

The importance of being earners: the democratic, institutional and socio-political influence of Brazil's elite

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Abstract

This article considers the elite in Brazilian society as a core feature of political culture and examines its involvement in the development of democracy in post authoritarian Brazil from a socio-political and institutional point of view. Brazil's elite have been criticized as having an ambiguous attitude towards democracy. Some scholars have suggested that Brazil's elite exhibit no discernible preference for either authoritarian or democratic forms of government, but rather, endorse whichever type of government preserves its economic wellbeing. Does, therefore, the proliferation of the elite in Brazilian politics add a new element to the literature on Brazil's democratic consolidation? Is elite participation in Brazil's burgeoning democracy really just a paradox between developing a stable democracy, on the one hand, and promoting self-serving (elitist) interests, on the other? This is perhaps the paramount dilemma of the elite's participation in Brazil's democratic consolidation and the major question which I will consider in the conclusion.

Key words: Brazil; elite; institutions; politics; democracy.

Introduction

Democracy proclaims civil equality for all citizens and tends to concede them political equality. But it is incapable of creating natural equality. (Vivaldo Coaracy)

My analysis starts with the simple assumption that the elite² are the preeminent catalyst for change within a given social structure. The definition of elites that informs this article implies the physiology of economic, political and social power. The concept of elites that most sociologists ascribe to suggests the position of elites in the social structure. That is, elite incumbency in positions on or near the top of important social hierarchies – economic, legal, political, educational, religious and so forth. Inherent in this positional hierarchy is the effective power which can be utilized to control the distribution of life's chances in one's favor. Two critical assumptions about the relationship between the power and the position are made:

1. An elite position is synonymous with power;
2. Power implies having significant control.

The functioning of elites can be seen most clearly against the background of their socio-political milieu. This milieu, of course, is formed by the groups standing next to the elite in terms of influence and status. It is through these groups that the elites have contact with the greater society and it is typically through these same groups that new members of the elite are drawn. This makes it easy to ascribe elite membership to an individual on the basis of apparent qualitative measures common among those presumed to be elite, for example membership within designated institutions. Moreover, the psychological difference that sets the elite apart from

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² Generally, when one considers the elite from a socio-political perspective, a distinction between "Economic Elites, Military Elites, Political Elites and Civilian Elites" is usually useful to distinguish between the respective powers and privileges ascribed to each group. For the purposes of this article, as shall be demonstrated in its content, I have elected to ignore the distinctions and refer to them collectively as the "Elites". My reason for doing so is that in Brazil, for all intents and purposes, the groups are, notwithstanding the obvious distinctions, essentially the same group of people. There has historically been a high degree of consensus amongst the various elite factions, which to me makes the distinction somewhat superfluous. Where clarification is needed, I shall refer to them as "elites in business", "elites in the military", "elites in governments" and "civilian elites". I must also point out that I appreciated that there are diverse cleavages within the elite section of Brazil's society. It is not my intention to suggest that these factions share the same ideologies. Political scientists have identified two main elite ideologies within Brazilian elite: i) that favorable to market oriented policies and ii) another that has a strong critical stance against neoliberal policies and favors state intervention. It is certainly true that there exists inter/intra elite conflicts. My grouping them together merely serves to highlight the influence that they have when there is conceptual unity among the groups.

the wider society is that they have the resources, in term of a generally higher degree of erudition, they are generally financially autonomous and traditionally have deep-rooted ties with those who exercise important functions in the polity.

The adage “Elites are educated to govern” rings particularly true in most political systems. As such, it comes as no surprise that throughout the political history of most countries, leaders have frequently arisen from amongst the “hallowed enclaves” of the elite. Political scientists have been a bit more sophisticated in their distinction between de jure authority and de facto power in relation to elite position, for example, the distinction between constitutional sovereignty and political strength. In the political context, the convergence of this power and control facilitates the pursuit of elite interest. It can easily be argued that the pursuit of elite interest is, prima facie, a question of capitalizing on the advantage of having elite resources. Elite interests define the order of priorities within social systems; be it the economic system, legal systems political system, cultural system or others. Though Marxist in its perspective, this outlook highlights the presumption that it is this economic base which substantially determines the cultural and socio-political structure of a society. Thus, by extension, elites have a profound – some might argue preeminent (DIAMOND, 1997) – effect on the institutions and norms which govern and influence the operation of society.

The elite in Brazilian society

A practical constraint must be taken into account when examining elite membership in Brazilian society. That is, for the most part there are no records of social standing (a la Burke’s Peerage) which exist. A coherent definition of the elite pool in Brazil amalgamates familial connections and institutional membership or is based on overall data on economic wealth, such as landholding records or tax returns. While the origins of one’s particular criteria for inclusion is determined by individual circumstances (that is to say, the way in which one came to be categorized as “elite”), a general pattern emerges which demonstrates a prevalence of elite members to be associated within certain socio-political categories. These are:

- a) Educational – Influential academics, professors and graduates of Brazil’s top tier learning institutions; Brazilian graduates or matriculants of certain foreign universities;
- b) Political – Holders of major political offices, labor union leaders;
- c) Administrative – Bureaucrats in ministries of central government, diplomatic representatives;
- d) Judicial – Judicial officials;
- e) Military – Military heads, top ranking officers and councilors;
- f) Religious – Bishops of the Catholic Church
- g) Social – Holders of Brazilian honorific titles, Brazilian connected holders of Portuguese noble titles, Brazilian connected holders of non Portuguese noble titles,
- h) Economic – Directors of the Bank of Brazil, officers of federations of industry such as São Paulo’s FIESP,³ owners of substantial property, businessmen or any other holders of large-scale economic wealth or power.⁴

One fundamental characteristic of the elite is their homogeneity and a common phenotype. This may include status markers like dress, language and perceived level of education in Brazil. Some might say that the more homogenous the elite, the greater its chances are in being successful, ceteris paribus. This should not, however, lead the casual observer to infer that there cannot be different types of homogeneity. For example, within elite society exists a further set of sub partitions determining an individual’s importance as elite. An individual who

³ Federation of Industry of the State of São Paulo.

