

DEMOCRACY, EQUITY, AND GOVERNANCE IN BRAZIL*

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TRADITIONAL POLITICS AND REGIME CHANGE IN BRAZIL. By Frances Hagopian. (Cambridge: Cambridge University Press, 1996. Pp. 317. \$64.95 cloth.)

CONSTITUTIONAL ENGINEERING IN BRAZIL: THE POLITICS OF FEDERALISM AND DECENTRALIZATION. By Celina Souza. (London: Macmillan, 1997. Pp. 211. \$65.00 cloth.)

BRAZIL: CULTURE AND POLITICS IN A NEW INDUSTRIAL POWERHOUSE. By Ronald M. Schneider. (Boulder, Colo.: Westview, 1996. Pp. 255. \$65.00 cloth, \$22.95 paper.)

THE BRAZILIAN PUZZLE: CULTURE ON THE BORDERLANDS OF THE WESTERN WORLD. Edited by David J. Hess and Roberto A. DaMatta. (New York: Columbia University Press, 1995. Pp. 306. \$39.95 cloth, \$17.50 paper.)

GOOD GOVERNMENT IN THE TROPICS. By Judith Tendler. (Baltimore, Md.: Johns Hopkins University Press, 1997. Pp. 221. \$36.50 cloth.)

DEMOCRACY WITHOUT EQUITY: FAILURES OF REFORM IN BRAZIL. By Kurt Weyland. (Pittsburgh, Pa.: University of Pittsburgh Press, 1996. Pp. 293. \$49.95 cloth, \$22.95 paper.)

BRAZIL UNDER CARDOSO. Edited by Susan Kaufman Purcell and Riordan Roett. (Boulder, Colo.: Lynne Rienner, 1997. Pp. 118. \$12.95 paper.)

The unprecedented reelection of Fernando Henrique Cardoso in October 1998 raised hopes inside and outside Brazil that the reforms initiated since his Plano Real would be consolidated and expanded. Reelection guaranteed continuity, thus increasing the prospects of success. Brazil had certainly been lacking continuity in institutions and leadership since 1985. Yet only days after Cardoso's reelection, contagious financial turmoil in the "new world economic order" and political crises deeply rooted in Brazil's old order caused hopes for the future and gains of the past to evaporate almost overnight. The repercussions of the Russian and Asian financial

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crises, together with the apparent fraying of Cardoso's governing coalition and a unilateral moratorium on federal debts declared by some states, exposed the fiscal and political fragility of Cardoso's policy agenda. Brazil's ability to recover quickly from the global economic shocks and Cardoso's success in winning legislative assent on major structural reforms as of May 2000 reveal as much his political skill as the many overlooked strengths and growing versatility of the Brazilian political system.

The discussions in the texts to be reviewed here place in crisper perspective the political and institutional conundrum facing Cardoso's administration. The seven books share many features. Each in its own way addresses critical political and institutional issues facing Brazil today. For most of these analysts, the central question is, why has Brazil's new democracy performed so poorly in terms of redistributive reforms and democratic governance? Why has the return to democracy resulted in neither good governance nor improvements in the country's profound social deficit? While the authors have their own distinctive approaches and ways of framing of the central problem, this review will focus mainly on the themes of democratic governance and social welfare.

Most of my discussion is devoted to the works of Weyland, Souza, Hagopian, and Tendler, examining primarily the logical structure of their arguments, the quality of their evidence, and whether the evidence supports the argument. Readers are also encouraged to consult some of the essays in *The Brazilian Puzzle*, which explore cultural and sociological characteristics having some bearing on politics and institutions. Individually and collectively, these works add to scholarly knowledge of Brazilian politics—as much in their strengths as in their failings. Especially commendable is their contribution to the study of subnational politics, state capacity, and politics under military rule. Some of these works (such as those by Hagopian and Tendler) are frequently cited for their fresh perspectives and role in generating debate in the field. Another commendable feature is that they draw explicitly on the larger body of theorizing. Weyland's book is the most theory-driven, but even the more case-driven works (like those by Tendler and Hagopian) incorporate cutting-edge theory.

These texts have another aspect in common: pessimism regarding the nature and accomplishments of post-transition democracy in Brazil (with the notable exception of Tendler). In this regard, they are consistent with much of the larger body of work to which they belong, the second wave of literature on democratic consolidation and its successor literature on democratic governance. Even a cursory survey of this literature reveals a collective pessimism about the nature, operation, and accomplishments of Brazilian democracy. These texts point out the same political and institutional infirmities, such as "weak parties," "personalism," "clientelism," and "a dysfunctional political system." Both the executive and the legislature are viewed as incapable of governance and policy output. From the

broader view in which the quality and effectiveness of democracy have come under questioning even in the United States and the industrial countries, together with the fact that Brazilian democracy has performed comparatively well in the circumstances and avoided post-transition traumas seen elsewhere, the overall pessimism about the nature and performance of Brazilian democracy is curious. Democracy as process and institution has built-in tensions and limitations on the scope and pace of its performance. The question for the works reviewed here (especially those by Weyland, Hagopian, and Schneider) is, would democracy in Brazil or elsewhere perform differently absent the ills and defects these authors find with Brazilian democracy?

As a group, the works under review here reveal four shortcomings. First, they understate the achievements of democracy in Brazil. This assessment stems in part from mostly normative hidden assumptions about an ideal type of democracy, in comparison with which the performance of Brazilian democracy falls short. Second, these authors perceive more continuities than breaks in Brazilian political development, with corrosive practices and institutions of the past remaining intact—or even strengthened—following the transition to democracy. Third, they underestimate the capacity of the three key political institutions in Brazil—the parties, the legislature, and the executive—or generalize about their hypothesized weakness. This problem is especially egregious in the analysis by Ronald Schneider, who describes the Brazilian party system as “primitive” and blames the “dysfunctional public sector” as the root cause of the country’s economic and political crises. But the problem is equally visible in the books by Souza, Weyland, and Hagopian. Despite a growing body of research showing otherwise,¹ several of the texts reviewed here illustrate how works on Brazilian party systems and legislative-executive relations continue to be dominated by outdated, impressionistic, and overdrawn arguments and evidence.

Finally, despite some first-rate research and superb analysis, all the works under review are limited by a lack of comparative perspective as a result of their single-case design. It is not simply that they fail to put Brazil in regional comparative perspective but that their analysis of subnational politics is also based on a single case. This is a matter not of social science methodological idolatry but of the validity and generalizability of their arguments and findings. This point is proved by the fact that four of these books (Hagopian, Tendler, Souza, Weyland) ask nearly the same questions

1. See for example Leôncio Martins Rodrigues, “Eleições, fragmentação partidária e governabilidade,” *Novos Estudos*, no. 41 (Mar. 1995):78–93; Fernando Limongi and Argelina Cheibub Figueiredo, “Mudança constitucional, desempenho do legislativo e consolidação institucional,” *Revista Brasileira de Ciências Sociais* 29 (1995):24–37; and Limongi and Figueiredo, “Partidos políticos na Câmara dos Deputados, 1989–1994,” *Dados* 38, no. 3 (1995):497–525.

about Brazilian democracy but come up with conflicting findings. Lack of a comparative research design also prevents determining the true significance or parameters of the performance of Brazilian democracy at national and subnational levels.

Institutions and Politics

In many ways, therefore, these recent texts on Brazilian politics speak directly to one another. Assessments also diverge about the political and institutional impact of the transition. Curiously, and in sharp contrast to some of the growing literature, political parties do not play a major role in causal explanations (although this is less true of Schneider and Roett's essay in *Brazil under Cardoso*). If parties appear in the discussion (they do not in Tendler's study), they are cast in the usual clichés and typical undifferentiated observations that have come to be associated with the Brazilian party system. This tendency is unfortunate in view of the significant programmatic and organizational changes that have taken place as well as the more varied legislative performance. Neglect of these changes impairs general understanding, especially with regard to developments in Brazil today. As much as these works converge thematically, they diverge in terms of where they find the sources of good or bad democratic government in Brazil. A sharp divide emerges between those for whom institutional factors do nearly all the explanatory work (Weyland, Souza, Schneider, Roett, and Tendler to a lesser extent) and those for whom political factors are primary (Hagopian). For some analysts, what ails Brazil is a combination of badly designed, dysfunctional institutions and the perverse incentives they engender. For others, it is the persistence of traditional (but institutionalized) practices and power structures that created the institutions in the first place. A final point on the main works reviewed here pertains to the virtual absence of the military and the problem of democratic control as a central feature in their arguments about post-transition politics.

