

**DEVELOPMENT and
CRISIS in BRAZIL,
1930-1983**

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Notes

Chapter 2

1. The Brazilian *fazenda* is a large tract of privately owned land, oriented toward growing export products (sugar, cotton, coffee, cacao), and worked by slave or semi-slave labor. The most analogous institution in the United States is the plantation in the South before the Civil War.

2. This is the name given to a wave of speculation that swept over the Rio de Janeiro Stock Exchange between 1890 and 1892. Many industrial firms had been created merely on paper, and fortunes were created and destroyed in a matter of days. (T.N.)

3. Celso Furtado, *Formação Econômica do Brasil* (Rio de Janeiro: Fundo de Cultura, 1959), pp. 218–219.

4. *Ibid.*

5. *Ibid.*, p. 220.

6. *Ibid.*, pp. 222, 224.

7. Cf. Caio Prado, Jr., *História Econômica do Brasil* (São Paulo: Brasiliense, 1956), p. 297; and Furtado, *Formação Econômica*, p. 218.

8. Cf. CEPAL, *Survey of Latin America* (Santiago: CEPAL, 1949), p. 206.

9. Source: IBGE [Brazilian Institute of Geography and Statistics], an official institution responsible for social and economic statistics and for the census.

10. Furtado, *Formação Econômica*, p. 239.

11. CEPAL, *Survey of Latin America*.

12. Fundação Getúlio Vargas, “Índice de Custo de Vida na Guanabara de dezembro a dezembro.”

13. Sources: CEPAL and IBGE. The figures for growth of the real product per capita can be found in Ary Bouzan, “Problemas Atuais da Economia Brasileira,” mimeographed EAESP-FGV, 1963.

14. Source: Instituto Brasileiro de Economia, FGV.

15. Cf. Stanley J. Stein, *The Brazilian Cotton Manufacture* (Cambridge, Massachusetts: Harvard University Press, 1957), p. 166.

16. CEPAL, *Survey of Latin America*; and Fundação Getúlio Vargas, figures published in *Conjuntura Econômica* and *Revista Brasileira de Economia*.

17. *Conjuntura Econômica*.

18. Source: Instituto Brasileiro do Café.

19. The coffee exporters were required to sell all the foreign exchange they earned to the government at an exchange rate of roughly 50 percent less than the official rate. (T.N.)

20. Source: Fundação Getúlio Vargas.

21. Cf. Geonísio Barroso, *Ação da Petrobrás no Recôncavo Baiano* (São Paulo: Forum Roberto Simonsen, 1958), p. 45.

22. CEPAL-BNDE Joint Group, *Análise e Projeção do Desenvolvimento Econômico* (Rio de Janeiro: Banco Nacional de Desenvolvimento Econômico, 1957).

23. Fundação Getúlio Vargas, "Índice de Custo de Vida na Guanabara."

24. *Conjuntura Econômica*.

25. Source: Instituto Brasileiro de Economia, FGV.

26. Ibid.

27. CEPAL, *Estudio Económico de América Latina* (Santiago, 1963), p. 54.

28. CEPAL, *La Industria de Máquinas-Herramientas del Brasil: Elementos para la Programación de su Desarrollo* (Santiago, January 1963).

29. Ministry of Planning and Economic Coordination, *Plano Trienal de Desenvolvimento Econômico e Social, 1963-1965* (Executive Office, 1962), "Summary," p. 51.

30. *Conjuntura Econômica*, CEPAL, Statistical Output Service.

31. The complete figures for total and per capita gross domestic product, year by year, can be found in Ary Bouzan, "Problemas Atuais da Economia Brasileira." They are based on surveys by the CEPAL-BNDE Joint Group, FGV, and IBGE.

32. Source: CEPAL.

33. CEPAL, *Desenvolvimento Econômico da América Latina no Pós-Guerra* (Santiago, 1964).

34. Ministry of Planning and Economic Coordination, *Programa de Ação Econômica do Governo, 1964-1966 (PAEG)*, IPEA Document no. 1 (November 1964), "Summary," p. 122.

35. Cf. Luiz Carlos Bresser Pereira, "Origens Étnicas e Sociais do Empresário Paulista," *Revista de Administração de Empresas*, no. 11, June 1964.

36. *PAEG*, p. 18.

37. Ibid., p. 19.

38. *Plano Trienal*, p. 39.

39. Ibid.

40. Source: FGV.

41. *PAEG*, p. 60.