⁴ This list is by no means exhaustive, but covers the principal categories demonstrated in Brazilian society.

was included because of economic dominance was viewed slightly less favorably than an individual whose inclusion was legitimized by royal bloodlines.⁵

Likewise, *mestiços* were of lesser value than those elites of direct European ancestry. This phenomenon of assuming superiority based on affiliation to European ancestry is key to understanding the impact of Brazilian elites on the centrality of inequality of Brazilian society and everyday reality. According to a 2005 analysis by the Brazilian Institute of Geography and Statistics (IBGE), which conducts the Brazilian census study, blacks accounted for 49% of the overall Brazilian population, but represented 66.6% of Brazilian's living below the poverty line and only 1% of the wealthy. Some scholars suggest that the presumption of superiority is a mechanism to uphold inequality and, through inequality, defend their privileged access to critical resources and rights. (REITER, 2010). This notion of "Whiteness as Capital" permeates elite theory in Brazil, aided in part by the elitist construct that miscegenation would predestine the country to second class status. Throughout Brazil's history, there have been state-led initiatives to "whiten" the nation, which was regarded as a necessary requirement for achieving civilization progress. Pro-European immigration rules encouraged an influx of migrants, particularly of Northern Europeans to Brazil with the hope that some of Europe's cultural legacy would negate the stigma of African and Amerindian incivility. Whiteness would become a cultural obsession, used as a symbol of humanistic value, signifying superiority and privilege. It also undermined African and Amerindian solidarity and mobilization as upward social mobility could only be achieved through the adoption of European values, manners and aesthetics. Brazilian elites, who were for the most part of European descent, would openly associated whiteness with merit for inclusion and an indicator of progressiveness and aptitude.

In the socio-political arena, this notion of "Whiteness as capital" would manifest unabashedly racist undertones as the more Eurocentric states of São Paulo, Minas Gerais, Rio de Janeiro, Parana and Rio Grande do Sul are generally attributed a more civilized character over the Afro/Indio centric northern states, which, with their legacy of slavery and extreme poverty are consistently portrayed as a backward land populated mainly by primitive or degenerate people. Brazil's cosmopolitan and political epicenters, São Paulo, Rio de Janeiro and Minas Gerais became the bastion of the elite settlement in Brazil, characterized by the settlement of the vast majority of whites in Brazil and the displacement of the slavery system with industrialization. The rapid wealth creation in São Paulo and Minas Gerais during 1889-1930 and again during the authoritarian era (1945-1985) perpetuated the concept of regionalist superiority within the *Camara dos Deputados*, the main organ of Brazil's legislative Congress. A group of elite Paulistas,⁶ supported by the governor of São Paulo, openly advocated separatism from Brazil. Their animus of the north and northeast hardly disguised under the term of nation building. They urged Paulistas to pursue secession and to seek to be a small nation rather than associates of a homeland dominated by *mestiços* with "the souls of slaves". The message of transcendent *paulistidade* would find resonance among the other settlement of Brazilian elite in Minas Gerais – who too would claim its exclusion from the Brazilian national community.

The Separatist Movement met a quick death under the heavy hand of the Vargas regime. Vargas, a proponent of Gilberto Freyre's⁷ concept of racial democracy is credited as the chief architect of Brazil's centralized state, forcing regional elite political oligarchies to subordinate themselves to the central state and the pluralistic national identity that rejected racial discrimination and promoted non-European traditions.

Until now, my analysis has focused primarily on Luso-Brazilian elite, that is, Brazilians of Portuguese descent. However, attention must be given to the degree to which Brazil's elite has been penetrated by the descendants of immigrant groups. In particular, the three major immigrant populations in Brazil; namely, the German, Italian and Japanese. Though no quantitative analysis about the extent of immigrant synthesis into Brazil's elite

⁵ Brazil is the only country in South America to have its own indigenous monarchy (1808-1889) and from 1808-1821 Brazil was the seat of the Portuguese Royal Court. To this day, direct descendants of the Portuguese Emperor reside in Rio de Janeiro, where the Portuguese empire was centered.

⁶ The name refers to persons born and living in the city of São Paulo, though it is commonly used to denote anyone born in the state of São Paulo.

⁷ Freyre is considered one of the main intellectual architects of Brazil's concept of racial democracy. In his seminal treatise on the development of the Brazilian identity, *Casa-Grande & Senzala* (titled in English as "The Masters & the Slaves") Freyre argued that the racial mixing which was looked down upon in Brazil was actually enriching its culture and he encouraged Brazilian to embrace a nation based on the fusion of European, African and Indian cultures.

can be made⁸ studies show that these three ethnic groups are represented at the highest levels of Brazil's economic, social and political institutions, with the Germans being most represented. Thus substantiating the claim that, albeit a minority, these groups have successfully assimilated into Brazil's elite class. On an interesting note, in 1945, Vargas forced all German, Italian and Japanese immigrants into concentration camps. By this time, Vargas had made amends with the elite oligarchs that he so vehemently criticized during his first administration (who now exerted considerable political influence through the Brazilian Federation of National Industry (CNI)⁹ established in 1938). It is alleged that Vargas acquiesced to the demands of the elite majority who felt threatened by these groups and used German, Italian and Japanese alliance to the Armed Forces during World War II to rally support for their expulsion from the country (all under the guise of national interest).

