia 1964, in Argentina in 1966 and 1976, and in Uruguay and Chile in 1973 (Sader, 2008).

⁶ Brazilian president between 1930-1945 and 1951-1954.

dependency on foreign capital increased, which also resulted in growing foreign control over the economic decisions and capital flows. Although production and marketing was taking place in the (semi-)peripheral countries, the revenues and profits served the growing consumption in the centre (Cardoso and Faletto, 1979:160) According to Cardoso and Faletto (1979) the complexification of industrial economy required external capital, technology and organization that led to the reorganization of the economy, making the (semi-)periphery more dependent on the core. It cannot be however considered a natural process, but a result of the expression of certain economic and political interests of the ruling groups with the state institutions, whereby the „populist state became the state of entrepreneurs“. It can be said that the state became even more autonomous in the face of the societal interests, which permitted it to carry out profound structural changes in the agrarian and industrial sphere.

The military regime decreased political liberties suppressing like that any kind of dissensus in the society. The economic growth took place at the expense of social distribution, which deepened the social inequality and suppressed the demands for redistribution. The economic strategy lied basically on import and foreign debt, which meant that by the beginning of the 80s Brazil had reached extremely high indebtedness.

The development models envisage certain citizenship models. The terms that predominate under the State capitalism are: „corporatism“, „top-down modernization“, „regulated citizenship“ etc. meaning that granting citizenship was regulated by the State, which was however made unequally. During the dictatorship (1964-1985), populism was not anymore the ideology of the state policy, but some kind of modified form of paternalism continued to legitimate the government (Reis, 1999). The „developmentalism“ in Brazil was rather elitist, since the ruling groups had little interest in including the masses and therefore served more instrumentally the industrialization and favoured income concentration (Kohli, 2004).

Alejandro Portes (1985) shows how the import substitution-based economic model had the tendency to concentrate income in the hands of upper and middle social classes and stagnate formal employment in modern sectors of the economy. The study of the Economic Commission for Latin America and Caribbean published in 1965 showed that non-agricultural employment in Latin America had increased from 13-36 million persons between 1925 and 1960, but only 5 million of the 23 million additional employees were absorbed in industrial work. The migrating peasants that moved from the countryside to the cities were

absorbed only partly to the growing industrial sectors. While the industrial output in the 1950s had been 6.2 per cent per year, then industrial employment increased only 1.6 per cent per year. The problem according to the Institute was the labour saving technology that periphery had imported from the centre, which had increased the gap between the modern and backward sectors of the economy (Love, 1985).

The “mode of production” debate during the 1960-70s concentrated on marginality and informality phenomenon, by studying the combination of pre-capitalist and capitalist modes of production in the rural and urban contexts (Love, 1985). Marginalization, represented by the presence of informal proletariat⁷ and informal petit bourgeoisie in urban and rural areas, is the phenomena that accompanied the capitalist restructuring in the whole Latin America. Under special scrutiny was the agroindustrial development and Amazonian integration with the national economy in the 1970s, and consequent violence against squatters and peasants and their expulsion to agricultural frontiers. According to Otavio Guilherme Velho the State had a strategic role in integrating the national market system with pre-capitalist agricultural labour relations, which contained violence and coercion. Others argue that capitalist modernization was slow and restricted; peasants were only partly proletarianized, continuing to face coercion. Although the informal sector in rural areas was decreasing, mainly because of the expansion of the agro-industrial relations in the countryside, the informal sector in total did not decrease, representing only the dislocation of the workers from the countryside to the cities. One of the conclusions of the modes-of-production debate was that non-capitalist mode of production was not any colonial residue but part of the dynamics of capitalist phenomenon (Love, 1985:207).

At the same time it can be noticed that profound social changes taking place in the countryside and in the cities resulted in a highly diversified and plural society, rich in new interest groups and movements of free associations, up to 70 per cent of them created in 1960-1988⁸. Moreover, the electorate grew from 16 per cent in 1945, to 25 per cent in 1962, reaching in 1986 51 per cent, which made Brazilian electorate in 1982 inferior only to Japan, the USA, India and Indonesia (Santos, 1994). Nevertheless, the illiterate continued excluded

⁷ Informal proletariat is the social class that 1) does not receive regular money wages; 2) does not receive social security; and 3) its relation with employer is not contractual (Portes, 1985).

⁸ The most spectacular data can be verified in rural areas, where 96% of the associations of rural workers was created within the same period, which implied, in theory, incorporation of the rural workers into the public arena.

from political rights until 1988, when the new Constitution was adopted. All in all, it meant that the incorporation of the sectors of the population into the political arena opened an opportunity to have an access to social welfare rights. Large strata were included into wage relations, and as a result were partly freed from the personal relations of domination prevalent in the countryside, expanding social rights to rural masses (Reis, 1999; 2000).