Democracy, Institutions, and Social Welfare

Kurt Weyland's *Democracy without Equity: Failures of Reform in Brazil* brings together the longstanding scholarship analyzing the causal relationship between democracy and equity and the emerging literature on institutions. Weyland sets out to show that Brazil's new democracy, despite the carnival of expectations and optimism surrounding the return to civilian rule, has not produced equity because of institutional fragmentation and deformities in both the state and society. Pessimism permeates the book, even with regard to the other new democracies in the region (see Chapter 8). Weyland concludes that democracy not only failed to produce equity

but performed no better than the liberalizing military government of General Ernesto Geisel.

Despite the showy theoretical packaging and jargon, the explanatory model in *Democracy without Equity* is fairly straightforward. The model has logical appeal and accords with textbook images of policy making in democratic politics. Yet much of the theoretical discussion in Chapters 1 and 2 is abstract and divorced from the empirical cases, referring to stereotypical and random examples drawn from "the Third World." Brazilian democracy has not produced equity, argues Weyland, because of mutually reinforcing "organizational fragmentation" in both the state and the society. In his view, "Redistributive reform, which needs broad-based support to overcome likely elite opposition, is extremely hard to effect where narrow, fragmented patterns of organization prevail in society and inside the state" (p. 15). Organizational fragmentation at the societal level prevents what Weyland considers the best avenue for redistributive reforms: "bottom-up" pressures generated by broadly organized, well-coordinated social movements and peak organizations of "the popular classes." Fragmented social organization, combined with the heavy hand of personalism, prevent "the poor" from creating a "broad, united front" to generate necessary bottom-up pressures and demand making. Brazilian civil society lacks programmatic mass-based parties as well as peak labor associations, social movements, and other such organizations. The organizations and peak associations that do exist, as in labor, pursue narrow segmentalist goals rather than universalist policies. Labor unions are weak and divided, a legacy of Brazil's corporatism (p. 68), and Weyland considers business as equally divided and fragmented. In the absence of organized pressures from the bottom up, universalist, equity-enhancing policies must originate with reform-minded state officials. But their equity-producing policies are blocked by fragmentation and "low organizational scope" within the state. Thus the Brazilian "state's weakness has been a primary obstacle to much-needed redistributive reform" (p. 186). In his view, fragmentation at both levels deepened with democratization, rather than subsiding.

Weyland's institutionalist model is elegant if sweeping, and he adds an interesting dimension to his explanation in arguing that state-level fragmentation facilitates two of the most often cited features of Brazilian politics: clientelism and elite capture of the state. Organizational fragmentation in the state ensures privileged access by elite classes and business sectors, who then establish personal and sectoral ties directly to individual state agencies to promote their own particularistic interests and block redistributive reforms. Essentially, institutional factors determine the political influence of social classes and political groups, privileging the elite and shutting out the poor. Here Weyland directly challenges the perspective of Frances Hagopian and others. Weyland asserts that the political strength of

traditional elites and clientelist networks begs the prior question of how this political strength is realized, although it also raises the question of how the institutions emerged in the first place. Curiously, even though business is fractured and internally as querulous as labor, business is somehow still able to exert more political influence and block redistributive reforms.

Stripped to its essence, Weyland's "neo-statist" and "institutionalist" argument has some intuitive, if at times romantic, appeal. A touch of idealism runs implicitly through *Democracy without Equity*, in which Brazil would be an equal and just society if only the poor could "act in a united fashion" (p. 184), create encompassing associations to "effectively promote their collective interests" (p. 18), and benefit from state "commitment to universalist principles" (p. 20). Parts of the book are compelling, such as the discussion on populism (Chapter 8). The overall work and argument, however, suffer from conceptual and empirical flaws. First, Weyland's causal explanation is overdetermined and underspecified. He points to fragmentation in both the state and the society and also incorporates into his model bureaucratic politics, normally cited in the literature as a stand-alone explanation. While pointing to both kinds of fragmentation and bureaucratic politics may not constitute explanatory sin, more troublesome is Weyland's overreliance on ad hoc explanations. Although he is firm in describing his institutionalist explanation, his subsequent analysis slips in "political factors" to account for certain outcomes. Indeed, Weyland often characterizes his explanatory model as "political-institutional," concluding that "political forces have been crucial in redistributive policy making" (p. 192). This explanatory inconsistency contrasts with the forceful defense of an institutionalist and neo-statist approach.

Weyland's neo-statist position is that state-level practices (corporatism) initially produced societal fragmentation, which then "backfired and corroded the internal unity of the state" (p. 59). Yet *Democracy without Equity* is ambivalent as to whether the most critical explanatory variable is social organizational strength and peak associations or the organizational integrity of the state or the progressive commitment of "state officials." Given Weyland's predilection for bottom-up pressures and his approving citations of the rural confederation of trade unions (CONTAG), it would appear that societal organizational factors weigh more heavily. At the same time, he is committed to a state with independent preferences, where officials and experts have their own "political interests" and can "impose" redistributive policies (pp. 17, 28). Weyland's study finds that most redistributive reform policies have come about as a result of the actions of state officials (pp. 17, 28, 48, 127, 186, 192). In many cases, state officials were able to make and implement equity-enhancing policies despite organizational fragmentation within the state, an outcome he attributes to "political leadership" (p. 187), "a unique political constellation" (p. 117), and opportunity.

In other cases, equity-enhancing policies failed to emerge or were not implemented because of “political weakness.” This explanatory model is a very different one. Weyland’s turning frequently to political factors to aid his explanation may reflect a deeper ambivalence about whether analysts should expect to see high levels of equity where the society and the state show little organizational fragmentation. It is not clear that such is the case even in the United States. In direct contradiction to Weyland’s claim, Tandler finds high government performance in the design and delivery of social policies despite state organizational fragmentation and the initial absence of social movements and civic organizations.

One may or may not want to question Weyland’s presumptions that “state officials” and “experts” are inherently committed to redistributive reforms, that they are driven by “universalist principles,” notions of the national interest, and a desire to advance “the interest of the whole citizenry,” and that organizational fragmentation alone obstructs the realization of their progressive commitments. Here Weyland raises classic theoretical debates among pluralist-statist, Marxist, and neo-Marxist perspectives on the state and state preferences. Democracy often brings to power leaders and political coalitions hostile to redistributive policies, or for whom such policies are secondary priorities. Moreover, as illustrated by the recent emergence of what Weyland elsewhere calls “neoliberal populists,” the poor and working classes have been key supporters of leaders with dubious democratic credentials.² A more general point is that the policy choices and decisions of state officials may reflect neither their principled commitment nor organizational factors inside the state but political dilemmas and constraints such as the legislative problems faced by minority presidents. Observers may reasonably quarrel over the sincerity of Cardoso’s social democratic commitment, but it is apparent that his policy choices have been restricted by the state’s fiscal crisis and constraints imposed by his legislative coalition.

As for parties, the absence of “mass-based political parties” is an argument that is frequently cited but undeveloped, even though parties are viewed as potentially significant bearers of “universalistic policies.” Nor is it clear why parties are defined in *Democracy without Equity* as part of social organization, nor why mass “broad-based parties” would necessarily be more redistributive given the heterogeneous class interests they incorporate. Short shrift is given to the programmatic and organizational strength of Brazilian parties, although perhaps with good reason. Weyland’s treatment of parties overlooks the development of the Partido dos Trabalhadores (PT), which has significant organizational links to part of the urban

2. Kurt Weyland, “Neopopulism and Neoliberalism in Latin America,” *Studies in Comparative International Development* 31, no. 3 (Fall 1996):3–31.

trade-union movement but receives scant attention in the book (pp. 68–69, 73). The main problem with the PT seems to be its anachronistic old-Left-style message, not its organization and potential to act as a peak movement.

At a broader conceptual level, *Democracy without Equity* is part of the rich literature on the relationship between democracy and equity. On the whole, this body of literature is marked by divergent findings as well as problems in research design relating to coding, data reliability, measurement, and similar matters. Weyland's conceptual innovation is to look at policy making rather than at aggregate outcomes, which can be influenced by a wide variety of factors (such as economic growth rates). He categorizes policy measures as either equity-enhancing or not (p. 9) and concludes that his findings on Brazil support the general argument that democracy has minimal impact on social equity (p. 184), even though the literature examines aggregate outcomes, not policy content under democracy. More important, a close reading of the book reveals that a mixture of policy outputs have been made—some regressive, some progressive, some ambiguous. Such mixed findings simply do not provide solid ground for drawing absolute conclusions about democracy and equity in Brazil or elsewhere.

