Everybody Has a Car But Nobody Moves: Contradictions in Brazil’s Social Inclusion via Consumption Development Model

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Development narratives can and have been told in a variety of ways. They can focus on the main agents for development, and their heroes can include the state, the market, or a mix of both. However, in the real world of concrete implementation of specific policies, options must be reduced and a decision has to be made about which model to adopt, which elements to prioritize and which to sacrifice or postpone. This paper explores the narrative of development which has been at work in Brazil for the past decade, particularly since the election of president Luís Inácio Lula da Silva (2002). It begins by arguing that the key to this narrative and its ongoing success is the notion of social inclusion via consumption which has been the guiding principle behind Brazilian government policies. Then, it attempts to demonstrate how this central idea is supported and buttressed by a specific rendering of the roles of the state and the market, which make the former usually respond to the needs of the latter. It ends by suggesting some potentially challenging consequences of this narrative.

I. INTRODUCTION

Development narratives can also focus on the goals and definitions of development, which can be more strictly economic in nature, or more diverse so as to encompass social, political and environmental dimensions. Alternatively, they can give primacy to examining global or local factors, influencing development, as well as endogenous or exogenous elements and thus spurring it on or deterring it.¹

This brief list of possible narrative strategies for discussing development could go on further and into greater detail. However, in practice, societies have to decide on a model for their development and even if it is a hybrid one it will still entail making choices and setting a hierarchy among competing interests. They have to reach that type of consensus

¹ For a good presentation of these models with emphasis on the BRICS and Brazil, see generally M.G. Schapiro & D.T. Trubek, Redescobrindo o Direito e desenvolvimento: experimentalismo, pragmatism democratic e diálogo horizontal, in DIREITO E DESenvolvimento: Um Diálogo Entre Os BRICS (2012).
which Habermas identifies as a key requirement for political action.\textsuperscript{2}

Development policies in individual countries can only be successfully carried out if one specific version of development narrative prevails over competing models and it is strong enough to be effectively implemented. In other words, to be translated into practice, one version of development has to become consensual, or at least clearly hegemonic. This does not mean that such a narrative will erase or root out other options which are indeed more than likely to continue to be espoused by different groups within the country. However, it does mean that it must enjoy social support that is broad enough to enable the implementation of the short, medium and long-term measures intrinsic to meaningful development policies. Sharp disagreement between similarly powerful social groups on the overall goals to be pursued, that is on the kind of development they want, results, more often than not, in a drastic lack of institutional stability and predictability which often frustrates such policies and makes them utterly impossible.

A certain degree of social consensus is, therefore, a key to making development (whichever of its many versions) possible. This implies the existence of a political narrative capable of leading most of the population to believe or accept that a certain set of policies is, ultimately, in their best interest regardless of the hardships that may eventually be caused by them. Such a narrative will arguably be rooted in what Charles Taylor calls the social imaginary,\textsuperscript{3} taking on, therefore, an unconscious or non-deliberate dimension. People will embrace it because it somehow responds to their deep, pre-rational notions of what a “good life” is and because it makes a credible claim to be the best path to reach that life.\textsuperscript{4}

Nonetheless, once it is actively articulated and promoted by stakeholders, it also assumes a very conscious and deliberate dimension. It is coherently present in the vast array of communication tools – e.g., presidential speeches, governmental ads in the mass media, newspaper articles and interviews by authorities and experts – aiming at guaranteeing popular support for it. Thus these narratives are also strategic tools ingaining and maintaining political power.

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II. \textbf{ARE WE THERE YET?}
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Brazil’s rise to BRICS status is the result of a long chain of changes over the past three decades, which has had a profound impact on its

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\textsuperscript{2} B. Freitag & S.P. Rouzet, \textit{Habermas} 102 (3\textsuperscript{rd} ed. 2001).
\textsuperscript{3} See generally Charles Taylor, \textit{What is a Social Imaginary, in Modern Social Imaginaries} (2003).
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traditional political, economic and social structures. Changes in each of these dimensions have both resulted from and reinforced others. Together, they allowed for the present virtuous circle in which the economy grows at the same time that social disparity lessens. In different ways, they have also come to inform the type of development narrative that has become hegemonic in Brazil today.

Achievements in each of these areas is presented as a success, in which political courage and a stern commitment to sensible socio-economic policies have combined to transform a brutally unequal country into ‘a country for all’ – the motto adopted and used extensively by Lula’s administration (to imply, among other things, that, beforehand, the country was just for a few). In its macro-structure, these stories have been presented as complementary: the return to democratic rule (political) allowed for the best possible solutions to structural economic problems (economic), which have resulted in gains for the whole of the population, but mostly for the poorest (social) echelons.