The incorporation of the working class into social rights under the corporatist policies remained, though, limited to formal and modern workers and the political and economic power of not incorporated masses was however constrained through restricting their autonomous political organization that could challenge the ruling elites (Oxhorn, 2003).⁹ But informally, mainly towards the redemocratization era, the labour organization became more frequent. At the same time the new labour leaders started to emerge independently of the state-controlled arenas. The stratified access to rights during the modernization process created plural demands that were impossible to control (Domingues, 2002).

Democratization

The 1980s marked for the Latin American countries transition to democracy, which lasted 11 years, culminating with the election of civilian government in 1985 and bringing on the national political agenda the debate around social and political rights to all the citizens, minorities and indigenous peoples. Democratization implied restoring democratic institutions (with the establishment of rules of competition and freedom of opinion), expansion of political rights (in 1985 right for a vote was given to all the illiterate and all the political parties became legal) and adoption of new constitution (Fausto, 1999:317).

Several factors contributed to democratization. One could emphasise the emerging opposition and change in the political culture, which was ironically enough related to the structural changes triggered by the modernization process during the military regime, like the expansion of the salaried middle class and industrial working class and urbanization, which altered the lifeworlds, opening new horizons, redefining expectations and worldviews, giving rise to new social forces (Velasco e Cruz and Moraes, 2008). Other factors were also important, such as, conflicts between military forces and state authorities due to repressions, abolishment of censorship, economic downturn, foreign debt that had grown to

⁹ See Portes (1985) about the change of social structure during the developmentalism.

stratospheric levels – from US\$43,5 billions in 1978 and to US\$91 billion in 1984, the explosion of autonomous labour unions in the rural and urban areas, including the white-collar unions (Fausto, 1999).

Democratization opened the space for the change of ruling groups in the society but also for new social and political demands that had emerged, whereby multiple social actors – unions and popular movements – demanded their political incorporation and social rights. Diverse disembeddings and growth of informal sector gave the excluded masses the incentive to mobilize politically through community-groups, popular parties and church-financed associations. The demands around what the informal proletariat mobilized were not related to the control of the means of production but rather around collective reproduction - demands for minimal access to transportations, water, shelter and other services. These new demands derived from the acceleration of migration from the countryside to the cities and the consequent aggravation of housing crisis, breakdown of public services and pressure on public transport as well as violations caused by the threat of removal of urban slums (Portes, 1985:31-32). The social thought of the Catholic Church guided by liberation theology had an important role in supporting the popular movements, emergence of the movement of landless peasants and new worker's unions¹⁰. In the automobile industry the new type of union was ABC SP-São Bernardo¹¹, which became the main social and political base for the Worker's Party (founded in 1980). Brazilian transition into democracy did not mean only the emergence of the sphere of civil society but also construction of new actors and political projects, which meant breaking off with the hegemonic authoritarian project and confluence of various actors and movements into Workers' Party (PT) in the 1980s, articulating unions, social movement activists, left Catholics, Marxists and progressive intellectuals (Dagnino, 2006).

The political culture and the “hermeneutic fabric of social life” were in the process of change. The new emerging social actors started to redefine their political role, the aim and

¹⁰ About the role of the Catholic social thought and the role of the Church in the struggle against authoritarianism and organising the poor see Paiva (1995). The author demonstrates how the Russian populism in the 19th century had influenced populist movement within the Catholic Church in Brazil in the middle of the 20th century.

¹¹ Much of the foreign capital that had flown to Brazil resulted in the establishment of automobile industry in Sao Paulo, since the economic model was based on the exports and luxury-goods sector, big part of the growth in the 60s was directed to car and domestic appliance production. It was here where the unofficial unionism developed. There the political career of Luiz Inacio Lula da Silva started, culminating in 2002 with his election for the president of Brazil (Sader, 2005).

the manner to make politics by occupying the political space and manifesting themselves through the axis of interests-rights-citizenship (Avritzer, 2002; Vianna, 2004; Oliveira, 1999). One of the most important actors has been the landless workers movement (MST).¹² All in all, it can be said that political democratization and new progressive constitutions represented huge opportunity structure for variety of social actors to place their social and political demands in the public arena.

Capitalist modernization in the neoliberal moulds in the 1990s

The transition from authoritarianism to democratization in Brazil took place during major transformations in the modern world and within the context of change of the political agenda. First of all the 80s represented for most Latin American countries a “lost decade” because of the indebtedness crisis and growing inflation¹³. Secondly, new political coalitions emerged in the 1980s that were oriented by the market values and to the subordination of the social dimension to a new rationality derived from the necessities of capitalist modernization (Vianna, 2004:23). Responsibility returned from the state to the individual, and the developmentalist projects, whose basis was state’s active interference into the economy, had lost its credit, opening space to anti-state ideologies (Reis, 1999:122).