42. Antônio Delfim Netto et al., *Alguns Aspectos da Inflação Brasileira a suas Perspectivas para 1965*, mimeographed (São Paulo: ANPES, 1965), p. 17.

43. Ibid., p. 82.

44. *Plano Trienal*, p. 126.

45. *PAEG*, p. 95.

46. Antônio Delfim Netto, "Nota Sobre Alguns Aspectos do Problema Agrário," in *Temas e Problemas*, first issue, 1964, pp. 22-23.

47. Delfim Netto et al., *Alguns Aspectos da Inflação*.

48. *Ibid.*, p. 16.
49. *Ibid.*, pp. 26 and 29.
50. *Ibid.*, pp. 26 and 29.
51. *Ibid.*, p. 15.
52. *Ibid.*, p. 10.
53. *Ibid.*, pp. 6 and 9.
54. Fundação Getúlio Vargas, Fiscal Studies Center, "Arrecadação Tributária, Salários e Ordenados na Administração Pública—1947/52," *Revista Brasileira de Economia* 17, no. 1 (March 1963).
55. *PAEG*, pp. 26 and 36.
56. *Ibid.*, p. 40.
57. Fundação Getúlio Vargas, Fiscal Studies Center, "Arrecadação Tributária, Salários e Ordenados," p. 23.
58. *PAEG*, p. 41.
59. *Plano Trienal*, pp. 23 and 29.
60. *Ibid.*, p. 44.

Chapter 3

1. Karl Mannheim, *Ideologia e Utopia* (Porto Alegre: Editôra Globo, 1956), p. 74.
2. Nelson Werneck Sodré, *A Revolução Brasileira* (Rio de Janeiro: Livraria José Olympio, 1958), p. 48.
3. Hélio Jaguaribe, *O Nacionalismo na Atualidade Brasileira* (Rio de Janeiro: Instituto Superior de Estudos Brasileiros, 1958), p. 41.
4. Werneck Sodré, *A Revolução Brasileira*, p. 46.
5. Cf. Luis Carlos Bresser Pereira, "Origens Étnicas e Sociais do Empresário Paulista," *Revista de Administração de Empresas*, no. 11 (June 1964), pp. 94, 101.
6. Ministry of Planning and Economic Coordination, *Plano de Ação Econômica do Governo, 1964-1966 (PAEG)*, IPEA Document no. 1 (November 1964), p. 43.
7. Jacques Lambert, *Le Brésil, Structure Sociale et Institutions Politiques* (Paris: Colin, 1953).
8. Tobias Barreto, "Um Discurso em Mangas de Camisa," in his *Estudos Sociais* (Rio de Janeiro: Instituto Nacional do Livro, 1962), p. 116.
9. *Ibid.*
10. 1950 census.
11. This is the name given to certain São Paulo families who trace their ancestry back to the founding of the city. (T.N.)
12. Jaguaribe, *O Nacionalismo*, pp. 82-83.
13. Peter F. Drucker, *The New Society* (New York: Harper & Bros., 1949), p. 2.
14. C. Wright Mills, *White Collar* (New York: Oxford University Press, 1953), p. 65.
15. *Ibid.*, p. 63.

16. Cf. William H. Whyte, Jr., *The Organization Man* (New York: Doubleday, 1956).

17. Frederic W. Taylor, *The Principles of Scientific Management* (New York: Harper, 1911), pp. 37–38.

18. This honorary title is used for law school graduates in Brazil, whose educational preparation, at least in terms of time spent in school, would be parallel to the U.S. B. A. degree. (T.N.)

19. John Kenneth Galbraith, *The New Industrial State* (Boston: Houghton Mifflin, 1967), especially chapter 6.

20. Luiz Carlos Bresser Pereira, “Mobilidade e Carreira dos Administradores Paulistas,” doctoral dissertation published with the title *Empresários e Administradores no Brasil* (São Paulo: Brasiliense, 1974).

Chapter 4

1. This term was chosen as relatively value-free. It was used by Hélio Jaguaribe in *O Nacionalismo na Atualidade Brasileira* (Rio de Janeiro: Instituto Superior de Estudos Brasileiros, 1958).