These stories and the development narrative they entail deserve closer scrutiny not only because they are so elementary to the political viability of the policies which have been put forward by Brazilian administrations over the past ten years but also because the values and choices they embody (and discard) are likely to shape the future of the country over the ensuing decades. Equally relevant, their more recent renderings have been working – as I suggest in this paper - to lessen what Heller calls society’s capacity “to project itself into the state to shape policy,” a key element, according of Peter Evans, to Brazil’s recent improvement in the economic and social arenas. It is important, then, that each of these success stories be analysed separately so that one can better understand their individual contribution to the development narrative this paper seeks to describe and assess.

Insofar as political transformation is concerned, the overthrow of the military dictatorship in 1985 was undoubtedly the major event. The return to democratic rule translated into the enactment of the current Constitution (1988) and a steady sequence of democratically-elected governments, along with greater accountability from politicians and government officials: an elected President was impeached on charges of corruption and over the years top government officials, including

5 For an assessment of Lula’s political agenda, see João Paulo de Almeida Magalhães, Estratégias E Modelos De Desenvolvimento, in Contribuições para um Balanço Crítico 2003-2010 19-34 (03 Anos Lula ed., 2010).
6 See generally Peter Evans, The Capability Enhancing Developmental States: Concepts and National Trajectories, in Center for Studies on Inequality and Development (2011). (I thank Prof. Mario G. Schapiro for bringing this text to my attention).
ministers and judges have been sentenced for different kinds of wrongdoings. As I write this paper, Brazil’s arguably most important trial in history is coming to a close.\footnote{For a clear explanation and critical assessment of this landmark trial, see generally Joaquim Falcao, Mensalao – Diario de um Julgamento – Supremo, Midea e Operao Pbclica (2013).} The Supreme Court has already found several major politicians of the ruling party guilty of corruption and money-laundering charges and is now deciding on the length of jail time they will have to serve (a former minister who used to wield enormous power has been sentenced to over ten years in prison).

In the legislative arena, statutes crucially important to bringing about the current stability – e.g. the \textit{Lei de Responsabilidade Fiscal}, which limit the ability of city, state and federal authorities to spend beyond their budget ceilings; \textit{Lei de Acesso\textsubscript{a}Informação}, which makes public access to all governmental data mandatory, including spending, procurement rules for public services and the salaries earned by every public official, have been drafted and approved. This was utterly unthinkable under the authoritarian rule, but is now possible as of strong, independent Judiciary has emerged to enforce such laws.

This transition to democracy would come at a cost and in fact only became possible, due to a broad, complex compromise between intrinsically conflicting interests and opposing groups. Brazil’s cultural tradition of appeasement and accommodation was tested to the limit during the years in which the Constitution was being drafted. Popular demand for social rights and for government-sponsored social programmes had to be accommodated with pressure by key economic players pushing for a state that would foster free-markets and a competition-friendly environment, apart from being open to international capital as well as trimming taxes and pruning governmental bureaucracy to a minimum.

The result was an over-encompassing Constitution, which guarantees a large variety of rights – social, economic, political – without giving enough directions on precisely how they are to be made possible in practice. Courts and authorities are in constant tugs-of-war, torn between the clear constitutional command to guarantee certain rights (e.g. access to free anti-HIV medicine) and the lack of resources to implement them. In spite of that and for all its flaws, the 1988 Constitution is justly hailed as a major achievement for the Brazilian people and one of the pillars of the country’s betterment. Its contradictions, however, would also impact the narrative of development that emerges from its gains.

The pivotal moment in economic transformation was the \textit{Plano Real} (1994), a set of economic policies which achieved what many thought
was impossible. For example, it tamed Brazil’s hyperinflation. Led by Fernando Henrique Cardoso, who was then the Minister of the Economy, the government managed to bring inflation down from a mind-boggling 76.4% a year, between 1990 and 1994, to 8.6% a year, between 1995 and 2000. Cardoso’s success catapulted him to the Presidency in 1995. He proceeded to extend, in his first term, the austerity cum state slimming logic which was behind his success as a Minister. The severe criticism he received from Left and Centre-Left parties (most prominently from Lula’s Workers’ Party) was unable to rob him of his popular support. He won his second term in the first round of the 1997 presidential elections. All things considered, most of the population seemed to have approved of his mix of pro-market macroeconomics and social programme strategies (Cardoso devised the cash-transfer programme which was to be expanded and perfected by the Lula administration).