Weyland's choice of policy areas—tax and social security—weakens his overall argument in *Democracy without Equity*. The most immediate problem is that looking only at policy making might lead researchers to conclude that democracy has no equity-enhancing effects, while actual socioeconomic indicators and living conditions of the poor show relative improvement as an indirect result of government policies in other areas (such as macroeconomic stabilization, employment, and anti-poverty policies). While debate rages as to the degree to which Cardoso has implemented social-welfare policies benefiting the poor (see Amaury de Souza's contribution to *Brazil under Cardoso*), few deny that his Plano Real and "neoliberal restructuring" have improved real incomes and living standards for some of the Brazilian poor. Tax and social security policies have enormous impact on the distribution of economic and political resources in a society. But why emphasize social security and income tax, especially in Brazil? Why not analyze other policy areas with more immediate and direct impact on poverty and equity, areas that are not as politically contentious? In any society (as the United States is finding out), tax and social security restructuring is highly contentious and implicates a wide array of political forces and interests. Specific policy outputs may not say anything directly about a government's commitment to social equity or institutional features. In addition, tax and social security policies are areas where collective action is likely to be inertial and difficult even for the middle classes, and where well-defined interests in specific policy measures may be murky—especially when the entire system is being overhauled, as is happening in most of Latin America.

Weyland's implicit premise in *Democracy without Equity* seems to be

that equity is a necessary and immediate outcome of democracy—that is, democracies with low institutional fragmentation. Such an assumption misses the opportunity to ask deeper questions relating to democracy and democratization in the Latin American context. Political democracy (at least in textbooks) may be the system best suited for equity-enhancing reforms. Yet Samuel Huntington has argued at the same time that political democracies are inherently conservative and that observers should therefore expect to see only gradual reformism. Do new democracies in the context of severe inequality face unique problems, even when leaving aside the challenges of political survival, consolidation, governability, economic crisis, and other pressures they are facing? Weyland studies the relationship between democracy and equity at a time of deep economic crisis in Brazil and the region. He recognizes this fact, but one cannot control for its true effects by looking at policy making. The top policy-making priorities of new democracies are economic stabilization and reactivating growth, which often entail harsh trade-offs irrespective of commitment to equity or organizational factors. Given “the lost decade” of the 1980s, one could conclude spuriously on the basis of data from the 1980s and early 1990s that democracy actually resulted in greater inequality and poverty. Moreover, as a result of the first-generation neoliberal policies and public-sector restructuring in most Latin American countries, inequality and poverty rose sharply even though democracy appeared to flourish. Given the challenges that Latin America’s democracies have faced since the early 1980s, one has to marvel that democracy limped along and even flourished in most of the region.

Weyland acknowledges that the question of equity is not strictly about democracies per se because equity is possible under autocratic governments and not all democracies are the same, as he shows in a cursory survey of Uruguay and Chile. Weyland nevertheless lumps together Brazil’s four democratic administrations, arguing that the same organizational obstacles characterized them all (p. 8). Equating the administrations of José Sarney, Fernando Collor de Mello, Itamar Franco, and Cardoso ignores how much democracy has changed in Brazil since 1985—in good ways and bad. The first civilian government under Sarney, like most of the post-transition regimes in the region, resembled Guillermo O’Donnell’s *democraduras*. It may be more useful to treat democracy as a continuous longitudinal variable by considering the number of years that democracy has existed, as Edward Muller and others have suggested, and thus work from the more promising hypothesis that the positive relationship between democracy and equity is long-term.³ Then the new democracies in Latin America cannot be expected to have any immediate equity-enhancing ef-

3. Edward N. Muller, “Democracy, Economic Development, and Income Inequality,” *American Sociological Review* 53 (Feb. 1988):50–68.

fect. Weyland appears to dismiss this hypothesis (p. 205). Nowhere were economic and social problems more severe than in Brazil, and no democracy experienced greater pressure to perform. Size does matter to some extent. The sheer magnitude of Brazil's social deficit, whether in terms of the more difficult to change income distribution or the more easily manipulable level of poverty, means that analysts may be talking about the long, long term before meaningful changes can be detected, even in countries with reformist leaders and favorable organizational factors.

As for Weyland's dependent variable, there is no independent and consistent measure of what constitutes equity-enhancing policies, although the substantive discussions in the case studies partially alleviate the problem. Some of the empirical evidence he uses to bolster the argument are aggregate outcomes. Given that policy making (or policy content) is being explained, *Democracy without Equity* relies mostly on content analysis. The substantive chapters are detailed and well executed, but content analysis has its limitations. Weyland fails to develop an explicit measure or criteria on which to base judgments about whether or not policies are reform-enhancing, reform-neutral, or reform-retarding. Readers must rely on Weyland's own assessments. This point may be marginal, for the reader may be able to rely on reasonable intuition and the research is based on primary records and numerous interviews. But neither intuition nor a rigid indicator may be a useful guide in deciphering complex policies such as taxation and social security. In these areas, the distributional impact may not be foreseen by policy makers (and researchers alike) and may not be categorized clearly as regressive or progressive even for the same socioeconomic class. Weyland himself describes "findings" on taxation under the new democracy as "ambiguous" ones that "suggest at best a modest equity-enhancing improvement" (p. 124). The substantive case chapters reveal far more varied outcomes in policy making and outputs, across policies over time as well as within any single set of policy measures, than would warrant the unconditional conclusion that Brazilian democracy has not produced equity. The discussion in Chapter 5 on tax policy under Collor and Franco shows that many policies included both regressive and progressive features. It also demonstrates that policy failure was due just as much to the political weaknesses of these administrations.

Finally, tax and social security are the policy areas in Latin America and Brazil where observers have seen the greatest degree of high-level attention, centralization, and planning by executive advisors or cabinet members. Analysts should expect variables of organizational fragmentation to play a less significant role, at least in making policy. During the economic and public-sector restructuring in Latin America in the 1990s, policies have generally been formulated and steered at the level of the cabinet and insulated presidential inner circles. As governments tackle a broad front of interwoven policies aimed at structural reforms in the public sec-

tor, the economy, and core institutions of governance (as in Brazil), they have devised numerous ways to cope with policy challenges. Because both policy areas involve macro-level (economic) policy, they are not policy areas where one should expect their conception, design, and debate to take place at bureaucratic or ministry levels. Moreover, the policy-making problem is less the “mushrooming of state agencies” (p. 47) and more what kinds of coordination mechanisms (formal and informal) exist or are developed to cope with fragmentation. First, Weyland overlooks the significant reduction in the number of ministries since the Collor administration as well as ongoing administrative restructuring and consolidation under Cardoso.⁴ Second, since the Collor administration, researchers have witnessed the occasional emergence of *superministros*, special executive policy-making councils, and other formal mechanisms of coordination and policy making. Similarly, during the Franco government, for example, policy making in strategic areas like the economy, privatization, and revenues tended to be made by an inner circle of advisors that included trusted ministers, Planalto advisers, and close friends of the president from Minas Gerais. Just because these channels are informal does not make them any less institutional. Democracy in Brazil and most of Latin America has proved adaptive and creative in confronting policy and challenges to governance.

Democracy, Institutions, and Governance

Celina Souza takes a different perspective on Brazilian institutions and is concerned with both distributional and governance issues. She too slights Brazilian democracy’s performance and ability to adapt to apparent institutional distortions. *Constitutional Engineering in Brazil* sets out to explain two points: to show the negative political and fiscal consequences of decentralization, primarily in spending on education; and to account for “the decision to decentralize” during the 1988 Constituent National Assembly. Unlike Weyland, Souza focuses more on encompassing institutional design, the Brazilian constitution, and excessive decentralization. In view of Cardoso’s battles to overhaul the overly detailed statist constitution of 1988, her book is timely. Many scholars have pointed to the Brazilian constitution as the source of fiscal and political crisis. In the context of a fragmented party system and presidents elected by a minority of voters, even ordinary legislation became politically and fiscally costly, as Barry Ames and others have noted.⁵ Cardoso can hardly be put in the same category as Sarney, but even the philosopher has had to use the same patronage tactics

4. In just five years (1986–1991), the number of cabinet ministries was reduced from a high of twenty-seven under Sarney to thirteen under Collor.

5. Barry Ames, *Political Survival: Politicians and Public Policy in Latin America* (Berkeley and Los Angeles: University of California Press, 1987).

to win votes or piece together legislative majorities. *Constitutional Engineering* merits attention for focusing on a neglected topic in Latin American studies. While everyone seems to have organized their work around democracy and democratization, little has been written on constitution making and constitutional law in Latin America. The same can be said of studies of the judiciary. Souza's work merits attention also for fingering a major area of policy reform for Cardoso and other Latin American presidents: the fiscal and budgetary problems involving subnational tiers of government. In the early months of 2000, Cardoso won major legislative and fiscal victories with the approval of the law on fiscal responsibility and a constitutional amendment on revenue transfers, both of which increase federal government shares and restrain lower-level spending.

