

INSTITUTE OF CURRENT WORLD AFFAIRS



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Institute of Current World Affairs

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Looking to the First World from Belém

By Raphael Soifer

“What the hell is going on with your country?” Giseli wanted to know. It was September 25, and all but one of Brazil’s major news magazines had just devoted cover stories to the US banking crisis. Giseli’s a news junky with a degree in communications from a prestigious public university, a coveted job with a cultural ministry in Pará state, and a boyfriend in Massachusetts, but she couldn’t make sense of the crisis. I couldn’t, either. On a good day, my knowledge of economics is limited to balancing my checkbook. Then again, from what we could tell, the economists and venture capitalists who started the mess could neither understand it nor balance their own budgets, so Giseli and I may have come out a step or two ahead.

That’s certainly where Lula put himself when

news of the crisis hit Brazil. After meeting with his chief economic advisers, the president strutted into a press conference and smiled wide for the cameras. “What crisis?” he smirked. “Ask Bush!” In 2002, as it became clear that Lula’s election was guaranteed, Brazil’s markets freaked out, the *real* plummeted, and the mainstream media advanced doomsday scenarios of economic meltdown. Now, as the United States entered into panic mode, the former metalworker pointed to a robust and steadily (if slowly) growing economy, a much-touted new petroleum discovery off the country’s southeastern coast, and a currency that was stronger against the dollar than it had been since its deregulation in 1995.

Giseli and I traded theories for a couple of minutes, and then went back to planning a dinner



Belém’s “First World” architecture: the neoclassical Teatro da Paz and 1970s concrete monstrosity Hilton Hotel surrounded by the city’s timeless mango trees.

party and harping on US presidential politics, which is what Brazilians are usually talking about when they ask what the hell is wrong with my country. In most social circles around Brazil, that's probably as far as the conversation went. Brazilians are no strangers to economic crises. Giseli, who's 32, has used six different Brazilian currencies in her lifetime, and can recall inflation so severe in the mid-1980s that stores regularly changed prices multiple times over the course of a single day. Much of the country still remembers with outrage how Fernando Collor de Mello, who edged out Lula in the first post-dictatorship presidential election in 1989, froze domestic bank accounts on his first day in office. (Collor, who fled to Miami after being impeached in 1992, is now a senator for the northeastern state of Alagoas, and is rumored to be eyeing a presidential bid in 2014.)

There was plenty of *schadenfreude* in Lula's "Ask Bush!" response, as there was around the country. Many people seemed gleeful watching a superpower suddenly have to contend with worries to which Brazil has long been accustomed. For Lula's defenders, the crisis was further proof of the president's economic wisdom: while Bush was frantically trying to bail out the banks, Brazil had found economic stability in part through social welfare programs like the widely celebrated Bolsa Familia (the Family Fund, mentioned in RS-5), which provides immediate assistance to nearly 50 million Brazilians.

The First World has long been a primary reference point for Brazilians of what their country could be. For centuries, Brazil's leaders and opinion makers have looked to foreign, colonial powers as models of social sophistication. It will take more than a single market crash to overcome this obsession in a society that still commonly dismisses anti-colonial viewpoints as radical or absurd. But since Lula's rise to power six years ago — and especially in the past month, as the US economy has seemed to spiral into a free-fall — more people have begun to question whether their country should really aspire to full-scale imitation. Many Brazilians — and even, on rare occasions, the mainstream media — have started to look at First World problems and conclude that maybe their country's path to progress should not be a question of simply aping the United States and Western Europe.

Still, most Brazilians are unaccustomed to coming out ahead. From ground level — where Giseli and I hang out, and where Lula pretends he still is as long as it's politically expedient — it was a welcome shock to see that the US economic crisis really didn't seem to have much of an impact here. Economic problems looked much more threatening earlier in the year, when global food shortages doubled the price of staples across the country and the media was abuzz with rumors that the "inflation monster" was back. Alarmists feared that ripple effects from food shortages might even reach the point of bringing down the mighty *real*, the

longest-lived currency in Brazil's modern history. That crisis seems to have lost steam, though. Most food prices haven't gone down in recent months, but they haven't climbed much, either. Based on day-to-day concerns in September and early October — even as the *real* fell 21 percent against the dollar, to levels not seen since 2006 — it was hard to get worked up over a crisis that seemed so far away, not to mention so complicated.

