

# The Accidental President of Brazil: An Interview with Fernando Henrique Cardoso

by CATHERINE PEES SCOTT

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**FERNANDO HENRIQUE** Cardoso gave the inaugural Lozano Long Lecture, “The Accidental President of Brazil,” based on his book of the same title, at UT on September 13, 2006. Catherine Pees Scott, then a second-year master’s student at LLILAS with a research focus on social policy in Brazil, interviewed the former president

at the Stephen F. Austin Hotel earlier that day.

*CPS: As we speak, history books are being written and scholars are defining what they believe were your major accomplishments as finance minister and president. What would you most like to be remembered by? What were your greatest achievements as president of Brazil?*

FHC: I would say my greatest achievement was the consolidation of institutions that allowed for more democracy and consequently a better life for the people. A better life because they have instruments or channels to make demands of their government and their involvement means true democracy.

Of course, as Minister of Finance I created the Real Plan that brought financial stabilization to Brazil, and this is probably a very important achievement because it took years and years to stop inflation. And the other day, one of my friends said, “You have to remember that since the days of Brazilian independence, we never had stabilization (true stabilization) so this is important.” Anyhow, even to achieve stabilization and maintain it as President, I used democratic instruments. The people were informed about the process of implementing the plan, they were given time to react and be heard. It was a kind of dialogue.

So I think what was important was democracy and the building of institutions to assure democracy.

*CPS: You have seen politics from various angles: from your family’s long*

history of political involvement—dating back to the days of Brazilian independence—as a critical academic, a political exile, a senator, and minister of finance. But what could you not see from these vantage points? What was the biggest surprise when you took office as president in 1995?

FHC: It was possible to imagine the intricacies of power and the complexities of society, but to be inside was different. I realized it is far more complicated than I could have ever imagined, and I don't think I could have foreseen what was my reality. So, it's a kind of existential experience. What I found very important was that it's not enough to have ideas or the will, you have to accommodate others' interests and wishes, so the political process is much more complex than I could have imagined.

CPS: In your book, you explained how, in politics and governance, compromise is highly valued and alliances become necessary...

FHC: Are necessary. It is critical to figure out how to make alliances without losing face. This is important, and this we cannot measure in advance, it depends on what you achieve.

CPS: Yes, and your history plays a role in your reality and how you either spend it or continue it.

FHC: Certainly.

CPS: You have an entire chapter dedicated to the *jeitinho* [a Brazilian "way" or approach to obstacles, whether parking a car or negotiating business] and its ubiquitousness in Brazilian culture and life. But you went on to say that the *jeitinho* has no place "at the table anymore in Brazilian politics."

FHC: I hope. *Jeitinho* has a double meaning. One meaning is good—that you try to solve problems rather than to put up obstacles; which is not bad, it's an attitude, "Let's try to solve this, let's try to help you." That's positive. But there is another meaning, which is to disregard the law, the rules. Not to effect rules. And when I say, "hopefully," it's not yet clear if the Brazilian civic culture is strong enough—in the democratic sense—to respect the rule of law. It's not possible to have democracy without the rule of law. You are probably familiar with



President Cardoso and Catherine Pees Scott

one of my favorite authors, Sergio Buarque de Holanda, who wrote a very beautiful essay on Brazil and the different aspects of Brazil entitled *Roots of Brazil* [Raízes do Brasil]. In this book, he has a chapter on the cordial man, and very often people believe he was praising the cordial man, but in fact he was criticizing him by saying that the cordial man in Brazil means that you follow your heart so you are allowed to be/do as you please, but consequently you are not respecting the rule of law, you only respect your impulses. In one sense the *jeitinho* is good, but in another it can be damaging. [It does not have] universal rules, so you have privileges.

CPS: Perhaps an example of political *jeitinho* can be seen in the political corruption scandals of 2005.

FHC: Again, the *jeitinho* is present, unfortunately.

CPS: Even parties with a strong conviction for honesty [the Partido dos Trabalhadores, PT] ended up mired in accusations of corruption, specifically the *caixa dois* [2003 presidential campaign finance scandal]. What do you think are the prospects for significant campaign finance reform? Is reform possible in Brazil?

FHC: It's possible but difficult. During my tenure as president, we enacted a number of reforms—you know that in modern society you have reform all the time. It's a matter of attitude; more traditional people prefer not to change anything. And they are always accusing the "reformers" of being self-serving and the poor will suffer the consequences. It's not necessarily true, but they use this as an excuse not to change. So in the modern society we have to create the spirit of change, to adapt to new situations. Brazil has always had this double aspect because it is a very mobile society. Social mobility is very high in Brazil. It is an informal society. On the other hand we have privileges, so you have also hierarchies. And you have also immobility in social terms, which is not good, I would prefer a more dynamic society. So we have this double aspect, which is not yet very clear. Probably because we started from the original viewpoint coming from the Iberian Peninsula, from the Portuguese and Spanish; they had never been properly motivated by the spirit of capitalism, they had always been patrimonialists, putting the church first, followed by property and family and THEN, finally, market and rule, if you are acquainted with Weber's views on the spirit of capitalism. So in some parts of Brazil, this [capitalism] is not the real spirit that really motivates people

to behave accordingly. In other parts, yes, like in São Paulo and the south, it is widespread, [but] it is not yet a predominant viewpoint. I think it's still important to try to continue to struggle in order to modernize more and more. Without losing our characteristics, and that is the point, how to use only the good aspects of *jeitinho*, the good aspects of "cordiality" and not the bad ones. How to produce a blend, not to form ourselves into Anglo-Saxons, because we are not. But how to not be so comfortable being so tied to the past.