From the 80s on there were several attempts to resolve the deep debt crisis and tame high inflation rate, but without significant success. The solution, as described by was provided in the form of new plan – Plano Real, which was much more ambitious than just striving for stabilization (Rocha, 2002). One of the principal purposes of the Plan was to tame inflation in order create the economic environment for foreign direct investments (FDI) and attract foreign capital to guarantee economic growth. FDI’s were presented as a panacea for the modernization of Brazilian economy: they were seen as structural to finance balance-of-payments deficits, modernize industrial structures, develop advanced technology, promote productivity and boost the international competitiveness of Brazilian exports. Foreign companies’ access to natural resources was facilitated and multinationals were allowed to participate in the privatization process of state companies in the sector of infrastructure (Idem.). The justification of the plan was based on the widely known neoliberal mantra that

¹² MST was founded in 1985 and it is the biggest social movement in Latin America with estimated 1.5 million members (www.mst.org.br).

¹³ In 1984 233.8% and in 1985 235,5% per year (Fausto, 1999).

stabilization and liberalization of capital flows should increase the confidence and reliability of investors, increase efficiency, productivity and competitiveness.

The foreign capital in the country increased from \$14.3 billion in 1994 to \$34.2 billion in 1996, while the annual net FDI had grown from \$3.9 billion in 1995 to \$30.5 billion in 2000. The result of the Plan was that inflation decreased from 23.29 percent in 1995 to 1.79 per cent in 1998; a fact that played an important role in guaranteed the architect of the Plan the victory in presidential elections in 1994 (Rocha, 2002: 9). The Plan was accompanied by trade liberalization, which resulted in dramatic increase in imports, which in turn lead to the overvaluation of currency. In 1995 this model brought some short-term fruits – domestic market had gained some nine million additional consumers that had left from absolute poverty¹⁴; the average real wage increased significantly for all the societal groups. Nevertheless in the long-run and by the logic of the model, it was an economic and social disaster. Not to mention the almost tripling of the external debt from US\$95 billion in 1984 to US\$236.8 billion in 2000, while the public debt in total reached 28.1 per cent of GDP, making Brazil one of the most indebted countries in Latin America after Argentina and Nicaragua. It meant that in 2000 the interest payments amounted 20.5% of the total public expenditure.

One of the main strategies to attract foreign capital was privatization of state companies, and mergers and acquisitions¹⁵, for what the Brazilian Congress amended the Constitution in 1995. Between 1996 and April 2002, FDIs worth of US\$30.9 billion, were channeled into the purchase of privatized state enterprises in such sectors as electricity, telecommunications, gas, finance etc. Foreign acquisitions happened mainly in such sectors as auto parts, steel, banks, food, drinks, dairy products, hygiene and cleaning, electronics and chemicals, which resulted in the disappearance of various Brazilian companies between 1995 and 2001. The rapid liberalization of imports and elevated interest rates has been the most important means of displacing local capital.

Some Brazilian financial and industrial interest groups in association with the international capital have earned a monopoly situation in the domestic market and profited enormously during the privatization process. The examples of these “newly internationalized

¹⁴ The number of people living in absolute poverty decreased from 41.7 per cent of the population (59.4 million people) to 33.9 per cent (50.2 million).

¹⁵ The study of Rocha (2002) suggests that between 1995 and 1999 there were 1233 mergers and acquisitions, whereby the multinational corporations acquired control or participation in Brazilian industries.

bourgeoisie” are the huge state mining company Vale, which is today the biggest exporter in Brazil, or Odebrecht, a huge company in the fields of Engineering & Construction and Chemicals & Petrochemicals, or private banks such as Bradesco and Itau. One curious exceptions in Brazil is the oil-company Petrobras, that stayed in State’s hands (Flynn, 2007). Some question regarding the impacts of the FDI remain: have the overseas investors built new plants, thereby expanding production and creating employment? Or in what sense has the denationalization promoted modernization of capital production and research and development? The evidence alleges that the strategy has been to destroy local capital. It is a known fact that the importance of the so-called semi-peripheral and peripheral countries in the research and development and production of high-technology in comparison with the core countries is meagre. The evidence shows that the result of privatizations and deregulation of electricity and telecommunications, the acquisitions and mergers was abandonment of local research and development for intra-company technological imports. Also the ever-lasting effort to reduce dependency on the capital goods import went down the drain, since between 1994 and 2001 the bill for capital goods from abroad grew from US\$7.5 billion to US\$14 billion and for intermediate goods from US\$15.6 to US\$27.3 billion. So, the purchase of the national companies by multinationals really suppressed the national technological innovation. For example in telecommunication and computer sectors the engineers were transferred from labs to marketing, production, sales and technical assistance. Despite of all that, in comparison with Argentina, in Brazil there was no significant deindustrialization (Rocha, 2002).

