

**Free-Market Reform and Presidential Approval:  
The Politicization of Economic Policy Debates in Brazil**

Andy Baker

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When President Collor de Mello (1990-1992) announced his adjustment plan soon after his inauguration in 1990, he initiated profound changes in the structure of Brazil's economy. The wave of reforms that followed during the decade (including privatization, trade liberalization, civil service reform and social security reform) reversed, in less than a decade, the state-led development strategy that had generated Brazil's rapid economic growth since the 1930s. Coming on the heels of the economic crises of the 1980s, these reforms have been partially responsible for a continued economic roller coaster ride. A deep recession occurred in 1991, followed by a three-year consumer boom beginning in 1994 that ended in an unemployment crisis in 1998 and 1999. Besides their impact on economic well-being, these reforms have structured elite conflict over legislation in the new democracy. Typically, in the National Congress a small but united left has opposed the new free-market orientation pushed by the much larger and diverse forces of the center and right (led by two center-right presidents) (Limongi and Figueredo, 1995; Mainwaring, Meneguello and Power 2000).

Given the depth and impact of these reforms and the fact that they form a major dimension of elite political conflict, it would be surprising to find that the Brazilian electorate does not also have politicized attitudes toward the neoliberal reform agenda. To date, however, political scientists have argued that attitudes about economic policy issues play no role in mass political behavior or political assessments, such as party identification, voting choice or presidential approval. The prevalence of clientelism in state-society relations and the comparatively low education level of the Brazilian electorate has led scholars to argue that Brazilian voters are not as rational or issue-oriented as their counterparts in countries with older democratic systems. In this paper, I provide evidence that Brazilians do politicize economic policy debates. Data from a January 1998 survey demonstrate that mass attitudes about

privatization, foreign direct investment and free trade influenced citizens' evaluations of the Fernando Henrique Cardoso (1995 to present) presidency.

### **Prevailing Perceptions of Brazilian Political Behavior**

The early classic studies of public opinion and voting behavior in the United States shattered the long-held myth of the democratic citizen. The studies that emerged from Columbia and Michigan in the 1940s and 1950s painted a picture of citizens that contrasted sharply with the traditional conception from democratic theory (Campbell, Converse, Miller and Stokes, 1960; Lazarsfeld, Berelson and Gaudet, 1944). Instead of calculating citizens who were aware of and had strong opinions about important policy debates, Americans were found to be largely unaware of most political issues. Instead of citizens able to hold their representatives accountable by familiarizing themselves with voting records and policy positions, many voters did not know their Senators' names. And instead of citizens who voted for candidates most like them on policy issues, studies found people who voted according to their group identity, such as a religion, class, race or a political party (Campbell, Converse, Miller and Stokes, 1960; Converse, 1964; Berelson, Lazarsfeld and McPhee, 1954).

The works of a few scholars attempted to demonstrate a more rational side to American voters. This rational voter, although still largely innocent of ideology, was retrospective, fiercely punitive of incompetent incumbent performance and rewarding of positive outcomes (Key, 1966). Despite this finding, the rather disappointing, a-rational conception of American citizens dominated thinking and research for years. Not until almost two decades after the publication of *The American Voter* did scholars begin to muster evidence for a more policy-oriented electorate, and evidence has been building ever since (Page, 1975; Nie, Verba and Petrocik, 1979; Carmines and Stimson, 1989; Alvarez, 1997). Moreover, most recent literature on voting in the advanced

industrial democracies maintains that policy and issue concerns play an important role in determining voting decisions and electoral outcomes (Bay and Mayer, 1993; Dalton, Flanagan and Beck, 1984; Norputh, 1992; Flanagan, Kohei, Myake, Richardson and Watanuki, 1991; Kitschelt, 1994; Johnston, Blais, Brady and Crête, 1992).

In many ways, findings about the Brazilian electorate's behavior in the New Republic parallel those from the earlier studies in the United States. Brazilian voters do not seem to hold strong opinions about major political issues. Holding representatives accountable is out of the question since most citizens cannot remember for which *deputado* they voted in the previous election (*Jornal do Brasil*, 1998). Most empirical tests of issue voting fail (Kinzo, 1992; Castro, 1994; Singer, 1998). Indeed, elites and masses alike often repeat the familiar mantra, "*o povo não sabe votar*," that is, "the people do not know how to vote."

