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POLITICS AND INSTITUTIONALIZED CHANGE:
THE FAILURE OF REGIONAL DEVELOPMENT PLANNING
IN NORTHEAST BRAZIL, 1961-1964

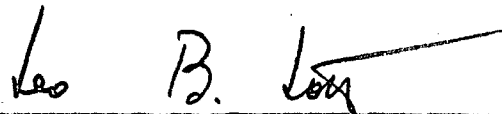
By

Daniel G. Zirker

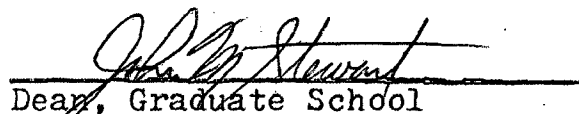
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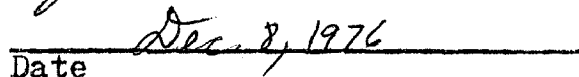
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ABSTRACT

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Politics and Institutionalized change: The Failure of Regional Development Planning in Northeast Brazil, 1961-1964(139 pp.)

Director: Dr. Leo Lott

This study was an attempt to explain the failure of regional political and socio-economic planning in Northeast Brazil in the context of social science theories of political development. The focus of the research was on the Northeast Development Superintendency, or the SUDENE, a Brazilian agency empowered in 1959 to enact sweeping institutional changes in the region.

The thesis is divided into three parts: the first is a representation of the extreme poverty and privation of the people of the region; the second is an analysis of the structure, function, and ultimate failure of the SUDENE; the third is a systems analysis of the relationship of the SUDENE and the United States Alliance for Progress foreign aid program. The latter includes summarization of relevant theories of functionalism and political development in a comparative sense. Reference is made to basic works including those by David Apter, Samuel Huntington, Gabriel Almond, and Riordan Roett.

The conclusions of the thesis are as follows: first, that regional development programs cannot overcome poverty and privation in Brazil because these problems are not primarily regional, and because regional political elites actively resist change on a regional level; second, that personalism in Brazilian political institutions constitutes a serious impediment to lasting change; and third, that United States foreign assistance tends to compete with, rather than reinforce, programs of major political and socio-economic change in Northeast Brazil.

Leo B. Lott

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PREFACE

Poverty and privation are persistent elements of the socio-economic environment of Northeast Brazil despite intensive efforts to eliminate them through regional development programs initiated in the 1950s and 1960s.

This thesis will attempt to explain why government planning of political and economic development in Northeast Brazil has been, by and large, a failure. To do this, two factors which contribute to the inherent weaknesses of regional planning ventures will be considered and analyzed.

The first factor relates to the development and functions of the Superintendência de Desenvolvimento do Nordeste, or the SUDENE--the organization with the primary responsibility for coordinating and administering development efforts in Northeast Brazil after 1960. The analysis of the SUDENE will take into consideration not only its evolution as a government agency, but also its capacity to achieve both general goals, such as those just mentioned, and very specific goals, such as the stimulation of the "modernization" process at local and regional levels, and the transformation of those elements of

Northeastern culture which basically resist change.

A second factor will involve the inability of regional development programs in general to achieve the national cooperation in Brazil that they require. This stems from the competition between modernizing elites of different regions for federal recognition and support, and the effectiveness of the south-central regional interests in achieving this support to the exclusion of the interests in other regions.

The focus of this thesis will center on regional planning of social and political development in Northeast Brazil. Since planning efforts concerning this region have been substantially increased since 1960, it is this time period which will receive the most attention.

A main endeavor of this thesis will be to define the specific branches and functions of the SUDENE, to establish a case study of the relationship between the SUDENE and other development agencies in the Northeast, and to articulate the structural shortcomings of the SUDENE in light of the drastic modifications that it has undergone since 1964.

The hypothesis of this thesis is that the resolution of widespread conditions of poverty and privation in the Northeast will be impossible as long as the interests of that area are treated as regional, and therefore as separate from those of the rest of Brazil. This idea is

based on the manifest inadequacy of past and present regional development programs in succeeding to any appreciable degree in resolving either their specific goals, or the general problems of the Northeast. Furthermore, the hypothesis rests on the assumption that this condition originates from the existence of competition between the interests of regional modernizing elites in Brazil. Since development priorities for the Northeast contradict in many respects the immediate interests of the south-central regional elite, these priorities are not accorded the cooperation that they require. In short, regional planning in Brazil emanates from the seat of federal power, which is located near, and dominated by, the south-central region.

I am grateful to have worked in the development process in Northeast Brazil as a Peace Corps Volunteer from June of 1970 to July of 1972. The Northeast is a region that more than compensates the visitor for its widespread shortages of food, water, and housing with a rich and unique cultural heritage. Although my experiences working with the SUDENE have, I hope, added some perspective to this thesis, I have taken pains to substantiate my arguments with numerous sources, and to avoid subjective references, for two reasons: first, I tend to discount the subjective character of my experiences in Brazil. I was not engaged in a systematic study of

the SUDENE, and cannot therefore count my perceptions as scientifically verified. Second, the time period of interest with regards to the SUDENE predates my experiences by ten years. The people that I might have interviewed for this thesis had long since been replaced in the SUDENE by 1970.

I want to express my profound gratitude to Dr. Leo Lott, former Chairman of the Department of Political Science and Professor of Political Science specializing in Latin American Studies. As chairman of my thesis committee, Dr. Lott continued to offer the expert advise and patient consideration that has characterized his role in my undergraduate and graduate training.

I would also like to thank the two other members of my thesis committee for their help in finalizing my efforts: Dr. Stan Rose, professor of Foreign Languages and Brazilianist, whose knowledge and numerous suggestions led to some important areas of research; and Dr. Louis Hayes, professor of Political Science and Chairman of the Department, whose expertise in the field of political development added depth to my work.

CHAPTER I

A BIBLIOGRAPHICAL INTRODUCTION TO THE PROBLEMS OF DEVELOPMENT IN NORTHEAST BRAZIL

Economic, Socio-political and Demographic Dimensions of Northeast Brazil

Economic Dimensions. Northeast Brazil is a huge region with an area of about 600,000 square miles and a population of roughly 23 million.¹ A significant element in retarding the population growth has been the forced migration due to periodic drought. Although numerous regional development plans have been enacted, mostly in the last twenty years, their effect has been minimal, as Shepard Foreman explained in The Brazilian Peasantry.

It is said that the drought of 1877-78 took a toll of over 500,000 human lives and dispatched an enormous labor force to the Amazon rubber trails. Nearly one hundred years later, the drought of 1970-71 killed untold numbers of people and provoked the organization of labor gangs for the construction of wells, dams, and roads, a federal strategy for drought relief that fails to recognize the fundamental social, economic, and political problems that are the basic scourge of the landscape.²

The periodic drought, then, tends to complicate adequate statistical analysis of the region. Periodic onslaughts mean that a durable status quo, at least for a majority of

the population, does not exist. It is for this reason that Riordan Roett has noted that "economic indicators place the area in the same category with underdeveloped zones of Asia and Africa: high illiteracy, malnutrition, inadequate education and housing, and an antiquated agrarian establishment that remains immune to change."³

The per capita standard of living is an extremely difficult indicator to estimate in a country as large and economically diverse as is Brazil. In 1960, the last year for which many of the reliable regional statistics are available, per capita income for all of Brazil was \$280(US); Brazil was ranked seventh in Latin America in per capita income.⁴ The breakdown of this figure for the Northeast is dramatic, however. Per capita income in the Northeast in 1960 was \$160, whereas it was \$410 in the South. These figures do not account for periodic droughts and natural disasters of less frequent nature, nor do they explain the extreme polarization between urban and rural income levels. Furthermore, although rural subsistence in the Northeast does not necessarily require measurable income during beneficial climatic periods, it becomes an absolute necessity in time of drought. This renders even more meaningful Stefan Robock's comment that "income is more unequally distributed in a poorer region like the Northeast than in a richer and more industrialized region like the South."⁵

Food supply is a critical measurement of the ability

of a region to withstand periodic catastrophe of the magnitude of the seca, of drought. The World Handbook of Political and Social Indicators ranks Brazil as relatively high in national food supply, placing it at 26.5 out of 107. Brazil is said to average 71 grams of protein and 2950 calories per day per capita.⁶ The regional breakdown, however, is again very striking. As the Area Handbook for Brazil, 1971 explains, "in the late 1960s the average in the Northeast was less than 1500 calories." It continues:

In the impoverished Northeast, a chronically depressed area, which has been exporting people to the cities of the East and the South in a steady flow since the last decades of the nineteenth century, the average number of calories consumed in the late 1960s included 76 percent carbohydrates (cereals, yuca, manioc, potatoes, and sugar), 14 percent protein (primarily meat and fish), and 5 percent animal and vegetable fats. Protein intake represented, on the average, a little more than half the amount considered necessary for an adequate diet.⁷

These figures indicate that subsistence farming in the Northeast provides, in general, little more than the barest subsistence, and this factor explains the devastating effects of drought.

Educational Dimensions. Literacy rates in Brazil strongly reflect the disparity between urban and rural sectors. According to the UN Statistical Yearbook, 1971, the urban population of Brazil was about 79.9 percent literate (although no precise definition of literacy is established) in 1970, whereas the rural population was 39.1 percent

literate(both figures for 15 years and older).⁸

A 1968 survey of literacy among people between the ages of fourteen and thirty four in parts of the South, East, and Northeast regions indicated a wide disparity between urban and rural localities and between regions. The lowest rate was in the Northeast, where 77.7 percent of the urban and 44.9 percent of the rural dwellers were literate. The highest was in Sao Paulo State, where urban and rural literacy rates were 93.5 and 82.5 percent respectively.⁹

It must be added, however, that in a cultural sense large and statistically significant areas of the Brazilian backlands have not traditionally played a part in that nation's social research; if this factor is coupled with loose standards of literacy, it becomes difficult to corroborate even as modest a literacy average as 44.9 percent. Shepard Foreman noted after over a decade of research in the rural sector of the Northeast that

Illiteracy still runs well over 50 percent in Brazil and up to 100 percent in some rural areas. Rural Primary schools are often taught by semi-literates, who, with no pedagogic materials, can provide little more than knowledge of the alphabet through repetitious copying of the ABCs and some rudimentary mathematics.¹⁰

Education has traditionally been limited in Brazil. As a colony, Brazil--perhaps more than any other Latin American colony--was tied either to the educational facilities of Portugal, or to those limited facilities provided by the Jesuits.¹¹ The Jesuits adhered to a firm policy of social preference in the provision of education, and even "elementary schools served the aristocracy."¹³

The expulsion of the Jesuits in 1759 destroyed the limited educational facilities that had existed.

An attempt was made to institute a more nearly universal system, but this failed, primarily because of lack of interest and organization.¹³

After independence, a rapid growth of private secondary schooling occurred, most notably in the mid 1800s, and by the end of that century several colleges had been established.¹⁴ But despite periodic reforms and development efforts, including those of the 1930s and 1960s, Brazilian "education retains the prestige held since colonial days when it was the privilege of the small upper class."¹⁵

Levels of educational adequacy are difficult to assess with regard to Northeast Brazil today. Brazil is ranked 114 out of 131 in "educational expenditures" by the World Handbook of Political and Social Indicators,¹⁶ with a per capita annual expenditure of \$4.63 US (as opposed to \$188.55 in the U.S.).¹⁷ But this does not reveal the full impact of the problem in the Northeast. As with other important areas of development, educational advances have been highly uneven, with large regional disparities.

The availability and quality of schools differed sharply between the urban and rural areas and among the geographic regions of the country. Availability of schooling was much greater in urban than in rural areas, and education above the elementary level was found almost exclusively in cities and towns. By regions, the school populations at all levels in the South were at least twice the size of those in the Northeast.¹⁸

Demographic Dimensions. Ramifications of the Brazilian population explosion in the Northeast may have especially damaging effects on development efforts in that region.

A net population increase of two million people per year in Brazil¹⁹ is evident in the Northeast, although exact figures are not available. It is certain, however, that virtually any population increase in the region taxes the limited food supply. Nevertheless, population control is a highly political question in Latin America, and some authors cite population growth as a necessary correlative to political and socio-economic development.²⁰ Furthermore, high death rates and low life expectancy, particularly in the Northeast, create an artificial need for increased birth rates. Life expectancy for Brazil was 60.7 years (from birth) in 1970, but was 40 years for the largely rural regions of the North, Northeast, and West.²¹ These figures do not underscore the full impact of the urban-rural split with regard to mortality rates. The rural sector is likewise afflicted by intense periodic migration of an immense scope. While no figures with regard to the Northeast are available, it is possible to locate figures regarding the migrants from the Northeast.

Flight from the drought-stricken localities has for a century been a movement out of the intermittently parched Northeast region....During the 1960s an estimated 200,000 have left this area annually for the cities of the East and South and the farms of the Central-West and virgin parts of the Amazon basin. A 1967 survey showed that nearly 40 percent of the migrants to urban Brasilia and to the rural localities surrounding it had come from the Northeast. Until the 1870s half of the country's population lived in the Northeast region, but the exodus from the region during the subsequent years had resulted by 1968 in a relative reduction in population to an estimated 20 percent of the country's total.²²

Thus, while the Northeast population has probably made only slight net gains, and has declined relative to other regions, a high birth rate has nevertheless had a pernicious effect on development efforts. The basic reason for this is outlined by Edward Williams and Freeman Wright. They note with regard to development in Latin America in general that a pronounced birth rate in the poorest sector, accompanied by high mortality rates, has produced "a very young population whose consumption far exceeds its contribution to the development process."²³

Contemporary Trends. Recent development efforts in the Northeast have met with little success; the plight of the nordestinos remains essentially unchanged. Evidence of the great unevenness of Brazilian economic development is especially apparent with regards to disparity between regions, a condition that has only recently been mitigated to a small extent.

The Northeast states and most the other poorer states improved their relative income shares from 1964 through 1967, the latest date for which national income data are available. The Northeast region did increase its share of total national income, but even with the continued exodus of population from the region--although at lower rates than during the 1950s--the average per capita income of the region rose only moderately. In 1967, the average income per capita of that region remained about half of the national average, only a fifth of the city of Rio de Janeiro, Guanabara, and a quarter of the state of Sao Paulo.²⁴

But again, the figures mask the condition of the rural nordestino during times of drought. Foreman emphasizes

that suffering in the Northeast "is a national disgrace, intricately tied to the periodic successes of the various export crops that have dominated all of the regional and national economies of Brazil for most of its history and also to the more recent growth of cities and industry...."²⁵

Explanations of the Poverty. The simplest of searches through the literature and records of Northeast Brazil soon becomes a tour of human misery and suffering. The problems of the region are intense, the landscape severe, and the achievements of human struggle are often rendered meaningless. Drought, poverty, and forced migration are conditions that reinforce each other and tend to form a self-perpetuating cycle, one that appears at a cursory glance to be unbreakable.

If severity is an important component of beauty, then it is not surprising why so much of the literature that has emerged from the Northeast has unique and aesthetically engrossing qualities. Nordestinos like Graciliano Ramos, Jose Lins do Rego, and Jorge Amado have produced some of Brazil's finest fiction, and have been widely translated. One of the greatest accounts of the Northeast is not fictional, however. Euclides da Cunha, in his epic Os Sertões, was able to convey the severity of the Northeast, and of the sêca, or periodic drought.

It was early summer, and the backlands were beginning to take on the melancholy aspect of a desert. The sun-soaked trees were withering and were shedding their leaves and flowers from day to day; and covering the ground was the dark-grey stubble of the parched weeds, revealing the latent presence of the drought with its unseen conflagration. The crude bright light of the warm day was dazzling and implacable against a sky that showed no appreciable change from dawn to dusk. Day would break in a golden morning and, after having scorched the earth for hours, would at once be extinguished in night. ²⁶

The Northeast can be divided geographically into three zones: the litoral, or tropical coastal zone, where high rainfall produces a tropical rain forest climate suitable for the production of sugar; the zona agreste, or forested zone, which borders on the litoral, is slightly higher in elevation and less humid, and likewise figures in the production of sugar as well as fruits and vegetables in subsistence farming conditions; and the sertão, or inland plateau, a huge polygonal area with savannah climate with regular drought cycles where cattle production, when it is possible, is the primary mode of subsistence. When it is not possible, when the summer thundershowers do not arrive and the landscape is transformed into desert, then the sertanejos become flagelados, beaten ones, tormented by their land and driven from it. These disastrous droughts have been recorded at regular intervals since the beginning of Portuguese settlement in the sertão, as Charles Wagley noted in An Introduction to Brazil.

Droughts are recorded as far back as 1710-1711, and every eight to fifteen years thereafter until the

present. During the drought of 1877-1879, the entire sertao was burned black by the sun, the cattle died, and there were no crops. On writer estimated that almost 500,000 people had died from starvation or from diseases connected with starvation during this single drought period.²⁷

The seca comprises only one dimension of the problem of human poverty and privation, however. The following pages of this chapter will explore the human, geographic, political, and environmental dimensions of this unfortunate region of Brazil, as seen through the eyes of some of its most celebrated writers and foreign observers.

Tendencies Toward Single-Cause Explanation. The search for a central factor responsible for the poverty and privation in Northeast Brazil is an enterprise that is, in many senses, predisposed to failure; this becomes evident in a brief glance at the literature of the region. A wide spectrum of excuses for the disparity between the regions of the Northeast and the South has been proffered; a vague sort of agreement is possible only in the notion that the entire Northeast is certainly beset with a potpourri of chronic and acute disaster.

It is difficult even in a paper as cursory and peripheral as is this one to refrain from elaborating on the vast consequences of the sêca. Drought is an occurrence that lends itself well to the imagery of single-cause explanation. Euclides da Cunha is perhaps most responsible for the myopia which surrounds and pervades the regional problems.

As a journalist who accompanied the Brazilian military response to an uprising by fanatic sertanejos in 1897, da Cunha was able to observe and describe a region that had gone unrecorded in Brazilian literature. Rather than limiting his scientific and lyrical description to the immediate area of conflict, da Cunha devoted considerable energy and care in presenting a background of the entire Northeast region, producing at one juncture what has been described as "the sixty-one finest pages ever written in the [Portuguese] language."²⁸ Da Cunha's primary focus was on the struggle for survival in the sertão during the drought, and this has probably contributed to a great degree in establishing the stereotype of the region: that the immense poverty and privation of the region are necessarily and inextricably linked to natural disaster.

As a positivist scholar, da Cunha tended to emphasize "natural" causal relationships, and to minimize or ignore social inequities. He regarded the racially-mixed sertanejo from an ambivalent standpoint. He described the resident of the sertão as both mentally inferior and particularly well adapted to the suffering of a harsh climate. But there was more to da Cunha's view. When Brazilian troops attacked (and were initially repulsed by) the followers of the religious fanatic Antonio Conselheiro, da Cunha wrote that "it was the very core of our nationality, the bedrock of our race, which troops were attacking here...."²⁹

A subsequent qualification of this remark argued that his comments had been critical of that "bedrock", but the impression remains that da Cunha ultimately admired and identified with the people from the sertão.

The Natural Disaster Explanation. The quality of life for the sertanejo, as da Cunha repeatedly explains, is entirely dependent upon the arrival of the rains. If by March there is no trace of the trovoada, or thundershower, then a general anxiety begins to afflict the backcountry. Food supplies, already low, are more strenuously rationed, and fears of the worst predominate. In that da Cunha emphasized the natural dimension of human suffering in the Northeast in his classic work, he has become closely identified with the self interests in the region. These interests have traditionally found it expedient to explain the preponderance of poverty and human privation as inevitable products of the climate. Although da Cunha had no such regional interests, and in fact never intended his work to be viewed as a treatise on poverty and privation, its eloquence and meticulous attention make it an excellent introduction to the literature surrounding this explanation.

