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Chapter 7 Summary

From Disorder to Progress under Cardoso

This chapter discusses the beginning of the New Republic from the trenches of the dictatorships and corruption in the previous chapters. In particular, this new government faced three main challenges; “…to dismantle the remains of the dictatorship, entrench liberties and provide effective democratic government; to conquer inflation and secure a return to economic growth; and to address the country’s deep rooted social problems,” (Reid 117-118). However, justice would not fully be served to Brazil until the election of Cardoso.

Before the election of Fernando Henrique Cardoso, little economic progress was made during the Collor administration. He opened trade to foreign countries and cut import tariffs that were once extremely high. Collor would also try to cut the deficit through privatization of organizations (Reid 124). But corruption became known during his administration as the political campaigners used the extra funds raised to buy off politicians and for personal expenses, and he was forced to resign 33 months into his presidency. The next administration, Sarney, tried to address the inflation issue with the Cruzado Plan. Although it helped for a short period, shortages began to occur and hyperinflation grew. And Cardoso was faced with a big plate after his inauguration to change these economic policies.

Cardoso started with the changing of currency to the real. The real proved to be a strong currency due to the help of the electronic currency, URV, to cut down on inflation, and by 1995 it was down to 1.7%. Because of this, millions of Brazilians moved out of poverty. Other factors that helped improve the quality of life were the privatization of many different services which made them more efficient. Although there were setbacks, such as in the Real Plan and the bankruptcy of many different banks, Cardoso still received popular reviews.

Reflection

This chapter showed how important Cardoso was to the country. Before Cardoso and the New Republic, the level of corruption in the government was extremely high. Inflation grew, and the separate of the classes were so extreme that some of the richest and poorest people in the nation lived just cities apart. The introduction of the Real Plan, different constitutional amendments, and a cut on government spending allowed the stabilization of both the economy and the nation.

Work Cited

Reid, Michael. Brazil: The Troubled Rise of a Global Power. New Haven, Yale University Press, 2014. Print.