The meaning of this crushing electoral defeat was not lost on Brazil’s leading Left parties. They understood that without some substantial concession to market forces, they would not have a chance of winning the presidency ever again. With a remarkably pragmatic approach, they adjusted their political discourse to cater to this new Brazilian audience. In June, 2002, to make his fourth run for the Planalto viable, Lula and his party published the Carta ao povo brasileiro Letter to the Brazilian People, in which the Worker’s Party publicly committed to making no major changes to Cardoso’s macro-economic policies, to respecting contracts and to carrying out structural reforms demanded by the market. Typical of Brazil’s accommodation logic, the Letter declared that these proposals had the support of people from different ideological backgrounds, and that it brought together, devoid of any tension or contradiction, workers and businessmen, intellectuals and artists.

The Letter also explicitly stated the Workers’ Party’s intention to

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8 Instituto Brasileiro de Geografia e Estatística – IBGE, www.ibge.gov.br. (The IBGE is one of the most important data bases on and in Brazil, and it is a mandatory source for those interested in studying the country).

9 Cardoso used privatization extensively to reduce the costs of government. He believed that the State was inefficiently involved in activities which could be better and less-costly run by the private sectors. For an assessment of his economic policies and its implicit development model, see generally Thaíane Araújo Leite, A reforma do Estado nos governos FHC e Lula (2012).

10 Luiz Inácio Lula da Silva, Carta ao povo brasileiro, International Institute of Social History, http://www.iisg.nl/collections/carta_a0 poignant brasileiro.pdf. (This document became a key piece to understand Lula’s realistic approach to economic policies. The reader is referred to the full text of the document, which was published and extensively debated by the media in 2002).
expand consumption throughout Brazil as a means to foster growth.\textsuperscript{11} In October of the same year, with substantial support from industrialists and bankers, as well as from workers and intellectuals, Lulawas finally elected. To indicate that he would remain true to his electoral promise of not changing macro-economic policies, he kept as the Central Bank President Mr. Henrique Meirelles, (then affiliated with Cardoso’s Social Democrat Party), a believer and defender of the free-market.\textsuperscript{12} Here, again, as in the political arena, Brazil had found a surprisingly awkward, yet ultimately successful compromise.

Over time, political and economic stability led to significant social changes, the third type of transformation to which I have been referring. With leaner bureaucracy (due, in great part, to extensive privatisation) and a sharp rise in tax revenues (due both to the boom in commodities and rising internal demand), the government had plenty of resources to broaden the cash-transfer programmes which had been very successful in diminishing poverty. The money sent directly to families (actually, mostly to women in charge of the family) in the poorer areas of the country not only lessened extreme poverty but gradually allowed these families to start shopping for more than the mere basics. Small commerce and low-skill industries flourished, as did services. As a result, a large percentage of the population entered the market both as workers (registered employment went up by 43.5\% from 2001 and 2009)\textsuperscript{13} and consumers (per capita GDP went up from US$ 3,726.00 in 2000 to US$ 10,237.00 in 2010).\textsuperscript{14} This completed the virtuous circle and allowed Lula to boast that the tsunami that was wreaking havoc in economies around the world in 2008 would reach Brazil “no larger than a gentle swell”, as Lula put it.\textsuperscript{15} The confident BRICS era had arrived and with it the currently triumphant development narrative of social inclusion via consumption.

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\textsuperscript{11} Id. at ¶ 9. (“The Brazilian people want to reduce their vulnerability vis-a-vis external markets by the double effort to export more and to expand mass consumption in the internal market. - [O povo brasileiro] quer trilhar o caminho da redução de nossa vulnerabilidade externa pelo esforço conjugado de exportar mais e de criar um amplo mercado interno de consumo de massas.”)
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\textsuperscript{12} Leite, supra note 10.
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\textsuperscript{13} The Institute for Applied Economic Research – IPEA, www.ipea.gov.br. (IPEA is a federal public foundation linked to the Strategic Affairs Secretariat of the Presidency. It provides technical and institutional support to the government for the formulation and reformulation of public policies and development programmes in Brazil).
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\textsuperscript{14} Id.
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\textsuperscript{15} Ricardo Galhardo - O Globo, Lula: crise é tsunami nos EUA e, se chegar ao Brasil, será ‘marolinha’, Economia, October 4, 2008, available at: http://oglobo.globo.com/economia/lula-crise- tsunami-nos-eua-se-chegar-ao-brasil-sera-marolinha-3827410. (Lula made this famous and controversial statement: “Lá (nos EUA), ela é um tsunami; aqui, se ela chegar, vai chegar uma marolinha que não dá nem para esquiar – In the U.S., the crisis is a tsunami; if it does reach us, it will be as a gentle wave, not big enough for one to surf on”).
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III. CAREFUL WITH WHAT YOU WISH FOR: CONTRADICTIONS STRIKE BACK