For most of 2008, the big stories about Brazil's economy have been good news. The petroleum discovery in the southeastern Santos Basin led much of the national press to speculate that the country was on the verge of stepping up its already substantial role in the international economy, maybe even to the extent of joining the exclusive First World club. As always, when US news outlets picked up the story, the national media treated it as confirmation. If the gringos are copying our talking points, the theory seems to go, we must have been right all along. The most discussed economic story of the year never made it into the US press, though. In August, the Fundação Getúlio Vargas (FGV) — a think tank and private university consortium — published a report showing that 52 percent of the country had made it into "Class C," an indication that, for the first time in its history, Brazil was a middle-class-majority country.

"The people on the periphery live like animals," Luis told me. Brazil will always be a poor country"

When the FGV story broke in early August, I had just arrived in Belém, the capital of Pará state and Brazil's main commercial hub in the eastern Amazon. The class divide here is stark, though no more than in any other major Brazilian city. São Paulo-style high-rises cluster around neocolonial buildings and sleek restaurants in the city center, while flimsy wooden houses make up much of the periphery. According to *O Liberal*, the major local newspaper, 90 percent of the city's population lives without basic sanitation. Most of the folks I met in Belém were quick to dismiss the FGV study as statistical gibberish or media sensationalism. Many pointed to the staggering inequalities in crime rates and standards of living between the rich and much of the new Class C. "Have you been to the periphery?" Luis, a young lawyer, asked me as he gave me a ride in his new four-door sedan. I had, actually, but Luis was asking rhetorically. "The people there live like animals," he told me. "Brazil will always be a poor country."

My friends on the left — which, given the political tendencies of artists and young people in Brazil, is virtually all of them — may have a different take on the lives of the poor, but they tend to share Luis' fatalism. They take most mainstream news stories with a grain of salt, unless they dismiss them outright, and they complain frequently and bitterly about the *midia golpista*, literally the "coup-supporting media." Many of today's major news outlets were created during the dictatorship, when they served as mouthpieces or cheering squads for a regime that struck freedom of expression from the country's legal codes and

imprisoned, tortured, or exiled its most prominent critics. In the transition to democracy, much of the media has remained enamored of all things foreign and free market, shunning anything — from workers’ rights to agrarian reform movements — that seems even vaguely socialist. Since Lula’s rise to power, many leftists suggest darkly that the media is setting the stage for another coup.

True to form, the mainstream press — especially major magazines — occasionally feature nostalgic stories hinting at how life was better in the 1960s and ’70s. They’ll recall economic growth (which was steady, but not considerably better than under Lula’s government), low crime rates (not counting, of course, torture, disappearances, and political murders), and social values that were supposedly more intact. Much of the *midia golpista* relies on Antônio Delfim Netto, who served as finance minister during much of the dictatorship, as an economic analyst. When interviewing him or looking back nostalgically, journalists are careful to

refer to the “military government.” Only when comparing a political blunder — usually one of Lula’s — to the bad old days of government repression do they mention the “dictatorship.”

Veja (See), Brazil’s most widely read news magazine, is a prime example of the *midia golpista*. The publication is by far the most hard right of major news sources — it’s vehemently anti-Lula, and is the only newsweekly that’s consistently pro-Bush — although its bias never gets reported in its many citations in the US press. *Veja*’s slogan, written on newsstands across the country and in two-page ads in the magazine itself, is that the publication is “Indispensable for the country that we want to be.” Reading carefully, it’s clear that “the country we want to be” is a virtual clone of the United States, as least as presented in *Veja*: a wealthy free-market powerhouse, governed by conservatives, with none of those pesky poor people, union organizers, or leftist politicians running around. (Consequently, it’s mostly free of the violent crime that such people cause.)

Many families in Classes B and A — the country’s elite, and *Veja*’s target audience — see Disneyworld vacations as rites of passage, *de rigueur* birthday presents when one of the kids turns 15. For most of *Veja*’s writers, the distinction between the First World and the Magic Kingdom doesn’t seem entirely clear. Both are too good to be true, and — except the occasional visit — always slightly out of reach.