Decentralization has become a hot topic on the hemispheric political agenda and in the literature, as shown by the keen interest of some international financial institutions in designating it as part of the second-generation program of structural reform. *Constitutional Engineering's* potential contribution to this area of research, however, is diminished by conceptual and organizational problems. First, the logic of the argument is unclear. It is difficult to determine what Souza really wants to explain, how various sections and discussions relate to the central argument, and what kinds of findings the reader ought to expect. The key research question vacillates among simply exploring the fiscal effects of decentralization, proving these effects were negative, and showing that decentralization was "not followed by more spending" (p. 7). In general terms, the study's dependent variable is the "political and financial performance" of the three levels of government in the wake of decentralization (p. 100). It is alternatively framed as whether "the agenda of public expenditure" has changed or whether "expenditure patterns" have changed. Descriptive and analytic discussion is anarchic in places, although the book is full of dense detail. Moreover, the quality and appropriateness of the evidence are uneven. A major problem is that many of the data reported are annual averages from 1981 to 1991, making it impossible for readers to separate the trends before and after 1988.

Decentralization, Souza implies, has impaired governance and social spending in education because it gave rise to a "paralyzed competitive arena" in which subnational issues ("parochial interests") were given priority over more pressing "unresolved national problems" (pp. 6, 19, 22). Second, decentralization of fiscal resources and governing functions provided fertile ground for clientelism and patronage in the provision of social services like education. Decentralization strengthened clientelism ("old political practices") and traditional politicians. In Souza's view, education is one of the many social issues that can only be "tackled nationwide," whereas decentralization resulted in a federal government that "cannot deliver solutions to national problems" (pp. 22–23), evidently because of its

weakened fiscal and political position. This premise is a curious one, especially in light of Judith Tendler's conclusions on subnational social spending (to be discussed subsequently). More startling is that Souza's evidence contradicts her arguments on public spending on education. Spending remained remarkably stable at all three levels before and after the "decentralization decision" in 1988. Bahia and its municipalities of Camarçã and Salvador are analyzed to show how decentralization and clientelism harmed education spending, which Souza asserts was "disappointing" and showed a "lack of priorities" (p. 116). In terms of average annual increases, the area receiving the largest average increase in state spending from 1981 to 1991 was regional economic development (15.6 percent), with education trailing far behind at 1.5 percent (p. 138). Yet aggregate spending levels and percentage of expenditures devoted to education remained stable at national and subnational levels. The figures in *Constitutional Engineering* indicate that state governments performed well in terms of aggregate spending on education. In some cases, education spending increased and remained the second most important expenditure item for states. These figures are extraordinary given that Brazil was suffering dire economic and fiscal crises for almost all of the period. Further weakening the argument, state spending on administration and payroll—logically the biggest channel of patronage and clientelism—declined from 34 to 20 percent (p. 141). Municipal spending on health care and education increased from 7 to 13 percent (p. 110). One might reasonably conclude from Souza's evidence that on balance, decentralization may have been good for education and other social spending in Brazil.

Souza's underlying assumption in *Constitutional Engineering* is that greater centralization would have prevented the hypothesized fiscal and governance problems while resulting in greater spending on education and other social-welfare services. Would centralization (or decentralization less extreme than that established in 1988) have made a difference in solving "national problems" and curbing clientelism? Souza fails to demonstrate that education is one of the "unresolved national issues" resulting from decentralization, nor does she make the case that educational spending would have fared better under centralization. Her principal (but often not clearly articulated) argument holds that the real problem is that decentralization caused the allocation of education expenditure to be subject to subnational clientelism and patronage. This conclusion too does not follow from the evidence on aggregate spending levels. For example, to show the influence of clientelism and patronage, Souza looks at the appointment of teachers and administrators and finds that outside the capital, nearly half of all teachers were appointed by politicians. Here the nonspending evidence and the argument on clientelism are stronger. Souza's argument, especially on how decentralization allows clientelism to distort education

spending, might have been strengthened by examining additional indicators such as performance, coverage, access, and investments in infrastructure and technology.

The Brazilian Constitution of 1988 was remarkable in its devolution of fiscal powers to the states, a feature that haunts the central government today. But Souza's sweeping equation of decentralization with central government weakness and ineffectiveness is overdrawn. The capacity of a central government to command fiscal resources and thereby generate political capital no doubt bears heavily on its legislative effectiveness. Cardoso has been reversing this problem by winning congressional approval to amend the constitutionally mandated provisions on revenue sharing. But central government's efficacy and political strength (or lack thereof) may also be functions of many other factors. Moreover, the Brazilian federal government and the executive in particular have not been as weak as Souza claims, as some of her own findings show. Souza asserts that "the absence" of the federal government during the Constituent National Assembly (CNA) helps account for decentralization that resulted in the prostration of its own powers (p. 54). Yet it was not so much the absence or weakness of the federal government in the process but the fact that the executive and the federal government were equally complicitous in the decision to decentralize power and resources (the fight over presidential term limits and parliamentarism showed that the executive carried substantial weight). Souza understates the position and influence of the executive and the federal level during and after the convention. One finds inconsistencies in her treatment, first arguing that the executive was "absent" and helpless but later that the "federal government was not an actor to be ignored and that it could exercise its power, if it wanted" (p. 87). Nor is the fiscal impact of decentralization that clear-cut because, as Weyland observes (p. 124), the federal government has been able to manipulate what counts as tax revenues, to evade legal limitations, to levy new types of contributions, and thus to avoid mandatory transfers.⁶

A widespread presumption exists in the literature, expressed here by Souza and Riordan Roett, that the Brazilian executive and legislature are ineffectual, despite the growing number of works suggesting otherwise. Despite decentralization, the Brazilian executive still commands enormous patronage-enabling resources, as Ames has demonstrated. The president, even when as weak and incompetent as Sarney, could still rely on executive

6. Since the constitutional amendments in 1993 to create the Fundo da Emergência Social, which were passed as part of Cardoso's Plano Real, the federal government continues to alter transfer mandates in its favor. A centerpiece of Cardoso's reform agenda, the Fundo de Estabilização Fiscal (FEF), is a constitutional revision to allow the federal government to withhold up to 40 percent of revenues. Another piece of legislation, the Lei da Responsabilidade Fiscal, imposes fiscal discipline on subnational governments, subjecting those who engage in deficit spending to prosecution.

largesse to promote the desired goals (including some that knowingly weakened the presidency). The executive can also rely on constitutionally sanctioned instruments to promote its agenda and interests, instruments that provide an enormous capacity for setting agendas. Brazilian presidents since 1985 have governed and promoted their legislative agendas largely through constitutionally sanctioned *medidas provisórias*. The most dramatic demonstration was provided by the Collor administration, but even Cardoso, a social democrat and a severe critic of governance-by-decree as a senator, has relied extensively on these measures. The *medidas* alter the balance of power among the branches of government, although their long-term effect may be institutionally damaging. They lock in an agenda-setting effect, but the difficulty of mustering legislative majorities also means that the *medidas* often slip into law if the opposition is unable to block them within the thirty-day period. Therefore, a major political-institutional impact of *medidas provisórias* is that they allow governance-by-default in giving executives an instrument to overcome political impasse and institutional infirmities.

Conversely, the political strength of the states is not as monolithic as *Constitutional Engineering* would have readers believe because the poorer states and municipalities depend heavily on the federal government, a point Souza unwittingly confirms (p. 103). The recent political crisis touched off by Itamar Franco, governor of the heavily indebted state of Minas Gerais, also reminds observers that even the larger and richer states end up in a more complicated and fluid relationship with the federal government. None of this squares comfortably with arguments about the deleterious and paralyzing effects of decentralization. Finally, subnational governments can be highly effective in the areas of fiscal management and the provision of social services, as Tendler shows. Assuming that "national problems" can be resolved only by a stronger central government seems an unnecessarily rigid position, one also inconsistent with maintaining that the states were "investing more and the federal government investing less" (p. 107). Souza argues similarly that because decentralization reinforced clientelism, it strengthened the position of state elites and "old political practices," and she focuses on the redoubtable Antônio Carlos Magalhães as an example. Yet she finds that new forms of social organization emerged to "challenge" old power structures and contributed to defeating the Magalhães's political machine in gubernatorial elections. Magalhães and his Partido da Frente Liberal (PFL) have been Cardoso's key electoral and legislative allies since 1994, although their alliance of convenience has been stormy and competitive.

As to why Brazilian leaders chose decentralization in the 1988 Constituent Assembly, Souza finds the decision "puzzling." She asserts but never specifies that Brazil faced numerous problems that could (or should) only be "tackled nationwide." Instead of considering the decision puzzling,

it seems more reasonable to treat decentralization as simply a reversion back to the historical norm in Brazil. Centralization under the military regime was the exception in Brazil, not the rule. Regional and state political power have always flourished and been jealously guarded in Brazil since the days of the monarchy.