The "natural" explanation of conditions in the Northeast has always appealed to Brazilian governments in that it tends, at the very worst, to support its in-

clination to dismiss the problem of responsibility, and at best, to underscore the great number of important and promising public works in effect or in the offing. The 1937 publication by the Brazilian Ministry of Foreign Affairs entitled Brazil: Statistics, Resources and Possibilities, for example, emphasized the persistence of natural disasters in the region. Its section entitled "North Eastern Brazil" began:

The north east of Brazil comprises the vast region of the States of Piauhy, Ceara, Rio Grande do Norte, Parahyba, Pernambuco, Alagoas, Sergipe, and Bahia. A series of phenomena of various kinds, act in a decisive manner upon the economy of this part of Brazil, resulting in periods of great abundance interspersed with complete stoppage of production, causing veritable calamities. The chief cause of this serious detriment to local economy is attributed to bad rain distribution and to the impermeability of the ground, which does not possess the necessary properties for the absorption of pluviometrical precipitation. The Brazilian Government has never neglected a national problem of such great importance, maintaining a department designed exclusively for the study and carrying out of this type of work--the "Federal Inspection Department of Works Against the Drought".³⁰

The chapter subsequently listed all of the plans and priorities of the department in glowing terms, and included a list of about fifty recent accomplishments--dams, wells and irrigation systems. Nevertheless, Vera Kelsey, in her book Seven Keys to Brazil, observed that just two years later, in 1939, 90,000 refugees of the seca made the long trek to Sao Paulo, and many more flooded into the capital cities of the Northeast.

Da Cunha's veracity is by no means compromised by

his almost impulsive fascination with the sêca. From the context of the observer, especially one who views the immediacy of this phenomenon, the socio-political bases of the resultant human suffering are perhaps less evident-- and are certainly less conducive to poetry--than is this harsh blast of prolonged summer. Furthermore, it was the appeal of the poetry which first called to the popular attention the serious conditions in the Northeast.

Anyone who, in the heat of the summer, ventures to cross the northern backlands, becomes accustomed to unusual scenes. Particularly as the cycle of the drought comes on, with its alternation of burning-hot days and all but frigid nights, the earth appears to strip itself of all humanity, with all life latent, merely immobilizing without decomposing the beings that live upon it. It thereby realizes to a high degree the physiological possibility of a virtual existence where no life seems to be, with all energies pent up, lulled to sleep simply, and ready to break out again of a sudden when favorable conditions return, giving rise to unforeseen and amazing resurrections.³²

It may well be that it is the intensity of the sêca which alters the focus of observers. Even Josué de Castro, whose work Death in the Northeast concentrates on the political and socio-economic inequities of the region, can be said to be swept away in a prosaic and lyrical vein when he describes the drought in similes and personifications.

...no land gives a stronger impression of suffering than the sertão, with its skin baked and corroded by the rigors of the climate. The sandstone cover is so heavily eroded and denuded that in places crystalline rock shows through the granitic surface, and the soil is a thin and meager layer, with outcroppings of jag-

ged rock protruding like bare bones. There is a deep poignancy, an air of desolute suffering, in this wounded land, its sides riven by flash floods.³³

William L. Schurz, in his work Brazil, the Infinite Country, has provided a description of the region which is perhaps typical of most accounts. After noting that it is "cursed by droughts," and that these sêcas bring with them times "of tragedy that may be prolonged for a year or more,"³⁴ he briefly observes that chronic human conditions lend themselves to the suffering that accompanies the droughts. Gross underproductivity of vital food supplies within the region is underscored during droughts such as the very serious one of 1958.

It has been calculated that the beef supply available to the population declined by 300,000 metric tons, and the stock of basic foodstuff by a total of 700,000 tons. The yield of corn and beans fell to fifteen per cent of normal, and the yield of manioc and bananas, the other staples in the subsistence diet of the sertão, was cut by half.³⁵

Schurz's recognition of the social character of the problem of human suffering in the Northeast is typically simplistic--he confuses the "inconquerable natural disaster" thesis with the persistence of social patterns that dictate that suffering of vast magnitude will continue to occur. Schurz myopically reports that the social character of the problem consists of "the singular and persistent attachment of the sertanejo to his inhospitable home."³⁶ Thus, what might be considered from another perspective as the primary hope that the problems will one

day be resolved, is in this typical representation dismissed as a source of the problems.

The sêca of Northeast Brazil, then, has become an almost exclusive explanation of the political and socio-economic problems of the region. This was especially true in da Cunha's age, when the best of military preparations seemed grossly insufficient for coping with the drought, and a well equipped expeditionary force faced an almost impossible task in crossing the sertão in summer.³⁷ Despite his careful attention to detail, da Cunha propagated a serious misconception concerning Northeast Brazil: not every nordestino lives in the sertão, and even in that zone, much of the hunger is both chronic and perpetual.

Critics of the Natural Disaster Explanation. In his book Diagnosis of the Brazilian Crisis, economist Celso Furtado describes the major proponents of the "natural disaster" theory of human suffering in the Northeast, and explains the generally fallacious and self-interested bases of their arguments.

As numerous sections of the Northeastern ruling classes for a long time lived on federal government funds administered in an equivocal manner, a peculiar situation was created in which those groups interested in maintaining the status quo are the same ones who most dramatize the region's problems and cry out for the need for change. However, we are dealing with a dramatization based on false problems that deflects attention from the real ones. For this reason, the "droughts" have been made into the great enemy to be contended with, responsible for all the ills that

torment the Northeasterner.

Furtado analyzes the extent to which the "drought explanation" has harmed efforts to alleviate suffering in the Northeast.

The irresponsibility of those who exploited the drought harmed the Northeast in two ways: on the one hand it created a false image of the problems of that region, whose real possibilities for development began to be underestimated, with talk of the inevitability of its progressive abandonment; on the other, it justified in the minds of the majority of the country's rulers their neglect of the problems of the Northeast, a region to which "there was no point in sending money," since the money would in any case always be misused. To put right the false image, and to give an accurate picture of the complex reality of the region, is the first requirement for an understanding of the problem of the Northeast.³⁹

Since this book was published, identification and recognition of the complexity of the problems of the Northeast have been undertaken from a variety of perspectives.

Miguel Arraes, former governor of the state of Pernambuco and radical critic of the present regime in Brazil, is firm in his political analysis of the basic problem.

[The present Brazilian government] is quite unable to do anything at all to alter the present system of land ownership and to improve the lot of the mass of poor peasants and agricultural wage-earners.⁴⁰

Arraes argues that the penetration of foreign capital into all levels of Brazilian industry has created a one-sided trade relationship in which Brazil receives far less than it contributes. Furthermore, the nature of this situation

is such that the government becomes progressively dependent upon it. His observation is corroborated by numerous other analysts of Brazilian political and socio-economic development.

Josue' de Castro expresses a viewpoint which is equidistant between blaming and disclaiming the sêca as the major problem of the Northeast. Although much of his book Death in the Northeast concerns the political dimensions of hunger in that region, de Castro is a native Nordestino, and has a great awe and respect for the immense physical and psychological impact of drought. But his primary point is that drought must be put in a perspective that is relative to social and political factors.

The drought is a secondary, a subsidiary cause, which merely aggravates an existing state of affairs determined by other causes, that are social rather than natural.⁴¹

The sêca, for all its intensity, is no enemy of the caatinga, or the sparse, thorny vegetation of the sertão. As Celso Furtado noted, "the Caatinga is designed to resist drought, even if it lasts as long as two or three years, which sometimes happens."⁴² The sêca can be seen from this context not as a natural disaster, but rather as a natural and recurrent phenomenon. The social reaction to this phenomenon, starvation and forced migration, have little meaning without the prolonged social

acceptance of these conditions.

A long-term economic relationship has been observed between the populations of the different climactic zones of the Northeast which is based in large measure on the continued dependency of the people of the sertão; this is perhaps a crucial first step evaluating the social and political dimensions of poverty in the region. The fact that areas of high labor-intensive industry are periodically glutted with desperate and capable workers--as the sertanejos have established themselves--is of critical importance. One historian who hints at this thesis is Charles Wagley. In An Introduction to Brazil, Wagley notes the complementary dependency between labor from the sertão and producers of sugar and cacao in its border regions.

Every year considerable numbers of sertanejos, as the inhabitants of the interior are called, leave their homes and participate in the sugarcane and cacao harvests of the coastal region. The economic viability of these crops has become completely dependent on this influx of sertanejo labor for short periods during the year. ⁴⁴

The tendency of economic dependency to perpetuate itself creates conditions that persist long after the rains have returned.

Sugar and Cattle. A recent article in a small English-language newspaper that specializes in Latin America noted that "Brazil may now be the World's top sugar producer.

Its harvest is expected to be almost 7 million metric tons this year...."⁴⁵ The recent growth of the Brazilian sugar industry underscores the cyclical patterns of "boom and bust" which has plagued the Brazilian economy since the seventeenth century. Sugar production in Northeast Brazil was responsible for such a pattern of rapid growth followed by massive collapse; furthermore, many observers have noted that it was the cultivation of sugar cane in the Northeast which was responsible for propagating regressive and anti-democratic social strata.

Furtado observed that the establishment of a sugar industry in the litoral, and of cattle production in the sertão, in the sixteenth and seventeenth centuries gave rise to many of the problems of the twentieth century.

The characteristics acquired by the two economic systems in the Northeast--the sugar industry and stock breeding--during the slow process of decline, beginning in the latter half of the seventeenth century, were basic factors in the formation of what was to become the Brazilian economy of the twentieth century.⁴⁶

The technical description that follows in Furtado's analysis emphasizes a pathology of development in Northeast Brazil that has persisted since colonial days. Its primary characteristic is a complete lack of socio-economic planning. In this environment, the sugar and cattle industries spread beyond their viable limits, encompassing and often suffocating vital and irreplaceable segments of

the economy.

While Furtado emphasized the economic liabilities of the sugar and cattle industries in Northeast Brazil, Gilberto Freyre, a well-known Brazilian sociologist, has stressed the social problems that resulted from their exclusive development. In a key paragraph of his book Casa Grande e Senzala, he observed that

Sugar raising not only stifled the democratic industries represented by the trade in brazilwood and hides; it sterilized the land for the forces of diversified farming and herding for a broad expanse around the plantations. It called for an enormous number of slaves. Cattle-raising, meanwhile, with the possibilities it afforded for a democratic way of life, was relegated to the backlands. ⁴⁷

The backlands, it would be discovered, could not adequately support the cattle industry, although a negative condition of dependence upon it soon developed. Conditions were established which led to the entrenchment of sterile and non-viable monocultures.

Caio Prado, in The Colonial Background of Modern Brazil, further underscores the poverty of the cattle industry in the sertão. Much like the sugar industry, its environment seemed to dictate the outcome.

The Sertão offered only miserable subsistence for cattle, hardly enough to survive; and it was impossible to avoid producing the scrawny and muscular bullocks that furnished the unappetizing meat eaten in the colony. ⁴⁸

Social Consequences. The thesis in Prado's work, much

like that found in Freyre's, is that the colonization process provided for future development, and established firm patterns, in the Northeast. Prado described these patterns as "'forces' whose most external significant manifestation was the anxiety...permeating all classes and groups of society...."⁴⁹ Prado continued:

Another essential outcome of the colonization process... must be singled out. This was the growing number of people condemned to a marginal existence outside the normal productive activity of colonization. This activity was almost exclusively limited to members of the closed circle of the colony's basic economic and social organization: masters and slaves, the entrepreneurs and administrators of colonization and their humble tools. As long as there were only masters and slaves, as at the very beginning, everything went well. ⁵⁰

Abolition of slavery in 1889 accelerated the creation of a large marginal class, according to Caio Prado, which persists into the present.

Freyre indicts the colonial process for establishing social patterns which contribute to the poverty of the modern Northeast. Furthermore, he observes that the conditions of human poverty tend to some extent to be self-perpetuating. Poor nutrition is an important example of a condition which, according to Freyre, provides for a social structure based upon consequent physiological weaknesses. After suggesting that nutritional deficiencies can be responsible for debilitation of mental capacities, he notes that:

Prominent among the effects of hyponutrition are:

a decrease in stature, weight, and chest measurement; deformities of the bony structure; decalcification of the teeth; thyroid insufficiency, pituitary and gonadinal, leading to premature old age, a generally impoverished fertility, apathy....⁵¹

Freyre emphasizes a sort of fatalistic determinism based upon these colonial patterns--he denies in many respects the capacity of the people and society of the Northeast to change. To this extent, his account of the nordestino is closely related to the "natural" explanation of poverty and privation in that region.

In the final analysis, the problems of poverty and privation in Northeast Brazil must be reduced to basic constituents, including widespread lack of food, shelter, and medical services. De Castro concludes:

What causes so much dying in the Northeast? People die of everything, of course, but mainly they die of hunger--hunger in multiple disguises is the most active of the four horsemen. Hunger kills as a disease--the most serious and generalized of the mass diseases of the underdeveloped regions--and also by making way for other sicknesses.⁵²

Political Ramifications

Fear Tactics and Results. A complex body of writings has emerged since 1962 that deals with the socio-economic prerequisites of change in Northeast Brazil. While some of the writers in this field have proposed solutions that appear to be grounded in "objective" principles of social

science, others have engaged in exercises that are closer akin to blatant political opportunism. The ramifications of "scare tactics" in the Northeast are extensive. Indeed, such tactics may have constituted the primary motivation for a number of programs, including the Alliance for Progress, a U.S. sponsored aid program that became noteworthy during its ten years of existence for its lack of both alliance and progress.

World-wide attention was drawn to the Northeast in 1960 primarily because of newspaper coverage of the traditional problems of drought and consequent political unrest in that region. Two articles appeared in the New York Times, for example, which emphasized a correlation between the Northeast and Cuba, a recent debacle from the standpoint of many U.S. policy-makers. Tad Szulc noted in one of these articles, published on October 31, 1960, that an environment conducive to revolution existed in Northeast Brazil, and that this condition was becoming manifested in "peasant leagues";⁵³ a nomenclature that suggested the Chinese agrarian revolution. In a second article, Szulc helpfully added that "Recife is the support base for the southern string of tracking stations of the South Atlantic guided missile range of the United States Air Force."⁵⁴ His point was emphasized by the title of the article, "Marxists Organizing Peasants in Brazil." The attention of President-elect Kennedy was drawn by this

focus, and the Alliance for Progress, a product of the new Kennedy administration, was designed in part to respond to the conditions in the largest concentrated poverty area of the western hemisphere, the Brazilian Northeast.

Of key importance in the subsequent history of the Northeast was the simultaneous formation by the Brazilian government of a new economic planning agency under the guidance and leadership of Furtado. The Superintendencia de Desenvolvimento do Nordeste, or SUDENE, was initially charged with coordinating a renovation of political, economic and social institutions in the Northeast which actively contributed to the status quo, a task of overwhelming proportions. Riordan Roett has described the relationship that developed between the Alliance and the SUDENE in The Politics of Foreign Aid. He noted that hostility and fear on the part of U.S. functionaries in the Alliance program were important factors in the eventual breakdown of the relationship. Of likewise importance was the scope of the task that both agencies confronted.

The problems that hampered the Alliance and the SUDENE came in large measure from the inability of the political institutions of Brazil to cope with an acceleration in the rate of social and economic change.⁵⁵

The Alliance was confronted with ambiguous goals of political and military security on the one hand, and radical

economic and social change on the other. It should not be surprising, in view of this ambiguity, that the Alliance for Progress left the Northeast in 1971 in essentially the same condition in which it had found it.

Although aware of the modernization potential of foreign aid, the Kennedy administration and its successor failed to use assistance funds to support those groups committed to realistic societal change; indirectly, the emergency aid policies of the United States worked to prolong the influence of the traditional social and economic groups. The United States in the 1960s found itself in the awkward position of advocating political and social modernization in underdeveloped nations while possessing and using foreign aid as an instrument to impede modernization in the name of national and international security.⁵⁶

According to Roett, the administrators of the U.S. program were incapable of recognizing the primary constituents of the problem of poverty in the Northeast. Furthermore, U.S. officials came to disapprove of the structure of the SUDENE, and opted to support only one of its goals--that of regional industrialization. The long-range result of this policy has been the importation into the Northeast of highly subsidized, and often fully automated, factories that tend to mass produce articles from southern Brazilian resources, and then transport those articles back to the South. Miguel Arraes, in his book Brazil: The Power and the People, presented one interpretation of the U.S. policy of stimulating industrialization.

The policy of industrialization at any price and through free enterprise amounts actually to a defense of free penetration by foreign companies.⁵⁷

But in the final analysis, American advisors based their decisions on fear: fear that the Northeast would become "another Cuba". Furthermore, they sensed a close connection between economic conditions and political stability that may well have less significance in the Brazilian setting. As Peter Ranis observed,

Brazilians have long taken sustenance from a non-ideological view of political life which has permitted them to "muddle through" difficulties by compromise solutions. They have elevated pragmatism to a social art, and this has often saved the Brazilian nation from bloody revolutions, political violence, and military fratricide.⁵⁸

To American and European journalists, the emergence of familiar political patterns overshadowed the lessons of the Brazilian past, and may well have contributed to an erroneous assessment of the situation in the Northeast.

Conclusion. The literature of the Northeast indicates that regional problems are not simple, and that political change in that region, barring unforeseen and drastic developments, is relatively unlikely. The Northeast is often romanticized, but rarely is it viewed as a land of plenty. It is a center of human suffering, and this, perhaps more than any other, is the theme of the literature of the Northeast.

Solutions to the regional problems will depend upon the recognition and dynamic treatment of a variety of obstacles. Many critics agree that one of these is

a general Brazilian reluctance to accept political change. The inability of Brazil, whose southern states are wealthy in the context of Latin America, to recognize the plight of the Northeast as a national problem is crucial in this regard. The national tendency to regard the Northeast as a wasteland, to recognize only the stereotype of the sertão, is likewise regressive. De Castro emphasizes that drought is not the focal point of poverty in this region.

...in reality not all of the Northeast is dry, and drought is by no means the basic cause of all calamity, even in the deep sertão.⁵⁹

De Castro is not denying the existence and recurrence of severe drought--he is merely contradicting those who maintain that physical solutions such as dams, irrigation projects and wells will solve the problems of poverty in the region. The starting point in overcoming these problems, he contends, is located within those political and economic institutions which actively resist change.

NOTES

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CHAPTER II

NATIONALISM, POLITICAL AGITATION, AND THE GENESIS OF THE SUDENE

An Institutional Response. It cannot be denied that Northeast Brazil has problems of the scope and intensity to challenge even the most comprehensive program of economic development. Roett has written that:

The Northeast is an area of extreme underdevelopment. Economic and social indicators place the area in the same category with underdeveloped zones of Asia and Africa: high illiteracy, malnutrition, inadequate education and housing, and an antiquated agrarian establishment that remains immune to change.¹

The task of this paper is to outline the political bases of this "underdevelopment" and to take issue with the age-old argument that the drought of the Northeast is an unconquerable force that mandates the regional condition of poverty. One of de Castro's primary points in Death in the Northeast is that traditional landed interests of the region actively and consistently resist political and economic change, and are, in this sense, directly responsible for the patterns that have persisted.²

Brazilian institutions experienced a rapid growth period between 1952 and 1964, and it was during this time

that the Brazilian government created another agency in the Northeast to deal with the problems of poverty and privation in that region. It was called the Superintendência de Desenvolvimento do Nordeste (the Northeast Development Superintendency), or the SUDENE. Celso Furtado, a widely-known Brazilian economist, was appointed its first director. Roett described the SUDENE plan which had come into being by 1960.