Veja is not alone in idolizing the first world. Much of the media shares this propensity, including Rede Globo, the country’s principle television network, whose afternoon movies are usually stories of happy-go-lucky blonde kids in wealthy American suburbs. *Veja* is unique, though, in its fetishistic pursuit of the topic. Its May 28 cover story, “With What Wings Will the Country Fly?” defined Brazil as an “adolescent” country, “between the short pants of under-development and institutional maturity.” The “wings” referred to a cover photo that juxtaposed a domestically manufactured Embraer jet next to the *aedis aegypti* mosquito responsible for this year’s record spread of dengue fever. An accompanying chart highlighted the contrast between what *Veja*’s editors see





Coconut water, cheap clothes, and cell-phone accessories across the street from Iguatemi's air-conditioning and chain stores.

as the country's First and Third World tendencies.

The magazine called Brazil's universal healthcare a "First World" trait — no mention of the lack of a comparable system in the United States — though it noted that the lines in public hospitals are decidedly Third World. (In Belém, the sickest patients send an able-bodied relative in the early afternoon to schedule oncologist or cardiologist appointments the next morning. Once scheduled, the wait for appointments is usually several months). It also noted Brazil's supposedly First World standard of "racial coexistence," but took a swipe at Third World "segregationist laws," like new quotas for Black and indigenous university students. It was a bizarre comparison all around. Does Brazil really aspire to the sort of the simmering racial unrest in First World countries like England, France, and the United States (which many Brazilians consider to be the world standard for racism)? Do the extreme discrepancies in wealth and lifestyle that play out along color lines in Brazil really count as racial harmony? And finally, what's so Third World about laws that were unabashedly inspired by American affirmative action?

One of *Veja's* final comparisons was Brazil's First World architecture, contrasted with the Third World favelas. Although *Veja* included a photograph of Oscar Niemeyer's famous Museum of Modern Art, many of Brazil's "First World" buildings are based less on stimulating local creativ-

ity, and more on aping European designs. It's a trend that goes back centuries, easily seen in Belém's colonial churches and the gilded Teatro da Paz in the city center. The habit shows no signs of slowing. Belém recently inaugurated a remodeled Estação das Docas, the "Dock Station" warehouses on Guajará Bay. Satirized by much of the city's population as "Estação das Dondocas" — roughly, the Station of the Little Rich Kids — the new air-conditioned, steel-and-glass construction feels like a cross between an airport terminal and an upscale mall housing overpriced restaurants, craft boutiques, and bookstores. It also has one of the only independent cinemas in Belém, which the building's fiercest critics flock to on weekends for cheap art flicks.

About a 15-minute walk away is Iguatemi Shopping, the city's central mall, built in the 1990s by a commercial partnership that owns the São Paulo mall of the same name (home to the chicken incident in RS-3). In São Paulo, Iguatemi is a wannabe European shopping center, filled with expensive coffee shops and international designers like Dior and Armani. The Belémense version is much more low key, featuring standard food-court fare and national clothing chains. Still, the mystique of the name value, and the association with São Paulo — which, from here, seems like a model of urbane sophistication — helps to draw in a crowd with big city, First World aspirations.

The mall's polished wooden floors lead out to a much

different setting. Simple stalls surround Iguatemi, selling cheap watches, pirated CDs and DVDs, and Amazonian street food. The area outside the mall is clean and relatively safe to walk at night, but it's crowded, hectic, and decidedly "popular," a word that describes anything or anyone who is poor, simple, or traditional. The juxtaposition of giant mall and bustling bazaar is a bit jarring, but the two settings seem to complement each other. The products on sale in the stalls are cheaper, and the food there tends to be fresher than inside the mall, but few Belemenses limit themselves to one shopping experience or the other. Plenty of folks pass easily between the two, eating three *real* lunches outside before heading into Iguatemi to buy sneakers or concert tickets on layaway. The coexistence, or even codependence, of the two shopping centers is a balancing act of First and Third World economies, highlighting a Class C country at work.