One scholar has recently described the Brazilian electorate as "non-rational" (Silveira, 1998). The non-rational voter is generally incoherent and inarticulate about political matters. Electoral choices are based on *personalismo*, or candidate characteristics such as honesty and imagery. Voters rarely link political and economic issue ideas with candidate choice, and they justify electoral decisions with vague statements like "I liked him," and "He was the best candidate for the country." (Kinzo, 1992; Baquero, 1994; Castro, 1994; Von Mettenheim, 1995). The amount of money spent on political marketing and the celebrity status of some political marketers also attests to the perceived importance of candidate imagery in voting decisions.

At best, scholars have argued that a small group (perhaps ten to fifteen percent of the electorate) of well-educated, politically sophisticated citizens are the only "rational" voters in the country (Silveira, 1998; Baquero, 1994; Castro, 1994). In other words, policy-based issue voting only occurs among a small percentage of elite voters because most Brazilians have a low

education level. (In the 1998 election, the Tribunal Superior Eleitoral estimated that only twenty-five percent of the electorate had completed at least one year of high school [Morães, 1998]). These scholars assume (although rarely empirically test) that education is a prerequisite for having the political knowledge that allows one to think abstractly and prospectively about policy and policy outcomes and to know candidate proposals. These beliefs about the relationships between education and “rationality” (or issue voting) in Brazil probably contribute the most to the overwhelming popular conceptualization that Brazilian voters are much less coherent and policy-oriented than their counterparts in the older democracies with better-educated electorates.

The prevalence of clientelistic relations in Brazilian state-society arrangements also underlies the perception that citizens do not politicize policy issues of national import (Weyland, 1995; Hagopian, 1996; Von Mettenheim, 1995). Clientelism is "the practice of favors in the political sphere and the institutionalization of exchanging votes for particularistic benefits granted by those with public power" (Diniz, 1982: 17). Practiced mainly at the state and municipal level, clientelistic systems are characterized by a lack of ideological conflict. Political conflict centers on competition for limited public resources and personal benefits such as potable water, clean streets, new parks, smooth roads and, most importantly, public sector jobs. To the extent that they receive public resources, citizens develop attachments to their local political boss. Therefore, although the clientelistic vote is a rational one (and an economically self-interested one to boot), such voters lack an orientation toward policy debates, especially national ones.

Like the early work of some rational choice theorists, a few scholars of Brazilian mass political behavior have attempted to “rescue” the Brazilian voter with the more rational retrospective model. The evidence for a rational, retrospective voter is quite robust and

convincing. For example, the 1994 presidential election is clearly impossible to understand without a retrospective model, although with a unique twist. The retrospective model assumes the existence of an incumbent candidate or, at least, an incumbent party candidate. The 1994 election had neither, but Cardoso, who was endorsed by the incumbent president, benefited from retrospective judgments of his performance as finance minister. During the campaign, he played up his role as the father of the *real*, the currency and stabilization plan that slashed inflation a few months before the election. During this same period, his expected vote share grew from 19 percent in June to 47 percent in September, and he won with 53 percent of the valid votes (Teixeira and Venturi, 1995). Several studies have demonstrated that the real plan was decisive for Cardoso's victory (Teixeira and Venturi, 1995; Meneguello, 1996; Almeida, 1996). This same retrospective pattern also holds in presidential approval (Chaffee, 1998). Although the occurrence of retrospective behavior helps shore up ideas of democratic competence among Brazil's electorate, it remains quite distinct from issue voting.

To date, the best evidence for issue-oriented voting comes from Singer (1998), who argues that the Brazilian presidential elections of 1989 and 1994 contained an important dose of ideological conflict within the electorate. According to Singer, this ideological dimension was defined by the degree of state involvement in civil society. He claims that Collor (1989) and Cardoso (1994) received a disproportionate amount of the vote from Brazilians who believed that the state should intervene in civil society to maintain order, such as prohibiting strikes and Communist parties. Lula, the candidate for the Worker's Party, received overwhelming support from electors who did not want the state to repress social mobilization. Singer notes that in the electorate, this ideological divide is unrelated to the liberal-statist economic issue dimension

which, although never looking at the bivariate relationship, he claims was irrelevant to voting choices in 1989 and 1994.