According to Souza, the reasons underlying the decision to decentralize were political and normative. Civilian leaders prioritized normative considerations, such as establishing a more representative and locally participatory democracy, “rather than worries about policy results” (p. 73). Concerns with representativeness would be natural in any country after authoritarianism. Yet Souza provides no compelling evidence that parliamentarians were actually motivated by such concerns. Although the introductory chapter mentions interviews as part of the research, the accuracy of long-term recollection is always open to doubt. And politicians may have extra motives for hiding their true intentions and appealing to loftier ideals. The second category of reasons relates to legislative-executive cleavages and the third to the internal rules of the CNA. The explanation Souza appears to favor is that politicians lacked consensus on “a national project” (p. 23), an overarching explanation cited throughout *Constitutional Engineering*. She also asserts that part of the explanation is that members of the constituent assembly simply did not understand at the time the consequences of the decision to decentralize (p. 73). In the end, Souza’s study shows that decentralization did not result in lasting fiscal and political negative consequences, nor did it strengthen clientelism and the traditional elite.

Tradition against Democracy

Souza’s focus on the political and institutional side effects of the Constituent Assembly and her scattered arguments about the ability of traditional elite power structures and coalitions to pass unscathed through the transition resonate with Frances Hagopian’s *Traditional Politics and Regime Change in Brazil*. Long in gestation, this work was published as part of the Cambridge Comparative Politics series. The book is enviable for its first-rate scholarly research. It is also masterfully organized, crisp and deliberate in its presentation, and nicely executed in linking a clearly specified argument to appropriate and well-documented evidence. Hagopian’s discussion is theoretically sensitive, grounded empirically in case materials, and embedded in broader theoretical debates in the literature. The logic of the argument is clear, and Hagopian proceeds carefully to take readers through each step with evidence to show the persistence of the Mineiro traditional elite during three historical moments. Hagopian consistently offers a variety of fiscal, electoral, administrative, and biographical evidence drawn from primary sources. Like Souza, Hagopian is concerned primar-

ily with the consequences of the transition. Hagopian is curiously tentative about these consequences, but little in the book can be read as optimistic about the prospects for democratic governance and reformism in Brazil.

Traditional Politics and Regime Change makes three important contributions. The first is its focus on politics during the military regime and on interactions between the old political system and the military's political project. Too often one finds a facile presumption that politics under the bureaucratized military regimes began *de novo* or a tendency to ignore the study of politics under military rule.⁷ The book's second strength is that a study on how traditional elites survived and regained political space reveals as much about them as it does about the military regime. Hagopian ably demonstrates how the regime's policies and actions unwittingly restored the same political system and political class that had engendered so much anti-civilian and national salvationist sentiment inside the military since the movement of the *tenentes*. The third contribution is that made to studies on democratic transitions in general as well as Brazil's peculiar transition. Particularly valuable is Hagopian's analysis of the three-way political negotiations, especially her careful and detailed discussion of the maneuverings of the Mineiro elites to consolidate their own subnational position and influence the course of national politics. Another of the book's strengths is the impressive political-biographical evidence marshaled to locate the Mineiro traditional elite and trace its political role before, during, and after military rule.

Hagopian's essential argument in *Traditional Politics and Regime Change* is familiar but forceful and thorough. Unlike in previous iterations of the argument, Hagopian's book is rather timid in drawing conclusions about the implications of her findings for social welfare and governance in Brazil.⁸ Although the implications are potentially significant, Hagopian's primary interest in the book is actually rather narrow: to show how the Mineiro traditional elites survived and grew in strength under both the military regime and Brazil's new democracy. Both outcomes were made possible by a combination of political opportunism (and not so much skill or *virtú*) and fortuitous circumstances (*fortuna*). The elite's resurrection and remonopolizing of subnational political power under military rule placed them in position to set the terms of the transition and thus dominate democratic politics after the transition.

Perhaps the most interesting aspect of *Traditional Politics and Regime Change* is her main discussion (in Chapters 3–6) of the ability of traditional

7. See Karen L. Remmer, *Military Rule in Latin America* (Boston, Mass.: Unwin Hyman, 1989).

8. Frances Hagopian, "Democracy by Undemocratic Means? Elites, Political Pacts, and Regime Transition in Brazil," *Comparative Political Studies* 23 (July 1990):147–70; and "After Regime Change: Authoritarian Legacies, Political Representation, and the Democratic Future of South America," *World Politics* 45, no. 3 (Apr. 1993):464–501.

elites and traditional politics to survive and even prosper under military rule. Despite the military regime's missionary zeal for cleansing and remolding national politics, traditional political practices and elites persisted. In explaining this persistence, however, Hagopian underemphasizes the role of the military's predilection for conservative politicians and its inherent political contradictions, such as the peculiar fixation on preserving a façade of representative institutions (as discussed by Bolivar Lamounier).⁹ Yet she notes that the military's political economy and institutional sanctioning were what restored and consolidated subnational traditional power. In effect, Hagopian argues, the new political economy and political project introduced by the military regime were simply superimposed on the existing political system organized around clientelism (Chapter 3). Although the traditional elite seems to do all the explanatory work at times and is given much more agency than the evidence allows, Hagopian's analysis shows that the regime's industrialization and fiscal transfer policies and secondarily its statutory edicts restricting political participation and contestation were what provided Mineiro elites with the resources and political monopoly to perpetuate their dominance.¹⁰ In her opinion, the military regime's political-electoral strategy in the mid-1970s further strengthened the traditional elite and enhanced its bargaining leverage. The regime, in order to shore up its electoral base and political position in the wake of electoral defeats by the elite-dominated opposition, turned to distributing massive amounts of patronage at state and local levels and to incorporating members of the traditional elite as allies.

As for the traditional elite's role in the origins and politics of the transition, the argument and evidence are less impressive in *Traditional Politics and Regime Change*. On occasion, Hagopian's wording gives the impression that the military's decision to liberalize resulted from "the defection" of the traditional elite. Nor is she consistent about whether the transition process ought to be characterized as one where the regime "lost control" (p. 10) or represented "a loss of control by the democratic opposition" (p. 13). Despite some vague or overdrawn language, the substantive analysis reinforces the scholarly consensus on the origins of liberalization in Brazil. Hagopian demonstrates that the Mineiro traditional elite, opportunistic as ever, was a follower. Members who had aligned with the regime as members of the national and state official party defected only after it be-

9. Bolivar Lamounier, "Authoritarian Brazil Revisited: The Impact of Elections on the *Aber-tura*," in *Democratizing Brazil: Prospects of Transition and Consolidation*, edited by Alfred Stepan (New York: Oxford, 1989), 43–79.

10. The decision to rely on traditional politicians rather than colonize the state government and apparatus with military personnel is an interesting issue, but one not addressed in Hagopian. The decision likely reflects both the political divisions within the military and the hesitation of most officers to politicize the military through long-term rule or to blur the distinction between the military as the government and the military as an institution.

came apparent that the political and electoral tide had turned against the regime with the 1982 elections.

The weakest part of Hagopian's argument relates to the role of the traditional elite during the transition and in the Constituent National Assembly. This weakness reflects a larger flaw in the overall argument: the tendency to treat the traditional elite as monolithic or, more commonly, to understate the consequences of divisions within this elite. Hagopian argues forcefully that the traditional elites from Minas came through the transition to democracy unscathed (although she is vague about whether the same can be said of other states). And the same traditional elite, including active members and enthusiasts of the military regime, came to monopolize political power at the national and subnational levels in Brazil after the transition. This outcome can be explained largely by the fact that the traditional elite entered the transition in a position of strength. Brazil's mode of transition was pacted, both between the military and the so-called democratic opposition and within the opposition. It was more a compromised transition than a transition through compromise. Traditional elites already enjoyed "an iron grip" (p. 180) on state government and party machinery. This situation, combined with the regime's constitutional engineering, allowed dominance of the key national arenas of the transition, the Brazilian Congress and the Constituent National Assembly. The same legal opposition parties that dominated prior to the transition emerged dominant afterward. The only change was in party acronyms. In sharp contrast to Weyland, Hagopian concludes that the traditional political elite "influenced the design of political institutions, and not the other way around" (p. 213).

Two difficulties emerge from Hagopian's discussion of the transition and the 1987 Constituent Assembly charged with rewriting the constitution. First, Hagopian is less consistent in tracing the Mineiro and other traditional elites at the national level and distinguishing them from "the opposition," "traditional politicians," and "the Centrão" (the large Center-Right voting bloc). At the same time, she refers to national political consequences. Although the Partido do Movimento Democrático Brasileiro (PMDB) and the Partido da Frente Liberal (PFL) may have been dominated by traditional elites (and traditional politicians) at the state and national levels, their composition was large and heterogeneous. Showing the consolidation of traditional power in one state does not provide adequate grounds for making inferences about national-level processes, a limitation that explains Hagopian's hesitation in drawing explicit implications.