The paradox of elite support for democracy in Brazil: the convergence of economic and political power

The evolving canon of theoretical and empirical literature on Brazil's democratic consolidation has spawned much academic and political debate on the behavior, organization and culture of the Brazilian elite from a socio-political point of view. More specifically, on the impact of elite values in determining whether Brazil's democracy succeeds or the constant threat of a return to authoritarianism becomes realized. Elite values are a critical barometer of the strength of a democracy in two ways. Firstly, elite values tend to dictate or establish the norms of democratic conduct. Studies that compare the democratic values of elites compared to the wider population in democracies, generally find that the elites are more committed to the democratic ideal. The second way in which elite values reflect the health of a nation's democracy is in its appeal to the wider population. Numerous studies have shown that the values and behaviors of the wider population are profoundly affected by the messages emanating from the elite and generally that a shift in mass attitudes is usually directly related to a shift in elite attitudes.

A cursory review of the literature on Brazil's elite reveals the close correspondence between elites and political power in the country. In fact, it is often said that politics is the domain of the elite and that the elite dictate the political agenda of the country. This overlap in itself goes a long way to explain the patterns of social stratification and dynamics of power evident in Brazilian society. To many Brazilianists, the explanation of such a correspondence is perhaps more problematic than rationalizing its existence. One might seek, for example, an explanation in the non-modernity of the political and economic systems of the country, or perhaps, in the long history of elite dominated political structures in Brazil. An examination of the nature of this overlap might also ask the question of whether or not Brazil's elite are a dominant capitalist class (i.e. a modern bourgeoisie) with a tendency towards political ambitions or a political class with a tendency towards capitalism.

⁸ Due to the unavailability of official sources such as the official census which from 1950 recognizes only four race categories – black, white, mixed/brown and indigenous. Also the fact that outside of elite circles rarely would you find anyone who self-identifies as “elite”.

⁹ The website of the CNI defines it as: “Twenty-seven Industry Federations in the states and Federal District. Over a thousand associated sectorial employers’ organization and 196 thousand industrial establishments. The CNI is the Voice of Brazilian Industry, an organization highly active in defense of the productive sector with a mission to boost Brazilian Industry competitiveness. In order to guarantee the existence of a suitable environment for doing business, the CNI ensures that the industrial community actively participates in the formulation of public policies. Within the sphere of Legislative Affairs, the organization accompanies those proposals that are of interest to the industrial sector being deliberated on in the National Congress. In the sphere of the Judicial branch, the CNI makes sure that the Constitution is properly respected by continuously monitoring laws that directly affect industry. CNI activities also involve the Executive branch, permanently evaluating the decisions being made that have a direct impact on the productive sector and accompanying the political and economic scene which can be divided up into important thematic areas, namely:

- Economy
 - Education
 - Environment
 - Industrial Policy
 - Infrastructure
 - International
 - Labor
 - Micro and Small Businesses
 - Social Responsibility

Through the publication of research and survey results, studies and indicators, CNI provides businessmen with supporting elements for decision making. The Confederation also constantly seeks to establish strategic partnerships with the intent of strengthening industry and the country's sustainable growth.”

The importance of economic progress should not be ignored in any discourse on elite attitudes and the establishment of democracy. More often than not, economic evaluations are usually how the elite measure a government's performance in a mature democracy. Brazilian elites have long carried the criticism that they are not particularly loyal to democracy and are supportive of it only as long as they can extract some personal economic benefit. A good example of this can be inferred by the change in elite attitudes towards the government in declining economic conditions. Thus, if economic success is consistently a major criteria of support for leaders and regimes, it should rightly play a major role in influencing elite attitudes towards a given leader or regime.

Some scholars suggest that the traditional views of elite support for democracy is not influenced by economic success as elites already enjoy the greater benefit of society's economic gains and therefore look more to economic stability and growth as the key motivators for democratization. This assumption overlooks the fact that many of the elite are in that position because of their ability to garner the economic resources necessary to maintain their elite status. Thus we can speculate that as democracies progress, elites become more increasingly sensitive to fluctuations in the economy and employ their tactical advantage vis-à-vis the government to focus attention on economic concerns. In similar fashion, established elites can also influence government leaders to change economic policy by the ubiquitous threat of capital flight if the economic policy is unfavorable.

This seemingly supports the presumption that the overreaching view of how elites conceptualize democracy revolves around sound economic policy as a key by-product. That is to say, elites will view their presidents as making democratic progress so long as economic concerns are managed efficiently. To put it bluntly, as one observer suggests, Brazilian elites are not particularly loyal to democracy and are supportive of it only as long as they can extract some personal economic benefit.