It must be said that the neoliberal logic as “creative destruction” (Harvey, 2007a) contains a whole ideology that penetrated into the common sense and political setting. The increasing submission of public policies to economic liberalisation agenda, in which States are forced to employ larger portion of budgetary income to pay the debts and decrease the control of capital flows, has resulted in narrowly targeted public policies only for those most in need as a true remedy for State’s fiscal crisis. At the same time, after the privatisation of state infrastructure sector, what can be observed is an expectation that pension and health systems also followed the private logic under the control of banks and insurance companies, motivated by profit and not by the principle of justice. In everyday social fabric prevailed the discourse of privatism, or in other words “subjective experience of apparent irrelevance of the public” (Oliveira, 2000:57). It had become the norm of everyday life of the bourgeois

classes, then of middle and working classes in the 1990s. The Brazilian experience, as well as the experience of other South American countries, undermines the long-believed hypotheses as if the open economy and foreign direct investments would decrease inequality in the long-run (Huber, 2006).

Citizenship, rights and political culture

Portes and Hoffman (2001) provide a rich analysis how the capitalist modernization in the neoliberal moulds had profound influence on the class structure. While the import substitution industrialization expanded the class of state bureaucrats and formal workers, then the neoliberal adjustments decreased both the public sector as well as formal labour, but increased the informal workers¹⁶ from 37.5 per cent of the economically active population (EAP) in the beginning of 1980s to 48.1 per cent in the end of the 1990s. During the period of 1979-1997 the percentage of formal proletariat in EAP had decreased from 49.7 per cent 44.6 per cent. While observing the effects of capitalist restructuring on inequality and income, then ECLA (2000) alleges that the income of formal workers declined from 4.8 times the poverty line in 1979 to 3.9 in 1997. Between 1999 and 2001 the average real wage diminished by 10 per cent. In 1999 more than half of the population earned less than 50 per cent of the mean income. Although the economic adjustments represented decline for all the classes, the income concentrated in the upper deciles of the population. While the income for the bottom 40 per cent increased 1.3 times during 1990-1996, for the top 20 it increased 1.5 times. This difference between the classes was not that big in Brazil as it was in Argentina where the bottom 40 per cent had their income increased for 3,5 per cent while the percentage for the top 20 was 6,8 per cent, or Mexico where the indicators were - 0.2 and 3.8 respectively. However, in Argentina the inequality rate increased less than in Brazil. While in 1990 the inequality coefficient¹⁷ in Brazil was 19.2 and in 1996 it was 21.5, then in Argentina the same indicators were 7.0 and 8.0 for the same years respectively (Portes and Hoffman, 2003).

The numbers demonstrate that the logic of economic model was based on the “accumulation by dispossession” (Harvey, 2007b) whereby wealth from the poorer classes

¹⁶ In Portes and Hoffman (2001) the category ‘informal workers’ includes micro-entrepreneurs, those working on own account and domestic servants.

¹⁷ The ratio of nominal average income of the top quintile of the population to the bottom two quintiles.

was redistributed to richer classes, as well as from more vulnerable to wealthier countries. The shrinking working class and stagnant informal working class show that the new economic model was not able to absorb labour and diminish poverty, making the popular sector even more heterogeneous. In this context new situation emerged, namely the provision of universal political rights with social rights in decline (Oxhorn, 2003:47).

It can be argued that two simultaneous ‘modernising gears’ are in currentlu in dispute in contemporary Brazil: ‘molecular democratic revolution’, and ‘neoliberal transformism’ (Domingues, 2008). According to the latter the state and society related to the new capitalist turn value extreme individualism and efficiency that promote the conception of citizenship based on „private egoism“, or the practices of social control expressed in the criminalization of the poor or movements that struggle for inclusion. This project presents a minimalist view of politics, reducing the societal actors into typical organizations of third sector representing the statist power; political issues are treated technically and philanthropically, and as a result the issues of poverty and inequality are removed from the public arena; resulting in the privatization of poverty and inequality. The dismantling of the State that resulted from neoliberal reforms, largely subordinated to the predatory appropriation of private oligopolistic groups that benefited from privatisations, and lack of access to movements and interests of society to the State weakened the State’s legitimacy in the face of the society.¹⁸

On the other hand the first project of countermovement – “molecular democratic revolution” has unfolded since 1980s, which aimed to contribute to the deprivatization of the State to make it more responsive to public interests, therefore less subordinated to private appropriation of interests. The central element of this public-democratic project has been to construct a bigger equality and citizenship. Within the discourse frame of “rights to have rights” emerged new social demands and new social subjects who demanded their rights to be recognized. Here we notice the demands for education, habitation, health, but also for rights of women, Indians, homosexuals, blacks, the poor (Dagnino, 2006; Domingues, 2008).