The second and more serious problem stems in part from the treatment of elite transition politics at the national level but also from a larger conceptual flaw in *Traditional Politics and Regime Change*. Hagopian skillfully demonstrates the presence of traditional and conservative elites during the transition and assembly but details with equal clarity their rivalries and divisions. Just as the traditional elites and other conservative forces be-

come a more amorphous category at the national level, their political behavior shows neither consistency nor unity. For instance, during the first stages of the transition, the traditional elite split three-way among loyalists of the military regime, supporters of the conservative candidate Aureliano Chaves, and backers of the democratic opposition candidate Tancredo Neves. During the Constituent National Assembly, the Mineiro traditional elite and members of the PMDB were neither completely hostile to nor fully supportive of the more progressive features of the new charter (p. 237). Eighteen members of the Minas delegation voted in favor of the controversial agrarian reform provisions, while fourteen opposed them. Demonstrating their presence is not an accurate or useful predictor of their political behavior. What implications should the reader draw? At this point, some of the book's strengths become its liabilities. The traditional elite is united only by its apparent lust for political power or familial-personalist ties, not by ideology or political program. The ranks of the traditional elite are "divided and politically competitive" (p. 18). In essence, Hagopian argues, the principal divisions in Brazilian politics, then and now, have corresponded to intra-elite rivalries and divisions (p. 19). To some extent, these divisions and rivalries intensified during the transition and the assembly.

As noted, *Traditional Politics and Regime Change* is timid in discussing the wider implications of the persistence of the traditional elite for social welfare and governance issues. The concluding two chapters are thin in this regard, a surprise given that Hagopian views the Mineiro traditional elite and clientelism as anti-democratic, conservative, and socially regressive. The first implication cited is consistent with Souza's claims about the fiscal consequences of decentralization: it increases clientelism and patronage and thus creates fiscal and inflationary pressures. Hagopian remarks only briefly that the political dominance of traditional elites "could hinder" democratization and that their presence "built an inherent conservatism" into Brazilian institutions (p. 251). As her reporting shows, such a strong conclusion is inconsistent with the political behavior of the traditional elites during and after the transition.

Hagopian's work, including her tentative conclusions on the negative effects of Brazil's mode of transition for democratic governance and reformism, contrast sharply with some recent works on post-transition democracies in Latin America.¹¹ Wendy Hunter has shown that modes of transition do not have lasting conservative effects because of the built-in logic of democratic (electoral) politics. The fact that vote-maximizing politicians curb the military's privileges in order to redistribute resources to constituents does not necessarily translate into a positive and proactive agenda favoring social welfarism or an end to clientelism. The point is that democ-

11. Wendy Hunter, *Politicians against Soldiers: Eroding Military Influence in Brazil* (Chapel Hill: University of North Carolina Press, 1997).

racy in Brazil and Latin America, however imperfect, has proven much more resilient and adaptive, as Karen Remmer has shown.¹² Likewise, the fact that clientelist elites persist and even constitute the majority of the two largest parties in Congress (the PMDB and the PFL) may or may not undermine presidential performance. Moreover, if the power of traditional elites and obstacles to autonomous popular participation lie in clientelism, then the ongoing restructuring of the regional political economy and the public sector promises to have democratizing effects in the long run (at least the kinds of reform-promoting bottom-up processes that Weyland argues for), even if in the short run it actually means less redistributive reformism.

Absent from *Traditional Politics and Regime Change* (except in the last chapter) is a perspective comparing the findings on the Mineiro elite with other Brazilian states or comparing Brazil with the wider region. One finds virtually no references in the text to similar processes in other Brazilian states, let alone to neighboring countries. The last chapter, although a heroic effort, is unsatisfactory because its discussion is too general and unstructured. Hagopian's study of one state in a single country raises familiar methodological issues. Although she devotes a brief paragraph to the matter in her introduction (pp. xii–xiii), the limitations on generalizability and internal validity of the findings cannot be avoided. Without considering other similar cases inside or outside Brazil, any causal inference is limited regarding how and why Mineiro elites persisted, as are any implications. The point is not to dismiss single case studies, especially on subnational politics. Hagopian's argument is a must-read for any advanced or graduate course on Brazil and Latin American politics. At issue is more than social science methodological fetishism: it simply would be helpful to know whether and to what degree these traditional anti-reform practices and elites persisted in other states. How unique or representative is the story of Mineiro elites in Brazil and in the region? As Tandler's book illustrates, conclusions about lasting governance and social effects of traditional politics in Brazil can only be partial.

Creating Good Government

Hagopian, Weyland, and Souza say nothing about Brazilian institutions and politics that would inspire optimism about the prospects of social welfare and governance, especially outside the developed industrial regions of the Southeast. No state can be said to be more cursed by the heavy hand of traditional politics, clientelism, absolute poverty, and social stratification than the small and impoverished northeastern state of Ceará. Its re-

12. Karen Remmer, "Democracy and Economic Crisis: The Latin American Experience," *World Politics* 42, no. 2 (Apr. 1990):315–35.

markable success story since the transition to democracy directly challenges the pessimism characterizing most of these works. In the backwater for most of the country's history, Ceará began to capture national and international headlines in 1987, when a reformist social democratic administration took over. The administration of the Partido da Social Democracia Brasileira (PSDB) used the public sector effectively as an instrument for social reform and economic growth. Judith Tendler's *Good Government in the Tropics* examines the sources of Ceará's success.

Tendler's study is excellent and an enjoyable read as well. More important, it is a much needed corrective for the literature and recent development thinking in academia and the donor community, which have focused excessively on "bad government" and have demonized the public sector in the developing world. This literature and the policy advice it spawned under the neoliberal mantle led analysts to overlook evidence from actual country experiences and variance within countries. Latin American countries were frequently lumped together as cases of bad government, in which the allegedly bloated and interventionist public sector was deemed the source of all economic and social evils.¹³ Why have so few works by North American scholars looked at positive cases from Brazil and Latin America, given the many well-run and successful municipal governments in Curitiba, Ribeirão Preto, and elsewhere? Tendler's findings show that government has a role to play and can be effective (although she does not provide a complete picture of the state government's overall mixture of intervention and restructuring). The merit of *Good Government in the Tropics* is its emphasis on micro-foundations of good governance and the interaction between service providers and the citizens.

What accounts for successful public administration in Ceará in the five policy areas studied? Tendler points to micro-level factors involving organizations (public agencies) and the restructuring of their work and members. Borrowing from the literature on industrial performance and workplace transformation, Tendler looks at how public-sector employees carry out their work and their interactions with their "clients" and the citizenry at large. She also examines how the central state government operates inside the state bureaucracy and actively promotes an organized and demanding civil society as a way of ensuring and bolstering public-sector accountability and good performance. Tendler finds that Ceará's civil servants have "unusual" dedication to their work, high job satisfaction, and a sense of "mission" and "the public good." Her findings contravene the widely

13. The irony is that for almost a decade, Latin America was being told to "be like East Asia," despite mounting evidence that the donor community's model of East Asia was based on fiction, and also despite the fact that both public sectors were equally interventionist and (as it turns out) public management in East Asia was no less corrupt or inefficient.

shared view of civil servants as rent seekers and public agencies as dysfunctional, as found in Weyland.

Dedication and devotion to the public good are not quantifiable or easily manufactured, especially in a setting like Brazil where constitutional guarantees for federal civil-service employment removed micro-level incentives for improved performance and delivery. Tendler argues that the state government of Ceará induced dedication and a sense of mission in the civil service through a combination of measures including the development of a reward and recognition system that gives workers and their agencies greater autonomy and discretion and promotes more flexibility and responsiveness to “client needs” while instituting greater vertical accountability. The Ceará government apparently relied less on the angelic and idealist sensibilities of its civil servants than on actively promoting a reward system and greater levels of transparency and accountability in government by implementing an elaborate system spanning the public sector and civil society. Far from decentralizing indiscriminately and retreating into the passive background, the state government of Ceará remained activist, taking on new tasks traditionally deemed the preserve of municipal government (like anti-poverty programs) while actively engaging civil society.