*CPS: Speaking a bit about social mobility, my own perspective is that education is an enormous tool for social mobility.*

FHC: It is the main source nowadays.

*CPS: Many states across the U.S. are spending less and less on higher education thereby forcing public universities to rely on alternative sources of funding. By contrast, the Brazilian federal government and state governments fully fund public universities and provide excellent higher education. While FUNDEF redistributes funds to help poor states provide better education, what other prospects for alternative sources of funding are being pursued?*

FHC: If you look at the expenses, the budget in Brazil, we are expending considerable amounts of money on education. If you look at the cost per university student in Brazil, we spend \$15,000 a year per student, which is much more than the U.S. If you look at primary education, it's one-third of what the U.S. spends. We need to balance these expenses. It's not enough to have more funds, but also to better use the funds already available. And also, in terms of the management of the educational system, we are losing ground in some areas of Brazil with respect to education. It's not because of lack of money but rather lack of competent teachers and administrators. To increase the quality of teachers, we need to increase salaries. So in that sense, we need more money.

As I used to say, Brazil is no longer a poor country; it is an unjust country. This is terrible, because we have no excuse not to behave properly. We have such potential to do better.

On the other hand, now there is a beginning of awareness by the wealthy people that education is a basic right of all Brazilians—because

it is not comfortable to be wealthy surrounded by poor. They are nonemployable people; they don't have the skills to be absorbed by the market. So there are some movements in society in order to press the public opinion and business to put money in public schools, to patronize some public schools. So this is beginning.

I would say that the Brazilian future will heavily depend on our capacity to understand that the coming twenty years are crucial. Other countries are going to pass us. China, all of Asia, Korea. And this is basically due to the lack of education; basic education and education overall. And more emphasis on our nontraditional education, not just the humanities, but also technical education: mathematics, etc. Our future depends on it; it depends on the leadership to emphasize education.

*CPS: Much of your legacy continues today just as you left it, while some programs and policies have changed. One example of change is that of the Bolsa Escola Program, previously an independent program administered by the Ministry of Education, and now it is joined with many social assistance programs under the umbrella program Bolsa Familia and administered by the Ministry of Social Development. Are you happy with the transformation of this program?*

FHC: No, because I think that Bolsa Escola is more focused on education than Bolsa Familia. Bolsa Familia is almost only about income distribution, it's important for other purposes. Bolsa Escola is an instrument to give people the capacity to, in the future, behave by themselves, while Bolsa Familia creates an army of dependent people. It's a kind of new clientelism. These guys are good for ideas, but in practice they put together a bunch of assistance programs under one. Each ministry was looking after one specific goal and so now it's all together. Nobody is looking specifically at what is the result of that effort. So I have some doubts. Of course, we have all the opportunity to justify because it's important to redistribute income, but behind the idea is neoclientelism.

*CPS: What would you like for the future of Brazil?*

FHC: Brazil has to understand that he belongs to the world, he can no longer consider himself isolated from the world, he belongs to the

world. He has to react and to dialogue with the world, open views, in that sense. I think that provided you have better education, if you keep democracy, and if the government can continue to offer stability, investments will come. Because we have an important market and refer to the case—even the universities of Brazil are ok—if you compare with other parts of Latin America. Very few countries have as high a level as Brazil in technological efforts. We made an enormous effort in the area, for example in oil research and deep waters. We have been able to produce good aircrafts, so we are now producing computers. So we are becoming more and more integrated in that sense. But it depends on more education and more democracy and less populism. Because what is the bad view of populism is that people are looking just at today and not ahead, so they are looking at immediate needs and not the long run. A nation has to be built looking ahead; look what is happening now in China. The Chinese have looked ahead—not that I necessarily agree with how they have—a long view, vision. And in Brazil the vision is almost always behind. And I think we are always approaching the good moments, but never get there. So I hope that Brazil will get there.

*CPS: What is does the future hold for you? Your tenure at Brown will be up in 2008.*

FHC: I'm teaching there for a short time; most of the time I spend in São Paulo, and I have my foundation/institute there, giving talks, conferences, participating in different initiatives. Even now I am going to New York to participate in the Clinton Initiative, and I belong to a large NGO, WRI in America. I'm also president of the SP orchestra. Engaged in many things. I do write books, articles. Regularly, once a month, I publish in newspapers. So I think that as a former president, I don't want to be engaged directly in electoral campaigns or in party life, but as a former president being a citizen, I have the responsibility to express my views. That is what I am planning for the future. I am very grateful to be in Brazil. I had different offers in America and other parts of the world too. But I am seventy-five years old too, I suppose that at the end of my contract with Brown I will stop having regular teaching activities, but I will not stop being active in political life. It's impossible to be inactive. ☀