To test whether economic policy debates are politicized in the Brazilian electorate, I ran a cross-sectional, multivariate model of presidential approval using data from a January 1998 survey of 993 urban residents. The works cited above were almost exclusively studies of voting behavior because systematic analyses of presidential approval in Brazil are still rare. However, since I am concerned with the broader question of whether economic issue attitudes have weight in the political evaluations and behavior of the electorate (i.e., whether the conflict over free market policies has been politicized), theories and findings from voting behavior research apply to the case of presidential approval. Moreover, the correlation between presidential approval and candidate choice is quite high, especially in elections with only two or three viable candidates, so findings and hypotheses from the voting literature are relevant and rather similar (Fiorina, 1981).

### **Economic Policy Debates and Conflict**

Before turning to the multivariate model of presidential approval, this section describes the economic policy issues that are included as independent variables in the model. Although free-market reforms have occurred on several fronts in the 1990s, I focus on the following three policy changes: free trade, foreign direct investment and privatization.

President Collor's most important legacy, trade liberalization, constitutes Brazil's most fundamental and important economic change of the 1990s. Through unilateral tariff reductions and the consolidation of Mercosul, Collor reversed, in only three years, six decades of protectionism. From 1987 to 1995, trade as a percentage of GDP rose from 17 to 27 percent. After Collor, President Cardoso actually raised tariffs in a few sectors (like the automotive sector), but his first-term policy of maintaining an overvalued currency had a further liberalizing

effect on the economy. Moreover, Cardoso has overseen the deepening of ties to Mercosul and actively supports the formation of the Free Trade Agreement of the Americas (FTAA), which would create a hemispheric-wide free trade zone in 2005.

Free trade has had bittersweet results under Cardoso. Decades of protection had created the most developed and diversified industrial base in Latin America, but it also made local firms uncompetitive by international standards. The rapid trade liberalization, combined with the overvaluation, proved fatal for hundreds of Brazil's inefficient firms, which simply did not have time to streamline and adjust to enhanced competition with imports. Many Brazilian manufacturing firms either closed or laid off workers to become more efficient, a process that contributed to Brazil's record-breaking unemployment levels in 1998. Thousands of workers lost their jobs in the shrinking industrial sector, driving the January 1998 unemployment rate to 7.3%, which at the time was the highest since the early 1980s. Lula, the presidential candidate for the leftist Worker's Party in 1998, complained of the loss of jobs to imported goods during his presidential campaign, calling for a hold on "predatory and superfluous" imports.

Despite being a major contributor to unemployment, free trade has exposed consumers to a much wider variety of goods with higher quality and lower prices. In fact, the benefits of free trade are visible to consumers any time they go shopping, and this may contribute to its overall popularity among the population. In the survey used in this paper, almost 75% of respondents believed that free trade was very or somewhat good for the country. In short, free trade has had a profound and visible impact on Brazil's economy in the 1990s, especially during the Cardoso presidency. For this reason, I expect to find that mass attitudes toward free trade influenced evaluations of his administration.



The explosion of foreign direct investment (FDI) in Brazil has had a less consequential, although far from negligible, impact on the economy. Brazil accepted foreign investment in many sectors throughout the post-war era, but the government tightly regulated it with profit remittance laws and repatriation taxes. These market controls were dropped in the 1990s, and FDI rose from US\$1 billion in 1991 US\$22 billion in 1998. Free-market advocates claim that foreign-owned firms on local soil generate foreign exchange and create jobs that would otherwise not exist, filling in where local private investment falls short or is not efficient. Supporters also see FDI as a source of more and better goods. Finally, FDI brings more modern technology and knowledge to developing countries, making them more efficient and globally competitive.

However, FDI can have a negative impact on employment. Foreign firms that invest in Brazil have been more capital-intensive than local competitors. They thus require fewer employees and, if local firms are to compete, they too may have to lay off workers. In the long run, therefore, FDI in the sector may create a net loss of jobs. For example, despite yearly increases in FDI and output, employment in automobile factories has fallen by 25% since 1980 (*Folha de São Paulo*, 1998). Unlike free trade, however, FDI can lead to a similar pattern in non-tradable sectors such as banking, insurance, restaurants and grocery stores.