One interesting finding in *Good Government in the Tropics* is the concerted effort by the state government to stimulate and support civic associations, to promote self-help community organizations, and to incorporate ordinary citizens into public programs providing basic services. Tendler found that even though some associations were organized with state assistance, they subsequently acted independently, and their demand making helped improve public-sector performance. Tendler’s account tends to overemphasize mutual benefit and cooperation between civic associations and government rather than inquiring further as to how their creation subsequently constrains government and the reallocation of resources. What is encouraging about the Ceará experience is that the associations apparently enjoyed and retained their autonomy and that the state assisted in civic organizing without falling back on traditional corporatist practices. The significance of such bottom-up organizations (to use Weyland’s terminology) is not so much that they widen democratic participation but that they directly undermine traditional elites and their practices. Whereas Weyland found evil in the state’s involvement in organizing civil society, Tendler found that the state government’s active promotion of civic associations—and campaigns to inform the public about how public services work and what the public’s rights are with regard to better government—actually helped improve public-sector management and performance. These efforts increased indirect monitoring and oversight, accountability, and client input and demand making.

For students of Latin American politics unfamiliar with the new literature on public administration and organization theory, *Good Government in the Tropics* and its findings may be difficult to place in proper perspective. This is true even though the book avoids jargon in its accessible discussions and places human beings at the center of the story. Tandler emphasizes intra-organizational and difficult concepts such as “commitment.” The real problem is that no attention is devoted to the higher-level strategic-political planning, policy design, and legislative issues involved. While the substantive chapters are rich and fascinating, the work as a whole has some limitations.

Like the other texts, Tandler’s study focuses on a single case. It is preferable to look at more than one case, to have a subnational cross-regional study of most-similar cases (a sample of good governments) or dissimilar cases (a sample of good and bad governments). Such an approach would place the Ceará experience in better perspective and generate greater confidence in having identified the true causes of good government and in the applicability of whatever “lessons for state policy might emerge” (p. 13). *Good Government in the Tropics* does a fine job of ameliorating these research design problems, however. Tandler effectively increased the study’s sample size by increasing the number of “observations” within the single case. She examines five different areas of public-sector involvement in Ceará: health care, public works, agricultural extension, small business and government procurement, and civil service. Tandler not only selects on the dependent variable (a case of “good government”) but focuses almost exclusively on policy areas that exhibit “success” or partial success, a problem she recognizes. The state’s involvement in the agricultural sector, mostly in the form of technical support and grants to small farmers, was the least successful, yet Tandler chose to focus on the few individual programs and farmer associations that achieved relative success. The book includes a healthy recognition that the Ceará case and the individual policy areas were not unmitigated success stories but included a mixture of successes and failures—and that some successes were inadvertent. Yet there is no systematic treatment of this variance.

A more solid study in terms of the robustness of the findings would have considered more carefully the sector or programs that failed, such as agriculture, or given equal attention to the policy area that performed worst. More important, this kind of research design might reveal whether it is less the presence or absence of these variables that lead to good government than a particular combination, or whether public-sector performance (at least in terms of measurable output of services) is a function of the two clusters of variables but also of the character of the service or policy area—“task environment” in the lingo of the organizational literature. Few would argue that a child immunization program is qualitatively different from an agricultural extension program, whether in terms of the na-

ture of the service provided, the provider-client interaction, or the layers of bureaucracy, tasks, and coordination involved. More critical, given the central role that Tendler assigns to normative-ideational variables (commitment, sense of mission, normative rewards, recognition), it would appear that employee commitment, enthusiasm, and sense of mission in a bureaucracy or firm are related in large measure to whether individual employees can see the outcome of their own work because it is immediate and readily traceable to their own efforts. Another difficulty, which Tendler recognizes, is that the case chapters do not examine systematically the organizational variables identified as critical but treated unevenly in different policy areas, suggesting the importance of task environment.

The biggest flaw in *Good Government in the Tropics* is the absence of politics. This lack is characteristic of the organizational literature and may be unavoidable. Greater sensitivity to political factors would have strengthened the arguments of the book and the validity of its findings in three critical ways. First, the existence of good government and government committed to social reformism in a region of Brazil that Hagopian and most scholars perceive as inhospitable is a much bigger puzzle, suggesting that something else is at work than merely the retooling and restructuring of public agencies. Second, Tendler hints that some prior political conditions made possible the organizational and implementation successes. Third, not knowing the nature and replicability of these political conditions undermines any effort to extend the "lessons" learned from Ceará's successes to other states, let alone draw firm conclusions about how and why good government is possible.

The Ceará success story does not boil down to the reformist social democratic PSDB administrations and the able leadership provided by Governors Tasso Jereissati and the youthful Ciro Gomes, two leading figures in Cardoso's party. Their political and electoral success, and that of a recently organized and weak social democratic party in the poorest and most traditional of states, begs the question as to what factors or conditions made their political victory possible. Such conditions likely sustained their administration and created permissive conditions for organizational and policy reforms to take place. One would be inclined to ask questions like those posed by Hagopian regarding the rivalries, divisions, and strategic-coalition choices of the traditional landed oligarchy: whether and how externally induced changes may have undermined traditional political machines and led to the breakdown of patronage-clientelist networks. Answers to these questions would shed light on how the "iron grip" of traditional elites (as Hagopian calls it) can be eroded or successfully challenged and on how democratic reformers can fashion and implement a policy agenda that will enhance social welfare and autonomous civic participation in political life. Many of the fiscal-administrative reforms adopted by the PSDB governments, such as drastic cuts in public-sector payroll and

employment, must have generated vigorous political opposition. Yet Tendler does not discuss policy areas that were more politically contentious, such as administrative reform, nor state activities in many other arenas. The point here is that the organizational factors Tendler focuses on may be a function—an effect—of some larger political or macro-structural process at work. In a similar vein, Tendler offers no analysis of how the PSDB administrations (and local governments) used the new programs to strengthen their own political position and machine. Much can be inferred from her discussions, and Tendler occasionally makes passing references, but systematic analysis would be helpful of how progressive politicians can successfully pursue the same ends as traditional elites (votes and reelection) without relying on traditional practices.

The challenge for local, state, and federal governments is less the output side or restructuring bureaucracies to perform well than the politics of assembling the right ingredients: in restructuring administration, in winning the post-election political battles over the shape, size, mission, and powers of government at all levels. For governments looking to draw lessons from Ceará, the more valuable lessons may be not so much what to do to perform better but how to put together the prior conditions needed for better performance. *Good Government in the Tropics* seems to imply an untold story behind the scenes that involves such ingredients as astute political strategizing, the staffing and reorganization of ministries, and political negotiations between state government and municipalities over the division of labor and resources. Although it is too much to ask from a thin and focused book, a separate issue not fully explored is how lessons from the state level may be applicable at the national level and whether the role of the donor community and nongovernmental organizations at the state level may allow for greater flexibility, innovation, and experimentation than at the federal level.

These prior conditions and the politics involved in putting together the proper ingredients suggest that at least part of Ceará's success was due to skillful leadership and political entrepreneurship. Tendler dismisses leadership as an explanatory variable, pointing out that many cases can be cited of adept political leadership but poor government. Perhaps. At the same time, Tendler's study of Ceará points to able political leadership working without an organizational base or patronage-disbursing machine yet succeeding electorally and negotiating, persuading, and winning the loyalty (or acquiescence) of other political actors and employees in state agencies and at other levels of government. More important, according to Tendler's discussion, much of the policy and organizational successes were built on the prior ability of state officials to redefine policy issues and organizational missions and to preempt clientelist networks, as in redefining the clientelist-dominated drought relief program as an emergency public-employment program controlled at the state level. These points are not

made to tout the political acumen and philosophical commitments of the PSDB and its leaders or other new nontraditional and progressive political actors in Brazil, although the PSDB's growth in the northeast in the 1990s merits further research and may shed light on debates over the Brazilian party system. Despite its limitations, *Good Government in the Tropics* warns against facile assumptions and generalizations about institutional and political frailties in the Brazilian democracy, even in parts of the country where such assumptions seem reasonable.

If Tendler's book is optimistic about the performance of public institutions in Brazil, Schneider's *Brazil: Culture and Politics in a New Industrial Powerhouse* is pessimistic from beginning to end. Schneider characterizes the Brazilian political system since the monarchy as "dysfunctional" (p. xii) and "resistant to change" (p. 130). He emphasizes the significance of the three usual suspects cited by scholars to describe and explain Brazil's apparent political debility: clientelism, centrifugal tendencies stemming from regionalism and federalism, and a weak and limited party system. Yet there is nothing revealing or compelling in these descriptions when they are relied on to do all the explanatory work. Schneider finds these features dominant in every period of Brazilian political history, preventing the system's institutionalization and modernization. Moreover, the attempt to cover everything and all periods results in a lack of theme and depth. The book is encyclopedic and descriptive but not critical in its analysis. Yet the chapter on the economy contains some useful information and data, especially on the economy's dependence on foreign capital to finance industrialization. Culture and politics are featured in the book's subtitle but are missing in its substantive discussion. The brief chapter on culture makes no sustained attempt to explicate how politics may be shaped by culture. Perhaps the strongest chapter is Schneider's discussion of U.S.-Brazilian relations and the evolution of Brazilian foreign policy, even though it overlooks some important issues. An authoritative text in English on Brazilian politics and society remains to be written.