In spite of the new social actors being present in Brazil as they are in Europe, the movement in Brazil expressed an urgency motivated by extreme levels of inequality that deepened

¹⁸ See more about this neoliberal project in Dagnino (2006).

during the 1990s. As it has been possible to perceive by now, the expression of those new social actors in the political scene has drawn considerable interest and imposed on the Nation-state and the classical institutions related to it the necessity to incorporate in its agenda new forms of articulating diverse interests. In this sense it is possible to say that societies in these two regions have begun to denaturalise the liberal myths of self-regulation of economy and identify the power of State as a strategic mediator of social interests in any development project. So, democracy and its institutional spheres are apt to acquire the status of a dynamic process and permeable to the demand not exclusively linked to mercantile interests. What occurs in an intense manner in Brazil is not a new separation between State and society, but, rather, a new articulation, in which social movements depend on the normative capacity of the State to stabilise and consolidate its interests in policies and the State and parties need these movements to renew its legitimacy. What can be said is that, it is necessary that society returned to recolonise institutional spaces, activating parties, electoral processes, parliament, judiciary, press, which is fundamental in order to avoid that mercantile interests and commodification came integrally to take over the State and access to rights, thus mitigating the quest for justice.¹⁹

“The shift to the Left”: striving for autonomous global policies and fulfilment of social demands

The neoliberal adjustment created a favourable environment for the election of left-centre governments in Brazil. In this “shift to the Left” in 2002 the Worker’s Party²⁰ headed by Luis Inacio Lula da Silva gained an electoral victory. In all the Latin American countries²¹ where the left-centre government came to power, the national development agenda has returned more or less to the political arena as a countermovement to the homogenizing agenda of globalization and its created social crisis. From the geo-political perspective²², according to

¹⁹ Santana, Carlos H. and Lillemets, Krista (2008) Project text for the International Conference “Comparative perspectives of development experiences in South America and Eastern Europe: semi-periphery and development“, in Tallinn University, October 9th-10th of 2008.

²⁰ It can be said that the arrival of PT to power symbolized the consolidation of the decades of popular struggle for the democratic-popular societal-political project, hence the new PT government forming a wide alliance of developmentalism, represented new hopes for the future with more equality. The new government faced however a situation of almost half of the economically active population occupied in the informal sector with diminished incomes; variety of social groups placing their demands.

²¹ Hugo Chavez in Venezuela, an Aymara Indian and the leader of *cocalheiro* movement Evo Morales in Bolivia, Kirchner in Argentina, Correa in Ecuador, Fernando Lugo in Paraguay and Tabares Vasquez in Uruguay.

²² In that light from the system theory perspective Wallerstein (2005) argues that in the geopolitical arena there

Wallerstein (2005) the semi-peripheral countries in the South with progressive governments play a significant role in disequilibrating the consolidated power relations and politicising the trade negotiations for the benefits of the long less favoured nations.

In order to attend the increasing and diversified demands for social rights the left-centre government aims at building more autonomous economic and political relations by giving the State back its role in intermediating variety of social interest within the national development, strengthening the regional integration through supranational regimes like Mercosul and UNASUL to create favourable conditions for the global trade relations. It has been argued by various researchers that the new developmentalist agenda is not the exact reproduction of the “developmentalist” agenda that prevailed in the 1950-80s, but it can be considered a neo-developmental response to the neoliberal agenda that swept the entire region in the 80s and 90s (Boschi and Gaitan, 2008).

The social issues are an important key factor in the new developmentalist model. Poverty and inequality have been always the cost of economic development and no government has been able to combine equality²³ and development. The social programme implemented by the PT government in Brazil is the expanded form of the programmes instituted by the previous government and united under the catch-all Family Grant. The income transfer mechanism, Family Grant²⁴ is provided on condition that the beneficiaries do their regular medical examination and maintain children and youth at school.

Income transfer mechanism with various conditionalities is the main form of social policy that has spread in today's Latin America (Argentina, Bolivia, Brazil, Mexico), it is a targeted policy to extremely poor sectors of society, that most suffered with the neoliberal wave. This kind of targeted policy is being criticised by some critical analysts for being mere mechanisms of administrating poverty without aiming at overcoming it, losing the dimension

are currently three global cleavages: 1) struggle for capitalist accumulation in the capitalist world-economy; 2) struggle between North and South for distribution of the world surplus; and 3) struggle around structural crisis of the capitalism, which doesn't ensue the geographical divide, but rather class and moral divide between commodification and decommodification of social and public life to build a new political culture.

²³ There is an enormous resistance to equality politics by the upper classes as well as the „big media“, together with the legitimization of meritocratic values (Souza, 2005), which are almost aristocratic, which act as the mechanism of social control of the poorer social strata to express themselves politically. The conservative Judiciary power contributes to the maintenance of privileges by being tightly engaged with the oligarchic interests. For example the initiatives of agrarian reform and popular protest against the corporatist interests meet in every corner of the country the Judiciary to suppress them down (Velasco e Cruz and Moraes, 2008: 19).