Perhaps the most visible and divisive component of the 1990s free market shift has been privatization. Collor launched Brazil's national privatization program, but the most important and by far greatest number of privatizations occurred during Cardoso's first term. By 1998, Cardoso had privatized the Companhia do Vale Rio Doce (CVRD), one of the most profitable and largest state-owned enterprises (SOE) in the country, and many public utility monopolies (water supply, highways and electricity). In many instances, the sale of public utilities backfired

when the services they provided worsened, instead of improving as free-market liberals had long promised. Besides its effects on the consumer, privatization has contributed to Brazil's unemployment problem, since newly privatized businesses typically laid off unnecessary workers. One estimate puts the total number of laid-off SOE workers in the 1990s at over 100,000 (Alcântara, 1999). On the positive side, most newly privatized industries have quickly increased their efficiency and profit margins, and revenues from sales of SOEs have been applied to the government deficit.

Besides creating material winners and losers, a polarized ideological debate has surrounded the privatization issue. Despite the lack of any external military threat, privatization's opponents view the sale of SOEs in "strategic" sectors (like telecommunications, mineral extraction and petroleum) to international investors as a threat to national security. They also decry the sale of the *patrimônio do povo* (people's inheritance) to the national and international bourgeoisie. Supporters retort that only a small percentage of SOEs were profitable, so that the state sector actually drove up government indebtedness. Moreover, they claim that the government no longer has the means to invest in many sectors formerly dominated by SOEs. In other words, privatization should allow the state to focus more resources in the social area, allowing more plentiful private investment to prepare newly privatized industries for global competition.

Of the three free-market issues I considered in my presidential approval model, privatization has been the most bitterly contested at the elite level. The left has opposed all privatizations when they have occurred. Many of the biggest privatizations, such as USIMINAS, Telebrás and CVRD, were accompanied by mass demonstrations and violence as well as extensive legal challenges. In the 1998 election campaign, Lula promised to freeze the national

privatization program and to reverse privatizations that occurred in a corrupt manner. In short, because of its divisiveness among elites, its ideological content and its recent impact on economic welfare, I expect privatization to form a major issue cleavage in mass political behavior.

### **Data and Bivariate Results**

Before turning to the multivariate model of presidential approval, I describe the survey items used to measure economic issue attitudes and present some interesting bivariate relationships. The survey data are from the *Wall Street Journal Americas* “Mirror of the Americas” Poll conducted in January of 1998 (Schumacher 1998). Vox Populi carried out 993 interviews, and the sample is representative of Brazil’s urban population. The three items measuring issue attitudes are ordinal variables, with higher values indicating greater support for the policy.<sup>1</sup> Each variable also had a middle category that included indifferent (no response or “don’t know”) or ambivalent respondents. The univariate distributions are shown in Table 1. Privatization is a very polarizing issue within the Brazilian electorate, while free trade and foreign direct investment attitudes are skewed in a positive direction. Overall, the population seems to be slightly favorable toward the free-market reforms implemented by Collor and Cardoso. However, a clearly substantial minority of the population is upset about privatization and foreign direct investment.

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<sup>1</sup>Question Wordings:

Free Trade: Over the last few years the country has had more and more business and trade with other countries. This tendency is called “free trade.” Do you think that free trade is good or bad for the country? Very or slightly? (1) Very bad. (2) Slightly bad. (3) No response (4) Slightly good. (5) Very good. To facilitate comparison with the other two issue items, categories (1) and (2) are grouped together and (4) and (5) are grouped together in Tables 1 and 3 and Figure 1.

Foreign Direct Investment: Which phrase is closest to your way of thinking? (2) Foreign investment is good because it helps economic growth. (0) [Foreign investment] is bad because it gives too much influence over our economy to other countries, (1) Both, Neither, or No-response.

**Table 1: Univariate Distribution of Economic Policy Items**

	Against	Indifferent or Ambivalent	Favorable
Free Trade	17	9	73
Foreign Direct Investment	35	16	49
Privatization	41	21	38

To what extent do attitudes toward market policies exhibit dimensionality or “issue constraint” (Converse 1964)? Political behavior scholars have often interpreted high correlations among beliefs toward different political issues as a sign of knowledgeable and abstract thinking about politics. If correlations among beliefs toward free trade, foreign direct investment and privatization are high in Brazil, then attitudes toward each policy are probably structured by underlying commitments to a state-led or market-oriented economic development strategy. The inter-item correlations from Table 2 indicate the existence of a weakly-defined economic dimension that determines the attitudes toward the three individual policies. In other words, a statist↔market dimension structures attitudes about particular economic policies such that, for example, free trade supporters tend to be more supportive of privatization than free trade opponents. The existence of this dimension indicates that models that highlight Brazilians’ incoherence and inability to connect various political and economic ideas are exaggerated (Silveira, 1998). However, as the relatively small (although statistically significant) correlation coefficients indicate, this type of unidimensional, ideological thinking occurs to a limited degree.

