

## **The share of the United States and Brazil in the modern civilization: A centennial homage to Joaquim Nabuco's commencement speech of 1909**

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### **The share of two big countries in the modern world: a summary**

The main aim of this essay is to offer a comparative reading of the respective performances, in terms of material and intellectual achievements, of the United States society and economy, for one side, and of those of Brazil, for the other side, during the last hundred years, taking as a point of departure the overall assessment made by Ambassador Joaquim Nabuco of the contribution of the United States – a designation he does not use – to the world civilization, in his commencement speech prepared for the academic year of 1909 at the University of Wisconsin-Madison.

In that ‘Madison lecture’ – titled “The Share of America in Civilization” and later published in *The American Historical Review* (15.1 [1909] 54-65) – Nabuco presented what he understood as the most important contributions of the United States to modern civilization, which he listed as follows: immigration, democracy, equality of social conditions of all classes in the nation, individual initiative, competition, and education, or better, the American system of education, based on self-reliance. He noticed, also, the role of science and innovation in the development of contemporary civilization, but considered, at that moment, that the United States were not yet fully prepared to challenge European achievements in those fields.

As for Brazil and Latin America, he commented, *en passant*, that Iberian countries were not yet ready to play a big role in the spread of civilization: “It is rather early to speak of the part assigned in history to Latin America. We have not yet been ordered to enter the stage; the plays of God are very long ones; his acts are ages.” (Nabuco, “The Share...”, p. 64) He recognized the great difficulties standing before those countries, referred to some contributions of theirs, like the Second Hague Conference and Santos-Dumont's aerial flight, and praised the pacifist stance of the Brazilian 1891 Constitution, unique in the world in refusing any war of conquest.

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The essay will examine the departure background of the United States and Brazil, at the time of their independence, will follow their respective economic processes of development during the Nineteenth century – witnessed by Nabuco – and will extend the assessment for the following hundred years after Nabuco’s speech. Of course, GDP growth rates and respective national per capita income are only partial, incomplete and insufficient approaches to the differing routes towards modernization followed by the United States and Brazil during that “long Twentieth century”, that is, extending from the last decade of the previous century to our own age. Probably, most important than material realizations were institutional building – that is, the quality of democracy –, the meritocratic nature of the educational system – which rewarded individual performance and healthy competition –, and that specific Anglo-Saxon trait of social character and institutional organization, that does not even has an Hispanic equivalent, which is called *accountability*; one possible Latin translation would be to held someone ‘responsible’ by his political acts while in charge of any public duty.

The first feature, the one related to the democratic organization of the society, also has a different meaning in the United States as to what it is conceived in the Latin American world: when Brazilians, or Latin-Americans, refer to democracy, they are thinking about a political regime, a form of institutional arrangement, dealing only with which Karl Marx called superstructure, that is, the State. The American vision, or practice, of that reality, not merely a simple word, refers, of course, to a way of life, the proper organization of the society itself, from the basis, not only an arrangement for just political representation at the upper levels of the society.

Notwithstanding their differing economic and technological capabilities, both Brazil and the United States have offered some contribution to modern civilization, different in nature and their global impact. American hard and soft powers produced and delivered a world, throughout of the Twentieth century, that was – and IS, up to our days – much more “gentle and kindler” that the one that could be offered, say, respectively, by dictators like Mussolini, Hitler, Stalin, Mao, the Japanese militarist clique of the interwar period and their imitators in less dominant or expansionist countries. The world is a better place nowadays, thanks to the great American contributions to our global civilization, as Nabuco recognized a century ago, and not only for immigration, democracy, equality and innovation, which still are the distinctive character of the American gifts to the world. American “militarism” and a staunch defense of national sovereignty are also parts of a positive legacy to the

modern world, as they are the guarantors of peace and stability, for one side, and institutional requisite for the preservation of self reliance in the never ending debate between naïf multilateralism and national self determination, for the other side.

As regards Brazil, besides the proclaimed – and probably exaggerated – claim to the alleged paternity of a new, multi-racial society, there are some trusts in its peaceful character, its reliance in international law for the political settlement of disputes among States, the open and tolerant character of its society, and its moderator role in South America. In addition to have provided the world with plenty of “dessert” stuffs since the Discoveries – sugar, coffee, cacao and the likes, not forgetting today’s deliveries of any amount of grains, meat, minerals, fibers and orange juice – Brazil is on the verge of becoming a strategic player in the gradual transition from a “carbon society” to a renewable and sustainable energy producer, in the form of sugar cane ethanol and biofuels.