Access to credit and credit cards is new for most Class C Brazilians. Until recently, "buying on credit" meant buying *fiado*, (literally "faithed"), having a close enough relationship with your neighborhood baker or grocer to be able to push back payment on the last couple of kilos of bread or rice and beans at the end of the month. It's still a common practice. Across the country, restaurants, bars, and coconut-water kiosks post the same old jokes on their walls: "*Fiado* only for those older than 70, accompanied by both grandparents;" "Promotion: Ask once for *fiado*, receive two 'no's." First World-style credit is sweeping the country, although Brazil's famously high interest rates remain an obstacle for most consumers. So while much of the country remained puzzled over the exact causes of the US financial collapse, Brazilians easily understood the inherent dangers of sub-prime mortgages.

Understanding the possible ramifications of the US crisis for Brazil was — and remains — much more difficult. In a late-September press conference, Lula thanked God that the crisis hadn't "crossed the Atlantic." By then, however, the dollar was creeping up against the *real*, and the São Paulo stock exchange had begun to slip. (And as *Veja* pointed out, the crisis could also bypass the Atlantic and still make it to Brazil via the Caribbean Sea).

The *midia golpista* rushed to investigate, dragging out many of the same old economists, preparing glossaries of English-language market jargon, and publishing appropriately sensationalist covers. *Epoca*, a populist, centrist newsweekly, had Uncle Sam's hat bobbing on the high seas alongside an empty red, white, and blue life preserver, asking, "Has the Worst Already Passed?" *Carta Capital*, a highbrow, center-left publication, showed the World Trade Center towers exploding while flying Merrill Lynch and Lehman Brothers' flags. *Veja*, true to form, featured a somewhat manic-looking Uncle Sam grasping a fistful of

hundred dollar bills, next to the caption: "I Saved You!"

Epoca presented a picture of two Brazils, one with eight years of consecutive economic growth and a rising average income, the other with a declining currency and an unstable stock exchange. "When these two countries meet," the magazine asked, "which will prevail?" Given sufficient caution, it concluded, the first Brazil could continue its ascent. It warned readers not to make any investments: no vacations, new furniture, or messing around in the stock market until at least the end of the year. *Epoca* quoted Antônio Delfim Netto, the military regime's former finance minister, urging the government to do the same. "The best way to reduce instability and the risk of inflation is to cut government programs that don't produce wealth," he said.

Carta Capital praised Brazil's economic strength, saying that the impact on both markets and consumers would be limited, "at least this year." The magazine mocked the "Disney-type fantasy" that had finally "succumbed to reality in the United States." *Veja*, on the other hand, devoted only a short article to the effects of the crisis in Brazil. It preferred to focus on George W. Bush and Henry Paulson, whom it portrayed as cavalry troops riding to the rescue of global



Época asks: Has the worst already passed?



Carta Capital goes a bit overboard.

capitalism. Shortly before the first bailout package failed in the US Congress, *Veja* stated unequivocally that, “The world was saved by the actions of the American government.” The next week, with no agreement in sight, the magazine’s cover showed a paper airplane-shaped dollar bill plummeting, with George Washington ejecting frantically.

As it wears on, the US economic crisis has exposed the First World’s limitations and provided at least a brief vindication of Lula’s Class C country. It will take much more than an economic crisis, however, for many Brazilians to start looking beyond the United States. Early in the evening on September 20, as the crisis deepened, I accompanied a friend to Iguatemi Shopping. Bruna’s a university student who lives in the periphery. Her expensive sunglasses had warped, and rather than buy a new pair on the street for 10 *reais*, she was heading to the shop where she bought them to try and have them fixed for free. As we walked in, I saw that Iguatemi’s central courtyard — usually filled with new motorcycles or high-tech toys — was decked out in American flag bunting,

and featured a photo exhibit with panoramic views of the Brooklyn and Golden Gate bridges.

I arranged to meet Bruna in the sunglasses shop, and moved in for a closer look. The mall was playing host to an America Fair sponsored by the US Chamber of Commerce, USAID, and the US Embassy in Brasília. They were touring Brazil’s big cities offering advice on how to do business with the States (have patience, cash, and focus on imports) or score a sought-after student visa (have patience and rich parents), playing up a friendly relationship between the two countries. Much of the tour’s photo exhibit was in questionable taste, like the 1970 picture of Richard Nixon shaking hands with President Médici, the general who purged most of the country’s basic civil liberties and initiated widespread torture and death squad campaigns in the late 1960s. The Iguatemi audience mostly ignored the photos, though. Instead, they stocked up on magnets from local English-language schools, and grabbed the construction-paper American flags rolled up in vases around the courtyard. □



“I Saved You!”: *Veja* reinforces its vision of reality.