2. Celso Furtado, *Desenvolvimento e Subdesenvolvimento* (Rio de Janeiro: Fundo de Cultura, 1961), p. 243.

3. This fact was particularly obvious in relation to one of the most brilliant representatives of the group, Hélio Jaguaribe. See Simon Schwartzman’s critical study, “Desenvolvimento Econômico e Desenvolvimento Político,” *Revista Brasileira de Ciências Sociais* 3, no. 1 (March 1963). At the end of the 1950s this group (named for the small town where it met) began to disintegrate, perhaps as a result of the structural changes mentioned here, and the ISEB came under the control of the most radical groups, a change that resulted in its being closed by the Revolution of 1964.

4. Hélio Jaguaribe, *Desenvolvimento Econômico e Desenvolvimento Político* (Rio de Janeiro: Fundo de Cultura, 1962), p. 184.

5. The *pelegos* were union leaders under the direct influence and control of the government. (T.N.)

6. Alberto Guerreiro Ramos, *A Crise do Poder no Brasil* (Rio de Janeiro: Zahar Editores, 1961), p. 42.

Chapter 5

1. Cf. *Conjuntura Econômica* 19, no. 2 (February 1965), and CEPAL, *Desenvolvimento Econômico da América Latina no Pós-Guerra* (Santiago: CEPAL, 1964). The reader will find some small contradictions in the figures for national accounts published in this book. This is due to the fact that, in 1969, the Fundação Getúlio Vargas made a general revision of the Brazilian national accounts. This revision confirms the negative variation in per capita income for the three years mentioned above.

2. Cf. Departamento de Documentação, Estatística e Cadastro da FIESP figures published in the newspaper *O Estado de São Paulo*, 1 February 1966.

3. Cf. *Desenvolvimento e Conjuntura*, April 1967, p. 72 ff., and *O Estado de São Paulo*, 3 September 1967.

4. Celso Furtado, *Dialética do Desenvolvimento* (Rio de Janeiro: Fundo de Cultura, 1964).

5. Source: IBGE and FGV.

6. Cf. Luiz Carlos Bresser Pereira, "Problems of Brazilian Agriculture and Their Causes," *Journal of Inter-American Studies* 6, no. 1 (January 1964).

7. According to Lúcia Silvia Kingston's calculations ("A Produtividade da Agricultura no Brasil," *Revista Brasileira de Economia* 23, no. 2 (April–June 1969), although production per hectare has remained virtually stagnant, the basic index of productivity per worker grew 50 percent between 1950 and 1965. Statistical analysis of the data, however, leads the author of this excellent study to conclude that in the last few years there has been a dangerous tendency toward the reduction of growth in agricultural productivity.

8. Cf. CEPAL, *Desenvolvimento Econômico*.

9. Ignácio Rangel, *A Inflação Brasileira* (Rio de Janeiro: Tempo Brasileiro, 1963), pp. xiv, 16.

10. *Ibid.*, pp. 56, 57.

11. *Ibid.*, p. 57.

12. *Ibid.*, pp. 79, 80.

13. Cf. Luiz Carlos Bresser Pereira and Sílvio Luiz Bresser Pereira, "A Inflação e os Lucros da Empresa," *Revista de Administração de Empresas*, no. 10 (March 1964).

14. Ministry of Planning and Economic Coordination, *Programa de Ação Econômica do Governo, 1964–1966*, EPEA Document no. 1 (November 1964), pp. 15, 17.

15. *Ibid.*, p. 33.

16. *Ibid.*

17. *Ibid.*, p. 35.

18. *Ibid.*, p. 33.

19. *Ibid.*, p. 28 ff.

20. *Ibid.*, pp. 93–95.

21. Source: CACEX [Department of Foreign Commerce (Bank of Brazil)].

Chapter 6

1. Cf. *Desenvolvimento e Conjuntura*, February 1967, p. 36.

2. These contradictions in the dominant ideology that I perceived in 1967 were resolved in the direction of technobureaucratic-capitalist development, based on the alliance among the state technobureaucracy, the local bourgeoisie, and multinational enterprises. I shall look at this fourth alternative (in reality, an evolution of the second, with elements from the first and third) in the following chapter, written in 1970 and 1971.

3. Alexandre Barbosa Lima Sobrinho, *Desde Quando Somos Nacionalistas?* (Rio de Janeiro: Civilização Brasileira, 1963), p. 11.

4. Alexandre Barbosa Lima Sobrinho, *Máquinas para Transformar Cruzeiros em Dólares* (São Paulo: Fulgor, 1963).

Chapter 7

1. Ministry of Planning and Economic Coordination, *Diretrizes do Governo—Programa Estratégico de Desenvolvimento* (July 1967), pp. 20–21.