Brazil's century-old contradictions seemed thus to have been solved by the consensual formula of social inclusion via consumption. The country's most celebrated achievement is the so-called rise of the economic class C.\textsuperscript{16} Millions of Brazilians are now able to buy goods previously thought of as luxuries: cell-phones, LED cable TVs, cars, and holidays abroad. Between 2001 and 2011, the poorest 10% of Brazilians saw their income rise by 91.2%, which amounts to gains some 550% higher than those for the richest 10% (whose gains amounted to 16.2% in the period).\textsuperscript{17} The inclusive decade worked to rid Brazil of its embarrassing title of the most unequal country on the globe and bettered the lives of millions. Understandably, the government and opposition alike pointed to this as an undisputable, beyond-criticism proof-of-success of the development model adopted. It also helped created Brazil's version for the end of history, as the riddle of development seemed to have been solved, making century-old political debates appear suddenly pointless.

In fact, throughout its history, but more markedly since the 1930s, two readings of Brazil's woes and the recipe for them have vied for precedence among the country's intellectuals.\textsuperscript{18} In different ways, these readings tried to explain as to why a potentially enormously rich country, blessed with abundant natural resources, remained in practice essentially poor, failing time and again to achieve meaningful development. The first had its roots in European liberalism and postied that the country's problems were due to it not being capitalist enough or not efficient enough. Its supporters believed that the only way to drag Brazil out of its eternal commodity export slumber was to open up the country to the most beneficial forces of the market. Foreign investment was to be invited for it would bring technological transformation and expertise, which would, in turn, re-define the economic profile of the country and make it an industrial power.\textsuperscript{19}

Social justice, according to this version, would naturally flow from the bonanza that such a system would create. The only setback was that the benefits of this model would not affect everybody at the same pace. A favourite metaphor of the sponsors of this version was: *One had to let the*

\textsuperscript{16} See generally MARCELO NERI, A NOVA CLASSE MEDIA – O LAUDORÍZANTE DA BASE DA PRÁMIDE (Saraiva ed., 2011). (This is the most well-known study of this phenomenon and has attracted both praise and criticism from a number of intellectuals).

\textsuperscript{17} Supra note 14.

\textsuperscript{18} The first reading can be exemplified by RAIMUNDO FAGORO, OS DONOS DO PODER (2001); the second, by CAIO PRADO JR., FORMAÇÃO DO BRASIL CONTEMPORÂNEO (1993).

\textsuperscript{19} For a good summary, see L.C. BRENNER PEREIRA, DEVELOPMENT AND CRISIS IN BRAZIL: 1930-1983 (1984).
cake rise in the oven before one could start sharing it. This tortuous path to modernising the country made it socially acceptable to foster growth with income concentration. According to the advocates of this market-friendly perspective, efforts to mitigate social disparity by meddling with market forces would only, paradoxically worsen the problem they aimed to solve, and hurt the most needy, for they would perpetuate the kind of inefficiency that lay at the heart of the country’s difficulties.

The second view blamed Brazil’s misery on it being too capitalist, and naively so. It connected the country’s poverty to the peripheral position it had occupied in international capitalism since the very beginning. Celso Furtado’s masterly study of Brazil’s economy starts out by stressing on the fact that the country’s discovery and occupation by Portuguese settlers was nothing more than a by-product of the expansion of European capitalism. For the colonial powers, Brazil was not important in itself, and its population was never meant to be given serious attention, as the colony’s only definitional function was to be a provider of goods to the European market. Portugal felt entitled to exploit it as much as it could, mindless of the consequences for those living there.