Nabuco would probably be proud of the achievements made by Brazil since his tenure as the first Brazilian Ambassador to the United States, but certainly would as well be surprised by the fact that the United States – being a big multinational, but perhaps not yet a multiracial society, as Brazil pretends to be – arrived first in electing a black citizen as its president. Brazilian society has yet to deliver this kind of contribution to the modern civilization...

### **What distinguishes the United States as a country: a brief overview**

Nabuco starts his commencement lecture by referring to the pre-revolutionary work of Abbé Louis Genty: *L'influence de la découverte de l'Amérique sur le bonheur du genre humain* (first published in 1788), a question deemed important enough to be proposed as the center focus of a prize attributed by the Academy of Lyon. Nabuco confronts this question with the opinion of an English writer, whom he met during an Atlantic cross, who considered that the sole contribution of America to the world was tobacco and nothing else. Surely, there must be other valuable contributions from America, starting by corn, turkey and, of course, those supreme inventions of American modernity, Coca-Cola and hamburger (but his one could have been invented by the central Europeans, already makers of the meat-loaf. We could add, nowadays, the iPod and the iPhone, at least for Mac addicted people, like myself. If one wants to paraphrase l'Abbé Genty, one could refer to those inventions as the most valuable *contributions de l'Amérique pour le bonheur du genre humain*, period.

But Nabuco also refers at the beginning of his lecture to ‘president Eliot’, who was the great American educator Charles William Eliot, elected president of Harvard University in 1869 and a staunch promoter of higher requirements for the entrance selection into the American superior schools, which were, then, in comparison with European universities, only a bunch of second and third rate learning institutions. The campaign championed by Eliot with his colleague from Johns Hopkins University led, in the end, to important reforms in the secondary education in the United States, as well as to many other improvements in the educational system of this country. More than the quality of technological research or the many conquests of the scientific establishment – reflected in the products we all buy today or in the Nobel prizes raffled by Americans or foreigners working in American laboratories – it is the very quality of the higher education in America that distinguishes this country among all other in civilized world (well, just to retain a concept highly prized in Nabuco’s days).

At the moment when Nabuco was preparing his lecture, Eliot had just resigned from the presidency of Harvard (in November 1908, effectively retired in early 1909), and was starting new endeavors in the benefit of the American education. One of his many books, and the one Nabuco was referring to as he searched for contributions from America to the world, was *American Contributions to Civilization, and Other Essays and Addresses* (New York: The Century Company, 1897). The ‘five American contributions to Civilization’ (an address Eliot gave in August 1896, at Chautauqua), and critically examined by Nabuco in his commencement lecture, were, respectively:

- 1) The substitution of discussion and arbitration for war as the means of settling disputes among nations;
- 2) The widest religious toleration;
- 3) The manhood suffrage;
- 4) The demonstration of the fitness of a great variety of races for political freedom;
- 5) The diffusion of material well being among the population.

Nabuco seemed to approve those contributions of the United States to ‘peace keeping’ and to manhood suffrage, at a juncture – Rooseveltian times – were the imperial, indeed colonial, expansion of the US in the region and elsewhere, as well as the endorsement of a legal Apartheid in public schools by the Supreme Court were plainly in contradiction with his positive, perhaps naïve, views about the U.S. Another Brazilian intellectual, who had lived short time earlier in the United States, Manuel de Oliveira Lima, had a more skeptical view of the big country. In his book *Nos Estados Unidos: Impressões Políticas e Sociais* (Leipzig, 1899; with a new edition

being released shortly by the Brazilian Senate), Lima looks much more realistically to the imperial ventures of the new Rome, and starts his book by the most important question ever of the American society: the so-called 'Negro problem'. Lima spares no words in commenting the dire situation of the American black population and has no qualms to mention the many lynchings in the Southern states, a problem that should not be ignored by a fervent promoter of the Negro cause in Brazil such as Joaquim Nabuco. Also, there were many differences between the two diplomats concerning the Pan-Americanism and the American imperialism, probably two of the most divisive issues that separated the former friends at the end of Nabuco's life.