A good example of this relationship between economic progress and elite commitment to democratic consolidation can be ascertained by examining attitudes towards Lula's administration. Concerns held by many Brazilian elites on the economic ramifications of his Labor based, leftist oriented platform have proven unfounded. Lula has caught many of his doubters by surprise by embracing the neoliberal policies initiated by Cardoso in his first term and transforming into the neopopulism of globalization in his second term. Even in spite of allegations of widespread entrenched corruption within the PT,¹⁰ elite support for Lula has grown exponentially in tandem with the growing economy. Since assuming office, Lula's economic policies have been pragmatically centrist and the result has been the fastest growth in the Brazilian economy since the 1960's. He allocated US\$13 billion to social policies such as "Bolsa Família" and "Fome Zero",¹¹ that assist 40 million poor families within the country. As a result he has the highest approval rating of any Brazilian post-authoritarian president.¹² Furthermore, a survey of elites in Latin American's major economies conducted by Bishin, Barr and Lebo (2006) shows that Brazilian elites give the highest votes to their president for making progress towards democracy.

Most Brazilian elites in business share certain traditional characteristics with regard to their economic prowess, which have defined them since the colonial era. Foreign ties are paramount, primarily because many of their enterprises engaged in trans-border commerce. Also, there is wide diversification of business activity and investments. Common fields of elite economic enterprises include banking, manufacturing, petrochemicals, transportation, mining and to a lesser extent, agriculture.

From 1834 elite economic interests in Brazil have been represented by Federations of Industry established to liaise with the both the state and Federal governments on matters pertinent to their activities. Because the economic interest of each region varied, Federations of Industry would be established in most of the major commercial regions of the country. In similar fashion, they tended to follow the trend of having their seat

¹⁰ PT = Partido dos Trabalhadores. (Workers Party), the current governing political party of Brazil.

¹¹ Bolsa Família (Family stipend) provides financial direct cash transfers to poor and indigent Brazilian families on the condition that their children attend school and are vaccinated. It gives R\$18 per child attending school to all families with per capita income below R\$120 per month. For families whose income is less than R\$60 per month, there is an additional bonus of R\$58 per month. "Fome Zero" is a government program with the objective of eradicating hunger and extreme poverty in Brazil, of which Bolsa Família is one of its principal programs.

¹² According to a poll conducted by DataFolha, a leading political research consultancy.

within close proximity to the decision making organs of government. The Federations of Industry found their most immediate contemporary model in the Chamber of Commerce of the United States and Great Britain. Their influence is derived not only from their close proximity to the government but also to strategic alliances with civic and social organizations. Thus this combination gave them great potential to influence both governments and the general public at large. The rights and privileges enjoyed by the Brazilian elite as a social group were mirrored in the rights and privileges afforded to the Federations of Industry. They were a part of the political right and were expected to aid the government in a regulatory or advisory capacity, to arbitrate commercial disputes and above all, to serve as the representative of the titans of industry within the region. The regional Federations of Industry were also expected to fashion business legislation and standard use and good practice guidelines. They collected and furnished statistics on the economy. They were allowed to maintain their own private tribunals and enjoyed the right to advise the governments on the setting of tariffs and sometimes participated in formulating them. Their authority was derived moreso from Custom than from statute law and by the establishment of the CNI they were only a handful of laws specifically drafted with reference to them. Although the Federations of Industry claim to represent all facets of society, the principal beneficiary of their activities is the elite.

After the advent of the *Estado Novo*, characterized by Vargas' sweeping reforms, Brazil's social and racial hierarchies were never fully restructured. By the time of the Goulart administration (1961-1964), elite interests were once again the primary catalyst for many of Brazil's major social, economic and political reforms. Though the separatist defeat sounded the death knell for the discourse of regional superiority, Brazil's elite gradually began to replace the ideology of whitening which had dominated the national discourse during the Old Republic (1889-1930), articulating their interests instead in terms of industry, modernity and economic progress. The CNI became the vehicle through which elites would attempt to usurp political power through effectively using its economic power as artillery. It developed from a consortium of the four Federations of Industries of the elite dominated cities of São Paulo, Minas Gerais, Rio Grande do Sul and Rio de Janeiro, into the country's most important business organization. A quasi political body engaged primarily in promoting national growth and development. Nearly all of Brazil's major industrialists and leaders of the major Brazilian firms are members of one or more organs of the CNI. In its quasi-political capacity, the CNI is able to exert significant influence on domestic economic policy. During the period of authoritarian rule in Brazil, for instance, the CNI concentrated its efforts on diversifying the Brazilian economy and fostering economic development. It fostered the competitiveness of Brazilian products, the insertion of Brazilian companies into the international market and the reduction of production costs for Brazilian manufacturers.

During the authoritarian period, the CNI successfully lobbied the military government to change the structure of the Brazilian economy and adopt an explicit policy of import substitution industrialization (ISI). As a result of ISI, the Brazilian economy experienced spectacular growth and was so sufficiently diversified and modernized that by 1965 Brazil was considered to be the 5th strongest economy in the world.¹³ Thus, in this way the CNI helped to promote two contrasting images of the elite. On the one hand, the image of a tightly knit community entitled to distinct rights and privileges and demanding government ratification of them and on the other hand, a dynamic class, active and fighting for all the improvements and progress of society. To these images the elite would add various themes stressing their importance in a social and political context. The message was clear that elite influence would bring national power and progress and secure political stability.

Another important consideration in an analysis of elite influence on democratic consolidation is the significance of "elite pacts". O'Donnell and Schmitter define an elite pact as "an explicit, but not always publicly explicated or justified, agreement among a select set of actors which seeks to define (or better, to re-define) rules governing the exercise of power on the basis of mutual guarantees for the 'vital interests' of those entering into it." They continue to write that while they doubt that pacts are necessary preconditions for a stable transition to democracy, they are particularly useful in providing guarantees of various social, political and economic interests within the democratic consolidation process, thus likely strengthening otherwise fragile democracies.