In the 1960s, the ideological disputes of the Cold War would lend extra support to this metropolis/colony, centre/periphery reading, broadening and transforming it into a more encompassing Third World theory, and focusing intensely on Latin America as a whole, not on Brazil alone. For the proponents of this view, the country had to walk away from the market-friendly policies of the great North and head towards a more communitarian (socialist, communist) mode of government. Investments were to be made primarily by the state, and local industries were to be protected from foreign competition. In order to not hurt the state’s ability to invest and foster growth, the nationalisation of foreign companies was to be envisaged. The default on foreign debt was also to be seen as a real political option.

In either version, these two basic frameworks have been omnipresent in Brazil’s recent history and have drawn the lines around which political debates revolve and government decisions are made, serving as a local example to the fundamental capital-labour tension which has shaped the history of the twentieth century. One could do worse than use this opposition to explain the whole of Brazil’s eventful twentieth century

history—from Getulio Vargas' dictatorship in the 1930s\textsuperscript{22} to Juscelino Kubitschek's\textsuperscript{23} industrial upsurge in the 1950s, from the military coup of the 1960s to the neoliberal 1990s. It seems that now in Brazil, the tension between these opposing views has abated. Alternatively, for some, it seems that there should never have been any tension at all. The perceived contradictions between market, state and society were just a defect in perspective, an optical illusion caused by ideology which for them has fortunately been corrected since the fall of the Berlin Wall. The transformation of the former union leader Lula into the president-cum-businessman, supported by the financial sector, emerged as the epitome of the present meaninglessness of such a debate.\textsuperscript{24} Lula's strategic and controversial alliance with former supporters of the military regime, coupled with the enthusiastic acclaim he received from bankers and industrialists, seemed to be proof enough that true differences had disappeared and that the country had finally solved the development puzzle.

The prize for having solved it was huge. Brazil no longer sees itself as the country of the future or a sleeping giant, but rather as an emerging and increasingly important global player, inevitably bound to be an international power broker.\textsuperscript{25} The country sees itself as an important protagonist as much in multilateral organisations as in international politics. The stage is set to go from being a troubled supporting actor to an internationally-acclaimed leading one in a Hollywood blockbuster. Brazil sees itself as a new world power.

That may be so, at least for the time being, but it is not so clear whether Brazil is, at this point, a novel power, that is to say, a country that offers an alternative narrative on the way that markets, state and society should relate. On the contrary, the current drive behind the country's development seems to reproduce, in broad and updated lines, the same logic that had driven the previous, Northern-led models for development. Brazil seems to have accepted, for instance, that individual consumption is the driving force behind mature, successful societies; that maximising

\textsuperscript{22} See generally Thomas E. Skidmore, Brazil: Five Centuries of Change (1995). (Getulio Vargas led a coup that overthrew the federal government in 1930; in 1937, he changed the Constitution to rule with dictatorial powers. He was deposed in 1945. In 1951, he got democratically elected to another term as president only to commit suicide in 1954 amidst numerous accusations of wrongdoing).

\textsuperscript{23} Id. (President of Brazil from 1956-1961. His term was marked by the creation of Brasilia, the new capital, and strong industrial growth).

\textsuperscript{24} Meaningfully enough, the Workers' Party has seen a diaspora of its founding members to other parties, allegedly more truly leftist, after Lula changed his discourse and tactics to reach and remain in power.

\textsuperscript{25} Indeed, one recent Johnny Walker TV ad in Brazil bids the recently awoken giant (Río de Janeiro's Sugarloaf in this case) to keep walking.
the number of consumers and their market choices is ultimately the
surest way to societal welfare. Dilma Rousseff’s administration has time
and time again put forward this message in unmistakable terms: the rise
of the purchasing power of the poorest and the strengthening of the
internal market are, in fact, the trademarks of Dilma’s first term. ‘A rich
country is a country without poverty’, the official slogan goes, and
judging by her stellar approval ratings (77% in April, 2012)\(^\text{26}\), most of
the population agrees with Dilma’s approach.

IV. EVERYBODY HAS A CAR BUT NOBODY MOVES

Therefore, opting for consumption as the driving force to achieve
social inclusion has deliberately been embraced by the present
administration.\(^\text{27}\) Dilma not only has repeatedly stressed that Brazil’s
goal is to become a middle-class country where people have the resources
to shop around as they see fit, she has also taken active measures to
speed up the process. Her administration’s bold policies for expanding
credit are a case in point and are even more meaningful because they
represent an innovation over her predecessor’s policies.