In any case, they both evaluated positively and highly appreciated the quality of American education, to which they ascribed the genius-like inventiveness of the American civilization. Truly, Nabuco found that Europeans were more scientifically brained or otherwise more inventive than the Americans, but recognized that the latter were industrious enough and capable of great undertakings in building up material and spiritual riches. Undoubtedly, the great achievements and conquests of 'American civilization', already in Nabuco times, should be counted upon the learning skills and the technical endowment of the American people, both the first English settlers and the new immigrants integrated in the new land. Conversely, people and institutions could not make Brazil more prosperous than it was at the beginning of the 20<sup>th</sup> century. Here stands the enormous difference between the two countries, as we briefly examine in the following section.

### **What distinguishes the United States from Brazil: a comparative view**

The first, single, most important factor to be held into account in any kind of comparison between the two biggest countries of the Western hemisphere is, of course, the difference in material riches, or, as economists would put, in the value of the aggregate production, in comparable basis. That means the Gross Domestic Production, or the total amount of added value in the homeland productive process in each country during the same period, usually a calendar year. Homeland here means the territory, or the proper jurisdiction of the said State, as the production by residents of any country can, and usually does in our globalized world, be extended to other countries, giving right to some added value to be 'exported' to the said residents' State, and this can make some differences. For instance, being a capital exporting economy, the Gross National Product of the United States is bigger than its Domestic

Product, as some foreign added value is brought at home in the form of dividends, profits or other capital rents paid to the residents of the United States. Conversely, in the case of Brazil, its National Product is smaller than its Gross Domestic Product, as Brazil has to pay dividends and remit other types of capital abroad, for residents of other countries residing in its territory, under the jurisdiction of its economy.

But, gross domestic production is not, in itself, a true measure of value, as its name indicates, it is a gross measure, encompassing the whole productive capability of a country, without taking into account the relative endowment or productivity, in function of resources, population and distribution. A better measure of prosperity, or real riches of a country, is expressed by per capita GDP and its cumulative evolution for a long period of time, as explained, for instance, in the seminal book by Robert Barro and Xavier Sala-i-Martin, *Economic Growth* (2<sup>nd</sup> edition; Cambridge, MA: The MIT Press, 2003). So, as to compare the economic itinerary of the two countries over a long period, we present, based on uniform data and up-to-date values established by the well-known economic historian Angus Maddison, the GDP per capita of Brazil and of the US, together with the same figures for Argentina, to see their respective performances from the 19<sup>th</sup> century onwards.

**GDP per capita (US\$ 1990), USA, Brazil and Argentina, and ratios, 1820-2006**

Years	GDP per capita			USA = 100		Arg = 100
	USA	Brazil	Argentina	Brazil	Argentina	Brazil
<b>1820</b>	1.257	646	--	51,39	--	--
<b>1850</b>	1.806	686	--	37,98	--	--
<b>1870</b>	2.445	713	1.311	29,16	53,61	54,38
<b>1890</b>	3.392	794	2.152	23,40	63,44	36,89
<b>1909</b>	5.017	776	3.699	15,46	73,73	20,97
<b>1913</b>	5.301	811	3.797	15,29	71,62	21,35
<b>1921</b>	5.323	963	3.471	18,09	65,20	27,74
<b>1929</b>	6.899	1,137	4.367	16,48	63,29	26,03
<b>1939</b>	6.561	1.263	4.148	19,25	63,22	30,44
<b>1950</b>	9.561	1.672	4.987	17,48	52,15	33,52
<b>1980</b>	18.577	5,195	8.206	27,96	44,17	63,30
<b>1998</b>	26.849	5,414	9.155	20,16	34,09	59,13
<b>2001</b>	28.405	5.525	8.124	19,45	28,60	68,00
<b>2006</b>	31.049	5.835	9.679	18,79	31,17	60,28

Source: Angus Maddison, *Statistics on World Population, GDP and Per Capita GDP, 1-2006 AD* (Last update: March 2009; available: <http://www.ggdc.net/Maddison/>).