The SUDENE was a federal agency and, as such, it had a potential capacity to rival the political oligarchy of the area through the creation of a new, reformist coalition and by possessing a comprehensive development program that was not dependent on the region for financial support.

Although extreme conditions of poverty existed in the Brazilian rural sector in general, the government chose to concentrate on the most egregious example, and to opt for a regional "experimental" plan. By appointing a Northeastern economist to head the agency, it was assumed that regional sentiments would lend themselves to the tasks ahead. Such a regionalist sentiment, in fact, was probably essential for even a modicum of success, given the broad and ill-defined goals of the institution.

The validity of the regional approach became the crucial question. By late 1963, Furtado was simultaneously the superintendent of the SUDENE and the chief architect responsible for writing a five-year economic development plan for the nation. While he spoke in favor of

a national plan of development, Furtado's primary concern was with regional programs. He wrote about this critical period prior to 1964 in a book published in 1965 in which he mentioned that although an independent national electorate was becoming more and more evident, the legislature nevertheless retained its traditional structure: a composite of conservative and regional interests that constantly engaged in impasse with the executive branch.⁴ Regional solutions, though generally inadequate in the long-run, were the only politically feasible solutions in that political milieu.

The emphasis of the SUDENE upon development in the rural sector, furthermore, was probably its strongest point. Guy Hunter noted in Modernizing Peasant Societies that "the strategy of rural development is...a part of the total strategy by which the political aims of a society are to be achieved...."⁵ As a populous region comprised primarily of what might be called a "peasant" population, the Northeast held the key to development in the nation--especially its rural sector. By the same token, the fact that the SUDENE failed first, and most dramatically, in the rural Northeast meant that it could not provide for the conditions that appear to have been essential for significant political and economic change in the Northeast.

By 1960, Furtado and his staff of young bureau-

crats realized that the processes of political and socio-economic development in the region would require large pools of resources and exceptional, at least in the context of Brazilian politics, political considerations. This was especially true with regards to the political dimensions of "modernization", and the problem of authority. David Apter, in discussing the generalities of the "modernization" process, notes that:

Modernization may be described in non-industrial societies as the transposition of certain roles--professional, technical, administrative--and the transposition of institutions supporting these roles--hospitals, schools, universities, bureaucracies. Non-industrial modernizing societies, however, lack the powerful integrating thrust found in industrial societies. Social organizations are more chaotic and confused. Politics becomes the mechanism of integration, and authority is the critical problem confronting the leader.⁶

Furtado immediately confronted this authority crisis in Northeast Brazil by establishing a political base of authority. Such support was necessary in order to accomplish even minimal goals. Stefan Robock, of the Brookings Institution, identified Furtado's political support in a report on Northeast Brazil published in 1963.

Although President Jânio Quadros gave Celso Furtado cabinet member status, neither Quadros nor his successor, João Goulart, exerted strong political leadership to have Congress approve the Northeast plan. To win the political battle, Furtado and his dedicated associates developed five main sources of political strength: the state governors in the Northeast, federal legislators from the South, university student groups, Brazilian nationalists, and the United States foreign aid program.⁷

The authority crisis that later beset the SUDENE can be traced to the erosion of these bases of support. Furthermore, as these bases began to erode, Furtado was forced to devote more of his time to political, rather than technical, activities. His priorities therefore suffered a simultaneous and related erosion.

A strong indication of the degree to which Furtado was victimized by politics--in the banal sense of the word--is suggested by the aftermath of the Brazilian military coup of 1964. Widely known as a technician and a scholar, Furtado was allowed to leave Brazil without detainment during April of 1964. Before the end of the year, however, conservative interests had convinced the military to issue a warrant for his arrest as a subversive. Although Furtado considers himself to be a leftist, his plans for the Northeast emphasized industrialization based on private investment. Furthermore, he consistently alienated communists and socialists with such programs as tax breaks for corporations willing to expand into the Northeast, and at one juncture earned their armed animosity.

In late February, 1964, a labor organization dominated by the communists transported armed peasants by truck to Recife and had them surround the SUDENE building in a bid to prevent a meeting which was going to discuss whether to allow foreign companies to take advantage of the tax incentives. The peasants carried signs denouncing "imperialism" and defending "basic reforms." According to one of the local newspapers, the police stayed away and let the demonstration run its course.⁸

In retrospect, efforts by the SUDENE to effect political change in Northeast Brazil alienated virtually all of the traditional and popular political interests. The exigencies of political development meant that a wide spectrum of solutions had to be experimented with, and although many of these were soon rejected, the publicity that resulted remained behind as a pernicious force. As Robock noted in 1963, "the SUDENE movement was destined to evoke the maximum of political resistance."⁹

Of central importance in the wide spectrum of resistance experienced by the SUDENE after 1961 was the presence of growing nationalism in Brazil. Furthermore, the military coup of 1964, and the dozen years of military dictatorship that have followed it, have not significantly altered many of the basic patterns that are associated with the growth of national industrial potential in developing nations. Thus, in some key respects, events since 1964 have accentuated political change in the Northeast, although it has been a change that is without plan or order. Ironically, it has been the traditional landed interests that have suffered the most significant loss of influence.

The extension of government controls over municipal offices and expenditures after 1964 has substantially reduced the store of patronage that for the better part of this century allowed rural elites to compete for a following, thereby impairing the patron's ability to meet his former dependents' new demands. At the same time, newspapers, radio broadcasts, in some

cases television, and the actual presence of urban organizers bring alternative messages into the countryside, thus broadening the peasants' horizons and further circumscribing the patron's sphere of influence.¹⁰

The movement of nationalism into the Northeast was perhaps the critical condition with regards to the success of the SUDENE, and those development efforts that have followed it. The insensitivity of the directors of the SUDENE to this factor was of great importance to the efficacy of the programs. In a sense, the widespread resistance to the SUDENE represented two extremes in coalition: the nationalist sentiment, rejecting one more regional solution for the Northeast; and the regional oligarchical interests, attacking another national encroachment on their influence.

Regionalism in a Nationalist Period. Northeast regional development plans, in general, have quickly regressed into colossal tragicomedies, especially in view of the gravity of the problems that they have sought to overcome. Their consistent inability to mitigate the persistent conditions of poverty and privation in the region suggests some obvious shortcoming. Their approaches have followed a variety of forms, but perhaps the one common thread among them is their regional focus. It should be noted at this juncture that conditions of human poverty and privation exist throughout the rural sector of Brazil.

The national dimensions of the problem suggests the inherent weaknesses that are invariably part of regional programs like the SUDENE. If only the problem of periodic mass migration is considered, it is apparent that conditions in one geographical area of the rural sector are incapable of significant development relative to other rural areas.

A primary consideration of the politics of Brazil is the extent to which they are, in fact, closely tied to federalism. An example of this is the DNOCS, or the National Department of Works Against the Drought, which has sought for many years to overcome the physical properties of drought through dams, wells, irrigation projects, and crop rotation in the Northeast. Established in the 1890's, it has remained virtually oblivious to the human problems of the Northeast while concentrating on a limited and mutually beneficial relationship with the region's elite. At the same time, on a federal level, it has effectively placated or rebutted many of the complaints lodged in the federal congress concerning living conditions in the rural sector.

Regional concessions to parochial power structures have long been the norm of Brazilian politics, and the result has been the growth of powerful regional oligarchies. This pattern, which was initiated as early as the colonial period, was fostered during the empire, and

emerged repeatedly since then in periodic spurts. The first of these occurred shortly after the formation of the First Republic in 1889.

The politics of the First Republic were characterized by a limited franchise, the economic dominance of the states of Minas Gerais and São Paulo, tacit support of the armed forces, and a process of adjustment and compromise among the oligarchies, a política dos governadores (the politics of the governors), an understanding that the central government would not interfere in the internal affairs of the states.¹¹

In terms of the Northeast, this meant that the entrenched conservative landowning class received renewed national support. Subsequent periods of stimulus to local oligarchies preserved this class in power through the 1930s, when:

urban centers remained largely extensions of an agrarian society. Newspapers reflected elite opinion. The church co-operated with the oligarchy in guaranteeing redemption only to those who realized that their role in the political system was that of a non-participant.¹²

Although examples exist of social unrest based on the conditions of the Northeast in the 1930s, most notably that of the bandit Lampião, a significant political 'awakening' cannot be said to have occurred in the countryside.

The decade of the 1940s, however, signaled the arrival of a new set of circumstances. Brazil, for a variety of reasons, had entered into a new nationalist phase which began to spread rapidly into the countryside. Foreman explains:

Population shifts brought great pressures to bear not

only in urban areas but also in the countryside. Increased demands for agricultural produce and a rationalization of the internal marketing system contributed to a sudden valorization of agricultural land and the subsequent displacement of masses of peasants. Rural-urban migration and the remittance of new ideas contributed to the making of a peasant consciousness or, at the very least, to a recognition that their defined set of needs could not be best expressed through "traditional" channels.¹³

The formation of a national peasant identity in the 1940s and 1950s could be said to have followed general patterns associated with growing nationalism. Less related factors that nevertheless contributed significantly to a new national identity during this period included a world championship soccer team(1958) and the rapid proliferation of battery-powered radios throughout the countryside. But one of the basic factors, the industrialization of the South, insured that rapid communication technology would find its way into even the most remote corner of the sertão. Furthermore, it created a lucrative and stable job market in the South, one that would begin to attract increasing numbers of nordestinos. Furthermore, new demand for agricultural products created intense strains on the archaic methods of agriculture, and linked the producers increasingly with the modern techniques and implements of the South. Thus the new awareness and subsequent pressures brought on by industrialization in the South began to nationalize the rural sector, and while many of the trappings of regional politics persisted,

problems that could be more closely associated with nationalism began to emerge more and more frequently.

National identity, and the problems of nation-building, comprise an important dimension in understanding why it was that the SUDENE was unable to bring about significant political and economic development. Williams and Wright note that the development of a variety of conditions took place all over Latin America during this period. They included such elements as increased political power, the increased ability to carry out massive agrarian reforms, and the extensive growth of bureaucracies. They describe tendencies toward nation-building in Latin America after 1946 that seem to apply well to the case of Brazil.

Practically every socio-economic and political policy and program proposed and implemented since that time has had nation-building implications.¹⁴

The implications of nationalism with regards to the Brazilian peasantry are profound, and to some degree manifestly permanent. Political activities generally associated with regionalism did receive support after 1946, and traditional oligarchical structures remained relatively intact. It might be said, in fact, that many of the changes that took place in the political milieu of the Northeast between 1946 and 1964 were excessively vulnerable to the traditional political interests. After noting that few of the political institutions that grew

up in the nationalist period between 1946 and 1964 were able to survive into the 1970s, Foreman concludes that:

The political movement of the 1950's and 1960's engaged a large number of peasants partially and fleetingly in the political process, but as an "external" factor which could not be easily accommodated. In an important sense, the extent of their participation far outweighed its significance.¹⁵

And so, on the one hand the nationalist period between 1946 and 1964 provided for a permanent and profound politicization of the countryside, and on the other that period left few formal structures which endured.

A second dimension of the confrontation between nationalism and regionalism in the Northeast prior to 1964 is evident in the resistance that the SUDENE encountered from traditional landed interests. In contrast to the conflict between the growing nationalism of the peasants and the regional focus of the SUDENE, the traditional landed interests interpreted the SUDENE program as a direct challenge to Northeastern regional autonomy. They resisted that program in the one area where it was most vulnerable--the rural sector.

It was the traditional elite's continued influence within official as well as private circles that thwarted the SUDENE efforts to change the agricultural life of the Northeast. The agricultural reform objectives remained statements of purpose and hope rather than becoming programs.¹⁶

Whether or not it was purposeful or tactical, the ability of regional interests to withstand the SUDENE rural program

constituted a powerful blow to the success of the whole program. Based on pressure from the rural landowning class, the SUDENE followed a course on non-agricultural planning, and this inevitably turned in the direction of industrialization, according to Roett.¹⁷

A clear example of the ability of rural landowners to resist the changes implicit in the SUDENE program is evident in the sugar industry. As the region's chief cash crop, primary recipient of government subsidization, and most dependent industry on a plentiful supply of low-wage labor, the usineiros, or sugar producers, had long been sensitive to their vulnerable position. They had long ago rationalized their position with the argument that they provided the means of life to laborers who would otherwise have starved.

The government kept the usineiros in business, enabling them to keep their workers in a state of semi-starvation, and thus in readiness for the next crisis. It was a vicious cycle, and its preservation was the function of the Sugar and Alcohol Institute, a federal agency created during the Great Depression, and as one might expect, under the political control of the Northeastern sugar industry.¹⁸

The poverty of the workers, furthermore, was a critical element in the government subsidization of the industry. By maintaining living standards of the workers at a level close to non-subsistence, they retained a powerful claim on federal crop insurance. According to Joe Page, "the government had to keep the sugar industry of the Northeast

afloat to prevent all these people from starving to death."¹⁹ The SUDENE plan to transform the Northeastern peasants into literate and economically independent people was logically seen by the sugar industry as a threat to its survival, at least in its present form.

Development efforts in the Northeast since 1964 have tended to recognize the importance of national, or at least supraregional, economic planning. The Plan of National Integration, or PIN, is probably the outstanding example.

A dramatic national initiative to influence the course of development in the Northeast was announced by the Medici government in June 1970....The integration plan was to bring together two interests of the Brazilian government: the integration and development of the Amazon Basin and the resolution of outstanding social and economic questions in the Northeast.²⁰

The main goal of the program was to "provide additional infrastructure in the North and Northeast" through the construction of a highway from Cuiaba to Santarem, and "the irrigation of 135 million hectares in the Northeast by 1974."²¹ The program, however, did not recognize the political conditions in the Northeast, and especially the traditional tendency of the large landowners to actively and effectively resist socially relevant change.

The primary goals of the PIN sought to resolve social problems in the Northeast by removing them physically.

The emphasis on colonization and the absorption of ex-

cess labor within PIN represented an admission by the military regime that it would not attempt to apply its land reform statutes to the sugar areas. The traditional social and political relationships would be dealt with indirectly by removing the poor families from the Northeast.²²

And although the relocation plans in the PIN have not yet been effected, financing arrangements for the PIN terminated the SUDENE, at least in a meaningful sense.²³ The military government seems to be committed to moving away from regional economic and social planning, and although the PIN has been substantially undercut by alternative projects, there has been no evidence of a return to the SUDENE. As former Finance Minister Delfim Neto emphasized, "Brazil is one nation only, and the proposal of the government is to develop all regions, and not only this one or that one."²⁴ The next step is for the official recognition of the gross inequities in the Brazilian rural sector, a step that so far has been slow in evolving.

The Question of Violence, 1961--1966. The analysis of violence immediately prior to 1964 is clouded by several difficult questions. Publicity and exaggerated press coverage, inadequate records, and a tendency, especially just before the coup of 1964, to categorize relatively normal occurrences as extraordinary all tended to obscure the actual dimensions of violence that might have been related to substantially new patterns of political interaction.

It is nevertheless possible to make several generalizations regarding political violence in Northeast Brazil during this period, and to outline the role of the SUDENE in this context.

The first point is that political violence on the part of nordestino peasants during 1961--1964 was relatively rare outside of traditional and parochial expression. It can be conjectured that few experienced direct contact with innovative political ideas and organizers. The formation of the Peasant Leagues was one of the few exceptions to what Foreman identifies as the "culture of silence" that ruled the interior. Francisco Julião, the legal counsel and honorary head of the Leagues, was a Castroite and a product of the Northeastern rural environment. According to Page, "his sentimental attachment to rural life was deep-rooted and constant, a quality not uncommon among intellectuals of the Northeast."²⁵ As legal defense attorney for peasants and the leftist Peasant Leagues, Julião had rejected any hopes that he might otherwise have had for legal efficacy in the Northeast.

A governor of Pernambuco once remarked: "To my enemies, the law; to my friends, facilities." The aphorism nicely catches the yawning chasm in Brazil between the letter of the law and its application. The administration of Brazilian justice was comparatively flexible, but it bent only one way--in the direction of wealth and power.²⁶

According to Page, Julião established a reputation for

defending Northeastern peasants after 1941,²⁷ and later played a part in the organization and direction of the Peasant Leagues. It remains doubtful, however, that Julião retained more than a minor part of the control of the leagues. Besides their highly democratic character, another element that supports this thesis is the wide area that they encompassed, and the difficulty of transportation in the region.

Nobody really knew how many Peasant Leagues were already in existence, and how many peasants belonged. Claims ranged from Julião's solemn estimate that League membership had passed the 100,000 mark to the statement of a Catholic Priest working with rural workers in Pernambuco to the effect that as of January 1962 he would be very surprised if twenty Leagues still existed in the state.²⁸

The Area Handbook for Brazil ("Army Handbook") is slightly more conservative than Julião, citing 80,000 peasants as peak membership.²⁹ It seems likely that the most common characteristic of the Leagues was isolation from the central leadership.

Prior to 1962, League-inspired violence can be almost wholly discounted, despite the charges of the news media in the Northeast.³⁰ But in 1962 the Leagues "had very definitely taken to the offensive."³¹ The offensive, as it soon became clear, was a mixture of spontaneous reactions to the ongoing process of oligarchical repression, and a close identification with Cuba and Castroism, the latter being probably mostly romanticization. In 1962,

the "Dianopolis Caper", in which a former communist and member of the Peasant League organizational staff became instrumental in the formation of a guerilla training camp, caused extreme embarrassment and subsequent political problems for the Leagues.³² It might be added that the discipline of the camp was very low, the level of indoctrination and training could in no way be construed as threatening to Brazilian authorities, and the ultimate police intervention which terminated the camp was based on an unrelated political issue.³³ The camp, in fact, appeared to have no other potential function except that of furnishing the material for a scandal. Later in 1962, a commercial plane crash in Peru led to the disclosure of papers which identified the Leagues as recipients of limited financial support from Cuba.

This embarrassing disclosure resulted in the suspension of the modest financial support the Peasant Leagues had been receiving from Cuba as of late 1961. Castro had been reluctant, even then, to contribute to the Leagues because he had doubts about their revolutionary potential. Now he was certain.³⁴

The political offensive of 1962 can perhaps be better described as political scandal, a series of unrelated incidents which weakened the Leagues and substantiated the impression that they had created of weakness and disparity.

A second point that denigrates the allegation of widespread political violence in the Northeast between

1961 and 1964 is the degree to which such an allegation was in the interests of development projects in the region. The Alliance for Progress in the Northeast, for example, depended upon the hope that "success would demonstrate the effectiveness of the democratic model of government and diffuse the threat posed to the Alliance by the spreading, allegedly communist-inspired Peasant League in the Northeast."³⁵ The SUDENE likewise had an interest in mass popular reaction to the reputation of violence that the media could create for the Leagues. Roett notes that "Julião served Furtado's purposes in that the existence of the Peasant Leagues was another good reason for supporting the SUDENE."³⁶ Furtado was attempting to attract both ends of the political spectrum through his posture toward the Peasant Leagues, and this endeavor required an ongoing process of political juggling.