2. *Ibid.*, p. 21.

3. Antônio Delfim Netto, “Discurso no Clube da ADECIF [Association of Executives of Credit, Investment, and Financing Firms],” *O Estado de São Paulo*, 9 June 1967. The position is based upon the ideas of Ignácio Rangel, in *A Inflação Brasileira* (Rio de Janeiro: Tempo Brasileira, 1963). The minister read this work in a seminar in the University of São Paulo in 1964.

4. This analysis contained in the following section was published in *Visao* magazine, November 1970, as “Dividir ou Multiplicar: a Concentração e da Renda a Recuperação da Economia Brasileira,” and was included in the third (1972) edition of this book. Later, after reading the work of Maria Conceição Tavares and José Serra, *Mas Alla del Estancamiento, Una Discussion sobre el Estilo del Desarrollo Reciente de Brasil* (mimeographed), (Rio de Janeiro: FEA da Universidade Federal do Rio de Janeiro, 1971), I incorporated several of its premises into the last part of this chapter, also written for the third edition.

5. Celso Furtado, *Subdesenvolvimento e Estagnação na América Latina* (Rio de Janeiro: Civilização Brasileira, 1966), pp. 77–81.

6. Celso Furtado, *Um Projeto para o Brasil* (Rio de Janeiro: Editora Saga, 1968), pp. 37–42, 49–58.

7. This alternative was introduced at a conference in the São Paulo Catholic University in 1968. It was never published, so the author takes responsibility for any lack of accuracy in his presentation of Antônio de Castro’s position.

8. Cf. *Conjuntura Econômica* 25, no. 1 (January 1970), p. 34.

9. This section, written in 1971, defines the political model established in 1964, based on the alliance of the state technobureaucracy with the local bourgeoisie and multinational enterprises, and excluding workers. But the economic model that concentrated income and was based on the durable consumer goods industry really was established in the 1950s. It was at this point that the state and multinational enterprises began to set up the modern sector of the Brazilian economy. I have made a further examination of this process in *Estado e Subdesenvolvimento Industrializado* (São Paulo: Brasiliense, 1977), p. 213 ff.

10. For a more profound analysis of this concept and its meaning, see Luiz Carlos Bresser Pereira, *Tecnoburocracia e Contestação* (Petrópolis: Vozes, 1972). All the author’s essays concerning this topic were brought together in *A Sociedade Estatal e a Tecnoburocracia* (São Paulo: Brasiliense, 1981).

11. Cf. Tavares and Serra, *Mas Alla del Estancamiento*, pp. 25–37.

12. Samuel A. Morley and Gordon W. Smith, *The Effect of Changes in the Distribution of Income on Labor, Foreign Investment and Growth in Brazil*, Program of Development Studies Paper No. 15 (Houston, Texas: Rice University, 1971), pp. 11–12.

Chapter 8

1. Antonio Carlos Lemgruber, “As Recessões de Crescimento no Brasil,” *Conjuntura Econômica*, 35, no. 4 (April 1981), pp. 88–89.

2. Luiz Carlos Bresser Pereira, "Debate sobre o Fim do Milagre" (1975) and "A Recessão Econômica de 1974-1979" (1976), reprinted in *O Colapso de uma Aliança de Classes* (São Paulo: Brasiliense, 1978), pp. 74-76, 81.

3. This is not the appropriate moment for a detailed discussion of Marxist and post-Keynesian theories concerning the cycle. In summary, there are three theories: (a) the theory of underconsumption, with a theory of disproportion as a particular case of that of underconsumption; (b) the theory of the increase in the organic composition of capital; and (c) the theory of the exhaustion of the industrial reserve army. I have written an article on this subject: "O Desenvolvimento e os Lucros," mimeographed (São Paulo: EAESP-FGV, 1979). Among the extensive literature on this subject, see Thomas E. Weisskopf, "Marxist Perspectives on Cyclical Crisis," in *U.S. Capitalism in Crisis*, ed. Bruce Steinberg et al. (New York: The Union for Radical Political Economics, 1978). The "reformist" nature of the underconsumption theories is discussed by Guido Mantega in "Raízes e Formação da Economia Política Brasileira" (Ph.D. diss., University of São Paulo, 1982).

4. This fact was pointed out by Paul Singer in an article written in 1973, when the cyclical reversal had already been predicted: "As Contradições do Milagre," *Estudos CEBRAP*, no. 6 (Oct.-Dec. 1973).