¹³ Between 1950 and 1961 the average growth rate of the Brazilian GDP exceeded 7%. Industry led the growth, having an average growth rate of 9% per annum, over agriculture with 4.5% for example. But ISI was not without its shortcomings. The growth it promoted had the consequential effect of raising the price of imports substantially. This coupled with a weak foreign exchange market and other socio-economic factors would later come to bring the Brazilian economy to a halt.

One characteristic about the Brazilian transition to democracy is that it effectively maintained the status quo ante of the elite, allowing them to retain crucial political prerogatives. This, as Hagopian (1990) states, is one fascinating aspects that helps Brazilian elites maintain political significance. Conversely, O'Donnell attributes this exact reason to failure of democracy in Brazil in the mid 1980's. Brazilian elites have long been noted for their tenacity in achieving pragmatic accommodations for themselves, with little challenge from the wider population and thus perpetuating Brazil's extraordinary inegalitarian society. During the course of the authoritarian regime, elite society became strengthened by the flourishing economy and their position as advisor to the government enhanced the potential for political manipulation. Since there was no respect for the rule of law, the government could do and did whatever it wanted to help out its friends and allies, constructing a powerful system of clientelism. However, in the latter years of authoritarianism, the elite as a political force grew increasingly more critical of the regime, to the point of challenging the states corporatist controls. In spite (or perhaps because) of its strategic pacts with the military regime and the regime's opponents after the regime change, elites maintained access to state resources and preserved patterns of economic favored status.

General Geisel's 1974 commitment to a relaxing or liberalization of authoritarianism (the "Abertura") was a critical juncture in Brazil's democratization and marked the ostensible beginning of the end of the military regime. As Stepan write, the process was a "redemocratization initiated by 'Military-as-government' and concluded by the successful negotiation" of elites in politics. Brazil was one of the first Latin American countries to embrace the wave of democratization which swept through Latin America in the 1970's and early 1980's. The ripple that began as frustration over the inefficacy of Figueiredo to curtail the country's plummeting economy, culminated with outright dissatisfaction with the government and the performance of the political system in 1985. Bolstered by the global economic meltdown and Brazil's domestic economic crisis, elites in business began to criticize the statist economic policies of the military and postulated new currents in economic thought. Elites in business were now calling for limits to the state intervention and protectionism which had been the model of development in the Estado Novo. This rejection of the state's control of the economy became the rallying cry of opponents of the military regime. Campaigns waged by the São Paulo FIESP, through the auspices of the CNI, applied critical pressure on the military to concede a degree of democratization way beyond the liberalization concession that it had initially offered and for a return to the internal market policies which had built up the Brazilian economy two decades earlier.

After the end of authoritarian regime Elites were allowed to perpetuate practices of the preceding regime, particularly state clientelism. Clientelism exists in most political systems, and had long pervaded the Brazilian political apparatus. Elites in Brazil gain easy access to the offices or living rooms of government officials to dispense their opinions. In contrast, popular interests must be channeled through the corporatist machinations of political parties, where even here again there is no promise of access to the corridors of power. Some political scientists argue that the practice of clientelism in favour of the elite that pervades the Brazilian political system perverts the democratization of the state by inhibiting its responsiveness to all citizens (HAGOPIAN, 1990).

Democratic preferences and priorities¹⁴

Most Brazilian elite democratic preferences rank as a subset of developmental priorities. A hierarchy of needs of which economic growth is paramount and the preservation of the democratic regime clearly at the bottom. For clearly obvious reasons, economic growth dominates elite interests in both the political and social agendas. There is little evidence to suggest that an economic boom for the already wealthy is detrimental to social harmony. To the extent that during an economic boom all sectors of society generally experience some form of benefit, there is little resentment for the gains of the most wealthy. The elite perspective is clear that economic growth is needed to ameliorate the social injustices, but however "misguided" social reforms will jeopardize political stability and consequently threaten economic growth. Political development becomes important when viewed as a process rather than a goal and social reforms are considered fundamental, but not to the detriment of economic growth or political development. This is not to suggest that there is not an appreciation of the fact

¹⁴ My analysis and the data provided are influenced by *Instituições e Valores: as dimensões da democracia na visão da elite brasileira* by Lima and Cheirub (1996) and by *Percepção das Elites Sulamericanas sobre o Impacto das Desigualdades Sociais na Democracia*. (A survey undertaken by the Center for Research in International Relations at the University of São Paulo).

that an inegalitarian society threatens the democratic process.¹⁵ There has undoubtedly been support for recent initiatives such as the Fome Zero and the Bolsa Familiar initiatives of the Lula administration. Though at the same time, both plans have drawn sharp criticisms from the right about the cost of maintaining them in the long term.

Education was viewed highly as well among the literature presented on the subject of elite preferences. It will come as no surprise that the elite place a high value on tertiary education, primarily because they view it as an integral part of one's societal position and secondly because it is viewed as a status symbol. Access to tertiary institutions in Brazil implies at the very least strong economic connections, in particular access to the government's federal university system, which are still dominated for the most part by the elite. From colonial times, the education path of the elite culminated in the attainment of a professional degree. To this day, if one looks at the biographies of those recognized as elite (with the minor exception of the elite in the military, who one would expect to hold high military honors), the preponderance of law, medical, accounting and business degree is immediately apparent. The same can be said of the composition of Brazil's organs of government, as will be demonstrated later.