To denounce the leagues would merely earn the superintendency the opprobrium of the left, but to endorse them would mean the loss of support from the center and the more enlightened elements of the right. The best course for Furtado was one of using the leagues to pressure the right for further concessions. He could attempt to satisfy the left by saying that the aims and overall purpose of the SUDENE coincided with the leagues but that their methods were totally different and suited different approaches. Furtado made it clear, time and again, that he considered himself to be a member of the political left, working for a social transformation of Brazilian society not for a violent upheaval that would destroy as much as it might anticipate.³⁷

And even the violence implied by Furtado was probably far from revolutionary in the context of the Northeast. Roett

notes that the Leagues were "a natural outgrowth of the political culture, traditional and patriarchal, of the Northeast."³⁸ The absence of revolutionary strategy may have reflected the traditional models to which the Peasant Leagues closely adhered. Roett concludes that "there was nothing of the 'revolutionary peasant class consciousness' about the leagues...."³⁹

It was, instead, an almost classic case of populism penetrating into the peasantry for the first time. Julião attempted to replace the landlords in directing the peasants how to conduct themselves politically. He played the role of an intermediary between peasant and government, a broker who rarely attempted to truly organize or institutionalize the leagues.⁴⁰

A third point underscores the extent to which much of the political violence that occurred in Northeast Brazil between 1961 and 1964 took the form of suppression of political activities. In a patriarchal society, the oligarchy has often engaged in armed reaction to what it conceived as political threats, and organization of the Peasant Leagues meant that landowners would again find recourse to violence.

What contributed to [the] "reign of terror" in the early years of the Peasant League movement was the attitude of the Governor of Pernambuco, General Cordeiro de Farias. His enemies liked to point out how badly misnamed he was, since cordeiro in Portuguese means "lamb". He took an inflexible position in favor of law and order as it traditionally existed in the countryside. His state police supported the status quo to the hilt and did their best to crush any peasant resistance to the exercise of prerogatives by the landowners.⁴¹

While complete statistics have never been tabulated, there

are numerous accounts of League meetings which were terminated by the gunfire of hired hands. Incidents of peasant initiated violence also have been documented, although they tended to occur only in extreme cases of deprivation. Page comments on this type of violence.

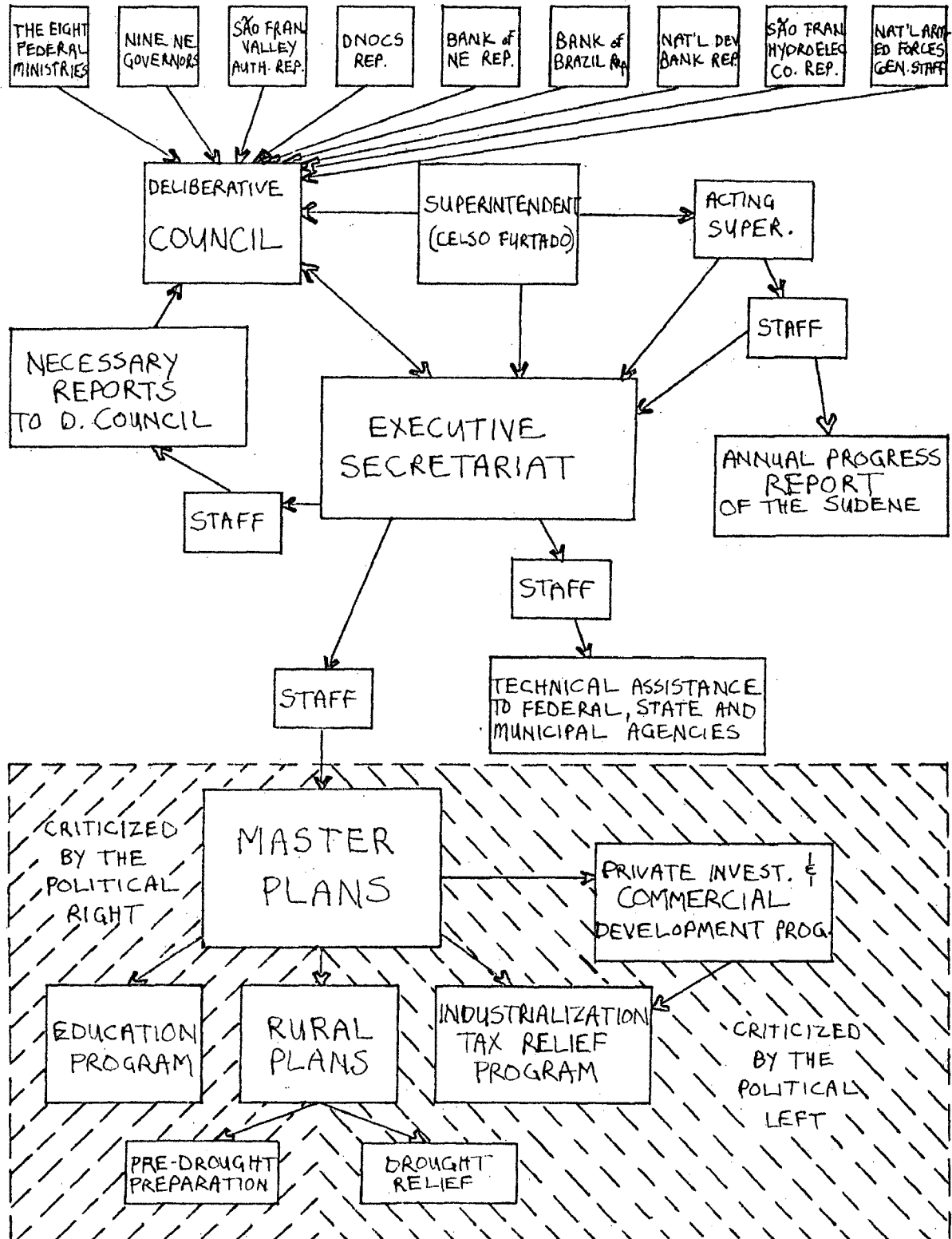
...if these conditions spawned ferment in the Northeast, they also placed certain limitations upon those seeking change. Starving, disease-ridden peasants do not make the best soldiers in the army of national liberation.⁴²

While this statement need not be considered a universal verity, it can nevertheless receive a modicum of support with regards to the case of Northeast Brazil. The peasants of the Northeast were traditionally dominated and extremely poor; in the absence of theoretical direction, they would be unlikely to relate violence to political change.

Creation of the SUDENE and Its Basic Sources of Strength

The Basic Plan. 1960 was seen by many as a year of great importance for the people of Northeast Brazil. The suffering and privation resulting from the severe drought of 1959 had stimulated renewed national recognition of the problems of the region, and had resulted in the establishment of a program, directly subordinated to the President of Brazil, that was charged with the responsibility of political and economic change in the Northeast. Its goal was

THE STRUCTURE OF THE SUDENE



to create an infrastructure capable of overcoming the numerous political and economic problems indigenous to the region. The SUDENE immediately became the shibboleth of hope for numerous and by and large conflicting interests. It represented at its core, however, only those interests of the poor, as the conservative oligarchy would soon discover.

The SUDENE was an attempt by the development-minded Juscelino Kubitschek administration to create a new organization with the ability to confront and resolve the pressing social and economic problems of the Northeast and, at the same time, isolate and neutralize the traditional oligarchy of interests that opposed modernization.⁴³

Nevertheless, aside from this small, although cohesive, group of major landholders, the SUDENE would eventually claim to support the interests of virtually all of the interests of the region.

The responsibility for the original form and emphasis of the program rested almost entirely with Celso Furtado, a Sorbonne-trained economist from the Northeast who submitted the official government report on the effects of the severe drought of 1959. Subsequently named to direct the agency, Furtado was entrusted with reconstructing the Northeastern economy by three successive Brazilian presidents. A discussion of the SUDENE inevitably includes the career of Celso Furtado because of his prominent position with regards to the agency, and also the tendency within Latin America for bureaucracies to depend

heavily upon isolated leadership positions, a condition that is generally referred to as personalismo.

Furtado chose to emphasize three major points in his overall plan for the SUDENE, and the scope of each of them was sufficient in itself to comprise the makings of a comprehensive development program. Stefan Robock, in his report to the Brookings Institution in 1963 noted that:

Furtado's plan for action "is built around three basic policies." (1)Intensification of industrial investments: to increase regional employment opportunities, reduce the adverse flow of private capital out of the Northeast, and make the region less vulnerable to the drought. (2)Reorganization of agriculture: detailed plans which are to be developed should emphasize greater food production in the humid areas--to stabilize food supplies in drought periods--and a transformation of the semi-arid zones to increase productivity and drought resistance. (3)Relocation of population surpluses: the Northeast should be redefined to include the state of Maranhao to the north which, possessed of moist soils, could absorb population surpluses created by a reorganization of the semiarid agricultural economy.⁴⁴

Although agricultural reorganization and population relocation played minor roles in the following SUDENE programs, intensification of industrial development remained the central focus of the SUDENE even after the military coup of 1964.

In pursuing the industrialization of the Northeast as a primary goal, Furtado emphasized the humanistic aspect of the program--the creation of a broad spectrum of jobs and the close interrelation of the prospective

industries with the local economy.

A key part of Furtado's Master Plan for the Northeast sought to industrialize the region in an attempt to utilize the manpower which was a by-product of over-population and unemployment. If jobs could be created, then employees with newly-created purchasing power would demand goods and services which would in turn create additional jobs. Under the law a corporation could invest in the Northeast a certain percentage of its tax liability to the federal government.....

.....
 But SUDENE would retain the authority to approve or disapprove of specific investment projects before this tax exemption would work.⁴⁵

Furtado had indicted the single-crop system, commonly practiced in Northeast Brazil, in his work Formação Económica do Brasil, published in 1959, and argued the merits, and some of the liabilities, of such a plan of industrialization.⁴⁶ It was clear from the beginning that this first point was the priority goal of the SUDENE.

Generalized plans for regional industrialization have tended to acquire political currency very rapidly in Latin America, and Furtado was aware of both his assets and liabilities from following such a course. He emphasized repeatedly the technical focus of his agency, and although this ultimately earned the enmity of both the right and left-wing political activists in the region, its initial success was of great value, as Roett observes.

One of the strongest weapons possessed by the SUDENE was its nonpolitical or technical approach to planning; it was a regional approach that not only avoided local and state antagonisms but argued for more rational use of federal funds. The other federal agencies had to be disciplined not because they were political and often aligned with opposition groups but because a systematic

coordination of national efforts required their subordination to a central agency: the SUDENE.⁴⁷

Nevertheless, Roett emphasized that "the new superintendent was in a dangerous position."

The clamor for economic change required social and political development at the same time. His task was to plan the new modes of political behavior to provide permanent support for the economic program. Broad change, not just technical, narrow plans, was at the center of the SUDENE role in the region.⁴⁸

The ways in which the SUDENE was empowered officially to effect change in the political milieu of the Northeast were necessarily abstract. The SUDENE itself was a product of the Brazilian political system, and thus was subject to its vagaries and weaknesses. Paramount among these was the tendency in Brazilian politics to write laws in such a way as to maximize political promise while minimizing the specific provisions of change. A brief description of the official functions of the SUDENE serves to illustrate this point.

In order to carry out its purposes, the SUDENE was empowered to: examine and submit to the president suggestions related to the development problems; control, without detriment to the responsibilities granted to other agencies, the balances from budget grants, special credits, and other additional credits, fundings, and special bank accounts of the executors of projects included in the Master Plan; supervise the use of financial resources specifically destined for the development of the Northeast; suggest...the necessary legislative steps for the establishment, adaptation, changing or closing of agencies, taking into consideration their efficiency or capacity, fitness to fulfill their objectives, and, especially, the part assigned to them for the execution of the Master Plan; and perform all duties pursuant to its ends.⁴⁹

The allusions to the principal advisory role of the SUDENE were expressive of how the Brazilian Congress perceived of the new agency's purpose. Nevertheless, the SUDENE had been given as much political power as any new agency within the bureaucracy might expect: the ability, given the adroit and careful use of its advisory capacity, to achieve at least a minimum of its required output--moderate political and economic change in the Northeast. Furtado realized immediately that while his emphasis on technological functions might avoid some of the more familiar manifestations of Brazilian politics, his position as director of a new agency required that he rapidly adapt to the political conventions. The structure of the SUDENE's Deliberative Council underscored the degree to which Furtado's time and energies would be required by political campaigning.

The Deliberative Council was the policy-making body of the new agency. The council originally consisted of twenty-five members: one representative each of the nine state governments in the Northeast; the superintendent of the SUDENE; the director general of the DNOCS; the superintendent of the São Francisco Valley Commission; a representative of the general staff of the armed forces; and one representative each of the eight federal ministries, the Bank of the Northeast, the National Bank for Economic Development, the Bank of Brazil, and the São Francisco Hydroelectric Company.⁵⁰

In terms of the American regional development programs, such as the Tennessee Valley Authority, this composition was fairly typical. However, it was an innovative politi-

cal formula in the experience of Northeast Brazilian administration, and one that helped to a great extent to bridge the hiatus between technical and political activities. The ambitions of individuals and rival institutions were defused by the provision of voting rights in the Deliberative Council, and the regular absences of the agency representatives and bank representatives meant in effect that a greater share of the power in the decision-making process was given to the governors of the Northeast. Furthermore, these members of the Council "could and did claim to be the legitimate voice of the region in that they were the only elected members of the group."⁵¹

Political issues could theoretically be handled in a more democratic and, in view of the political expertise of the elected officials, more politically sophisticated manner.

The Deliberative Council, in effect consolidated and simplified by the tendency of certain voting delegates not to attend meetings, became vulnerable the control of Furtado through the SUDENE's executive secretariat.⁵² The secretariat controlled the technical apparatus of the SUDENE as well as establishing many operational priorities.

The power to draw up the Master Plan rested with the secretariat, as did the following: to co-ordinate and supervise the execution of programs and projects in the Master Plan; to draw up the annual progress report of the agency; to provide technical assistance to federal, state, and municipal agencies; to maintain contact with the federal agencies subordinate to the Master Plan in order to co-ordinate their activities and facilitate maximum efficiency in their conduct;

and to assist the council by supplying it with the information, studies and projections necessary to the performance of its duties.⁵³

By 1961, governors of the Northeastern states were themselves products of fierce political struggle, and many of them were awed and attracted by the calm and efficient machinery of the SUDENE organization; they rapidly tended to become proponents of Furtado's administration.

Planning was the central focus of the SUDENE, and the Master Plans were in many respects nuclei of the organization. Each Master Plan was designed with a primary political purpose. In Roett's words, it was charged with guaranteeing "the maintenance of the coalition that had endorsed the organization of the agency and the passage in Congress of the first plan."⁵⁴ It was the Master Plan which could provide any political opposition with the specific material necessary to indict the SUDENE, for "the precise direction of the agency and the specific projects of the plan were debatable and could arouse antagonism and division."⁵⁵ Furtado was aware of this condition, and was able to a great extent to utilize the plans to circumvent political opposition.

The superintendency's strategy of supporting basic industry and infrastructure (nonantagonistic projects) focused on areas that the traditional groups could little afford to oppose; the projects were of a similar nature to those supported by the federal government. The prime source of political support of the landed groups remained the federal government. But on the issue of opposing the SUDENE the usual meeting of interests did not take place. The traditional political

elites in the Northeast found few collaborators within the federal regime save in the federal agencies operating in the region, and these entities were to be disciplined and directed by the SUDENE within its Master Plan.⁵⁶

Nevertheless, it became incumbent upon Furtado to fully develop the tools of political persuasion within the legal strictures of his position. As Robock noted, Furtado undertook a task that would require constant vigilance.

Although President Jânio Quadros gave Celso Furtado cabinet member status, neither Quadros nor his successor, João Goulart, exerted strong political leadership to have Congress approve the Northeast plan. To win the political battle, Furtado and his dedicated associates developed five main sources of political strength: the state governors in the Northeast, federal legislators from the South, university student groups, Brazilian nationalists, and the United States foreign aid program.⁵⁷

Although the basic strengths of the SUDENE were dependent upon both its leadership and this strategic position, some of its fundamental weaknesses radiated from these same sources.

Inherent Weaknesses: Political Versatility v. Personalismo.

Dynamic leadership was crucial to the effective function of the new agency, based on its abstract structure and duties. Both the immediate and projected obstacles to even the most limited political and economic change in the Northeast Brazil were staggering. The requisites of maintaining the necessary political coalitions to support the SUDENE included sensitive political maneuvering. Furtado became preoccupied with both his complex and technical

plans for the development of the Northeast, and the equally complex task of retaining the political power necessary for the function of the agency. In this environment, it was inevitable that Furtado would become indispensable to the agency. His impressive professional and political credentials lent themselves to the Brazilian tendency for bureaucracies to become centered around specific personalities, a condition widely described as personalismo.

While constituting nothing out of the ordinary, personalismo based on Furtado deprived the SUDENE of an important base of strength: the anonymous institutional legitimacy characteristic of industrialized nations. Furthermore, his appointment by President Goulart to draft a five-year plan for the Brazilian economy in 1962, a time at which the SUDENE desperately needed to display political viability, was a disaster for the new institution.

When Furtado was away from the Northeast, his chief deputy became Acting Superintendent, yet lacked the power to make important decisions. Furtado could nullify anything the Acting Superintendent did during his absence. Often decisions that should have been made in the urgency of the moment had to be deferred.⁵⁸

A persistent and aggressive coalition of opposing interests had formed by 1962, and was able to make destructive inroads into the function of the SUDENE. A key constituent of this coalition, it would later be seen, was the U.S. Alliance for Progress.

Personalismo within the SUDENE further damaged the

prospects for development in the Northeast in the long run. After the military coup of 1964, the new regime promised to fulfill many of the priorities of the SUDENE, and to maintain the agency in a similar form. The removal of Furtado from the superintendent's office proved to be more significant than the goals of the institution, however.

The shock caused by Furtado's dismissal, the subsequent psychological depression suffered by the agency and a cutback in funds as a result of the government's anti-inflationary policy came close to destroying the SUDENE. That it has managed to survive at all must count as a bright spot in the post-1964 period.⁵⁹

Industrialization, it will be recalled, was one of the SUDENE projects that required little agency financing.

A second critical shortcoming of development efforts through the SUDENE related to the scarcity of trained technicians in the Northeast. The SUDENE tended to consolidate technical expertise within an agency that acquired strong political opposition, and in some regards the whole development process became tied to the success of one institution. Robock explains:

The SUDENE choice may prove to be the best for the Brazilian environment, but it has resulted in large expenditures of scarce talent and energy on political battles. Also, the political fight created high expectations for rapid development and forced SUDENE to concentrate in its first year of operations on quick and dramatic actions, leaving many fundamental longer-range needs unmet.⁶⁰

This is not a new or unique problem in what has been called "modernization". David Apter has written that non-

industrial modernizing societies tend to have more chaotic and personalized social organizations, and that "politics becomes the mechanism of integration, and authority is the critical problem confronting leaders."⁶¹ Although Furtado acted dynamically to seize and reinforce the necessary authority, his position was dictated by the implicit contradictions of, and dichotomy between, political and developmental roles. Guy Hunter noted in Modernizing Peasant Societies that

The most difficult balance to strike is that between social and political aims on the one hand and economic ambitions and opportunities on the other.⁶²

A third important weakness regarding the SUDENE was one that was indigenous to the sistema of Brazilian bureaucracy. Peter Ranis observed that

The great numbers within Brazil's public bureaucracy function as a sophisticated, literate, politicized, and eloquent minority in a country where political apathy is not unknown. They know well what they want and are able to communicate these wants to the decision makers.⁶³

The articulation of independent political interests voiced by the funcionarios of the SUDENE and the DNOCS, its rival in the Northeast, seriously weakened the SUDENE. When the DNOCS entered into the opposing coalition of interests along with the U.S. Alliance for Progress, the development process ceased to follow any kind of plan.