5. See João Manoel Cardoso de Mello and Luiz Gonzaga de Mello Belluzzo, "Reflexões sobre a Crise Atual," *Escrita Ensaio* 1, no. 2 (1977), pp. 22-25; Maria Conceição Tavares, "Ciclo e Crise" (Ph.D. diss., Federal University of Rio de Janeiro, 1979), pp. 68-98; Francisco de Oliveira and Frederico Mazzuchelli, "Padrões de Acumulação, Oligopólios e Estado no Brasil (1956-1976)," in Francisco de Oliveira, *A Economia da Dependência Imperfeita* (Rio de Janeiro: Graal, 1977), pp. 100-102.

6. Tavares, "Ciclo e Crise," p. 93. The pages that follow, concerning over-accumulation in the durable goods industries, draw the same conclusions. It should be pointed out that after he critiques the "reformist nature of underconsumption theorists," Mantega ("Raízes e Formação") correctly identifies the underconsumptionists—Celso Furtado, Ignácio Rangel, Maria Conceição Tavares, Paulo Singer, and myself—on the basis of the individual analyses we all made of the 1960s crisis.

7. Ignácio Rangel, *A Inflação Brasileira* (Rio de Janeiro: Tempo Brasileiro, 1963).

8. I have looked at administered and compensatory inflation in "A Inflação no Capitalismo de Estado (e a experiência brasileira recente)," *Revista de Economia Política* 1, no. 2 (April-June 1981).

9. Yoshiaki Nakano, "Recessão e Inflação," *Revista de Economia Política* 2, no. 2 (April-June 1982), p. 137.

10. Tavares, "Ciclo e Crise," pp. 96-97.

11. José Serra, "Ciclos e Mudanças Estruturais na Economia Brasileira do Após-Guerra: A Crise Recente," *Revista de Economia Política* 2, no. 3 (July-Sept. 1982), p. 112.

12. Carlos Lessa, "II PND [National Development Plan]: Um Caso de Patologia Político-Econômica," *Boletim do IERJ*, Jan.-Feb. 1979.

13. Cf. Pilar Vergara, "Autoritarismo e Mudanças Estruturais no Chile," *Revista de Economia Política* 2, no. 3 (July-Sept. 1982); Centro de Investigaciones

Economicas y Políticas “Pátria Grande,” “Argentina 1976–1980: El Modelo Neoliberal de la Oligarquía,” *Investigación Económica* (Mexico), no. 156 (April–June 1981); Adolfo Canitrot, “Teoría y Práctica del Liberalismo. Política Anti-inflacionaria e Apertura Economica en la Argentina,” *Desarrollo Economico* 21, no. 82 (July–Sept. 1981).

14. Dércio Munhoz, “Os Desequilíbrios Externos da Economia Brasileira,” *Revista de Economia Política* 1, no. 4 (Oct.–Dec. 1981), p. 38.

15. Calculations made by Carlos Von Doellinger in “Estatização, Finanças Públicas e Implicações,” *O Estado de São Paulo*, 7–23 February 1982. In 1980, this figure fell to 7.3 percent.

16. Cf. Dale Jorgenson, “Econometric Studies of Investment Behavior: a Survey,” *Journal of Economic Literature* 9, no. 4 (December 1971).

17. Luiz Antonio de Oliveira Lima observes that “the fight against inflation is not a priority in the present governmental economic program (1981) but rather a smokescreen to justify a reduced economic activity that makes viable an improvement of our foreign accounts, though only a temporary and precarious one.” (“A Atual Política Econômica e os Descaminhos do Monetarismo,” *Revista de Economia Política* 2, no. 1 (Jan.–March 1982), p. 151.

18. Concerning the state’s paralysis and the endogenous nature of its economic policy, see my “A Política Econômica Endógena,” and Ignácio Rangel’s critique, “A Paralisação do Estado,” both published in *Revista de Economia Política* 1, no. 1 (Jan.–March 1981).

19. Luiz Carlos Bresser Pereira, “Os Desequilíbrios da Economia Brasileira e o Excedente,” *Estudos Econômicos* 8, no. 3 (Sept.–Dec. 1978).

Chapter 9

1. The literal translation of *abertura* is “opening.” (T.N.)

2. I analyzed the technobureaucratic nature of Latin American new militarism in “A Emergência da Tecnoburocracia,” published originally in Luiz Carlos Bresser Pereira, *Tecnoburocracia e Contestação* (Petrópolis: Vozes, 1972), and reprinted in Luiz Carlos Bresser Pereira, *A Sociedade Estatal e a Tecnoburocracia* (São Paulo: Brasiliense, 1981), and in *Estado e Subdesenvolvimento Industrializado* (São Paulo: Brasiliense, 1977).