²⁴ The criterion of inclusion to the programme has been based on monthly family income of R\$140 (around 70 dollars) per person. By now 11 million families benefit from the programme.

of universal right and depoliticizing the social question when it comes to poverty and inequality. However it has been a step forward to integrate to the Nation-state those suffering from long-term unemployment, social exclusion and low self-esteem. The study carried by the researchers of the Institute of Social Policy in Fundação de Getúlio Vargas has shown that six years of this policy has decreased poverty and inequality and contributed to the expansion of domestic market and the emergence of the so-called “new middle class”, or class “C”²⁵, which has grown between 2003 and 2008 by 22.8 per cent, comprising 33.19 per cent of the population in 2002 and 51.89 per cent in 2008. Besides the role played in this change by the Family Grant, other factors have been influential as well, such as the social security transfers, related to the adjustments in the minimum wage, as well as the structural changes taking place in the economy, more specifically the increase of formal employment with the employment registration booklet (*carteira do trabalho*) (Neri, 2008).

According to Paul Singer the programmes of access to social programmes, to credit and banking services, agrarian reform (financing, credit, assistance), support to family agriculture (credit - PRONAF²⁶, facilities to commercialization) do not result only in the reduction of poverty, but according to him they have also an emancipatory dimension²⁷. Besides the material improvements these social policies have also impacts on subjectivity in terms of transforming the subjects into citizens.

Increasing its autonomy to act, the Brazilian government has been able to diversify its foreign trade^{28, 29}, partly explained by the new industrial development programme (PITCE – Industrial, Technological and Foreign Trade Programme) and PAC (Growth Acceleration Programme), besides the government has promoted considerably the regional integration and South-South cooperation. The trade policy shows how the export of Brazilian capital in abroad has been integrated to the world market (Boschi and Gaitan, 2008).

²⁵ The criteria to measure the class “C” is related to certain consumption and symbolic goods like: access to housing, car, computer, TV sets, radio, washing machine, fridge and freezer, credit, the level of education of the head of the household and formal employment. The low-middle class household income is between R\$1064 (US\$ 591) and R\$4561 (US\$2633). The study was carried out in six metropolitan areas of Brazil (Neri, 2008).

²⁶ <http://comunidades.mda.gov.br/portal/saf/programas/pronaf>, accessed in 12.09.2009.

²⁷ <http://www2.fpa.org.br/portal/modules/news/article.php?storyid=3228>, accessed in 03.09.2009.

²⁸ In 2005 19.2% of Brazilian exports were directed to the US, 22.4% to the European Union, 21.5% to ALAI, 15.7% to Asia and 19.5% to the rest of the world (Oliveira, 2006).

²⁹ The strategy of the national political and economic elites to develop foreign policy that diverges from time to time from the hegemonic powers and promote its power on the global scope is not completely new tendency in Brazilian foreign policy. There are examples that prove it since the mid-19th century (Calcagnotto, 2008).

The export strategy in Brazil favors big corporations concerned with international commerce. The enterprises that are responsible for the biggest part of the export are the ones that were internationalized with the support of international capital, making them the “global players”, especially in such sectors as petrol, petrochemicals, mining, steel industry, civil construction, cellulose and agriculture (Santana and Kasahara, 2007). These include state-owned oil and energy-producing company Petrobras, a high-tech company EMBRAER, which produces commercial aircraft of fewer than 110 seats, Vale (mining) and GERDAU (steel industry). Although they are present in all the regions of the world, a bit bigger concentration is in Latin America. Two of the sectors that have the greatest participation in the exports are minerals and processed minerals as well as big agriculture including the processed agricultural products such as processed meat, oil, cellulose and paper, sugar, juices etc (Flynn, 2008).

Agribusiness³⁰ has emerged powerfully in the entire region as a strategy to promote foreign trade, but also as a central motor of accumulation. Besides the agricultural commodities, one of the areas that has grown significantly during the last years and draws great attention of foreign capital is sugar cane production³¹. Its growth has taken place mainly due to the elevation of domestic ethanol³² consumption³³. In 2007 there were consumed 9.2 billions of litres of ethanol, which was 50% more than on the previous year. It has been forecasted that the sugar cane production will double by 2014³⁴ in comparison with 2007 when the production was 475 million of tons. The export of ethanol grew six times between 2005 and 2007 and the main destination countries were the USA, Japan, Holland and Sweden.³⁵ The growth of supply is related to the expected growth of demand in the long-run, as for example the EU has set an objective to replace 10 per cent of gasoline production by ethanol by 2020³⁶. The critical voices claim that the expansion of sugar-cane cultivation will contribute to the consolidation of dominant economic model in Brazilian agriculture, founded on the institution of latifundia, which sustains itself on monoculture, artificialization

³⁰ Agribusiness constitutes 30% of Brazilian export and exports responds to 50% of the turnover of the sector.

³¹ Brazilian Agricultural Research Cooperation and various other research institutes are developing endogenous agricultural technologies for rice, soy, sugar cane, beans, etc. (EMBRAPA, <http://www.embrapa.br/>).

³² Three quarters of the ethanol produced (roughly 45 billion litres) in the world in 2006 was generated in the USA (maize) and Brazil (sugar cane).

³³ 85% of produced ethanol is used for domestic consumption and 15% is directed for export.

³⁴ Doubling the production is will replace 50% of the gasoline (Goldemberg and Guardabassi, 2009).