Growth of the Coalition of Opposing Interests. Central to the ability of the SUDENE to operate effectively in the

Northeast was the degree to which it could amalgamate and direct the aggressive private interests of the region. The internal organization of the SUDENE was such that it concentrated this important and difficult task in the office of the superintendent. It became incumbent upon Furtado to overcome both the inherent structural deficiencies of the new agency, and simultaneously to direct natural political resistance away from it.

Despite [his] formidable assets, Celso Furtado soon discovered that he had to develop and utilize a keen sense of politics in order to survive. SUDENE had the authority to disperse most of the money allocated to the Northeast by the federal government. Yet in exercising this authority, Furtado had to walk a slack wire, swayed by the vagaries of national politics, the meteoric rise of Miguel Arraes, and the agitation of Julião and his Peasant Leagues in the countryside. At the same time the more boisterous of his enemies on the right kept insisting that he was an agent of the Communist Party, a small group of highly intelligent industrialists and landowners in the Northeast set out from the very beginning to chip away quietly, steadily, and insidiously at the foundations of his fledgling agency.⁶⁴

Many of the fundamental activities of the agency drastically increased political resistance to it. Furthermore, Furtado's defense of the agency placed him in a difficult position. As the driving force behind the organization, and the personalized director, he discovered that many of his arguments were suspect--his personal stakes in the SUDENE tended to cut into his effectiveness as its overseer. This was especially the case with regards to the SUDENE's role as manager and coordinator of entire region-

al development program, as Robock observed in 1963.

By demanding complete and direct authority over all aspects of the regional development and by establishing a regional plan which, despite a commitment in principle to decentralized planning, was imposed from the top down, the SUDENE movement was destined to evoke the maximum of political resistance.⁶⁵

Historical perspective confirms the inability of the SUDENE and Furtado to overcome this problem. The military regime that took control of government in 1964 supported some of the original plans of the SUDENE, such as the stimulation of industrialization in the Northeast, because of their practical bases. It was never able to support a fully integrated and coordinated development plan, however technically satisfying such an effort seemed to be. Furtado's focus on the technological bases of development had been effectively eclipsed by unified political resistance. Perhaps the clearest and most documented example of this involved the progressive alienation of the USAID (United States Agency for International Development) mission to Northeast Brazil by the SUDENE program.

Although the deterioration of relations between the two agencies will be dealt with in the following chapter, several factors of this breakdown should be mentioned at this juncture. First, the U.S. mission in Recife and the funcionários of the SUDENE maintained significantly different conceptions of their respective roles. While

the SUDENE "awaited the USAID's identification of those Master Plan projects that the United States was most interested in subsidizing,...the USAID awaited the SUDENE's initiative in drawing up a list of USAID projects to be accomodated by the Master Plan."⁶⁶

In retrospect, it was essential that any effective collaboration between the USAID and the SUDENE depend upon an immediate understanding of operational policy. The longer the two agencies entertained comforting misconceptions about their role, small differences were able to grow into formidable obstacles. By the end of 1962, a sufficient number of those differences had accumulated to seriously impede accomodation.⁶⁷

An unwillingness of rival institutions to accept the SUDENE's official role in the regional development process was certainly a contributing element to the subsequent dysfunction of the agency. However, perhaps an even more important factor was the SUDENE's inability to recognize the myopia of organizations such as the USAID. It is this shortcoming of the SUDENE, especially in view of the agency's intelligent and centralized leadership, that suggests the degree to which technological development plans distracted attention away from basic political considerations.

The Master Plans. Central to a basic understanding of the ways in which the development roles of the SUDENE were perceived by people and institutions in the Northeast were the periodic Master Plans, or planos diretores. These were statements of purpose and general goals in the devel-

opment effort, along with specific project proposals, and required periodic approval of the Brazilian Congress. Four Master Plans for the periods 1960-1962, 1963-1965, 1966-1968, and 1969-1973 have included a variety of proposals reflecting a basic change in viewpoint and modus operandi after 1964. The first Master Plan included:

1. A socioeconomic justification of the investment policies of the federal government in the North-east and the definition of multiannual objectives to be achieved in the basic sectors in which public investments are concentrated.
2. An analysis of private investment possibilities, indicating measures to encourage such investment and the areas of highest priority, in order to receive aid from the various financing banks.
3. Criteria for federal cooperation with the states and municipalities.⁶⁸

It was with regards to the battle for congressional approval of this plan that the political dimension of the SUDENE first became strikingly apparent. After prolonged debate, the Senate critically weakened the Master Plan with the use of amendments on November 28, 1961. The public outcry that followed had the effect of forcing a reconsideration and passage of the plan without amendments. The general strikes in Recife and nationwide public dissent had stopped what Roett describes as "the attempts of the oligarchies of the Northeast to render the new agency helpless."⁶⁹

Furthermore, the Master Plans demonstrated the seriousness with which Furtado intended to undertake the technical dimensions of development in the Northeast.

Robock was able to quantify the emphasis on technical development infrastructure in the first plan.

...the "creation of an economic infrastructure" through road building and electric power expansion, activities for which the Northeast has developed planning competence and specific plans, accounted for 70 percent of the total planned investment in the first plan and about 76 percent of the first congressional appropriation.⁷⁰

Robock further noted that social development, an area that would involve the greatest degree of political resistance, accounted for only 17 percent of planned investment, and educational programs for about 1.3 percent.⁷¹ A breakdown of projects within the first Master Plan reveals that "infrastructure, water and sewage projects and agriculture, including food distribution, accounted for 99 percent of total planned expenditures in the first plan."⁷²

The Master Plans may have been misleading, however, to the extent that they did not include the emphasis that Furtado and the organization of the SUDENE placed on the stimulation of industrial investment in the Northeast. Totally absent from the plans, for example, is mention of the tax incentive and loan programs. Robock explained why.

Commerce and industry in the Northeast is almost exclusively in the hands of private enterprise. Therefore, the SUDENE plan, essentially a synthesis of the major federal expenditures in the region, does not reflect fully, on the basis of the share of total expenditures, the industrialization activities of the SUDENE. The SUDENE law gave the agency authority to direct the

BNB and the National Development Bank to give priority in loans to approved industrial projects and to give the following special inducements to encourage industrial expansion in the region: (1) special foreign exchange allocations or concessions; (2) exemptions from import tariffs and taxes; (3) exemptions from certain domestic taxes.⁷³

Industrialization remained central to Furtado's conception of "modernization" in the region, and with regards to this vital issue, the Master Plans tended to detract from a primary goal by emphasizing the SUDENE's association with secondary goals.

In a larger sense, however, the Master Plans were important opportunities for the SUDENE to advertise its technical focus, and to build a consensus necessary for its effective function. The precise representation of the SUDENE plan was less important than the way in which the agency was generally perceived. Page observes that:

Celso Furtado's attempt to develop the Northeast through the mechanism of rational planning and implementation of an independent federal agency exercising wide powers failed because of the fatal interdependence of economic and political development. As he noted later, in a somewhat rueful understatement: "The struggle for power between the populist leaders and the traditional ruling class is the crux of a political conflict which tends to thwart every attempt at coherent planning by those who from time to time govern the country."⁷⁴

The Military Coup: 1964 and After. On April 2, 1964, the Armed Forces of Brazil formally assumed complete control of the nation's political institutions after having successfully concluded a "bloodless" coup against the admini-

stration of President João Goulart. The full implications of this power transition vis-à-vis the SUDENE soon became apparent. Furtado was immediately removed from his government positions and prohibited from public service for a period not less than ten years. He subsequently went into voluntary exile from Brazil. The position of superintendent of the SUDENE has been occupied by a succession of generals since 1964, as have many other of the leadership positions in Brazilian government. This does not represent a highly irregular set of circumstances in Brazil, however. One observer has noted that

the military has, except for a few unusual years, stood in the forefront of the Brazilian political process.⁷⁵

Nevertheless, that process has undergone significant re-direction since 1964, and with it the institutions of government.

The SUDENE was substantially changed after 1964. Although some energy was directed toward the original goal of industrialization in the Northeast, the fear of left-wing infiltration of the agency tended to stifle socially meaningful projects. Page offers an example.

Occasionally a glimmer of meaningful reform flickers, such as SUDENE's attempt in 1968 to include in its Fourth Master Plan a requirement that new industry adopt profit sharing plans for their workers and develop ways to involve their workers in the management of the enterprise. This was by no means a subversive plot. SUDENE was merely implementing changes that were specifically declared desirable by the new federal constitution promulgated by the military government

in 1967. But a howl of protest both in the Northeast and the center-south forced SUDENE to withdraw the proposal.⁷⁶

Much of the importance of the SUDENE as an instrument of political and socioeconomic change after 1964 can be discounted. Arraes has noted that the overwhelming majority of Brazilian industries are foreign owned. The SUDENE program, in this context, constituted government assistance to many foreign owned corporations. Arraes observes that "the entry of foreign capital has been of no advantage at all to the country since the sums leaving it always exceed what comes in."⁷⁷

Two rebuttals have been commonly employed by advocates of the military regime in Brazil to discount criticism of the SUDENE's descent toward inactivity after 1964. The first is based on the belief that the national economy had to achieve an exclusive status in development efforts before a major regional development plan would be feasible. Proponents of this perspective can point to a major upswing in the Brazilian economy after 1968--called an "economic miracle" by some--but they have little recourse to subsequent examples of development in the Northeast or rural sectors. The economic "boom" argument is, in fact, inconclusive. In the first place, the boom has not evinced a national progress, but rather, has been essentially regional in character.

The so-called boom has contributed significantly to

aggravating another disparity--that between regions within Brazil....between 1960 and 1970 there was a reversal of the trend of the preceding decade toward a greater share of the national income for the Northeast.⁷⁸

It remains to be seen, of course, if the resources necessary for the development of the Northeast have finally been accumulated and are merely awaiting application. However, there are further indications that this is not the case.

One of these indications is evident in the second rebuttal to the call for a "boom" period to precede regional development plans. That is that the Brazilian "miracle" has begun to seriously weaken, and the conditions in the Northeast may well be a contributing factor. M.S. Marzouk noted in Orbis, Spring 1974 that

Brazil's impressive growth does conceal a basic structural weakness--the inequality of income distribution. The structure of production is a dual one wherein modern techniques coexist with traditional methods. Since industrialization has been accomplished by the adoption of modern techniques, the incomes of those connected with the modern sector have increased while the traditional sector's income has not kept pace and may even have decreased in per capita terms.⁷⁹

In that the Northeast tends to be almost uniformly traditional in its productive output, regional disparities also appear to be part of Marzouk's analysis.

A second defense to criticism of the post-1964 SUDENE program has taken the form of a denigration of the original goals of the program, based on the assumption that they are suspect in their political content.

The implications of this argument are that a new and politically untarnished regional development program, one that is based on acceptable goals and policy, might succeed where a refurbished SUDENE program would not. However, regional plans constructed along these lines and executed after 1964 have been singularly unsuccessful in redressing the inequities of either the Northeast region vis-a-vis the South, or the rural sector in a national context. The GERAN program is an example of this.

Following the recommendations of a USAID study undertaken by the Hawaiian Agronomics International Company, the military regime announced, with appropriate fanfare, the birth of GERAN, or the Special Group for the Rationalization of the Northeastern Sugar Industry. GERAN's goals were to bring about both the modernization of the sugar zone and a genuine land reform. The idea was to stimulate the adoption of new machinery and methods which would enable mill owners to produce as much sugar as they were then producing, but on half as much land. The remaining land would then be available for crop diversification and distribution to the peasants.

The creation of a new federal agency to deal with the Northeast's most pressing problem indicated in no uncertain terms SUDENE's loss of power, prestige and importance.⁸⁰

Nevertheless, the GERAN completely ignored the factors that have motivated the sugar producers for decades to remain inefficient and to keep a large contingent of subsistence-level workers. The GERAN has met with predictable results. The president of the program "spent most of his time dealing with mill modernization and little time on land reform and social change."⁸¹ Moreover, the pressures of regional politics were again evident in

the progressive dysfunction of the program.

GERAN was announced in 1966. In early 1967 it was in its organizational phase. Officials were expressing the hope that it would begin to show results in five years. That August the agency suffered an administrative shake-up, which continued for two years. In May, 1969, the government appointed an army colonel as chief administrator of GERAN. His claim to fame was that he had been in charge of security in Recife during the repressive period immediately after the coup. In June, 1969, GERAN was still in the organizational phase. By early 1971, only one Pernambucan sugar mill had had its modernization plans approved by GERAN, but no action had been taken. At the same time, GERA (Executive Group for Agrarian Reform) had been created.⁸²

Regional and supraregional planning continues, although indications are that traditional power structures, including the military, provide virtually all of the direction to current programs. National integration in development planning has been rendered an impossible and illegal task, despite the steadily growing inequity between urban and rural sectors.

The military coup of 1964 has at least solved the authority crisis that beset the SUDENE, although it has done so in what might be described as an arbitrary and counter-developmental manner. In that one source of Furtado's political resistance in the Northeast emanated from a new entrepreneurial class, it might be said that part of that resistance to planned development has been hobbled.

One of the most important examples of limitation of pluralism under the regime is the relationship of industrial and commercial groups to the government. As analyzed by successful private sector figures who had

occupied high bureaucratic offices during the Castelo Branco regime, the entrepreneurial class is subject to intimidation if not control by the government, particularly through control of credit and selective enforcement of regulations.⁸³

The political change that effected a new perspective with regards to development in the Northeast Brazil during the 1950s and 1960s has been described widely as populism. Moderate alterations in the power structures of the region allowed for the entry of certain groups of people, most notably the landless peasants, into minor consideration by the new politicians. Some of the new governors, such as Miguel Arraes of Pernambuco, proceeded with plans to initiate widespread reforms in the political system. But the essential problem with populism in the Northeast was that it failed to establish either a theoretical framework, or an organizational infrastructure, through which political development could be rationalized and preserved. It was, instead, patterned along the lines of political pragmatism, a perspective familiar to Brazilians, and one which has "often...saved the nation from bloody revolutions, political violence, and military fratricide."⁸⁴

The spontaneous character of populism made the SUDENE's task of integration of regional political interests relatively impossible. Rich landowners refused to bargain with "castroite" peasants, and the two positions progressively polarized, inevitably preventing the SUDENE

from initiating its rural programs. The military coup has allowed the traditional landowning elite of the Northeast to undermine substantive plans for political and socio-economic change in the rural sector. Plans for region-wide political and socio-economic development have likewise been overcome by conflicting interests. At this juncture, the only solution for the problems of poverty and privation in the region appears to be the official recognition and rejection of the widespread condition of human poverty in Brazil's rural interior.

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- ⁵ Guy Hunter, Modernizing Peasant Societies (New York and London: Oxford University Press, 1969), p. 82.
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- ¹⁸ Page, p. 22.

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²⁴Op. cit., p. 150

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CHAPTER III

THE SUDENE AND THE ASSAULT OF UNITED STATES FOREIGN ASSISTANCE--1961-1964

An Introduction to the Conflict and Outcome

The Problems Involved. This chapter will concentrate on those elements of the development process in Northeast Brazil between 1961 and early 1964 that relate to the influence of the American foreign aid program in that region. The interaction between the SUDENE and the Alliance for Progress program, represented principally in the Northeast by the USAID mission, underscored the systematic properties of the two agencies for three reasons: first, the great disparity between the two conceptions of the role of the bureaucracy in Brazilian and American cultures. Basic differences in the modi operandi of the SUDENE and the USAID require a broad-based analysis which emphasizes the relation of functions to the overriding goals of the institution itself, and this strongly suggests a systems approach. Second, in that the goals of the two institutions were significantly disparate, it becomes difficult at certain junctures to relate specific decisions. Again, a systems approach is able to emphasize both discrete and

long-range objectives in a sociological and political context. Finally, a systems approach can afford another perspective with which to examine the SUDENE in detail. It should be emphasized that such an approach becomes sterile when it is abstracted from the political and economic setting of its object, and in this regard a strict adherence to systems analysis will not be pursued.

It was apparent to many observers of the U.S. development effort after 1961 that, as it was then constituted, it was incapable of addressing itself to the exigencies of positive change in the Northeast. The first and primary reason for this can be traced to the cultural inability of American institutions, and specifically of foreign assistance agencies, to work constructively with Brazilian institutions. Two factors have contributed to this inability: first, since the values and goals of American institutions differ significantly from their Brazilian counterparts, a state of competition based upon relative differences often emerges during institutional interaction. Second, political conditions in the world in general, and in Latin America in particular, are such that United States foreign policy institutions have been reluctant to tolerate social and political upheaval that typically accompanies the "modernization" process. Questions of security inevitably take precedence over the practical requirements of political development when this

process challenges U.S. foreign policy goals.

The inability of U.S. foreign assistance programs to deal effectively with the problems of development in Northeast Brazil relates to a larger question: can a regional approach to political and socioeconomic development in Northeast Brazil recognize and deal with the resistance to change evinced by regional political interests? It is the contention of this thesis that it cannot, and this is substantiated in two ways. First, a large number of regional and supraregional planning and development agencies have been established in the Northeast since 1964. Neither these agencies nor the decimated SUDENE organization have been able to address the problems of poverty and privation, especially prevalent in the Northeastern rural sector and metropolitan shanty towns. Second, the USAID mission, which relied heavily on regional planning, ultimately failed to make an impact on the major problems of the region before its dissolution. The failure of regional planning in the Northeast has become, in the view of this observer, a well-demonstrated thesis.

Lincoln Gordon, U.S. Ambassador to Brazil during the early 1960s and writer in the field of Latin American political development, became officially responsible for the Alliance for Progress program in Brazil during his tenure as ambassador. He underscored the importance of the program to the United States when he noted that "the

Brazilian Northeast is recognized by all concerned as one of the greatest challenges in Latin America to the declarations of policy set forth in the Charter of Punta del Este."¹ The Charter established the Alliance for Progress, and enumerated the points and conditions with which the Latin American nations would be willing to cooperate with the new United States development projects. In many respects, it was the region of Northeast Brazil that prompted consideration by the new Kennedy administration of the Alliance program.

The structure of the Alliance for Progress effort in Northeast Brazil was not static. However, the bulk of the program was handled by the USAID mission to Recife, although this was technically subordinate to the U.S. consulate in Recife. In fact, a major rift had widened between the two agencies, principally because "the assistance agency insisted that the consulate was unaware of the practical demands and problems facing the mission."² The staff of the consulate, on the other hand, defensively guarded its political priorities.

The consulate staff felt that USAID preoccupations with forcing through its immediate impact program was deleterious in the long-run to the regional position of the United States. The deterioration of relations between the SUDENE and USAID was becoming alarming.³

The officials of the consulate had perceptively noted that the USAID mission was effecting a two-year program that

closely corresponded to the SUDENE's "First Master Plan", thus establishing the probability of inter-agency competition. It was a condition that, in the eyes of the consulate officials, would heighten the need for inter-agency cooperation.

