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Brazil: The Troubled Rise of a Global Power by Michael Reid

Chapter 7: From Disorder to Progress Under Cardoso

The New Republic had finally taken over the dictatorship, with many new goals "...to dismantle the remains of the dictatorship, entrench liberties and provide effective democratic government; to conquer inflation and secure economic growth; and to address the country's deep-rooted social problems" (Reid, 117). On top of all of this, the country was in a state of sorrow and disappointment. They were in need of a decent leadership and an organized democracy; however, it was a while after the dictatorship before Brazil maintained a steady leadership. Jose Sarney finally swore in only after the death of a president (Reid, 118). Sarney's admirable achievement was overseeing the final transition into a democracy. He also oversaw the creation of a new constitution, which had been written up by congress. The new constitution abolished the literacy qualification for voting and lowered the voting age (Reid, 119). Above all, it paved the way in reducing inequality throughout the country by assisting in land and money distribution and recognizing the Amerindians as rightful land owners through the creation of reserves (Reid, 119). Of course, it was not a good constitution overall, especially since the electoral system saw no changes.

The year of 1989 was an exciting time in Brazil because the people were finally able to choose a president for the first time in almost thirty years. Cova and Lula, the two candidates did not stand very popular, allowing Fernando Collor de Mello to step in and win the election by a few million more votes than Lula (Reid, 122). According to Reid, he was the wrong choice for Brazil because voters rejected two candidates who actually wanted to restore democracy (Reid, 123). Brazilians apparently had no practice with elections. Collor ended up being corrupt and had

negative achievement in lowering inflation (Reid, 124). Although minor things were done to reform the economy, corruption surfaced for the country to see and Collor resigned in 1992. Itamar Franco, the vice president, rightfully took over. Although he had minimal experience in office, he proved to do well as president: maybe even better than Sarney (Reid, 125-126).

Fernando Henrique Cardoso assisted in this success, being the foreign minister, then the finance minister a few years later (Reid, 125). Latin America seemed to be stuck with inflation for a long time, until 1993 when much of it cleared up through cutting fiscal deficits and accepting foreign investment. However, this did not work for Brazil, as its inflation problems were complex. The New Republic established the Cruzado Plan which was successful at first, though inflation soon returned. After many more plans were attempted, the country ended up falling into hyperinflation (Reid, 127).

Flying through finance ministers, Cardoso got thrown into a mess, though it also presented opportunity. With the president's backing Cardoso recruited people to formulate an inflation plan: The Real Plan. Lula, the leading candidate of the 1994 election, did not want to launch The Real Plan. Therefore, Cardoso ran, won presidency, and launched it, which was a success overtime (Reid, 127). The smart politician, sociologist, and honest Cardoso was admired among the Brazilian people. However, he unfortunately had trouble with anything he tried because congress was very corrupt with taxpayer money (Reid, 130). He did achieve the privatization of many monopolies in order to undo the states' economy domination (Reid, 131). In doing so millions of dollars were raised and most of the privatized companies benefited. Economic stability was present for some time, but soon began to crumble. Cardoso worked hard to bring it back and maintain the economy (Reid, 133). He made an eight-year term possible and was reelected. When economic growth stunted and inflation returned Cardoso was forced to

devalue which had many foreign investment withdraws (Reid, 135). During his second term, the economy was a rollercoaster, hindering Cardoso from gaining his original popularity.

Regardless, he continued to accomplish some important tasks. With a focus on the poorest of the people in Brazil, Cardoso reformed social programs. For example, the money distribution within the schooling and the health systems were redirected. Plus, with some decent amendments to the constitution, he made the democracy whole (Reid, 137). Cardoso was one of Brazil's first leaders who began to make the crawl up the social ladder.