³⁵ REBRIP „Quem ganha e quem perde com as exportações Brasileiras“, Cartilha.

³⁶ It will require 14.8 million m3 of ethanol per year by 2020 (Goldemberg and Guardabassi, 2009).

of activities through transgenic, industrial fertilizers, intensive use of agrotoxics and herbicides, automatization and heavy mechanization³⁷. Another issue is how sugar-cane production will influence family agriculture and valorisation of land as well as in which sense it will aggravate rural conflicts³⁸ and deepen regional inequalities since the biggest part of production of ethanol is concentrated to the South and South-East of Brazil. On the other hand it is expected that by replacing gasoline by ethanol it will decrease significantly carbon emissions³⁹ in the future (approximately by 57 million tons per year) (Goldemberg and Guardabassi, 2009). Or for economic or for environmental reasons, the government has actively promoted ethanol abroad. Currently ethanol import still faces high duties in the EU and the US.

The expansion of Brazilian capital abroad represents only one side of Brazilian integration with the global capitalism. Another important aspect in the integration with the world economy is the institutional and regulatory framework provided by the Brazilian State through public institutions such as BNDES⁴⁰ (National Bank for Economic and Social Development), founded in 1952 to finance the state-led industrialization. It has played a strategic role in furthering development through financing productive sectors, infrastructure and credit and microcredit policies. During the Cardoso's government it was used as a mechanism to finance many foreign acquisitions of privatized firms at very low interest rates (Boschi and Gaitán, 2008). In Lula's government the ideological orientation of the Bank changed favouring domestic industrial policies. This ideological change was related with the shift in the top management from investment bankers to development oriented progressive economists related to the PT (Flynn, 2007: 20).

The Bank also supports regional integration, which is part of the trade policy and development as well as part of the broader South-South cooperation strategy. It aims to

³⁷ REBRIP „Quem ganha e quem perde com as exportações Brasileiras“, Cartilha.

³⁸ Coerced labor is till a present phenomenon in agribusiness. Expansion of agricultural frontier for soya, sugar cane or eucalyptus production has intensified conflicts in rural areas, leading to the criminalization of social movements, for example. On the other hand monitoring and discovery of slave labour in the countryside has also increased. Recently the government launched a Plan for Combating Violence in the Countryside.

³⁹ Ethanol made from sugarcane is more effective in reducing greenhouse gas emission, producing approximately 80% less CO₂ per energy unit than gasoline, than biofuels made from maize (producing only 20—40% less emissions).

⁴⁰ The source of its capital comes partly from the Fund for Workers' Assistance (FAT), created by the 1988 Constitution. Between June 2008 and June 2009 its disbursements reached of R\$96.6 billion (approximately US\$57 billion), majority of it was destined to industry and infrastructure http://www.plataformabndes.org.br/documento_plataforma.pdf, Accessed in 08.09.2009.

guarantee to the region better position in the international trade negotiations to invert the commercial asymmetries and obtain greater autonomy within the global economic and political hierarchy. One of the most known regional blocks is the Common Market of the South (Mercosul) founded in 1991 by Brazil, Argentina, Paraguay and Uruguay. By now also Chile, Bolivia and Venezuela have become members. In December of 2004 Mercosul and Andean Community of Nations made an accord to create a region-wide free-trade zone called the Comunidad Sudamericana de Naciones (South American Community of Nations - CSN). All of these regional blocks have been concentrating on opening the markets by creating common tariffs regimes (Oliveira, 2006).

While the regional integration has advanced, the global free-trade negotiations have been put on hold. The conflation of various societal interests⁴¹ has played strategic role in hampering the advancement of the construction of Free Trade Area of Americas (ALCA). Also the Doha round negotiations under the World Trade Organization (WTO) have come to a halt. Within the WTO negotiations Brazil has had an outstanding role in trying to block the further liberalization of trade until the demands and different conditions of the developing countries are taken into account. Strengthen the bargaining power of the peripheral and semi-peripheral countries has been the main motive to found the G-20, a coalition of developing countries that also integrates India, China and South America and whose main message is: “free trade works both ways” (Wallerstein, 2005). The main bone of contention has been the agricultural subsidies of the EU and the US. Brazil and other peripheral countries have been rejecting the negotiations over the intellectual property rights, services and government procurement unless the United States and the EU agreed to diminish the agricultural export subsidies and antidumping mechanisms. The core countries, especially the US, are willing to make limited tariff concessions on agricultural and low-value industrial goods produced in southern countries, at the same time trying to guarantee its monopolies (so-called intellectual property) and access to financial institutions. The future bilateral trade

⁴¹ Variety of societal groups has their stakes in the negotiations. The national entrepreneurs have not been at all very straightforward regarding the free trade. Besides entrepreneurs also labour unions and civil society organizations especially REBRIP (Brazilian Network for Peoples' Unity) have played a role in trade negotiations. The most outstanding has been the role of civil society organizations represented by the initiative of Brazilian National Conference of Bishops (CNBB) and other groups with ties to the PT, with the support of some members of Congress, organized a national but unofficial plebiscite, in which millions of Brazilians rejected FTAA (Armijo and Kearney, 2008).