Reducing the role of state intervention was also a recurrent theme in many of the articles on the subject. There is no doubt that the elite find rigorous state intervention anathema to democratic consolidation, but to what extent are they comfortable having state involvement again depends on whether elite interests are compromised. Most of the literature which I analyzed gave little importance to the maintenance of the rule of law and good order in society. I suppose we can agree that the elite have never really been that opposed of a little social anarchy. Similarly, there is not too much concern about corruption if it is not endemic and if it does not affect economic policy. This again was clearly demonstrated during the first Lula administration where allegations of corruption and abuse of public office affected most of the major Ministers in the Cabinet, including the Vice President at the time. However, in spite of this elite popularity for Lula remained within reasonable levels and there certainly were not calls for a change of administration and institutional reforms as occurred during the early years of the New Republic.

In a study of four strategic groups (Congressmen, Public Officials, Businessmen and Union leaders) of Brazilian elite, Lima and Cheibub (1996) provide useful insight into the values that Brazilian elites place on democracy via examining, inter alia, institutions and their own interests and values. Ab initio, it is important to note that of the 480 persons interviewed, 65% felt that Brazil had already achieved democratic consolidation. There was no significant discrepancy in the responses to the questions, which suggest that, at least in terms of whether Brazil was a democracy or not, Brazilian elites were homogenous. More importantly, this illustrates that the elite are confident that Brazil is making the proper policy decisions to consolidate its democracy and remove it from the "unstable democracies" classification. In response to the question of what is the greatest threat facing democracy in Brazil, none of the interviewees felt that the return of authoritarianism was a threat to democracy. Interestingly, the responses implied, not that they were viewed the return to authoritarianism a threat to democracy, but rather that they did not view authoritarianism as a threat. This suggests that if the authoritarian regime were to return today, the country (or at the least the elite) would be prepared to deal with it without a great deal of worry. In the views of the elite, the most important democracy ideal was "civil/individual liberties" followed by "political participation".

The survey also included an Index of Hierarchy to explore perceptions of elite members concerning social hierarchies and egalitarianism. Responses manifest an almost uniform regard for social hierarchy as an important socio-political value. In truth, elitism and social hierarchy are ideals ardently promulgated amongst the elite in Brazil. For this reason, belonging to different groups of elite did not reflect any discernible difference in attitudes towards these two values.

Other responses in the survey revealed that with respect to the social importance of the Congress and political parties, the group of elites interviewed rated Congress and political parties beneath international banks, multinational businesses and commercial associations (like CNI, FIESP et al). They further agree that the

¹⁵ In a recent poll by the University of Salamanca's Latin America Elite Survey, 49% of parliamentarians viewed poverty and social marginalization as the number one threat to democracy.

political institutions of the country were less important than the economic institutions. This would conform with the view of Brazilian elites giving more regard to economic matter than bona vide political matters.

As noted above, Brazilian's elites are often criticized as being somewhat ambiguous to democratic consolidation. The Latin American Elite Poll shows that 98% of Brazilian parliamentary elites prefer democracy over any other form of government, while 1.5% felt that an authoritarian government was more suited to weather the storms of economic crises and political instability. However temporal or nonchalant elite attitudes to democracy may appear, history has shown that when they seek to terminate authoritarian orders, it is often to democracy that they look.

Elite influence in Brazil's political institutions¹⁶

There are three basic species of formal political institutions:

1. The State (that is to say the Executive branch of government and government controlled institution);
2. The institutions of democratic representation and government (such as Political Parties and Legislatures);
3. The institutions that maintain the Rule of Law and constitutionalism and which ensure accountability (such as the Supreme Courts and other tribunals).

The principal body of rules governing the operation/interaction of these institutions is typically the Constitution. Political institutions shape political choices, yet, as Przeworski suggests, they themselves are the product of political choices. Institutions may arise at very critical junctures in a nation's political history. Sometimes they evolve out of periods of constitutional formation, other times they originate as conventions which are given legitimacy through continued periods of use. Often times, they arise from incremental changes to the already established rules. Whichever way political institutions come to exist, it is safe to say that do not "arise in a vacuum but political debate and struggle" (TAAGEPERA; SHUGART, 1989, p.234). This struggle arises primarily because institutions are vital to policy outcomes. As a consequence, legislators choose institutions in view of the outcome which they hope to achieve.

Some institutional changes may have direct a direct effect on the politics of a country, for example electoral systems, which means that legislators pay particular attention to the "redistributive" consequences of institutional changes as the cost for making a wrong choice could be detrimental to the political development of the country. For this reason, we typically see that changes to institutions are rare and if they do occur, often the result of arduous consideration. A number of consequences can be drawn from this reluctance to institutional change. First, legislators are not generally in favour of changing the rules which allow them to govern. Elite interests in maintaining their interest within a particular institution may either encourage or disallow any changing of the rules. Higley and Burton (1989) posit that political elites and other national elites are frequently exhibit disunities when it comes to the allocation and exercise of political power. This intra-elite conflict is believed to be the key factor in why Brazil's path to democracy has been stalled and reinvigorated so many times (LINZ, 1978). Where there is disunity, it goes without saying that each side considers its values and interests paramount. This would tend to make both sides suspicious of any institutional changes supported or endorsed by the other. Or as Higley and Burton (1989) assert, competing elites press for rules that will benefit themselves.