**Table 2: Correlations among Issue Attitude Items**

	Foreign Direct Investment	Privatization
Free Trade	.265	.223
Foreign Direct Investment		.181

Privatization: Do you think that the change toward privatization is good or bad for the country? (0) Bad, (1) Depends, Good and Bad, or No-response. (2) Good.

To what extent, then, are these economic policy beliefs politicized among ordinary citizens? Table 3, which cross-tabulates presidential approval with the three economic issue variables, lends support to the argument that Brazilians exhibit some coherence and reason in their political thinking. Presidential approval is an ordinal variable ranging from one to five whose value increases with support for Cardoso.<sup>2</sup> In the bivariate relationships, economic issue attitudes have political weight: ideas about Brazil's economic policy influence assessments of the sitting president. The fact that the mean support increases from left to right within each row indicates that as one becomes more market-oriented on each issue item, evaluation of the Cardoso presidency increases. Given Cardoso's role in deepening each of these aspects of market-reform, these relationships are in the expected direction.

**Table 3: Bivariate Relationships between Presidential Approval and Issue Attitudes**  
(Entries are each group's mean on the presidential approval variable)

	Against	Indifferent or Ambivalent	Favorable
Free Trade	2.55	2.84	3.30
FDI	2.81	3.19	3.35
Privatization	2.71	3.09	3.61

### Multivariate Results

These bivariate results provide only preliminary evidence of the rationality of mass political thinking in Brazil. To control for confounding factors and avoid the potential pitfalls of spurious correlation, I specified and estimated a multivariate model of presidential approval. Since the five-category dependent variable is ordinal, an ordered probit model is appropriate in the multivariate case. I specified the model with two types of variables. The main group of interest contains the three economic issue questions described above. If Brazilians are rational,

<sup>2</sup> The presidential approval variable, used as the dependent variable in the multivariate analysis, is the following: "What opinion in general do you have of President Fernando Henrique Cardoso? Good or bad? Very or somewhat?"

then the coefficients on these variables should be positive, indicating that the less statist people are on a particular item, the more favorable they are toward the Cardoso administration.

The second group of independent variables is a set of demographic traits that includes gender, income, education, town size and age. The manner in which social and class cleavages translate into political conflict is unstable in Brazil. In many cases, relationships between class and voting have been weak. Although the poor and undereducated were less likely to choose the statist candidate Lula in 1989 over the market-oriented Collor, this relationship dwindled in 1994 (Moisés, 1993). In the 1994 election, income had almost no relationship with presidential candidate choice, and the undereducated only slightly preferred Cardoso (Meneguello, 1996). Although I expected their impact to be weak, if they exist at all, I included income and education as independent variables.<sup>3</sup>

During the 1998 election campaign, Cardoso's political marketers recognized his lagging support among women, focusing attempts on increasing support among this group, so I expected respondent's gender to have an impact on presidential approval. The model also included the natural log of respondent's age, hypothesizing that older people are more conservative and approve of Cardoso's conservative stances. Finally, the model contained a measure of the population of the respondent's town or city.<sup>4</sup> Clientelistic bosses, who are overwhelmingly conservative and would favor Cardoso, are much more prevalent and powerful in small cities and

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The responses were coded as follows: (1) very bad, (2) somewhat bad, (3) neutral (4) somewhat good, (5) very good. There were 20 non-responses.

<sup>3</sup> Education is coded as number of years of education up through 12 years. Beyond 12, (13)=University Incomplete, (14)=University Complete, (15)=Graduate School Incomplete, (16)=Graduate School Complete. Income is coded as follows: (1) Lower class (bottom 40% of population), (2) Middle and lower-middle (next 30%) (3) Middle upper (next 20%), (4) Upper (Top 10%). Fifty-five no-response cases for these two variables have imputed values using the EMis algorithm developed by King, Honaker, Joseph and Scheve (1998). The ordered probit estimates presented in Tables 4 and 6 are averaged over nine data sets with different imputations for these missing values.