The President was personally involved in designing a political strategy
to bring interest rates down. In nationally-broadcast television ads, with
popular actresses and actors as their smiling stars, public banks
announced with great fanfare that they were slashing their interest rates
to favour individual consumers. "If your bank does not do that for you",
the ads go, "change to ours". Meaningfully enough, these ads stress the
relation between credit and the consumption of luxury goods (e.g.
television sets, fridges, cars) and not of more long-term items, such as
education and housing. They link the idea of personal success and a
happy family life with satisfaction of owning these goods, which were
formerly only within the reach of a privileged few. These ads sometimes
even go out of their way to adopt a rather educational tone so as to
explain in simple terms to low-income consumers that if they pay lower
interest rates, they can buy more goods for the same money. Popular
borrowing has hence soared.

As important as this credit policy is to illustrating the version of
development at work in the country today, perhaps nowhere can Brazil’s
development narrative of ‘consumption as social inclusion’ and of its
unstated troublesome upshots, be seen more clearly than in the current

\(^{26}\) Débora Santos, Aprovação pessoal de Dilma sobe e atinge 77%, aponta Ibope, G1 Política,
http://g1.globo.com/politica/noticia/2012/04/aprovaao-pessoal-de-dilma-sobe-e-atinge-77-aponta-ibope.html

\(^{27}\) Dilma Rousseff took office in 2010.
federal policy for the auto industry. In 2012, the government reduced the tax on industrialised goods (IPI) for new cars, in an effort to boost sales. Coupled with low interest rates and payment plans that may include as many as 60 installments, the plan was a success. Auto industries have broken record after record in sales as virtually everybody but the extremely poor can now boast ownership of a car (and the debt to prove it). As autoindustries generate a vast number of direct and indirect jobs, paying salaries, in turn, spurs consumption. This seems to be a win-win situation. The government suggests that the taxes it will not collect (around R$ 5.5 billion from September 2012 to December 2013) is money well-spent.²⁸

The public consequences of this option for individual solutions are dire, nevertheless. Here again, the flip-side of the 'I have a car' dream hints at the broader socio-economic picture. Traffic congestion in Brazil has become an epidemic and not only in the wealthy metropolises of the Southeast such as Sao Paulo (17 million inhabitants in the metropolitan area). Manaus (2 million inhabitants) for example, in the heart of the Amazon forest, has been plagued by it, as have cities in every other area of the country. The environmental, social and economic costs of this car-dependent culture are clear. Car-oriented cities, as Richard Sennett observed, bespeak a logic which holds that "the public space is an area to move through, not be in"; that the city's street's only function is to permit private movement and that "unrestricted motion of the individual" is an "absolute right".²⁹

What matters in this analysis of Brazil's currently hegemonic development narrative is that this specific kind of support for the autoindustry has come at the expense of sound policies for public transportation. Relying on trains, buses and subways sounds slightly demeaning in a country in which omnipresent car ads trumpet that "the government has extended IPI exemption for yet another month". Successful people do not travel by bus, at least not in this development model. Accordingly, the landscape of cities has been changing to accommodate more and more the needs of the individual driver and less and less the collective needs of those failed consumers, to use Zygmunt

²⁸ Dilma defended her tax-exemption policies for the auto-industry numerous times, as exemplified by her speech on October 24, 2012, in which she emphasised her belief in the technological benefits springing from such measures: "Não é possível que a gente ache que o nosso país não possa gerar conhecimento científico e tecnológico na indústria automobilística." ("It is impossible not to believe that we can generate scientific and technological knowledge in the auto industry."). See Dilma defende Inovar-Auto e prorroga IPI menor até fim do ano, Economia, Oct 24, 2012 available at: http://economia.ig.com.br/2012-10-24/dilma-defende-inovar-auto-e-prorroga-mpi-menor-ate-fim-do-ano.html

²⁹ See Richard Sennett, The Fall of the Public Man 14 (1975).
Baumann's phrase, "who still rely on public transport."

What is most important in this development narrative is that it establishes a clear, if unstated, hierarchy between the public (collective transport) and the private (cars, often with one driver and no passengers), wherein the latter takes precedence over the former, to the extent that government money and policies aim individually-owned automobiles over public transport. It also posits a clearly defined role for the state and hints at an untroubled convergence between market and social interests. In the autoindustry tax exemption example, this narrative implicitly asserts that the default normal situation is for people to have their own means of transport and that transport is primarily an individual and not a collective problem. This is what a successful citizen does—she/he frees her/himself from the need of state support to solve her/his problems. This, in turn, diminishes or weakens the citizens’ sense of responsibility to and from the state. The role of governments, in this narrative, is to create optimum conditions for the enjoyment of individual choices, to correct market flaws and keep the playing field level so that producers and consumers can enjoy the game to the fullest.