The distance of individual material riches between the two countries, already considerable at the beginning of the 19<sup>th</sup> century – approximately the double in 1820 –

would continue to grow over the next 180 years: the maximum distance was reached at the immediate beginning of World War I, when Americans' individual income attained 6,5 times that of the Brazilians, the gap being slowly reduced since then. Even so, the Brazilian economic crises from the 1980s onwards – oil shocks, external debt and financial crises of the 1990s – and the low economic growth rates recorded in their aftermath, together with the sustained growth rates in the U.S. during most of this period, expanded again the breach (putting it at the same level as interwar years).

The most dramatic case is of course that of Argentina, the richest country in Latin America at Nabuco times, and richer even than many European countries. At the height of its riches, just one century ago, Argentine individuals exhibited a per capita income up to 74% that of their American counterparts, ratio that was brought to less than 30% at most recent times. If we consider the bilateral relationship between Brazil and Argentina in terms of personal income, Brazilians went from a low 1/5 of the Argentine figure in 1909 to near 2/3 of their neighbors per capita income today. The reason, of course, is the higher cumulative rate of growth in Brazil in the second half of the 20<sup>th</sup> century, and the fact that Argentina has specialized in surpassing itself in lost opportunities.

Indeed, after the low 0.92% cumulative rate per year as economic growth in the times of the 'oligarchic Republic' (1890-1929) – while the United States grew at a 1.83% pace –, Brazil maintained, during its 'developmentalist era' (1929-1980), an annual 3.03% rate of growth, comparing to 'only' 1,96% for the United States. This new dynamics contributed to a moderate reduction in the bilateral income gap. Sadly, Brazilian per capita growth declined to just 0.27% a year, for the 'adjustment' period following the crisis of the external debt (the whole 1980s and most of the 1990s), a period in which the United States resumed a growth of 2,20% a year. The distance was thus enlarged again by those differentiated cumulative rates of growth, which is quite 'normal' in terms of world economic uneven development levels.

Notwithstanding the nominal distance between national averages in per capita income, the crucial factors that really distinguishes Brazil and the United States are not their economic levels of development as such, but productivity levels, which are an almost direct function of the educational capability of the two countries. In fact, Brazilian industrialization after the 1930s led the material basis of the production process in Brazil to a level not so distant in terms of productive possibilities, including with some involuntary transfer of technology in most sectors where direct

investments by American companies were made possible by Brazilian policies since the 1950s, such as in the automotive industry. Nevertheless, the distance remained huge, when the comparison is made in educational levels, both in quantitative data as in qualitative performance.

This is, of course, a process that took a long time in America's colonial times to rise, evolve and consolidate. The first law of 'education' in Massachusetts, en 1642 – in fact with no provisions on public schools – merely required that all children, and servants as well, should be able to demonstrate competency in reading and writing as outlined by the governing officials: “The idea behind this was that if all citizens could understand the written language on some basic level, all citizens would be able to understand and therefore, abide by the governing laws of the land” (Cf. “History of American Education”; link: <http://www.nd.edu/~rbarger/www7/masslaws.html>). A second law, passed in 1647, required that towns of fifty families hire a schoolmaster who would teach children to read and write. Towns of a hundred families must have a grammar schoolmaster who could prepare children to attend Harvard College.

At the moment when Brazil consolidated its independence, around the end of the 1820s, as well as for the whole of the 19<sup>th</sup> century, the rates in school enrollment between the two countries were growing larger, with the United States following closely the leading country: Germany (surpassed as early as 1850). The distance vis-à-vis the United States of 1830 was only closed by Brazil at the end of 20<sup>th</sup> century, as we can see in the table: that means a lag of more than one and half century! This is surely the most dramatic gap between the two countries.

**Estimated Primary School Enrollment Rate, 1830-1975** (per 10.000 people)

Country	1830	1882	1900	1930	1950	1960	1975
USA	1500	1908	1969				
Germany	1700	1547	1576				
Italy	300	681	881	1056			
Spain	400	1049	1038	1535			
Japan		722	984	1550			
Argentina		511	808	1172	1286	1339	1399+
Brazil	119*	207	258	618	979	1087	1866
Mexico		457	544	1074	1072	1460	1905
India			107	343	513	854	1082

Source: Richard A. Easterlin, “Why isn't the whole world developed?”, *Journal of Economic History*, 41(1), March 1981:1-19; available at: <http://links.jstor.org/sici?sici=0022-0507%28198103%2941%3A1%3C1%3AWITWWD%3E2.0.CO%3B2-Y>); \* = Actual figure for Brazil is relative to 1870 only; + = sic.