Four central points emerge regarding the structures of the SUDENE and the USAID mission to the Northeast, and their interaction. First, the SUDENE was generally acknowledged by the Brazilian and American governments to be the primary agency responsible for political and socioeconomic development in the region between 1961 and 1964. Second, the existence of the SUDENE during those years was of great psychological importance to many of the people of the region. Third, the U.S. foreign assistance activity in the Northeast during this period was similar in many respects to other development efforts in the region. Fourth, the need for cooperation between the SUDENE and the USAID mission, although recognized by both agencies as crucial to the development process, came to be ignored by both parties. A brief explanation of these points will help to illustrate the problem in a clearer perspective.

Although the SUDENE was not the only Brazilian agency actively engaged in development efforts in the Northeast in 1961, it was established expressly to coordinate and direct the overall development process in

the Northeast. The DNOCS, for example, had been in operation in relatively the same form for eighty-some years,⁴ and although it purported to conduct a general program for the alleviation of poverty and privation in the Northeast, conditions had progressively worsened. The emphasis of the DNOCS on the "hydraulic approach", the building of dams, wells, and reservoir irrigation systems, inadequately emphasized "physical facilities as a defense against an act of nature."⁵ The SUDENE was virtually the only program in the region which both recognized the social and political dimensions of the problems of poverty and privation, and was empowered to coordinate and direct other programs in an overall development process.

The SUDENE was widely perceived to be a crucial step toward development of the region. Major popular demonstrations supported the strengthening of the First Master Plan, and national political coalitions supported its program. Part of this public support was based on the conception that the SUDENE would become a crucial instrument in transforming the stereotype of bureaucracy in the region. Nevertheless, from its inception, the SUDENE itself conformed to some of the basic elements of the stereotype of Northeastern and Latin American Bureaucracies. From the first, young and inexperienced personnel were appointed to key positions; a pronounced

esprit de corps soon emerged within the SUDENE funcionários. Furthermore, a nexus of undefined and vague institutional goals quickly engulfed the decision-making process. Arpad von Lazar notes some other general weaknesses typical of Latin American bureaucracies, and to which the SUDENE eventually found itself subject.

The nature of Latin American bureaucracy makes the prescriptions of efficiency and performance into a difficult proposition. There is little respect for lower-level government officials; pay scales are low and many civil servants hold second jobs; recruitment is usually based on political connections and many bureaucracies are top-heavy and inflated with unnecessary personnel. To complicate matters, there is a general shortage of trained officials.⁶

Although the SUDENE did not immediately evince these structural problems, except perhaps for the shortage of trained officials, it inevitably acquired many of them. Furthermore, the extent to which the SUDENE was compelled from the very beginning to proceed slowly and cautiously in the articulation and pursuit of specific goals resulted in an increasing decline in public expectations and support.

The U.S. development program in the Northeast was representative to some degree of the development programs in the region in two respects: first, it was relatively broad in spectrum, and thereby tended to include all of the basic development program types; second, it emphasized the areas of public administration and private investment, and therefore met the criteria required

by the Brazilian government for regional development programs. Lincoln Gordon, an important proponent of the program, outlined its eight essential premises.

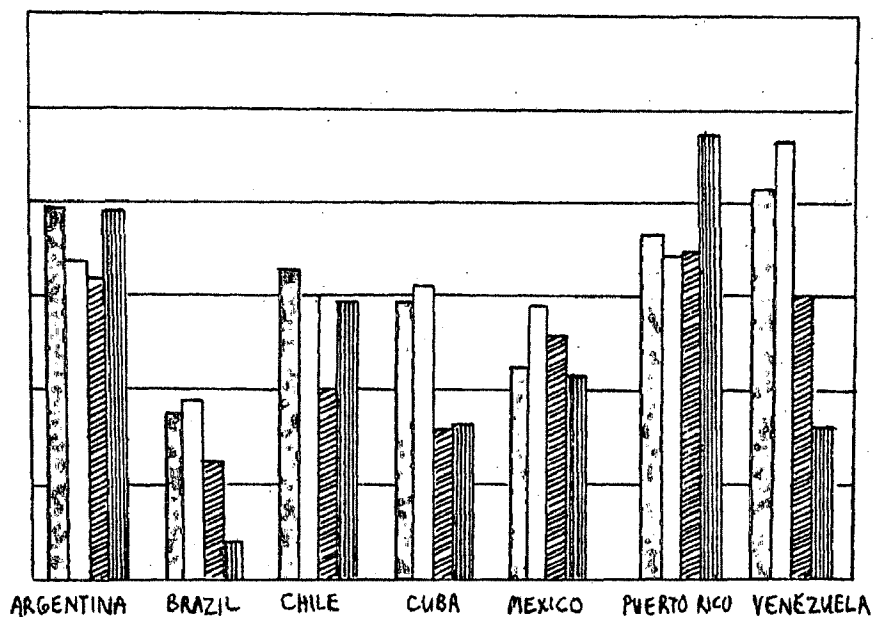
(1) establishment of mutually consistent targets in the main economic and social sectors; (2) assignment of priorities and estimation of costs and benefits of specific major projects; (3) measures to direct the public sector and to encourage private action in support of the program; (4) cost estimates for the program in domestic currency and foreign exchange; (5) a calculation of internal resources available for development; (6) analysis of the balance of payments and of the necessary external financing; (7) the basic fiscal and monetary policies required to fulfill the program within a framework of price stability; and (8) the machinery of public administration, including measures for the cooperation of private organizations, to make the program effective.⁷

Although these points applied to the entire hemispheric Alliance for Progress program, they were very much in evidence in the Northeast. Moreover, latent within these goals was the assumption that the Alliance machinery, represented in the Northeast mainly by the USAID mission, would direct all of the regional development efforts, and serve as a spokesman for all foreign assistance projects. Independent foreign assistance programs in 1961 included technical and scholarship missions from and to France, technical assistance programs in irrigation, textiles, and well-digging from Israel, Japan, and Hungary, and loans to the oil development agency (PETROBRÁS) from Italy.⁸ All of these programs lent themselves to the sort of general management and coordination that had been advocated by both the SUDENE and the Alliance for Progress.

Given the character of the broad-based programs of political and socioeconomic development planned by both the SUDENE and the USAID mission to the Northeast, cooperation between the two became a foregone conclusion. When, in fact, it became apparent that the two institutions were incapable, for a variety of reasons, of the intensive coordination and cooperation that regional problems required, it was the SUDENE which immediately suffered an impairment in its vital functions. The reason for this is based on the relative institutional structures and goals, and the degree to which regional cooperation constituted the vital constituent in the SUDENE's capabilities.

A Systems Analysis of the Problem. An analysis of the ways in which the USAID mission to Northeast Brazil hindered the function of the principal indigenous development agency in that region, the SUDENE, stresses the kinds of arguments that the American development officials might be willing to concede. It is, in fact, important to do this for several reasons. In the first place, the problems of the region are so complex and intense that they provide an "easy" and convenient rationale for the failure of the American program to effect significant change in the region. Second, the extreme polarization of Latin American politics often obscures the understanding of events and consequent results. By adopting

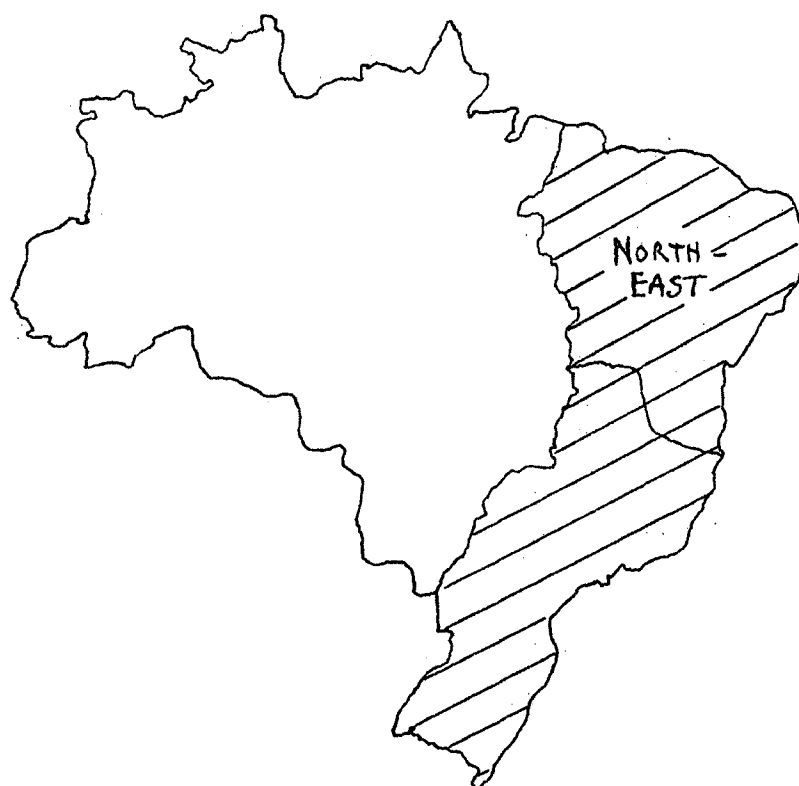
SELECTED COUNTRIES AND TERRITORIES
OF LATIN AMERICA*



- Per capita national income
- Per capita electrical consumption
- ▨ Infant mortality rate
- ▤ Children in school

*Jose Honorio Rodrigues, The Brazilians, trans. by Ralph E. Dimmick (Austin and London: University of Texas Press, 1969), p. 155.

BRAZIL*



□ 2/3 of the territory and 1/14 of the population

▨ 1/3 of the territory and 13/14 of the population

*Jose Honorio Rodrigues, The Brazilians, trans. by Ralph E. Dimmick (Austin and London: University of Texas Press, 1969), p. 148.

the perspective of systems analysis, this writer hopes to present, in a form that would be acceptable to the key protagonists in the U.S. foreign assistance program in Northeast Brazil between 1961 and 1964, a cogent explanation of their failure to fulfill program goals.

Apter, in The Politics of Modernization, suggests an approach to the resolution of the problems of political development in terms that suggest the case of Northeast Brazil. He relates political factors to an economic process which he defines as the transition from modernization to industrialization.

Countries approaching the point of change from modernization to industrialization include Argentina, Chile, Brazil, and Venezuela. Paradoxically, as the transition occurs, political factors become more rather than less pronounced. Governments are less stable and quite often more autocratic. Choices are uncertain, and the uncertainty leads to non-rational acts of decision-making.⁹

Moreover, a significant increase in the degree of autocracy in Brazilian government since the 1940s suggests the growing presence of what Apter refers to as the "modernizing elite". He postulates three basic functions for this elite: first, the goal specification function, by which is meant "the organization of resources around a defined set of objects;" second, the institutional coherence function, which means "the linkage of diverse roles into a community;" and third, the central control function, which "involves the mechanism of coercion in a society."¹⁰ The

second function, institutional coherence, strongly suggests the role that the SUDENE tried to fill between 1961 and 1964; similarly, it was this role that the USAID mission to the Northeast adopted, to the detriment of the SUDENE.

Samuel P. Huntington approximates Apter's definition of the institutional coherence function when he notes that "the degree of community in a complex society thus, in a rough sense, depends upon the strength and scope of its political institutions."¹¹ Huntington explains institutionalization in the following terms.

Institutionalization is the process by which organizations and procedures acquire value and stability. The level of institutionalization of any political system can be defined by the adaptability, complexity, autonomy, and coherence of its organizations and procedures. So also, the level of institutionalization of any particular organization or procedure can be measured by its adaptability, complexity, autonomy and coherence. If these criteria can be identified and measured, political systems can be compared in terms of their levels of institutionalization.¹²

This four-point analysis is useful in analyzing the degree to which Brazilian institutions can be said to have developed politically. Huntington emphasizes the way in which autonomy and coherence are interdependent by stressing that "autonomy becomes a means to coherence, enabling the organization to develop an esprit and style that become distinctive marks of its behavior." He notes that autonomy lessens the vulnerability of institutions to ex-

ternal forces, but cannot ultimately protect them against internal changes. "Rapid or substantial expansions in the membership of an organization or in the participants in a system tend to weaken coherence."¹³ Autonomy becomes insufficient as a guarantee of coherence of an institution when internal stresses become manifest.

As Apter has observed, Brazil is an instance of a nation undergoing the transformation from "modernizing" to industrializing society. In 1961, when both the Alliance for Progress and the SUDENE were initiated, Brazil had already established certain patterns in its development process which deeply affected the Northeast. One of these patterns was that of regional inequities. The South continued to rapidly outpace the rest of the nation in economic development and technological advancement.¹⁴ This had the effect of weakening the coherence of institutions in the Northeast in that they depended on an external coalition with interests in the South for their autonomy. Other elements have likewise tended to rigidify and weaken the coherence of Brazilian institutions.

New groups have been brought into the political arena diversifying and expanding the electorate. Urban industrial, commercial, and financial elements have largely won national political control from the conservative landowners (who, however, still dominate the internal politics of many states, particularly in the North and the interior). A rapidly growing urban middle class is gaining in strength through its capacity for political leadership, its importance in the burgeoning bureaucracy, and its dominant position in the communications media.¹⁵

One of the groups that brings into focus Apter's reference to the institutional coherence function is the bureaucracy. The Brazilian bureaucracy inevitably becomes responsible for engineering the practical details of development programs such as the SUDENE. The Brazilian bureaucracy, like other Latin American bureaucracies, tends also to articulate the goals and self-interests of its members, and this can cloud and diminish the accomplishments of institutions. At times, members of the bureaucracy act as highly potent political groups.

The great numbers within Brazil's public bureaucracy function as a sophisticated, literate, politicized, and eloquent minority in a country where political apathy is not unknown. They know well what they want and are able to communicate these wants to the decision makers.¹⁶

Other general tendencies that impaired the coherence of Brazilian institutions during this period existed. Popular participation in the political system was rapidly expanding by 1961, and according to Ronald Schneider, "new groups have been brought into the political arena, diversifying and expanding the electorate."¹⁷ These groups included the urban industrial, commercial, and financial interests,¹⁸ and provided what Huntington has labelled the "rapid or substantial expansion" in the membership of various critical institutions. Following his analysis, this condition can be said to have made it imperative that factors relating to institutional vulnerability be con-

sidered as an integral part of development programs.

Institutional vulnerability can be described as one way in which institutions become deficient in their ability to achieve goals, or to function. Both Huntington and Apter have stressed the need for modernizing authoritarian structures, but they also insist on the need for simultaneous political development, especially with regards to the growth of effective institutions. Apter explains this position:

Indeed, modernization emphasizes certain types of authority. The particular combinations of right that, embodied in authority, we call legitimacy are quite often determined by the goals of the polity. Failure to achieve such goals is thus prejudicial to authority. This means that in many modernizing societies the polity can only be secured by its successes. The efficiency of a regime determines the quality of its authority.¹⁹

While it is not difficult to disagree with this equation of efficiency and "quality" authority, the basic point remains. Modernizing institutions are undermined if their principal goals are corrupted or destroyed because, to paraphrase Apter's remarks, authority depends to a great degree on its ability to effect successes in the struggle for development. Moreover, Huntington observes that institutions which have become vulnerable to the sorts of internal changes mentioned earlier, pressures which the Brazilian institutions were especially subject to by 1961, are excessively vulnerable to "outside" pressures. In this light, programs like the Alliance

for Progress can exercise considerable influence on indigenous institutions.

Huntington also underscores the need in modernizing institutions for "unity, esprit, morale, and discipline...in governments as well as in regiments." Noting that there is a need for political development concurrent with social and economic development, he adds that "the problems of creating coherent political organizations are more difficult but not fundamentally different from those involved in the creation of coherent military organizations."²¹ Although Huntington's emphasis on military efficiency in the development process is undesirable in terms of long-range political development, and his model of "praetorian democracy" and "praetorian modernizing regimes" is probably counterproductive--again, in the long-run--his point does have some merit in the context of the breakdown of efficiency of the SUDENE after 1961. The Brazilian government, while not entirely lacking in the expertise that Huntington deems so necessary in institution-building, was victimized in the Northeast by foreign intervention in the functions of a basic development agency, the SUDENE.

In its effort to achieve sincere but inappropriate foreign policy objectives, the United States intervened in the internal politics of the Northeast at a critical juncture: as the battle between the traditional elites and the reformers commenced. Burdened with the political necessity of demonstrating its

competence within the Alliance for Progress framework, the USAID mission perceived a conflict between its needs and the goals of the regional reform movement. Capitalizing on the natural dissatisfaction of some elements of that movement, the United States undercut the SUDENE.²²

Roett has concluded that the USAID, in developing its own program, "could only reconcile its objectives with regional development by condemning Furtado and the superintendency as divisive and, ultimately, as cohorts of the radical nationalism that permeated and, ultimately, destroyed the constitutional system."²³ Under the aegis of an "alliance" the USAID mission to the Northeast seriously weakened the only agency in the Northeast capable of coordinating the regional development process, and at a time when that agency was especially vulnerable to outside influence.

Huntington continually emphasizes the importance of organizational adaptability. His point is that organizations like the SUDENE are created to perform types of activities which can be described as related functions, or even a single function. "When that function is no longer needed, the organization faces a major crisis: it either finds a new function or reconciles itself to a lingering death."²⁴ The machinery of the SUDENE, in other words, could not be expected to remain intact for very long after its primary function, coordination of the development of the Northeast, had been usurped.

Another of Huntington's points that relates closely to the situation of the SUDENE between 1961 and 1964 concerns development levels. He notes that higher levels of institutionalization result in the greater ability of institutions to adapt to change.²⁵ The SUDENE organization was an attempt at creating a high level institution in a region where the resources, expertise and culture were insufficient. Although it has been described as a "radical innovation", and "administratively autonomous",²⁶ it could be relatively easily outmaneuvered by the USAID mission. The latter organization was capable of constantly adapting to new conditions, whereas the SUDENE experienced some difficulty in altering its program after a Master Plan had been approved.

It is perhaps ironic that although the SUDENE was not able to adapt easily to the political changes taking place in the Northeast, its program of political "modernization" of the Northeast utilized adaptability as a standard of viability.

The superintendency did not set out to destroy all that was old, but the essential issue was that of adaptability: if old structures were unwilling or unable to demonstrate vigor and innovativeness, they were to be removed. The emphasis on immediate demonstrations of success was directly related to the double problem of culture and structure: for the new structures to gain acceptance in the Northeast, success was required; and for the needed change in the political culture to take place, the new structures required acceptance.²⁷

The tendency for traditional institutions to resist innovation and adaptability became a useful tool in the USAID campaign against the SUDENE. It was further reflected after 1964, when "the SUDENE was emasculated, and the foreign policy of the United States was regarded by some of the analysts as the decisive factor in the failure of the superintendency to make a significant contribution to the modernization of the Northeast."²⁸

The ideas of both Huntington and Apter with regards to general characteristics of "modernization" are incomplete, especially with regards to Northeast Brazil. Although they do provide the basis for arguments that this writer feels would be convincing even to the officials of the USAID mission in Northeast Brazil, they are very general in content. Ronald Schneider, for example, noted that active political parties in developing nations are taken for granted by the two authors, and "the function that [they] postulate for parties is beyond that which they have ever effectively fulfilled in Brazil."²⁹ Another work which deals with the problems of political and economic development, and which has some currency among social scientists and development analysts, is Comparative Politics: A Developmental Approach, by Gabriel Almond and G. Bingham Powell. As with Huntington and Apter, the ideas expressed by Almond and Powell are repugnant to people who are convinced that centralized

authority is not necessarily the key to political development. Nevertheless, this kind of analysis has played an important role in U.S. foreign policy, and should therefore be utilized.