The public policies and programmes that this kind of narrative seems to imply are for those who are incapable of fighting for themselves. This holds true also for education, health-care and security. If one can afford them, and choose in the market, a provider suitable to their needs, why should the state intervene? Only those utterly deprived of the means should be cared for by the government. But then, as the saying goes, Beggars cannot be choosers, one has to put up with whatever quality of public services is made available. A country eager to identify citizens with consumers has little room for the economically deprived. The logic of social inclusion via consumption appears then as a paradox, for each of its constitutive terms points in one political direction. In practical terms, one has to do little more than examine the broadening social disparity in recent U.S. history to see this contradiction painfully proved.

In theoretical terms, this paradox has been explored by a number of world-class scholars, to name a few, some as insightful as Richard Sennett (his *The Fall of the Public Man* [1974] has rightfully become a classic), Zygmunt Bauman and Amartya Sen (*Development as Freedom* [1999]). Bauman, in his illuminating *Post-Modernity and its discontents* (1997), furthers the cogent argument which he has put forward throughout his work, that consumption is intrinsically an individual activity, while Sen has famously suggested that development has more to do with enjoying

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freedoms than consuming goods.  

The logic of consumption, these works seem to imply, is intrinsically exclusive as it focuses on the satisfaction of private needs as well as on maximising choice and individual solutions. It usually advocates for less state and more market or a model of state-market cooperation, in which the function of state policies is to guarantee optimum conditions for private affairs. It believes, primarily, in an ethos of rights, not duties. Its model for socio-political relations is that of the private contract: one is only bound by the obligations one voluntarily takes upon himself/herself. Externalities, that is to say, the effect of such a contract on others, are not a responsibility of the contracting parties, who are focused only on honouring their private, elective obligations.

The logic of social inclusion is its exact opposite. To include means to move someone inside a specific place, a place one has the right to belong to and from which she/he is or has been temporarily exiled, for whatever reason. This is by definition a collective place – one is not to be included in oneself – and thus, necessarily, a place in which common traits prevail over individual differences. In other words, social inclusion, tautologically, is to include someone in society; this collective entity which Margaret Thatcher famously said does not exist. Social inclusion is based on the idea of collective rights generating individual duties and on a shared responsibility for a common goal. Social inclusion is based on the belief that the res publica, the common wealth, takes precedence over the res privata, the individual wealth. It believes that some obligations are not elective, but rather a direct consequence of living with others.

The current development narrative in Brazil is an attempt to bring these two narratives together in practice. Cash-transfer programmes funded by the government feed consumption, which helps create jobs (unemployment is at a record low 5%), which, in turn, feeds consumption and makes the virtuous circle perfect. Frequently broadcasted social (e.g. mortality and literacy rates) and economic indicators (e.g. the gap between the wealthiest and poorest strata of the population, GDP growth) seem to indicate that Brazil has managed to have its cake and eat it too. The country seems to have produced its own version of the end of history and lived up to its alleged ability to make contradictions go

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31 SENNETT, supra note 30, at 334 (Sennett refers to “the combined results of secularism and capitalism on the psyche” and concludes that “[t]ogether they have eroded public life”); BAUMAN, supra note 31 (Bauman discusses the lot of the failed consumer throughout his work but particularly cogently in chapter 3 – The Strangers of the Consumer Era: from the Welfare State to Prison); see also AMARITA SEN, DEVELOPMENT AS FREEDOM (1999). (Sen’s challenge of narrow understandings of development has become a seminal work for those thinking the relations between economic growth and social fairness).
up in smoke.  

But, beneath the shiny cover, contradictions persist in spite of the wondrous progress over the past decade. Overlooking them risks making this an ephemeral success (as the country has experienced many times before), instead of a permanent transformation. It also risks squandering a unique possibility to work on a novel narrative of development; one could include the enlargement of freedoms, as Amartya Sen suggests, with the lessening of inequalities.

Tackling these contradictions entails taking into account some worrisome data, again both economic and social. On the economic side, the rapid expansion of borrowings by a large portion of the population previously estranged from credit has resulted in unprecedented rates of household debt. In July 2006, the household debt represented, on an average, 24.8% of the income; in February 2011, it represented 41.3%. Any slowdown in economic growth could cause serious, if not systemic, problems. At the same time, the menace of rising inflation is knocking at the door, and the country’s exports of more labour and technology-intensive products have decreased.

