

## Chapter 7: From Disorder to Progress under Cardoso

Brazil has always held a very happy go lucky people, but that was not the case in the early eighties, when they could be seen as some of the most pessimistic people around. In May 1964, the country lost a great racing driver which struck the hearts of millions while simultaneously Brazilians were in need of food, education and health care. Brazil was described as the clumsy giant, and considered drunk, not sick, and had portraits portraying a nation doomed by crime, corruption and inequality. The new democratic government was left alone after the passing of its leader, Figueiredo, and his predecessors José Sarney and was described as an opportunist possessing no democratic legitimacy. Sarney's push for personal popularity overtook the political agenda and the foreign debt was defaulted in 1989.

Sarney's main goal was to bring full democratization and to propose a new constitution. An amendment was approved to the 1967 constitution, guaranteeing the vote to illiterates. His right hand man, Neves, agreed with Sarney and previous military commanders that a new constitution was needed. In 1988, a new progressive constitution was drawn up and accepted. It guaranteed individual rights and freedoms, abolished the literacy qualification for voting, and lowered the voting age to 16. It expanded welfare, which would lead to a drastic increase in equality. Natives were given rights to their lands, and public prosecutors were given more power.

The constitution was flawed as well. Giving each state a minimum of 8 electives, regardless of population, Sarney himself increased his term as president from 4 to 5 years. The biggest fault of the constitution was that it encouraged the outdated model of

corporatism privilege and national developmentalism. Few were happy with the document, on the left, it was called anti democratic, anti popular and conservative leaving the population ungovernable.

In 1989, Brazil was finally able to elect their president, and the campaigning began. To the left there was Lula who stood for full blooded socialism, and the other side was Collor who projected himself as a national savior and a champion of the “New Brazil.” Collor would defeat Lula, and attempt to fix a broken land. His plan was to shrink the federal government and doing so he only had a fifteen member cabinet. He also wanted to stabilize the crumbled economy and so he froze all Brazilian saving s for eighteen months. During his presidency his government took two steps in the right direction to fixing the economy. The first was opening up certain foreign trade opportunities and the second was to cut away the national debt and reduce the unnecessary spending. Collor was not a model president, being caught up in scandal of corruption he was impeached and resigned in December 1992, marking the first time a government official was removed without a coup.

Inflation began to destroy the economy in Brazil as it has in the past, and seemed to manifest itself deeper and more entrenched than any other Latin American country. The New Republic's first attempted to deal with inflation was the Cruzado Plan in 1986, and shortly fell apart. It wasn't until Cardoso stepped in that the inflation began to be fixed. Cardoso recruited some of the best economists of the time and together they produced a coherent plan to tackle the issue. They introduced a new currency

called the “Real,” they planned to cut the fiscal debt significantly, and introduced the idea of virtual currency.

Cardoso’s Plan was a huge hit and helped battle some of the toils of inflation, and he soon reaped some rewards from the endeavour. He would soon take office with an easy win, and riding the coattails of a settling new democracy. He preached social justice, planning to reform the economy, improve growth and make Brazil a fair country for all. The biggest success he faced was the reprivatization of business, He loosed the grip of the government over industry and business and turned it back to the hand of the people. The only area the government kept a tight grip was the production of energy in which the government was responsible for 80 percent of its production.

Cardoso continued to grow and stabilize the economy as well as look to improve other aspects of the country. He turned to globalization and computers as the way to grow and the virtualization of money took a stronger hold. He installed the Financial Responsibility law, limiting spending of all three branches of government. Cardoso expanded the horizons of education with the help of paulo Renato Souza, and created many social benefits for the people. Cardosa laid the groundwork for the Brazil we see today and laid a path for his successors to follow. It achieved a stable economy, lowered inflation rates, and provide a new liberal outlook. With the election of Lula, a once opponent of Cardoso, he claimed to continue and comply, and not dismantle the path Cardosa lay before him. I believe Brazil is on the right path, but needs to keep the past in mind. Brazil need to be careful not repeat it mistakes, and disappoint the nation, yet again.