relations between the EU and Brazil⁴² will be based on EU-Mercosul free trade agreement. As this agreement is directly dependent on the Doha negotiations, and since they have reached an impasse, also the Mercosul-EU⁴³ negotiations are on hold.⁴⁴

Several evidence then indicate that Brazil's economic elites are not subordinate to foreign capital, but have become part of an emerging transnational capitalist class. The expansion of the Brazilian capital shows that the country does not only have dependency relations. Its export is not restricted to basic commodities or low-tech manufacturing and neither is it geographically limited to South America (Flynn, 2007:23). The globalization theorists argue that the role of the State power in national development is diminishing and that as a result of the neoliberal reforms the state institutions have been dedicated to the global accumulation (Sassen, 2007). Brazilian case shows a controversial trend in that the national institutions have used to integrate the economic elite with the global capitalism, but at the same the State has affirmed its role as a coordinator of national development project, articulating social and political interests on the national as well as international plane to revert the commodification trend and international asymmetries in international relations.

Especially during the second mandate of Lula's government more steps have been taken to consolidate the nationalist-developmental policy, which becomes especially obvious in the case of the treatment of the discovery of the source of petrol – *pre-salt*.⁴⁵ It has been considered one of the biggest findings during the last years. On the 31st of August 2009 the Government presented the plans and visions regarding *pre-salt*. Firstly the aim of the government is to affirm bigger state control of the extraction of the resource through the national oil company Petrobras and put an end to the mercantile economic model. Secondly, the objective is to destine the revenues to public funds to be used for education, health, poverty reduction, science and technology and environmental protection.⁴⁶

⁴² The institutional relationships between Brazil and the European Union are quite recent dating back to 1992. The strategic partnership was established in 2007.

⁴³ Currently Mercosul is the EU's main trade partner in Latin America, and the European power bloc corresponds to 1/4 of imports and exports of Mercosul. The commercial relations between the European Union and Brazil or even Mercosul have been and are asymmetric, which brings to the fore an issue of justice in the international trade. For example the direct investments in services have taken place unidirectionally, from the EU to the region of Mercosul, mostly concentrated in Brazil and Argentina.

⁴⁴ http://ec.europa.eu/trade/issues/bilateral/countries/brazil/index_en.htm

⁴⁵ The size of the resource has been calculated to 50 billion barrels and it lies 5 km deep below the ocean level.

⁴⁶ Folha São Paulo, domingo, 30 de agosto de 2009

Conclusion

Through the sociological-historical approach it has been shown that “selective modernization” has been accompanied by the gradual expansion of the “sphere of rights” during the “longue durée” on the 20th century. Rapid social transformations that took place through industrialization and urbanization within the scope of the national-popular development model striving for national autonomy, permitted to incorporate formal and modern working classes as well as the middle classes into the sphere of social rights. The “developmentalist” ideology that oriented the development project based on the import substitution industrialization diminished poverty but preserved the inequalities, creating rather large masses of urban and rural “informal workers”. The repressive military government continued the development policy within the moulds of the ‘corporatism-developmentalism’, but gradually integrated Brazilian national economy to the global economic system. Excluded social groups with their unresponded political and social demands found variety of means to become re-embedded in social life. Vast changes in the 70s gave rise to associative movements, emergence of informal unionism and social movements, demanding within the interest-rights-citizenship framework the expansion of social and political rights and recognition. The democratization wave universalised political rights.

“Creative destruction” (Harvey, 2007a) put forth by the capitalist modernization in neoliberal moulds under the guise of globalization in the 90s delegitimated the role of the State to the benefit of the self-regulating global market. Commodification of social life and the discrediting of the public by “accumulation by dispossession” (Harvey, 2007b) were challenged by the new wave of subaltern politics. In relation to it occurred what has been described as a “shift to the Left”, or countermovement in polanyian terms, in the wake of the the leftiest electoral victories in various countries all over the subcontinent during the last decade. As a countermovement to the neoliberal trend and consequent aggravation of inequalities the Brazilian State has returned as the main sphere to guarantee social solidarity and more autonomous and less dependent economic and political relations in the global arena. The examples of this endeavour for more autonomous and more developmentalist and rights-oriented national politics expresses itself in the rearticulation of the State and society through the expansion of social rights, in regional integration and in various global steps to democratize the asymmetric trade relation.

One could argue that State's power to penetrate its territory and society through social and economic policies has increased. On the other hand despotic pockets remain when it comes to the violation of labour rights in the countryside and criminalization of social movements. It shows that the State is not a homogeneous unit, especially in Brazil where the regional state governments have significant autonomy and where the Judiciary system in some parts of the country is still discriminating towards certain subaltern social groups.

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