Brazil’s pace of innovation (patents held) is dismal, compared to that in other emerging countries. The country’s infrastructure is showing the strain of the rapid rise in the number of consumers. Black-outs, though short, have been common in some parts of the country; airports and ports have become blatantly inadequate to handle the present demand, let alone the coming events of the World Cup and the Olympic Games. Policies for tackling these issues as well as their potential efficacy are, as yet, unclear.

On the socio-political side, the picture is equally troubling. Absenteeism in elections, presidential included, has been repeatedly hitting record highs. Trust in political parties (7%) and the National Congress (19%) is appallingly low in itself, and even more so when compared to the trust in large corporations (46%). Trust in politics as a locus for promoting

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33 Sen, supra note 32, at 15-17.
34 Supra note 9.
36 For a study of absenteeism in recent Brazilian History, see J.G. Ghirardik & L.C. Gross, O Silêncio do Voto (unpublished manuscript). Professor Gross, who co-authored that article with me, is also responsible for the Indice de Confiança na Justiça (ICJ) (Index of Trust in the Judiciary), a quarterly survey which monitors the population trust in institutions. For updated results, see www.direitogv.fgv.br.
the common good is not helped by a fragmentary party system; (there are over 30 parties in Brazil) which gives enormous bargaining power to tiny, socially unrepresentative parties. Attempts at reforming this multifarious party system have repeatedly failed.

Unions (which receive their substantial monies via tax transfers from the government) have lost their power to congregate and effectively represent their constituency. Elementary and secondary public education remain of very poor quality; higher education has seen a rise of privately-owned, mass-oriented conglomerates that offer low-price courses (often partially paid for by government programmes) of dubious quality. Large political rallies are non-existent (though movements such as São Paulo’s Gay Pride Day or March for Jesus can attract millions), and there is no meaningful debate over alternative models for development. As elsewhere in the world, private concerns seem to have triumphed over public matters, as everyone talks on their cell-phones or checks for emails on their Blackberry, and remains oblivious to the country around them.

This does not have to be so. Brazil’s long history of social inequality coupled with enormous riches has given the country a unique experience of the charms and dangers of such consumption-centered policies. Some of the country’s brightest intellectuals have left a wealth of critical work on both capitalism and their alternatives within the Brazilian context. The current development narrative bypasses many of the findings of such criticism by implying that the tensions and contradictions within and beyond the country are gone. The side effects of the government’s generously-funded social policies include the lessening of political divergence as a value and a remarkable diminishing of political involvement by citizens.

This narrative also seems to assume, as mentioned earlier, that the only role of politics is to guarantee that the economy runs smoothly, and that everyone naturally desires the same things. At the height of its success in the twenty-first century, Brazil seems strangely to appear, once again, as the place that a nineteenth century visitor described as “a country without a people.” Then, because political participation seemed impossible; now, because it seems less important, or less urgent, than consumption. Brazil’s bright present, however, was not founded primarily on economic measures but on the political struggle to reinstate democracy, a broadly inclusive democracy, which ultimately made the economic measures possible. The country’s stable institutional framework and intellectual tradition make it possible to critique both the current

37 See Louis Couty, L’esclavage au Brésil (1881); J.M. Carvalho, Os Bestializados: O Rio de Janeiro e a República que Não Foi (1987).
model and the implementation of alternatives.

Different voices have called, for instance, for political reform which would reduce the number of parties, in order to allow for the emergence of more meaningful entities, representative of broader interests rather than personal ambition; for an end to automatic transfers of tax money to unions, which would probably make them more active in the defence of the interests of their affiliates since they would depend on them to survive; for improvement of cash-transfer programmes to make them more apt to help citizens grow autonomous over time; for a clear industrial and technology policy, capable of broadening and enhancing Brazil's production; for more efficient use of public resources in education, health and transport to guarantee quality services for the population; for tax reform which would correct Brazil's mostly regressive tax system; for restructuring of the social security and pension structure which disproportionately favours government employees at the expense of those in the private sector.

Brazil, the largest direct democracy in the world, and an undisputable new force in the age of the BRICS, has a unique opportunity to emerge as a novel power, as a country which showcases the incredible beneficial effects of not only collectively projecting itself into the state to shape policy, but also electing the enlargement of freedoms as the best synonym for development. However, taking advantage of this opportunity demands political will and social courage, to question the terms of the present bonanza in the name of greater future equality.