Current Fellows

Elena Agarkova • RUSSIA

May 2008 - 2010

Elena will be living in Siberia, studying management of natural resources and the relationship between Siberia's natural riches and its people. Previously, Elena was a Legal Fellow at the University of Washington's School of Law, at the Berman Environmental Law Clinic. She has clerked for Honorable Cynthia M. Rufe of the federal district court in Philadelphia, and has practiced commercial litigation at the New York office of Milbank, Tweed, Hadley & McCloy LLP. Elena was born in Moscow, Russia, and has volunteered for environmental non-profits in the Lake Baikal region of Siberia. She graduated from Georgetown University Law Center in 2001, and has received a bachelor's degree in political science from Barnard College.

Pooja Bhatia • HAITI

September 2008 - 2010

Pooja attended Harvard as an undergraduate, and then worked for the Wall Street Journal for a few years. She graduated from Harvard Law School. She was appointed Harvard Law School Satter Human Rights Fellow in 2007 and worked as an attorney with the Bureau des Avocats Internationaux, which advocates and litigates on behalf of Haiti's poor.

Ezra Fieser • GUATEMALA

January 2008 - 2010

Ezra is interested in economic and political changes in Central America. He is an ICWA fellow living in Guatemala where he will write about the country's rapidly changing economic structure and the effects on its politics, culture and people. He was formerly the deputy city editor for The (Wilmington, Del.) News Journal, a staff writer for Springfield (Mass.) Republican and a Pulliam Fellow at The Arizona Republic. He is a graduate of Emerson College in Boston.

Suzy Hansen • TURKEY

April 2007 - 2009

A John O. Crane Memorial Fellow, Suzy will be writing about politics and religion in Turkey. A former editor at the New York Observer, her work has also appeared in Salon, the New York Times Book Review, the Nation, and other publications. She graduated from the University of Pennsylvania in 1999.

Derek Mitchell • INDIA

September 2007 - 2009

As a Phillips Talbot Fellow, Derek will explore the impact of global trade and economic growth on Indians

living in poverty. He has served for the past year as a volunteer for Swaraj Peeth, an institute in New Delhi dedicated to nonviolent conflict resolution and Mahatma Gandhi's thought. Previously he was a Fulbright scholar in India at the Gandhi Peace Foundation. He has coordinated foreign policy research at George Washington University's Institute for Communitarian Policy Studies and worked as a political organizer in New Hampshire. Derek graduated with a degree in religion from Columbia University.

Raphael Soifer • BRAZIL

April 2007-2009

Raphi is a Donors' Fellow studying, as a participant and observer, the relationship between the arts and social change in communities throughout Brazil. An actor, director, playwright, musician and theatre educator, he has worked in the United States and Brazil, and has taught performance to prisoners and underprivileged youth through People's Palace Projects in Rio de Janeiro and Community Works in San Francisco. He holds a bachelor's degree in Theatre Studies and Anthropology from Yale University.

Recently Appointed

Eve Fairbanks • SOUTH AFRICA

March 2009 - 2011

Eve is a New Republic staff writer interested in character and in how individuals fit themselves into new or changing societies. Through that lens, she will be writing about medicine and politics in the new South Africa. At the New Republic, she covered the first Democratic Congress since 1992 and the 2008 presidential race; her book reviews have also appeared the New York Times. She graduated with a degree in political science from Yale, where she also studied music.

Cecilia Kline • CENTRAL AMERICA

January 2009 - 2011

Cecilia is a graduate of Georgetown University, Loyola University Chicago School of Law, and the University of Chicago School of Social Service Administration. In 2007 she began with Casa Alianza in Tegucigalpa, Honduras providing outreach for youth living on the street. As an ICWA Fellow she will write about youth-service programs from several Central American cities as a participant observer.

Since 1925 the Institute of Current World Affairs (the Crane-Rogers Foundation) has provided long-term fellowships to enable outstanding young women and men to live outside the United States and write about international areas and issues. An exempt operating foundation endowed by the late Charles R. Crane, the Institute is also supported by contributions from like-minded individuals and foundations.

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