The Brazilian Puzzle: Culture on the Borderlands of the Western World presents collected essays edited by two authoritative scholars on Brazilian culture, David Hess and Roberto DaMatta. The individual essays tend to be specialized in theme and focus, theoretically developed and informed, and intended for an advanced audience. Many of the essays have a comparative focus, using the United States as a backdrop against which to make their observations. The predictable result of such studies is that no one theme or central argument on Brazilian culture weaves through the entire text. Hess and DaMatta's introduction, however, provides a superb roadmap for the volume and a provocative discussion of key ideas that the text set out to explore: the meaning of tradition, the notion of mixing and "blend" in Brazilian society and culture, and the degree to which Brazil may be a socio-cultural "mirror" for the United States. DaMatta's essay on the meaning

and conceptual use of “tradition” in studying Brazilian and Latin American societies merits serious reading. *The Brazilian Puzzle* succeeds in providing a sense of what makes Brazil unique and dynamic. For social scientists, however, the volume lacks any serious effort to analyze the relationship between culture and politics (not the expressed purpose of the book). Much of the work must be done by the reader to decipher how cultural patterns shape political behavior. The notable exception is Livia Barbosa’s engaging discussion of what may be the most defining trait in Brazilian social and political behavior, the *jeitinho brasileiro*.

Thin and unassuming, *Brazil under Cardoso* brings together rich and insightful essays by leading scholars, edited by Susan Kaufman Purcell and Riordan Roett. All the essays center on politics and Cardoso’s administration, with essays by Albert Fishlow and Amaury de Souza targeting economic and social policies respectively. As with all edited volumes on current policy issues, events quickly outdate assessments and prognostications made at the time of writing. Thus many of the reforms and constitutional amendments that the various essayists argue have not passed legislative approval or would be difficult have been approved and implemented. Roett’s essay and the coauthored introduction are informative starting points for students and observers seeking to evaluate the political context of economic restructuring and the prospects for Cardoso’s reform agenda. Both pieces correctly emphasize the constitutional obstacles to reforms that only aggravate the political and legislative difficulties facing Cardoso. Consistent with Roett’s previous work on Brazilian politics, he emphasizes the centrality and continuing political strength of local and regional interests and power bases. Fishlow’s analysis is cogent and judicious, especially on the domestic and external components affecting the process and success of economic reforms. He suggests that political difficulties, not economic ones, account for the lack of progress on reforms and slow pace of growth. Fishlow is more cautiously optimistic about the political prospects for success in Cardoso’s reform agenda, especially regarding the localism and clientelism that Roett identifies as the major impediments. Purcell’s essay on U.S.-Brazilian relations is superb in its informative analysis of Brazilian policy and interests regarding MERCOSUR and the U.S. market. Yet she may well overstate the “convergence of interest” between Brazil and the United States, particularly with regard to hemispheric economic integration (p. 92). Although Purcell recognizes that the two behemoths have “different ideas,” the slow progress and tepid enthusiasm for the integration process, especially on the part of Brazil, suggest a much deeper political problem ultimately rooted in Brazilians’ sense of national destiny, nationalism, and growing concern over U.S. regional dominance. At stake in the regional integration scheme are issues of power as well as distribution. It is not possible to interpret Brazil’s interest in a South Amer-

ican free trade area (SAFTA) in any other light. In April 2000, Brazil formally called for the creation of SAFTA and a regional summit in May.

Conclusion: Brazil under Cardoso

Brazilian democracy has been marred by many social and political ills since the return to civilian rule in 1985. The urban poor have swelled in numbers. Rural violence has escalated sharply. Brazen congressional pilfering of the federal budget was uncovered. The first popularly elected president was impeached and tried. The Constitution of 1988 has been amended more than twenty-six times. And Brazil continued to share with Guatemala the ignominious distinction of the worst income distribution in Latin America. At moments and places since 1985, everywhere one looked it has been possible to detect the political and institutional maladies identified by many of the works reviewed here.

Yet Brazilian democracy has also experienced many successes, as Tendler describes from one corner of the country. Its success is also evident in the remarkable progress being made in economic growth and major reforms since the Asian crisis in 1997–1998. Democracy has flourished and matured, successfully avoiding the many consolidation traumas or upheavals suffered by neighboring countries as a result of economic crises and austerity measures. Civilian primacy has been imposed on the military. A restructuring of the economy and the public sector was launched that was unprecedented in scale, and reasonable growth has been achieved. Brazil was slow to reform, but major structural reforms in the economy and the state have been implemented since the early 1990s. With reforms, foreign direct investments have been pouring into the country in record amounts, reaching thirty billion in 1999 alone (investors have been far more optimistic about Brazil than scholars). The percentage of Brazilians living in poverty declined from 1990 to 1998. And the number of landless Brazilians resettled through land reform doubled in the late 1990s. Given the magnitude of human misery in Brazil, progress on both fronts can only be described as mediocre, but the numbers still represent improved living conditions for more Brazilians. The constitution, cited by Souza and many other scholars as the source of the country's fiscal and economic crisis, has proved to be far more adaptable than anyone thought.

Cardoso was swept into office in October 1998 in the first round of voting, although his impressive victory could not diminish the severe political, fiscal, and institutional constraints under which he has had to govern. As the texts and the essays in the collection entitled *Brazil under Cardoso* discuss, the challenges are enormous—no less than the remaking of the Brazilian public sector, the economy, and the political system. Russia may be the only other country dealing with intertwined economic and institu-

tional challenges as overwhelming as those faced by Brazil. Few other governments in the world have a policy agenda as overloaded and politically explosive. Cardoso's legislative agenda includes the overhaul of the tax and social security systems, administrative reforms, privatization, and restructuring of federal revenue transfers—nearly all of which require constitutional amendment and will transpire in the context of a global financial crisis. By May 2000, major reforms approved included administrative reforms, judicial reforms, a law restraining fiscal spending by state and municipal governments, and a thorough reform of provisions for revenue transfers that enlarge government coffers.

Little in the texts reviewed here provides much hope for the future of Brazilian democracy or even that Cardoso would be able to master the many challenges facing him. He has proven to be a master tactician. And the political system has proven to be durable and responsive. The difficulties and contentiousness of the legislative process has been as predictable as in any other democracy, even if more fluid and colorful in Brazil. Much less restructuring of the public sector has occurred at subnational levels, a topic that needs more scholarly investigation. Cardoso's electoral and legislative coalition will continue to limit his freedom of maneuver, all the more as the elections in 2002 approach. The health of the global economic and financial system will also play a role. Yet as of May 2000, the government won legislative approval of most of its economic, administrative, fiscal, and judicial reform measures. Cardoso's legislative and policy successes reveal much about the domestic political impact of global crises but also show that democratic governance and executive leadership are not as impaired as has been readily assumed inside and outside Brazil. Cardoso's coalition government and legislative alliances give him an impressive legislative majority (423 seats out of 573 in the new congress), and its voting pattern so far has been solid.¹⁴ Coalition government is not easy in any part of the world, and it comes with significant programmatic and political trade-offs. Cardoso's coalition has required sacrificing some of his social democratic agenda as well as the use of pork (although it is not evident that the passage of any of his bills has entailed any more pork than is involved in the United States). More troublesome, some of the political constraints are of Cardoso's own making. His reliance on a Center-Right coalition may

14. The seat count is an estimate of members of declared pro-government coalition parties: the Partido da Social Democracia Brasileira (PSDB), the Partido da Frente Liberal (PFL), the Partido do Movimento Democrático Brasileiro (PMDB), and the Partido Progressivo Brasileiro (PPB), as well as the "parliamentary alliance" of the PSDB with the Partido Trabalhista Brasileiro (PTB). Constitutional amendments require a three-fifths majority in two rounds of voting, although current legislation is under way to revise these requirements. Although Cardoso's electoral and legislative alliances have remained relatively stable and delivered major congressional victories on key government projects, they have also been stormy and internally competitive.

be driven by political necessity, but it has proved damaging to his own party, the PSDB, which had been emerging as a coherent programmatic party.

Democratic politics are never easy, in Brazil or anywhere else. No democracy in the world is free of warts when it comes to social performance and governance. This point is not meant to paper over the fact that Brazil continues to be a fundamentally unjust and unequal society but to suggest the need for a better sense of proportion and comparative perspective, to point out that stale generalizations about Brazilian politics need to be revised. Many of the real political and institutional infirmities visible after the transition may not have been as immutable as we first thought, nor their effects as lasting or absolute.