Almond and Powell refer specifically to the Brazilian government in their categorization of authoritarian systems, citing it as an example of "modernizing authoritarian" government.³⁰ Moreover, they define political systems as relating directly to coercion, especially at the stage in which political development is rapidly taking place. This general statement is qualified, however.

We are not, then, saying that the political system is concerned solely with force, violence, or compulsion; rather, that its relation to coercion is its distinctive quality. Political elites are usually concerned with goals such as national expansion or security, social welfare, the aggrandizement of their power over other groups, increased popular participation in politics, and the like; but their concern with these values as politicians is related to compulsory actions such as law-making and law enforcement, foreign and defense policy, and taxation. The political system is not the only system that makes rules and enforces them, but its rules and enforcements go all the way to compelling obedience or performance.³¹

By creating a model of "modernizing authoritarian" regimes that does not rest on active political parties, these authors provide generalities which might be applied more directly to Brazil.

A major problem in defining the sort of political development that would be consonant with "modernization" in Northeast Brazil depends in large measure on a defini-

tion of that concept. Apter notes that there are problems in defining "modernization" simultaneously for industrializing and rural societies, and he adds that:

Modernization may be described in non-industrial societies as the transposition of certain roles--professional, technical, administrative--and the transposition of institutions supporting these roles--hospitals, schools, universities, buteaucracies. Non-industrial modernizing societies, however, lack the powerful integrating thrust found in industrial societies. Social organizations are more chaotic and confused. Politics becomes the mechanism of integration, and authority is the critical problem confronting leaders.³³

In considering the Brazilian Northeast, special care is required in distinguishing between the Brazilian political and economic milieu, representative of an industrializing society, and that of the Northeast, basically a non-industrial society. The two, of course, are by no means distinct, and many generalizations regarding Brazil in general are also valid for the Northeast. Moreover, Guy Hunter's observation that the "strategy of rural development" is a critical component of "the total strategy by which the political aims of the society are to be achieved,"³⁴ further integrates the example of Brazil and its Northeast.

A relation of structural functionalism to political development is the primary thesis of Almond and Powell, and it remains close in form to the description of rural-based political development discussed by Apter. Almond and Powell define the political system as including "all structures in their political aspects,"³⁵ a somewhat dif-

difficult definition to unravel. Nevertheless, there is some indication of the meaning of the word "political" in the definition of political functions, which include three major categories: capabilities, conversion processes, and system maintenance and adaptation functions. Capabilities include regulative, extractive, distributive, and responsive functions. System maintenance and adaptation functions include the socialization and recruitment of people. The category "conversion processes" offers an important insight into the kinds of arguments concerning political activity in Northeast Brazil to which the USAID functionaries might be most receptive; it likewise underscores the ambiguity of their task there.

Conversion processes are defined by Almond and Powell as "the ways systems transform inputs into outputs. In the political system this involves the ways in which demands and supports are transformed into authoritative decisions and are implemented."³⁶ These processes are divided into six specific functions, or:

the ways in which (1) demands are formulated (interest articulation); (2) demands are combined in the form of alternative courses of action (interest aggregation); (3) authoritative rules are formulated (rule making); (4) these rules are applied and enforced (rule application); (5) these applications of rules are adjudicated in individual cases (rule adjudication); and (6) these various activities are communicated both within the political system, and between the political system and its environment (communication).³⁷

Although these specific functions generally interrelate

with "capabilities" and "system maintenance and adaptation" functions, they might be said to particularly apply to the case of Northeast Brazil in that they suggest reasons for the failure of the USAID mission to that region, and its related inability to recognize the general characteristics and requisites of constructive political change there.

Functional analysis may provide an important perspective for examining the political conditions of the Northeast between 1961 and 1964, not only because it rationalizes possible choices of action available to USAID officials, but also because institutions constituted the central theme of development in that setting. Apter has summarized what he considers to be the primary value of the functional approach.

The value of functional analysis in general, then, is that it helps us to understand the purposes and meanings of actions. Cognitive mapping is the task that it undertakes. The viability approach merely sharpens the focus, restricting the analysis of purpose to the survival of the unit and a set of meanings based on that purpose. This helps us to understand the properties and widely differing activities of certain systems and leads to the exploration of different levels of meaning, latent and manifest, cognitive and emotive. In this sense functionalism relies first on semantic empiricism and only second on operational empiricism; that is, it is pragmatic before it is operational.³⁸

Functional analysis, in this perspective, might have been a pragmatic tool available to the USAID officials, one that could ostensibly have been used to establish posi-

tive and negative criteria for use in the development process. In the case of the Northeast, the failure of the USAID mission to effect positive change in the region can be assessed in terms of the extent to which it hindered the function of an institution (the SUDENE) whose goals it supposedly embraced, based on the Charter of Punta del Este.

Interest articulation is the most applicable of the conversion processes to the effect which the USAID had upon the function of the SUDENE. Almond and Powell note that "in societies where a small elite makes all the political decisions, where the articulation takes place from person to person or within a small group, it is a powerful factor in explaining the course of political decisions."³⁹ Such was the case in Northeast Brazil. Furthermore, the two authors observe that "such interest articulation has been a common feature, for example, in the history of strongman dictatorships."⁴⁰ The tendency of Brazilian bureaucracies to evince personalized leadership patterns, or personalismo, relates closely to this comment.

In describing this function, Almond and Powell make an important distinction.

The articulation of interests may be instrumental or affective. An affective articulation takes the form of a simple expression of gratitude, anger, disappointment, or hope. An instrumental articulation takes the form of a bargain with the consequences realistical-

ly spelled out. The instrumental style is common in American politics, where associational interest groups often threaten to make their future financial or voting support directly contingent upon a legislator's support of a certain bill.⁴¹

The Brazilian expression of interest articulation, in marked contrast with the American expression, is typically affective. The inevitable conflict between these two forms in the absence of recognition of this distinction is exemplified by the relationship between the SUDENE and the USAID after 1961.

SUDENE efforts at political change were difficult for the staff of the USAID mission to understand. Gradually those efforts were seen as part of a premeditated policy to sabotage the USAID program itself. A concept such as political development, or political modernization, had little meaning in the scheme of obligating funds, signing project agreements, and defeating the security threat posed by communist subversion. The constraint of organizational demand for performance and success in the Northeast resulted, ultimately, in the neglect and resentment of what the SUDENE was attempting to achieve. As the USAID program became an end in and of itself, little room remained for the original objectives of Brazilian regional development.⁴²

The USAID mission eventually made their support of the SUDENE program contingent upon specific positions, such as a firm stand against communism, a stand which had little value or relation to the tasks before the new agency. Both institutions were articulating their interests, but the manner in which the USAID mission accomplished this function was strongly instrumental--specific and narrowly defined goals pursued through strict bargaining. The articulation of interest by the SUDENE was, on the other

hand, affective--simple expressions of hope were chief motivating factors in the minds of lower eschelon functionaries, and goals were very generally defined and "hopeful" in essence.

Another dimension of the contrasting expressions of interest articulation experienced in the relationship between the SUDENE and the USAID mission to the Northeast is suggested, in generalized terms of Latin America, by Kenneth F. Johnson in an article that appeared in The Western Political Quarterly. He observed that "because a genuinely competitive and collaborative spirit is lacking, Latin Americans are suspicious of impersonal institutions which control and allocate capital."⁴³ According to Johnson, the social pluralism that accompanies this attitude has a moderating effect on political behavior, tending to limit "excesses" such as organized radical political activity.⁴⁴ The fears of the USAID staff that the SUDENE programs were essentially communistic, and therefore threatening, were culturally unfounded. In fact, the SUDENE was functioning roughly according to general Latin American standards.

Because of the relative lack of social pluralism in Latin America, performance entities become psychologically compartmentalized and politically semi-autonomous. Vocational roles tend to circumscribe social attitudes and political attachments. Armies, bureaucracies, legislatures, are found each with its own highly subjective elan vital, an aggressive expansionist force marked by the all-consuming lust for control and easily infused with a moral purpose to justify

the intrusion upon other roles.⁴⁵

In this sense, representatives of an instrumentalist society, the United States, effectively utilized bargaining and boycott to suppress the functional assertiveness of the SUDENE, and thereby modified and substantially weakened its natural pattern of interest articulation.

Almond and Powell define interest aggregation as "the function of converting demands into general policy alternatives."⁴⁶ Both differentiation between, and functional specialization of, specific political structures are included in this category. The authors observe that in authoritarian regimes (as are personalized bureaucracies) "aspirations often outstrip capabilities in the initiation of modernization, and a nearly intolerable burden is quite commonly placed upon the aggregative function."⁴⁷ This comment is relevant with respect to the SUDENE. The institution had been saddled from its inception with demands that could not easily be fulfilled in the short-run. The Governor of Pernambuco, Miguel Arraes, had campaigned on the "Ze Ninguem" platform, which implied that the SUDENE would play a large role in elevating the landless peasants to a position of utility, security and importance. The officials of the USAID mission, in contrast, dealt with "interest aggregation" in terms of clearly defined goals which tended to be expressed in concise economic terms.

In 1963 Ambassador Lincoln Gordon, the embodiment of cultivated rationality, met with Arraes in the governor's palace. Gordon tried to explain how the uncontrolled wage increases in the sugar zone were contributing to the Brazilian inflation. Arraes failed completely to grasp these macro-economic relationships, but he did understand that, in the sertão and the sugar zone, to elevate Joe Nobody into a somebody was to make a revolution in Brazil. Gordon (and the U.S. development economists in charge of the AID program) had no more affinity with that revolution than Arraes had with Gordon's sophisticated economics.⁴⁸

Constructive cooperation in this situation was a difficult proposition, but was nevertheless the only way in which the official goals of the Alliance for Progress, as agreed upon by Brazil and the United States, could be fulfilled. But in spite of this, "once the United States recognized that the social change taking place in Northeastern Brazil was inherently disorderly and even potentially revolutionary, it backed off and shifted its concentration to the core society, hoping that by gradual expansion the core would eventually take in the marginals."⁴⁹

Interest aggregation can also be observed in institutions as an indicator of the ways in which changes occur. The perspective of the USAID mission to the Northeast, for example, differed significantly from that of the SUDENE in this regard. The USAID officials quickly became hostile and distrustful toward what they perceived as acts of irrational interest aggregation. After the SUDENE was significantly altered in 1964, particularly in its expression of interest aggregation in

a cultural sense, it consequently lost its ability to effect political and socioeconomic change to any significant degree.

The rule-making and rule adjudication functions add further detail to the relationship between the two institutions. Almond and Powell classify these two categories as the "governmental functions"⁵⁰ and note that "rule making in traditional and primitive political systems tends to be either a charismatic process or a slow, incremental process of accumulation of tradition, which is in part a derivative of the day-to-day rule enforcements and rule adjudications of the systems."⁵¹ While much of the rule-making power relative to political decisions in the Northeast was out of the control of the SUDENE's leadership, there were decisive elements of practical application that required just the sort of "charismatic process" that Almond and Powell refer to. Furthermore, the degree to which the SUDENE could engage in the rule-making process in its immediate environment was directly related to its own internal rule-making process, which was tied to new standards and ideas, new precedents, tempered by the culture and traditional standards of bureaucratic behavior.

The rule-making function can be related to the activities of the USAID officials in several ways. Although not directly involved with the promulgation of the

treaty that established the Alliance for Progress, they had a relatively free hand in applying general standards of procedure in specific instances. They likewise tended to establish rules of acceptable action for the institutions with which they cooperated. The recommendations of the Charter of Punta del Este--which included bilateral agreements to substantially alter archaic land-tenure practices--constituted both prescriptions and strictures of behavior that were significant. Although Brazilian representatives had agreed in principle to the articles of the Charter, there is no evidence to suggest that the officials of the institutions of the Northeast accepted, or even adequately understood, the complex development rules that were implied therein. Moreover, the degree to which the USAID officials sought to take up leadership and responsibility in initiating the reforms of the Charter emphasized their active subversion of the rule-making function of the SUDENE by these external agents of development. Levinson and Onís, in their book The Alliance That Lost Its Way, note that "external assistance, whether capital or technical, is important, but it cannot substitute for Latin American leadership in dealing with such issues as population policy, agrarian reform, and urban development."⁵²

Both the SUDENE and the USAID mission engaged in what can be described as the rule-making function, al-

though the USAID mission only had access to sanction--the ability to withhold vitally-needed assistance. This became especially apparent after the USAID mission became openly disenchanted with the policies of Furtado and the SUDENE.

When the United States assistance agency found that its Brazilian partner did not share its enthusiasm for using the Northeast to accomplish United States political goals, the USAID sought allies among other regional groups. In so doing, the United States provided a counterweight to the SUDENE. The USAID threatened to weaken the Brazilian agency's position as co-ordinator of economic development and primary architect of the attack on the political patriarchalism that continued to flourish in the area. The consensus created by the SUDENE for pursuing economic growth and encouraging graduated political differentiation, while the national political system was manifesting signs of disintegration, was undermined. Political groups in the Northeast saw a convenient opportunity to gain economic support for pet projects in exchange for expousal of United States political goals.⁵³

Political considerations which did not necessarily reflect the goals and purposes of the Alliance for Progress as specified in the Charter of Punta del Este were carried out with increasing effect, demonstrating both the rule-making impotence of the SUDENE, and the power of the Alliance to undermine political development in the region.

The rule application function has a direct bearing on the breakdown of the relationship between the SUDENE and the USAID mission in the Northeast. Almond and Powell have observed that "as a political system expands in size, or faces an increasingly complex environ-

ment or a widening range of tasks, the pressures to develop specialized rule-application structures are inexorable."⁵⁴ The authors further note that "it becomes imperative that the system develop capabilities to meet new goals or pressures; effective rule application is a necessary prerequisite to such development."⁵⁵ The SUDENE was created specifically to serve the rule application function in the Northeast, and undermining the effective function of the SUDENE likewise represented a significant weakening of rule application in the development process.

Levinson and Onís have suggested that a major area of importance in the Alliance, one that Almond and Powell would argue is important to all of the conversion processes, was educational reform. In Northeast Brazil, a complex adult education program was immediately established after 1960 under the aegis of the USAID mission and the SUDENE. In 1963 and 1964 about four thousand people were enrolled in this pilot program in the two states of Rio Grande do Norte and Alagoas.⁵⁶ The USAID mission, which was headquartered in Recife, became dissatisfied with the political content of the program in January of 1964, and terminated all United States support. According to Levinson and Onís, "this act was merely one manifestation of an insistence on rationality and order in a situation of revolutionary change."⁵⁷ As it became increasingly clear in the Northeast that social, political, and econ-

omic change were implicitly interrelated, the USAID officials began to hesitate in upholding all of the provisions of the Alliance. While their purpose in Brazil was to aid in the multi-faceted process of political and economic development, their daily activities came to involve just the opposite--the suppression of the disorderly development process. Termination of the United States support of the education program, in this milieu, became inevitable.

The Paulo Freire [education] program was indeed subversive in its basic technique of deliberate provocation and in its purpose of developing a critical faculty, creating a sense of the capacity and moral responsibility of the individual to change his life and the world around him. In a hierarchical, paternalistic society where the coronel's word was law, this emphasis upon critical thinking and individual and community action was destructive of traditional values. The Freire program was revolutionary in the most profound sense of the term.⁵⁸

Moreover, the program obviously did not conform to the prerequisites of lasting political "security", especially from the context of U.S. foreign policy.

The problem of education reform in the Northeast provides an explicit example of how the USAID mission chose to suppress development in the name of national and international security. In 1962, "adamant opposition to a school-construction program came from the education division of the [U.S.] embassy, which argued that the problem of education in the Northeast was curricular and that teacher training was essential."⁵⁹ Indeed, the superin-

tendent of the SUDENE, Celso Furtado, focused attention on this problem and urged that "SUDENE must first create a new mentality among university students."⁶⁰ However, cooperation between the SUDENE and the USAID staffs in the creation of a new curricular base soon became impossible, and "security" considerations received the attention of U.S. policy makers.

Discussions in [the U.S. embassy in] Rio de Janeiro moved away from the comprehensive program planning. Protests by the education division and other USAID members were overcome by the political staff of the embassy; anything that economic assistance might do to combat communist influence in the Northeast must subordinate purely economic development goals; the Peasant League agitation and the steady increment of leftist, nationalist sentiment in urban areas required immediate attention; the school [building] program would serve as access into the region.⁶¹

Difficulties in defining the communication function are explained by Almond and Powell as related to its pervasive and all-encompassing character. They focus, for the purpose of definition, on "the most general and significant flows of information in the political systems."⁶² In a description that might be strongly related to the relationship between the SUDENE and the USAID mission to the Northeast, Almond and Powell observe that:

The formal structures in a political system constitute a particularly important channel of information. The governmental structures, particularly the bureaucracy, make it possible for the political leaders to communicate directions for rule implementation to various political office-holders in an efficient and unambiguous fashion. The lifeline of communication holds the entire governmental structure together and makes possible coordinated implementation of laws and the mo-

bilization of societal resources."⁶³

In another observation that can be said to relate to the breakdown of the relationship between the SUDENE and the USAID mission to the Northeast, Almond and Powell add that "social mobilization is in large part a communications phenomenon. Urbanization, literacy, secularization of traditional ties and beliefs, employment in a wage economy, and other concomitants of mobilization are inextricably involved with exposure to new structures and processes of communication."⁶⁴ Communication, then, is vital to processes of change, and to the adaptation of institutions and newly formed authority positions to the political milieu.

The wide disparity between the expression, or communication, patterns of American and Brazilian institutions was an important element in the decisions that led to redirection of American foreign aid to the Northeast. The SUDENE was subjected to a barrage of technical requisites as the USAID mission began to suspect that U.S. foreign aid might be violating its own "national interests". Furthermore, the widening political battle of the SUDENE in the Northeast meant that increasing amounts of information were becoming necessary as justification for program implementation. Again, with regards to this type of problem, Almond and Powell remark that "as a consequence of high volumes of information, and of the technical na-

ture of much information, a very large and complex system is pushed inescapably either towards a degree of decentralization, or towards inefficient and non-rational actions.⁶⁵ Both the SUDENE and, perhaps more important, the federal government in Brasilia were experiencing a massive increase in information requisites. The basis of the SUDENE's program was its political support from the federal government, since its primary purpose in the Northeast was to overthrow the traditional power structure.⁶⁶ The generalized methodology by which the USAID "disqualified" the SUDENE from the aid program was especially pernicious to that organization.

It is ironic that the USAID fear of Peasant League agitation, and of the SUDENE's apparent non-concern with regards to the situation, was not shared by the group in the Northeast with the most stake in the status quo.

The Brazilian deputy Francisco Julião, head of the Peasant Leagues of the Northeast, who had recently proclaimed himself a Castroite, seemed to be terrifying all the newspaper readers in the United States. But he did not frighten the Brazilian oligarchs in the least, as is shown by the fact that they made no move whatsoever toward agrarian reform. The oligarchs knew something the American newspaper correspondents did not know: that the Julião family were fazendeiros (great landowners), and that all his political rhetoric was only that--rhetoric.⁶⁷

Whether or not Julião's association with a landowning family discounted his ability to become a revolutionary, it is important to note that the USAID officials were not sensitive to real indications of political change.

They were not, in fact, sensitive to the most effective means to prevent the undesired change. As Roett noted, "in this instance, the SUDENE, not the United States foreign assistance and its impact programs, was the more appropriate means of robbing Julião of his potential following."⁶⁸

Another manifestation of the critical breakdown of communication, in this instance in the internal decision-making process of the U.S. foreign assistance effort, resulted from a disparity between high-level American goals, and those proposed from the field.