3. I had already made a critical analysis of this “tripod” alliance at the beginning of the 1960s, together with other critics of the military regime. It is interesting that even the regime’s defenders, such as Roberto Campos and Mário Henrique Simonsen, speak explicitly of the “tripod,” acknowledging its importance for the maintenance of the regime.

4. For a history of this process, see Bernardo Kucinski’s pioneering work *Abertura, a História de uma Crise* (São Paulo: Editora Brasil Debates, 1982).

5. Fernando Motta has analyzed this document in *Empresários e Hegemonia Política* (São Paulo: Brasiliense, 1979), whose last chapter is a competent analysis of *abertura* and the entrepreneurs’ role in it.

6. These articles were organized and brought together in Luiz Carlos Bresser Pereira, *O Colapso de Uma Aliança de Classes* (São Paulo: Brasiliense, 1978).

They were later critiqued by Bolívar Lamounier in “Notes on the Study of Redemocratization,” Working Paper no. 58, Latin American Program of the Woodrow Wilson International Center for Scholars (Washington: Smithsonian Institute, 1980).

7. *Abertura* as a strategy for the recovery of the regime’s lost legitimacy is defended by, among others, Roberto Campos, in “Como Administrar a Transição,” *Folha de São Paulo*, 21 January 1979. The theory that *abertura* is a natural tendency of capitalism is supported by the liberal bourgeoisie. Though it has never been systematized, there is another hypothesis, defended by analysts involved in popular struggles, that sees these struggles as responsible for *abertura*. It is, for instance, the case of Francisco Weffort or of José Alvaro Moisés.

8. The *comunidades eclesiais de base* are small groups of poor Catholics, established by each bishop for religious and local political purposes.

9. At this point it is important to point out that the central capitalist countries would never have attained their present level of democracy if they had depended only upon the will of their bourgeoisie. In these countries, popular struggles were essential for democracy. The same is or will be true for Brazil.

10. I have looked at this question more extensively in “Seis Interpretações sobre o Brasil,” *Dados* 5, no. 3 (July–Sept. 1982).

11. Nevertheless, as Bolívar Lamounier observes, it is incorrect to consider the 1974 elections as a “big accident” that triggered *abertura*. In fact, the government had already perceived the erosion of its legitimacy, and “the election was carried out within the process of *abertura* that had already been started.” (Bolívar Lamounier and Jorge Eduardo Faria, *Futuro da Abertura: Um Debate* [São Paulo: Editora IDESP, 1981], p. 39.) Paulo Krischke observes that “the regime tried to anticipate the political opposition and the effects of social contradictions to the extent that it was possible.” (“Os Descaminhos da ‘Abertura’ e os Desafios da Democracia,” in *Brasil, do Milagre à Abertura*, ed. Paulo Krischke [São Paulo: Cortez Editora, 1982].)

12. I have examined this pact in “Pacto Social Ameaçado,” *Folha de São Paulo*, 26 March 1981 as well as in “Pacto Social e Aliança Política,” *Leia Livros*, no. 36 (June–July 1981).

13. A 1980 World Bank study, reported in Brazilian newspapers, that compared the richest 10 percent’s share of national income in 32 capitalist countries showed Brazil with the highest concentration index (50.6 percent) and Sweden with the lowest (21.3 percent). The list included developed countries, Latin American, Asian, and African countries.

14. To quote one of the most unquestionable sources on this subject, Roberto Campos stated in a 1979 article: “Concern for the distribution of income arises from a new perception of political, ethical, and economic factors. Politically, it is necessary to retain and recapture the loyalty of the masses . . . ethically, there is an increasing perception of the absurd contrast between the conspicuous consumption of certain elites and abject poverty . . . economically, continuous expansion calls for the strengthening of the internal market for mass consumption in order to reach optimal production levels.” Campos, “Como Administrar a Transição.”

15. Fernando Henrique Cardoso perceived this and appropriately denominated it a “conservative fronde.” (“A Fronda Conservadora,” *Folha de São Paulo*, 21 January 1979.)

16. “ABC” refers to the heavily industrialized cities of Santo André, São Bernardo, and São Caetano, which make up part of Greater São Paulo. (T.N.)