<sup>4</sup> Town Size coded as follows: (0) Small City (15,000 to 50,000), (1) Medium City (50,000 to 100,000), (2) Big City (100,000 to 1 million), (3) Metropolis (over 1 million).

towns. Moreover, government opposition parties and organizations are much more organized in urban areas. This pattern could lead to higher Cardoso approval ratings in smaller cities.

Table 4 displays the ordered probit coefficients for the completely specified model. The multivariate model results clearly demonstrate the role of issue attitudes in presidential approval. Coefficients for all three issue variables are in the expected direction and statistically significant, indicating that dislike for the free-market policies implemented by Cardoso leads one to evaluate his administration more negatively. Some of the demographic variables are also important predictors of presidential approval. Women are significantly less enthusiastic about Cardoso than men. Support for Cardoso increases with age but is much weaker in large cities than small ones. Income and education have no statistically significant relationship with presidential approval.

**Table 4: Multivariate Model of Approval of Fernando Henrique Cardoso's Administration**  
(Entries are ordered probit maximum likelihood estimates)

N=973	<i>Ordered Probit Estimates</i>	<i>Standard Errors</i>
Free Trade	.17**	.03
Foreign Direct Investment	.11**	.04
Privatization	.28**	.04
Ln (Age)	.20*	.10
Town Size	-.10*	.05
Woman	-.29**	.07
Education	-.00	.04
Income	-.03	.04
Constant	.94*	.39
	Psuedo-R <sup>2</sup> = .14 <sup>5</sup>	
	* = p<.05, ** = p<.01	

<sup>5</sup> Ordered probit models do not produce R<sup>2</sup> statistics that are comparable to those in the classic linear regression model. I report the psuedo-R<sup>2</sup> with reservations to give a sense of the variance explained, stressing that the maximum of this statistic is an indeterminate value *less than one*. While numerous options exist for psuedo-R<sup>2</sup> in models with non-continuous dependent variables, the calculation used here is the square of the correlation between

Interpreted alone, the coefficients in ordered probit models do not always give a clear picture of the total and relative effects of independent variables. In this case, graphical representations are often helpful to show the degree of relationships between variables. Figure 1 shows the impact of the economic policy attitude variables. The figure plots the predicted probability for eleven hypothetical individuals, generated from the results in Table 4, of grading the Cardoso administration as “somewhat good” or “very good.” These eleven individuals are all women who share identical values, the median, on all other independent variables except the three issue positions. In other words, all eleven women are from the lower-middle class, have eight years of education, are 36 years old and live in a city with more than one million residents. There is nothing inherently interesting about this particular kind of person, who, for ease of exposition, I will refer to as the “median woman.” However, it is necessary to hold these variables constant for assessing the independent causal impact of the issue variables. I chose the medians to demonstrate their impact on a rather “typical” person.