It appears that the emphasis shifted or became more fluid in the USAID and the White House. While the survey team report was, in theory, an exemplary model for foreign assistance, it did not meet the rapidly changing United States security interests in the Northeast. The program discussed in Brazil, and which Furtado still assumed to be the position of the United States, had been downgraded to meet the policy need of a dramatic political impact in the Northeast. While the survey team report would remain a part of the subsequent policy determination, it would not be what Furtado and the survey team had mutually understood it to be.⁶⁹

An initial agreement on the conditions for assistance was progressively rendered meaningless, and the inability of the SUDENE officials to grasp the significance of this change became a critical factor in the agency's function.

It was not necessarily the ineffectiveness of the SUDENE which was responsible for this dysfunction in communication, however. The officials of the USAID mission were contradicting their goals in the Northeast by stres-

sing high impact programs at the expense of long-range political, social, and economic development. By acting covertly and independently, they were inexplicably (at least from the standpoint of rational explanation) ignoring their purpose in the region.

While the work by Almond and Powell could not have figured in the U.S. decision-making process as early as 1963, it nevertheless expresses the non-ideological and social science explanation that can be assumed to have the most appeal to government bureaucrats. There are numerous ideological and moral arguments that would condemn the actions of the U.S. foreign assistance program in the Northeast between 1961 and 1963. The critical fact is that even from a conventional administrative standpoint, the officials of the USAID mission to the Northeast were functioning on weak premises.

The Assault of Foreign Aid in Retrospect. The failure of the Alliance for Progress to substantially change the conditions of poverty and privation in Northeast Brazil stems in large measure from the severity of those problems. However, perhaps an even greater obstacle to success was the central fallacy around which the Alliance was constructed: that political stability would accompany social and economic development. Huntington has referred specifically to this inconsistency in the program.

With the Alliance for Progress in 1961, social reform-- that is, the more equitable distribution of material and symbolic resources--joined economic development as a conscious and explicit goal of American policy toward modernizing countries.....

.....
 ...the relationship between social reform and political stability resembles that between economic development and political stability. In some circumstances reforms may reduce tensions and encourage peaceful rather than violent change. In other circumstances, however, reform may well exacerbate tensions, precipitate violence, and be a catalyst of rather than a substitute for revolution.⁷⁰

The primary inability of the Alliance to effect its explicit goals might be explained in terms of the innate impossibility of those goals. Furthermore, the constant changes that occurred after 1961 in the definition of U.S. national interests, especially in the area of international security, contributed to the contradiction. As soon as foreign assistance to Northeast Brazil became identified with the war against communism, it became imperative for the sake of U.S. institutional coherence to use it as a weapon, and to destroy in many cases rather than to build with it.

Although some observers, including Huntington, indict the Alliance for Progress because of its contradictory premises, they tend to identify the source of the contradiction as implicit to the Charter of Punta del Este, and not reflective of a basic transformation of policy after the fact. Huntington emphasizes that "in fact, economic development and political stability are two in-

dependent goals and progress toward one has no necessary connection with progress toward another."⁷¹ Officials charged with these unrelated goals soon realized their plight, and in the struggle to achieve coherent institutional functions that ensued, the primary goal of political stability was affirmed. Since the goal of political stability did not, in this case, correspond with economic and social development goals agreed upon in the Charter of Punta del Este, efforts in these latter areas were increasingly limited. Agrarian reform and education programs made way for high impact school construction programming.

The Charter of Punta del Este, which brought about the Alliance for Progress, included concrete objectives which at least two critics are convinced "can now be used as yardsticks against which to measure its performance."⁷² The first of these was the achievement of an economic growth rate of "not less than 2.5 percent per capita per year." in each of the countries implementing the program. This was seen at the time as a formidable challenge considering the Latin American population growth rate of about 3 percent,⁷³ and a population growth rate in Northeast Brazil from 17.875 million in 1950 to 22.427 million in 1960.⁷⁴

A second objective stipulated in the Alliance charter was to provide "a more equitable distribution of

national income."⁷⁵ Still other objectives included trade diversification, greater use of Latin American human and natural resources, significant increases in per capita food production, agrarian reform, eradication of adult illiteracy, specific health goals (according to the needs of each country), and increased low-income housing.⁷⁶

The first step toward achievement of all these objectives was to be the formulation of national development programs on the principles of self help and "the maximum use of domestic resources, taking into account the special conditions of each country," but including the "necessary structural reforms."⁷⁷

A primary goal of the Alliance for Progress, the provision of political stability and hemispheric security, was not stated officially, but soon became apparent to many observers. Robock remarked that "by mid 1960 the total of all United States and United Nations technical assistance to Northeast Brazil, the most extensive area of poverty in the Western Hemisphere, had increased to the level of about fifteen technical experts and an annual expenditure of about \$500,000." He added that "the prospects for much greater United States help continued dim."⁷⁸ However, 1960 was coincidentally the year that Fidel Castro made his political allegiance publicly known, and the gravitation of Cuba toward the Soviet bloc resulted in a dramatic change in U.S. attitudes toward Latin America. Northeast Brazil suddenly became an important laboratory

for United States foreign policy techniques in the hemisphere.

Northeast Brazil, almost by chance, became a "cause celebre." With the United States embassy, New York Times, and the National Broadcasting Company discovery of "Marxist" Francisco Juliao and the Peasant land reform movement in the Northeast, the stage was set by late 1960 for Northeast Brazil to receive prompt and high level attention from the new administration. Almost immediately after President Kennedy took office a series of urgent visits were made to the Northeast by White House officials, Adlai Stevenson, and others. Celso Furtado, the head of SUDENE, was invited to Washington to confer with President Kennedy and others.⁷⁹

The United States later put aside \$33 million for an immediate action program,⁸⁰ and followup programs in the Northeast lasted the duration of the Alliance.

It is doubtful even if the Alliance for Progress was successful in accomplishing its unwritten goal of mitigating the influence of castroism in Northeast Brazil. The Alliance achieved a reputation during its decade of existence for continually shifting its program emphasis, but it is possible to say definitively political and socioeconomic patterns in the Northeast remain relatively static. Levinson and Onís conclude that:

If it has succeeded in preventing any new Castros from coming to power in the hemisphere, it has done so by military means, failing conspicuously to advance the cause of the democratic left. The United States has intervened openly in the Dominican Republic, and less obviously in Brazil and Guatamala to assist not the democratic left but the military and civilian forces of conservatism.⁸¹

Both the implicit and explicit goals of the Alliance seem

to have eluded it during its decade of existence. Roett's comment remains valid in retrospect.

The United States in the 1960s found itself in the awkward position of advocating political and social mobilization in underdeveloped nations while possessing and using foreign aid as an instrument to impede modernization in the name of national and international security.⁸²

Implications for the Future. The counterproductivity of the Alliance for Progress program in Northeast Brazil with regards to the specific aims of political and socio-economic development was probably due to the condition of competition generated between the U.S. program and the SUDENE. To argue that the Alliance for Progress contained a covert goal, one which it achieved with a reasonable degree of success, is to ignore the firm commitment that the United States made in the Charter of Punta del Este to take certain political risks for the sake of modernizing Latin American society. Although it has to be recognized that all nations, and especially the "superpowers", have specific national interests which must always prevail over their philanthropic enterprises, the procedures which led to the identification of those interests in Northeast Brazil can be said to have been both erroneous and disparate. Robock underscored this point in his 1963 report.

With political goals being so important, the United States needs a clear picture of the specific kinds of political developments in Northeast Brazil that would be considered successful foreign aid results. The development of such criteria requires, of course, a

thorough knowledge of Brazil's political system and political styles, including a sophisticated and objective understanding of communism, left-wing movements, nationalism, anti-Americanism, and the roles of the church and the military within the Brazilian setting. To interpret Brazilian political events within the context of United States political standards and characteristics, for example, will result both in ineffective guidance for foreign aid actions and in erroneous evaluations of the results.⁸³

This straightforward articulation of the dangers of cultural naivete on the part of U.S. foreign assistance officials in Northeast Brazil went unheeded. Buttressed with vague allusions to "communist conspiracy" and political "instability", the officials that determined the policy for the U.S. contribution to the development of the Northeast quickly discounted their official goals as pejorative to primary objectives.

The adoption of "high impact" programs by the USAID mission just prior to 1964 further underscores the lack of regard that officials had for the provisions of the Charter of Punta del Este. Robock discounts their utility.

The first objection to most impact projects is that they don't work. It is inconceivable that enough school buildings, electric light installations, water systems, and new housing units can be built in a short period of time to satisfy more than a minute share of total needs. Therefore, the assumption must be made that if the "have-not" sees the new physical facilities, he will be convinced that the development program he is being asked to support is eventually going to help him. The basic goal, therefore, involves expectations rather than immediate fulfillment. And the Nordeste is cynical enough after many years of promised panaceas to need more than the sight of Senhor X--who generally

has good political connections--getting new facilities to persuade him that his future is brighter.⁸⁴

It is therefore doubtful if the adoption of high impact policy in a region which had traditionally been glutted with this kind of governmental response evinced sound judgement on the part of the USAID officials.

The blind emphasis on regional development is another way in which the Alliance for Progress, as a coordinated institutional effort, ignored the basic requisites of political development in Northeast Brazil. United States foreign assistance became incapable of assisting in the solution of the outstanding problems of the Northeast at precisely that juncture in which they were recognized as exclusively regional in character. It is the national scope of most of the problems of the Northeast which identifies such plans as myopic and conciliatory. In this context, it is unlikely that substantially increased understanding and cooperation between the USAID mission to the Northeast and the SUDENE would have sufficed in and of itself. National problems require national solutions. Nevertheless, the legacy of the period between 1961 and 1964 in Northeast Brazil is the imposition politics at the expense of political development, and a key experiment in political and socioeconomic change was consciously and effectively resisted despite the preponderance of advice to the contrary.

Notes

- ¹ Lincoln Gordon, A New Deal for Latin America (Cambridge: Harvard University Press, 1963), p. 67.
- ² Riordan Roett, The Politics of Foreign Aid in the Brazilian Northeast (Nashville: Vanderbilt University Press, 1972), p. 108.
- ³ Op. cit., p. 108.
- ⁴ Stefan H. Robock, Brazil's Developing Northeast (Washington, D.C.: The Brookings Institution, 1963), p. 75.
- ⁵ Op. cit., p. 80.
- ⁶ Arpad von Lazar, Latin American Politics: A Primer (Boston: Allyn and Bacon, Inc., 1971), p. 43.
- ⁷ Gordon, p. 35.
- ⁸ Robock, pp. 144-145.
- ⁹ David E. Apter, The Politics of Modernization (Chicago and London: University of Chicago Press, 1965), pp. 235-236.
- ¹⁰ Op. cit., p. 165.
- ¹¹ Samuel P. Huntington, Political Order in Changing Societies (New Haven and London: Yale University Press, 1968), p. 10.
- ¹² Op. cit., p. 12.
- ¹³ Op. cit., p. 22.
- ¹⁴ Ronald M. Schneider, The Political System of Brazil (New York and London: Columbia University Press, 1971), p. 4.
- ¹⁵ Op. cit., p. 4.
- ¹⁶ Peter Ranis, Five Latin American Nations (New York: Macmillan Company, 1971), p. 231.
- ¹⁷ Schneider, p. 4.

- ¹⁸Op. cit., p. 4
- ¹⁹Apter, p. 42.
- ²⁰Huntington, p. 21.
- ²¹Op. cit., p. 23.
- ²²Roett, p. 174.
- ²³Op. cit., p. 174.
- ²⁴Huntington, p. 15.
- ²⁵Op. cit., p. 15.
- ²⁶Roett, p. 42.
- ²⁷Op. cit., p. 66.
- ²⁸Op. cit., p. 4.
- ²⁹Schneider, p. 364.
- ³⁰Gabriel A. Almond and G. Bingham Powell, Comparative Politics: A Developmental Approach (Boston: Little, Brown and Company, 1966), p. 272.
- ³¹Op. cit., p. 18.
- ³²James L. Busey, "The Old and the New in the Politics of Brazil," in The Shaping of Modern Brazil, ed. by Baklanoff (Baton Rouge: Louisiana State University Press, 1969), p. 66.
- ³³Apter, p. 42.
- ³⁴Guy Hunter, Modernizing Peasant Societies (New York and London: Oxford University Press, 1969), p. 82.
- ³⁵Almond and Powell, p. 18.
- ³⁶Op. cit., p. 29.
- ³⁷Op. cit., p. 29.
- ³⁸Apter, p. 243.
- ³⁹Almond and Powell, p. 75.

- ⁴⁰Op. cit., p. 75.
- ⁴¹Op. cit., p. 87.
- ⁴²Roett, p. 106.
- ⁴³Kenneth f. Johnson, "Causal Factors in Latin American Instability," in The Dynamics of Modernization and Social Change: A Reader, ed. George S. Masannat (Pacific Palisades, California: Goodyear Publishing Company, Inc., 1973), p. 197.
- ⁴⁴Op. cit., p. 199.
- ⁴⁵Op. cit., p. 200.
- ⁴⁶Almond and Powell, p. 98.
- ⁴⁷Op. cit., p. 114.
- ⁴⁸Jerome Levinson and Juan de Onis, The Alliance That Lost Its Way(Chicago: Quadrangle Books, 1970), p. 291.
- ⁴⁹Op. cit., p. 291.
- ⁵⁰Almond and Powell, p. 198.
- ⁵¹Op. cit., p. 133.
- ⁵²Levinson and Onis, p. 327.
- ⁵³Roett, p. 174.
- ⁵⁴Almond and Powell, p. 142.
- ⁵⁵Op. cit., p. 142.
- ⁵⁶Levinson and Onis, p. 289.
- ⁵⁷Op. cit., p. 291.
- ⁵⁸Op. cit., p. 291.
- ⁵⁹Roett, p. 74.
- ⁶⁰Op. cit., p. 69.
- ⁶¹Op. cit., p. 76.
- ⁶²Almond and Powell, p. 165.

- ⁶³Op. cit., p. 168.
- ⁶⁴Op. cit., p. 177.
- ⁶⁵Op. cit., p. 180.
- ⁶⁶Roett, p. 6.
- ⁶⁷Victor Alba, Alliance without Allies(New York, Washington, London: Frederick A. Praeger, 1965), p. 32.
- ⁶⁸Roett, p. 92.
- ⁶⁹Op. cit., p. 93.
- ⁷⁰Huntington, p. 6.
- ⁷¹Op. cit., p. 6.
- ⁷²Levinson and Onis, p. 8.
- ⁷³Op. cit., pp. 8-10.
- ⁷⁴Robock, p. 34.
- ⁷⁵Levinson and Onis, p. 8.
- ⁷⁶Op. cit., pp. 8-10.
- ⁷⁷Op. cit., p. 11.
- ⁷⁸Robock, p. 139.
- ⁷⁹Op. cit., p. 141.
- ⁸⁰Op. cit., p. 141.
- ⁸¹Levinson and Onis, p. 13.
- ⁸²Roett, p. 10.
- ⁸³Robock, p. 185.
- ⁸⁴Op. cit., p. 198.

CHAPTER IV

POLITICS AND POVERTY:

A CONCLUSION

This thesis has endeavored to explain why government planning in the areas of political and economic development in Northeast Brazil has been unable to address itself to the problems of poverty and privation in that region. The intensity and scope of these problems is dramatic, and the region can be compared with sub-Saharan Africa and the Indian subcontinent despite the growing opulence of Southern Brazil. The recurrent droughts, or secas, further intensify a situation which often leads to starvation and forced migration of the regions peasants to other areas. Powerful regional elites have traditionally either resisted all government intervention or, as in the case of the sugar producers, made use of it solely for personal gain.

The primary focus of the analysis has been the Northeast Development Superintendency, or the SUDENE, an agency which was empowered in 1961, for the first time in the history of the Northeast, to renovate the region's political and economic institutions. The subsequent

inability of this agency to effect substantive political and economic change between 1961 and 1964 can be attributed to four primary factors: first, the structure of this agency was inextricably bound to competing regional interests; second, the scope of the problems to which it addressed itself was, and continues to be, national, not regional; third, cultural limitations of the Brazilian bureaucracy, particularly that of personalism, deprived the SUDENE of dynamic leadership at a critical juncture; and fourth, competition between the U.S. development effort in Northeast Brazil deprived the SUDENE of critical support and exacerbated political tensions to which it had already become subjected.

The SUDENE was tied to competing regional interests in several ways. It was structurally committed to rely upon regional elites in its formulation of policy. It depended upon region-wide cooperation in the implementation of its programs. Furthermore, by 1961 the small traditional elite of the Northeast had been challenged and defeated in several instances by populist politicians, and the SUDENE became a convenient target for both sides in the ensuing political struggles.

The poverty and privation of rural Brazil are not confined to its Northeast. In attempting to formulate regional solutions to these problems, the SUDENE was forced to observe national political rules without recourse to

national resources. It was therefore unable to implement a comprehensive rural program in the region. The SUDENE inevitably chose to follow the path of least resistance and implemented a program of tax write-offs and minor subsidization to corporations willing to expand into the Northeast. Brazilian industrialization, however, has had relatively little effect on the problems of the rural sector.

The cultural limitations of the Brazilian bureaucracy include the tendency to emphasize personalities rather than institutional functions. The dynamic leadership of Celso Furtado, the founder and first superintendent of the SUDENE, seriously jeopardized the goals of the agency to the extent that it created a dependency in the agency on his continual presence. During the critical year of 1963, Furtado was absent for prolonged periods while he completed a five-year plan for Brazilian national economic development. At a time when the SUDENE was called upon to respond to a variety of pressures and criticisms, it remained weakened and dormant.

Competition between the United States Agency for International Development mission to the Northeast and the SUDENE was based in part on all of the three weaknesses mentioned above. Regional elites fostered American insecurities for the purpose of solidifying their own position. The national character of poverty and privation

in Brazil led some American development strategists to identify nationalist tendencies as leftist "subversion". The weaknesses of Brazilian bureaucracy, and particularly Furtado's frequent absences, led to the growth of misunderstanding between the two agencies. The Alliance officials came to view the SUDENE as either ignorant of, or threatening to, American ideals in the Northeast region. In fact, the United States was committed, through the Charter of Punta del Este, to support political and social development efforts, even at the expense of some degree of hemispheric "security". The inability of the U.S. foreign aid program to come to grips with the SUDENE plan was in large measure self defeating: the path taken neither strengthened "security" in the Northeast, nor did it make a rational use of American funds, as the school-building program indicated.

The breakdown of the SUDENE prior to 1964 has extensive implications with regards to regional development planning in general. It indicates the need in Brazil above all else to give national recognition to problems that are essentially national in character; it implies the inability of regional programs to address themselves effectively to these problems. It emphasizes the fundamental difficulties in directing political and economic development through personalized bureaucracies. And it outlines the inability of foreign development efforts

and specifically those of "superpowers"--to achieve their overall objectives while accommodating ulterior purposes, such as hemispheric "security".

The breakdown of the SUDENE prior to 1964 has meant, among other things, that the severe problems of the Northeast continue. The latifundio system of land ownership has persisted, and with it the social and political conditions for which the Northeast is notorious. The failure of the SUDENE has been followed by the failures of the Alliance for Progress, the GERAN, and numerous other development projects. Understanding the factors which led to this breakdown is of critical relevance to a general understanding of why regional development planning has been unable to alleviate the conditions of poverty and privation in Northeast Brazil.

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