When institutional change does occur, it is usually induced by exogenous factors which necessitate a new order. Sometimes these factors originate from social or technological changes or policy crises that make the old model of doing things anachronistic. The political climate of the 1980s forced a series of institutional reforms and a new Constitution in 1988 which has broad provision relating to the application of institutional rules. For example, the 1988 Constitution reinforced Brazil's Congress' authority to initiate *Comissões Parlamentares de Inquérito* (CPI) to investigate specific allegations of wrongdoing, administrative failures, corruptions and

¹⁶ My remarks in this part of the article are influenced by the results of the study conducted by McDonough (1981) which questioned specific groups of elites on their democratic preferences.

other governmental shortcomings that were deemed to be detrimental to the public interest. This arose in the wake of the manifestation of abuses committed during the authoritarian regime. In a similar view, institutional reforms, as well as being adjustments to perceived crises, may also reflect the further expansion of the democratic franchise in response to popular calls for more participatory institutions or further democratic consolidation.

The elite fulfill that most basic of democratic functions: providing a basis for the limitation of state power. This involves checking and monitoring the exercise of power by governments, particularly as regards economic policy and importing a sense of holding them accountable to society's expectations of responsible government. In this capacity as well, the elite provide a sense of institutional consciousness, a term which I use to denote a better understanding of the basic performance and effect of specific institutional rules because their operation is more transparent to the polity. Following from this, the elite fill an important lacuna in the political system: that is they supplement the role of political parties by encouraging political debate and participation. Also, because of their resources, the elite are extremely important for providing a trajectory of access to political institutions, especially to groups that were marginalized. For example, the Women's Suffrage movement started as a grass root association of elite women who demanded participation in that most sacred of democratic institution – the right to vote. Similarly, civil rights movements have been the benefactor of elite support in terms of capital and access to power figures.

Providing new political leaders is another way that the elite influence political institutions. In Brazil, the pool of candidates chosen for elected office has traditionally been drawn from the elite. As mentioned earlier, elites are taught to govern and a fundamental part of their education enforces the requisite traits required for public service. Of all the non authoritarian leaders of Brazil, only the current President Lula comes from a working class background. Leaders arising from elite circles tend to be well qualified for service in government and party politics. This may primarily be because the attainment of a professional degree has always been one of the social indicators of elite status in Brazil. Professional schools are fundamental to elite training for political office. Here they learn how to debate issues and motivate people, negotiate agreements, build coalitions and plan budgets. All of This is not to suggest that all of Brazil's leaders and government officials have been a degree in law, medicine, accounting or the MBA, but one can see from the Latin American Elite Poll¹⁷ that the greater number of parliamentarians (39%) in the Câmara dos Deputados were employed in the professional sector before entering public office.

Many elite organizations perform specific quasi governmental functions. The CNI for example, touches almost every institutional function It advises the Government on economic matters, monitors and handles business relations (Judiciary), drafts legislation and aids in the setting of policy (Legislative). Similarly, elite have the resources to disseminate information the wider public in a fast and efficient way. This is particularly important if they are seeking to encourage the polity to endorse or contest government policy. Conversely, elite also have the resources to pursue legal challenges to government action. Many land holders in the North East states recently successfully challenged the government as majority shareholder for appropriating their land under eminent domain to enable Petrobras to construct a pipeline linking the regions of the country and on a larger scale, the continent.

A final overreaching influence of the elite on institutions is that of watchdog. As Diamond (1997) suggests, "by enhancing the accountability, responsiveness, inclusiveness, effectiveness and hence legitimacy of the political system, a vigorous civil society gives citizens respect for the state and positive engagement with it."

¹⁷ Question 68 asks: What was the principal profession that you were employed in before becoming a deputado.

The responses were:

Public Administration	30.1%
Professional Sector	39.1%
Politics	6.8%
Manual Labourers	0.8%
Transport/Communication	0%
Private Enterprise	17.3%
Students	5.3%
No Response	0.8%

Elite representation in Brazilian political institutions

Elites have historically been a part of the institutional design and functional operation of the State. Colonial elites owed their position and its consequential wealth and status to the favor of the Royal Courts in return for their support to the Crown. Modern day elites similarly enjoy favored status of the government. This is principally because of several critical observations. First, the elite provide government with that most valued of all political resources: capital. Thus governments seek to appease the elite by providing them with access and quasi governmental authority. Secondly, the elite have maintained close ties to government, often negotiating strategic agreements (pacts) which ensure that elite interests are not compromised by the government undertakings. Thirdly, and perhaps most importantly, a large proportion of Executive and Legislative members are members of the elite themselves. The nature of elite representation in newly minted democracies is current in the discourse on democratic consolidation. There is a dearth, however, of academic study on the value added, if any, that elites bring to the process or how their presence affects the quality of democracy.

Just as relates to the State, the elite dominate the composition of members of the legislative branch. This is, as has already been stated, because of a long standing tradition of selecting candidates for political office from the elite pool. It is said that Brazilian's do not vote for parties, they vote for people. Extending this maxim, unlike the United States, for example, where the concept of the "American Dream" imbues a sense of breaking social barriers, Brazilian society, for the most part, affirms the privileged position in the socio-political structure. An interesting example of this in the political context was recently observed in the 2008 congressional elections in the state of Bahia. The 26 year old grandson of Bahia's most famous politician, Antônio Carlos Malgahães (ACM) – who had died the previous year –, was elected as a Deputy with little previous political experience and a slogan that read "A vote for ACM Neto is a vote for ACM." Clearly invoking the legacy of his grandfather somehow validated him as the veritable heir to one of Brazil's most powerful oligarchic political dynasties.