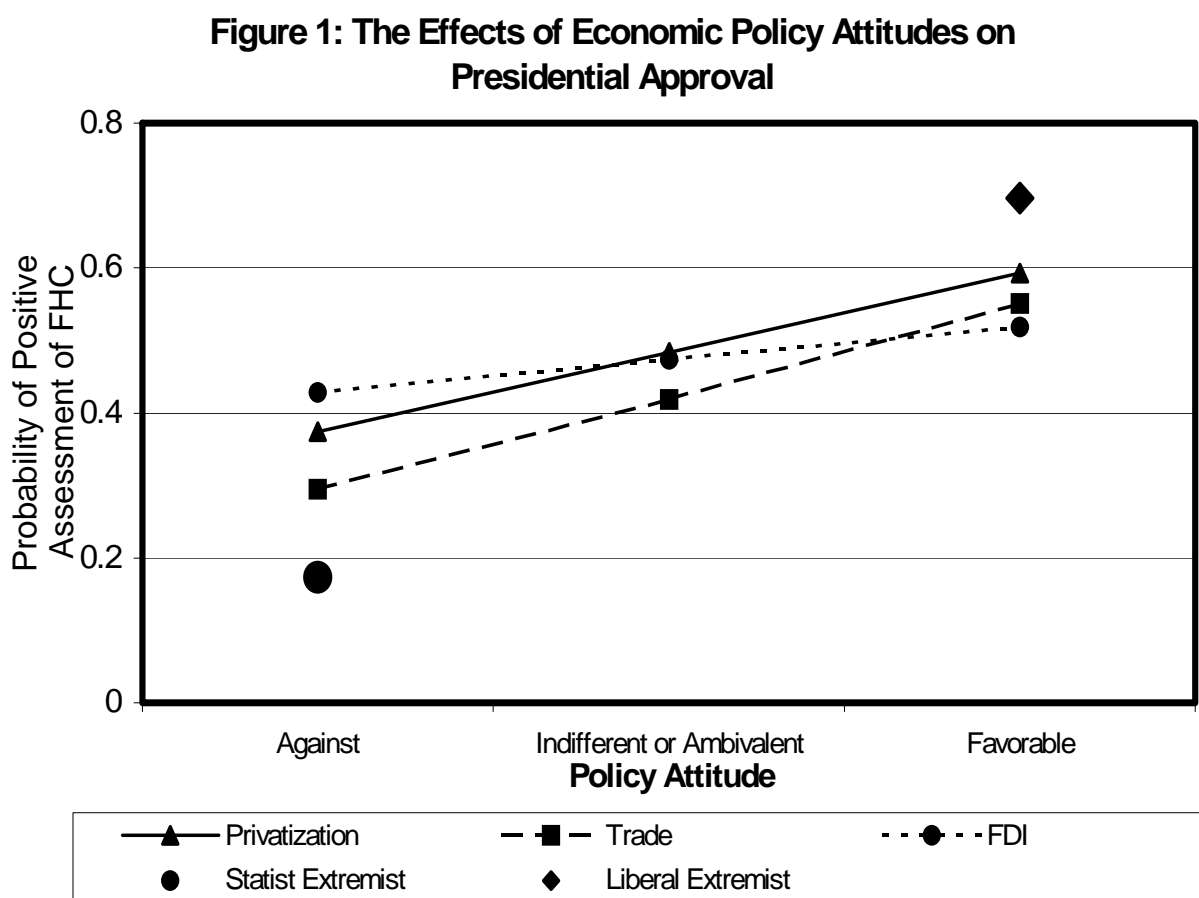
Despite sharing these demographic characteristics, these eleven hypothetical women differ among themselves on their issue attitudes. For example, in Figure 1 the three points on the line labeled “Privatization” show the probabilities of a positive Cardoso assessment for three of the hypothetical individuals who differ *only on their attitudes about privatization* (the two other issue variables are held constant at their means). In other words, a median woman who is against privatization has a .37 probability of saying Cardoso is a somewhat good or very good president, while a woman with all the same characteristics save being pro-privatization has a .59 probability of approving of the president. This line traces out, therefore, the independent impact,

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$\hat{y}$  and  $y$ . Ordered probit also produces estimates of the distances between categories in the dependent variables, but I do not show these here.



because all other variables are constant, of privatization attitudes.<sup>6</sup> The other two lines can be interpreted in the same manner, substituting in the policy labeled on the line. The fact that the lines slope upward from left to right indicates that support for Cardoso increases with support for the types of policies he has implemented. Overall, foreign direct investment seems to have the weakest influence, while both privatization and free trade have a very strong impact on presidential approval.



Finally, the two points in Figure 1 that are not connected by lines represent probabilities for two final types of median women. The darkened circle is a “Statist Extremist,” or a median woman who is against free trade, foreign direct investment and privatization. The darkened

<sup>6</sup> Although I describe these different points as representing probabilities for different people, one can also consider

diamond is a “Liberal Extremist,” or a median woman who favors free trade, foreign direct investment and privatization. The extreme difference in probabilities between these two points (.17 versus .70) indicates the enormous joint impact of the three policy attitude variables.

This figure clearly demonstrates the extensive degree to which attitudes about Brazil’s economic reform are politicized. Instead of having incoherent, random attitudes about important economic issues, Brazilians connect their ideas about economic policy to the political realm, basing their judgments of the incumbent president on them. Moreover, assessments of the president are based on more than just his personal characteristics and the performance of the economy under his tenure, as much of the literature would lead us to believe. Indeed, the patterns in Table 4 and Figure 1 indicate the following elements of political behavior in the Brazilian electorate.

1. Many people are cognizant of economic policy debates and have well-defined attitudes on important national economic issues.
2. Many are also aware of their president’s actual, objective stance on these issues.
3. Given these first two elements, many Brazilians assess their president according to whether he implements the types of policies they support.