The discrepancy between the parliamentary makeup and social reality of Brazil is abysmal. According to the newspaper *Folha de São Paulo*, one out of every three legislators is a millionaire and of these "millionaires" the average capital worth is just above one million dollars. 165 representatives report capital worth of over US\$500,000. In terms of party makeup, the right wing party PFL has 38 millionaires (more than 50% of its representatives), the PMDB has 37 and the Social Democrats have 21. The governing PT only has 6 millionaires. As can be expected, the majority of millionaire parliamentarians come from the southeast (62) with São Paulo leading the crowd with 29, followed by Minas Gerais with 25. The social composition of the Brazilian parliament is a direct reflection of the neoliberal policies adopted during the Cardoso administration of the 90's, which have been strengthened by Lula.

Legislatures and political parties are the key institutions and aggregation of elite interests in the political process. Elites are represented in political parties and Legislatures not only at the national level, but also at the state level and local levels as well. This gives elite members a legitimate means of expression in the political process. Elite representation in the Legislature and political parties is a Damoclean sword however, vis-à-vis the interests of civilian elites. The assumption that the groups' naturally competing interests would be the source of much political disputes would be correct. There is also the inherent conflict between stability and adaptability. On more than one occasion in the course of Brazil's post authoritarian evolution, civilian elite interests have challenged the position of elites in government on matters critical to the development of the country, in spite of political pacts between the two groups. Similarly, internal tensions among elites in government are attributed as the main cause of Brazil's relatively high degree of party affiliation changes, which is seen as the primary reason for the lack of strong political parties in Brazil.

A striking example of the convergence of both of these situations was the "Cruzado Plan" of the Sarney administration. The plan, intended to shock the economy and reduce inflation through a series of wage and price freezes, was implemented with prior knowledge of several key government economists. The ensuing public outcry, encouraged by elites in business, was effective enough to force the government to make a swift series of adjustments to the plan.

Another reason given for the weak institutionalization of political party systems is that elites in government view their political interests as an extension of the economic interests. This has allowed the corporatism to thrive in the Brazilian political arena. Clearly, not all elite Deputies adopt a corporatist representational style, but it can easily be suggested that they seemingly adopt much more than Deputies of elite backgrounds.

Besides their role as socio-economic watchdogs of Executive power, Brazil's elite are also (as can be expected considering again the social status attributed to lawyers) deeply entrenched in the institutions that maintain the Rule of Law and constitutionalism and which ensure accountability. However, this fact has done little to change the perception of inequality in Brazil as few would regard the Brazilian legal system as being "Socially egalitarian". However, from a political perspective, the courts play an important role in punishing and deterring political corruption and abuses of power. Extragovernmental agencies such as the Office of Public Prosecutions and the role of the Ombudsman also tend to be domains of elite influence. A further measure of elite commitment to the notions of accountability can also be seen within the houses of Congress, where CPI committees monitor the exercise of both Executive and Legislative powers. The 1988 Constitution heralded in a wave of reforms to governmental oversight by, for example, diminishing executive control over the supervisory agencies. However, there is still the perception that the rules of accountability matter only insofar as they do not conflict with elite interests. This can be said to be illustrated by examining the contrast in outcomes in the corruption cases of President Collor (who was impeached in the midst of poor economic conditions) and the of the first Lula administration, where widespread allegations of corruption and calls for him to step down from office were diffused in the face of his very successful economic policies.¹⁸

Conclusion

Brazil's elite are once again enjoying the fruits of impressive economic growth and prolonged democratic stability. Current attitudes in Brazil towards its economic prowess echo the "glory days" of Cardoso's highly effective economic reforms. In the last 4 years the banking sector has reaped its highest profits in history and not even the global economic crisis of 2008/2009 has offset Brazil's growth economically. Soaring interest rates have allowed the wealthy to continue amassing wealth to such an extent that, under Lula, it appears that the elite have consolidated and increased their power, an observation that is reflected in the congressional makeup. Indeed, it is said that the determination of the Brazilian elite to position the country amongst the vanguard of the world's economic and socio-political superpowers has yielded a confidence in the country's political apparatus that would have been unfathomable during the tumultuous early years of the transition from authoritarianism.

What then can or should we make of the elite's influence on Brazil's democratic, institutional and socio-political cultures? Using issues of citizenship and equality as an apt point of departure, my analysis embarked on an exploration of elite behaviors from a sociological and historical point of view. However, rather than merely tracing the origins of elite settlement in Brazil, I examined the question of how economic considerations have shaped elite attitudes to democracy and the institutions of democracy. Importing a social context, I considered the societal influences which have determined the position of the Brazilian elite in the socio-political structure. The elite are as much of an institution in Brazil as Brazil's institutions are themselves and like institutions, they are a species of social organization endogenous to the circumstances from which they originate. They differ, however, in the sense that elite society operates as a satellite to "regular" society (or perhaps vice-versa). A place where the rules are different or do not apply and where membership, more often than not, affords bountiful liberties. One cannot talk of the elite without acknowledging that for the most part that elite motivations for their actions stem from two principal considerations:

1. Maintaining the elite ideals and ensuring the preservation of the privileges and rights conferred by its position in the socio-political structure;
2. Maintaining the economic bases upon which elite settlements are derived.

¹⁸ A similar analogy can be made to Cardoso.

In this regard, privilege and economic concerns are of foremost importance in any analysis of elite influence on society. Also, whereas the elite are aware of the responsibilities which they have undertaken in their role as social barometer, their motivation is not for the greater social, political or democratic good but rather for enforcing the notion that they provide the catalyst for change in society.

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