Is it possible, however, that these findings do not apply to all citizens? As mentioned, a common idea among scholars is that more educated voters in Brazil are more coherent about their political economic ideas and more rational or policy-oriented in their political behavior (Silveira, 1998). This proposition is easily testable using the data and techniques in this article. To test the hypothesis about coherence within issue positions, Table 5 tabulates the average inter-item correlation among the three economic issues by four educational categories. If more educated citizens have more coherent ideas about these economic policies, then the entries should increase with educational attainment. Table 5 shows that this is clearly not the case, since

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the change in probabilities as the impact of a changed attitude within a particular individual.

attitudes among the least educated are just as highly correlated as they are among the most educated.

**Table 5: Average Correlation among the Three Issue Attitude Questions by Education**

	0 to 4 years of education	5 to 8 years of education	9 to 11 years of education	Some college and up
Average inter-item correlation	.240	.215	.125	.285

To test whether less educated Brazilians are less “rational,” or less policy-oriented in their political assessments, I ran another multivariate ordered probit model similar to that reported in Table 4. However, this time I estimated two sets of coefficients for each issue variable. One coefficient refers to that variable’s effect within the most educated portion of the population, while the other coefficient refers to that same variable’s effect within the less educated portion of the population. This comparison of the two coefficients is achievable by splitting each issue variable into two separate variables. The variable for the less educated portion of the population is simply recoded to zero for all cases that fall into the highly educated half of the sample. The opposite is done for the more highly educated group. The cutoff point for education is “some college education.” Those with at least a year of college (about 20% of the sample) fall into the “most educated,” while all other falls into the less educated category. If issues have differential impacts that depend on educational attainment, the two coefficients will be statistically distinguishable. The conventional wisdom about Brazilian voters indicates that the coefficients for less educated voters will be statistically indistinguishable from zero *and* statistically different from the coefficient for the higher educated population.

**Table 6: Second Multivariate Model of Presidential Approval: Testing for Heterogenous Effects of Policy Attitudes by Education Level**  
(Entries are ordered probit maximum likelihood estimates)

N=973	<i>Ordered Probit Estimates</i>	<i>Standard Errors</i>
Free Trade (No College)	.18**	.03
Free Trade (Some College)	.10	.07
FDI (No College)	.09* <sup>†</sup>	.04
FDI (Some College)	.27** <sup>†</sup>	.10
Privatization (No College)	.28**	.04
Privatization (Some College)	.24**	.09
Ln (Age)	.20*	.10
Town Size	-.10*	.05
Woman	-.29**	.07
Education	-.00	.05
Income	-.03	.04
Constant	.90*	.39

Psuedo-R<sup>2</sup> = .14  
\* = p<.05, \*\* = p<.01  
<sup>†</sup> = (Some College) Coefficient – (No College) Coefficient ≠ 0

The results do not support the conventional wisdom in any of the three cases, and different patterns prevail for each issue. Free trade attitudes have a statistically significant and much heavier influence among the *less* educated. Indeed, the impact is over twice as large within this group, and almost negligible among the most educated. The coefficients on the FDI variable come the closest to supporting the conventional wisdom, since the less educated are much less likely to use this as a criterion for evaluating the Cardoso presidency. However, the coefficient among those who never went to college is still statistically significant. Finally, privatization has a very large and equal impact on politicization within both groups. In sum, there is no evidence to support the conventional wisdom that less educated Brazilians are less rational and coherent when it comes to evaluating their president.

## **Conclusion**

Like their American counterparts of the 1950s and 1960s, Brazilian voters have come under fire from scholars of political behavior for being inattentive, unknowledgeable and non-rational in their political evaluations and behavior. Because of an unfortunately low level of education among the electorate and clientelistic state-society arrangements, many scholars, often in the absence of sound empirical evidence, argue that Brazilians are highly irrational political beings that focus on candidate personalities or particularistic benefits. This depiction contrasts sharply with contemporary knowledge of voters in advanced industrial democracies, who are quite issue-oriented.

The findings in this article demonstrate that Brazilians seem to be just as policy attentive as their more educated counterparts in North America and Western Europe. At least in terms of their assessments of the president, many Brazilians are highly rational in that they (1) have coherent economic policy beliefs, (2) know the beliefs of their president and (3) evaluate their president based on his proximity to their beliefs. Moreover, contrary to the perceptions of many scholars, undereducated Brazilians are no less coherent or rational than more educated citizens. Future research on mass political behavior in Brazil should consider the more policy-oriented demands of Brazilian citizens.

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