Of course, this picture – as dramatic as it is – refers only to the quantitative data of raw primary enrollment, but says nothing about the evolution of the same data along the whole cycle of basic studies – and assessments in Brazil confirm a high volume of drop-outs, almost as half at the passage from the first to the second level of studies – and says less still about the qualitative, and most important, aspects of the learning process. There is no surprise, as a result, to find Brazil among the last places in the international assessment programs for students of the secondary school, in all matters – basic skills in national language, mathematics and sciences – and for many years, such as the PISA-OECD.

### **Nabuco features along the 20<sup>th</sup> century: still a large Brazilian gap**

The United States really emerged as a great power at the end of the World War I, when it was the ‘lender of the last resort’ of most European countries smashed by the destructive conflict. That was also the same period when Brazilian bonds started to replace the sole exclusivity for their emission with the bankers of the City of London – up to then, a monopoly of the Rothschilds – for other financial centers, like New York. The change, nevertheless was slow, gaining ground during the 1930s to become almost a monopoly of the American city after World War II.

By then, with the strengthening of links built during the depression and the war, Brazil entered in a phase called by some historians as the ‘americanization’ of the country, both for its cultural aspects as for the dominance in all economic areas: industrial, technological, financial (Gerald K. Haines, *The Americanization of Brazil: a study of U.S.: cold war diplomacy in the Third World, 1945-1954*. Wilmington, DE.: Scholarly Resource Books, 1989). Brazil was, of course, a backward economy, still based on the production and export of a few commodities – among them, coffee was still largely predominant – and depending on foreign capital and know-how for most of its strategic investments in industry and infra-structure, as well as for balance of payments financing.

Political and diplomatic relationships were much in line with what Joaquim Nabuco taught and write about Pan-Americanism at the beginning of the century, with a strong leadership by the United States, a vision which was not shared with other preeminent diplomats, such as Manuel de Oliveira Lima, who bitterly opposed the optimistic interpretation of the Pan-Americanism by Nabuco (see Lima’s articles on the subject in his book: *Pan-americanismo: Monroe, Bolivar, Roosevelt*. ed. fac-

similar. Brasília: Senado Federal, 1980; original ed.: 1907). But even an experienced diplomat, not suspect of harboring too much empathy for the United States, like the head of Brazilian chancellery, Rio Branco himself – the same who designated Nabuco as the first Ambassador of Brazil, in the U.S. –, displayed an almost naïve positive attitude towards a possible ‘burden sharing’ between Brazil and the United States in the control of the whole hemisphere: the U.S. was to decide the fate of the northern and central parts of it, including the whole Caribbean, whereas Brazil would try to replicate this leading role in the southern part of the hemisphere. Even after a century of industrial development and a more ‘muscled’ GDP, Brazil does not seem able to exert a consensual leadership in South America: not only it lacks the intrinsic capabilities to play this role – that is, military strength and financial resources – as the neighboring countries do not recognize any legitimacy in such a leadership.

Conversely, notwithstanding its impressive power, even the U.S. is not able to set the pace of the hemispheric cooperation and integration. Fifteen years before the designation of Joaquim Nabuco as Brazilian Ambassador to Washington, Secretary of State James Blaine tried to sell the idea of a “hemispheric customs union” to the countries south of Rio Grande. He was no more successful than Clinton and Bush a century later, with their idea of a Free Trade Area of the Americas, refused by Brazil and Argentina with arguments not much dissimilar from those used in 1889-1890. Then and now, the fear of Latin American countries is to lose economic sovereignty, if confronted with the powerful companies and the technological prodigies of their counterparts in America. A contemporary Brazilian chancellor used to say that, from the standpoint of Brazil, Mercosur was a destiny, and FTAA a mere option. With the option refused, the big player is conducting the constitution of a network of bilateral free trade agreements, perhaps not in a very dissimilar way as Nabuco envisaged the role of the United States in the linking of the whole hemisphere.

But those are marginal affairs from the standpoint of the United States, whose main concerns are located in Eurasia and, increasingly, in the Asia Pacific, with a great focus on China. In fact, the usefulness of America beyond tobacco, as Nabuco would have ironically remarked, lies in its indispensable and irreplaceable role as the great ‘appeaser’ of the world. Appeaser, of course, not in the Munich historical sense, as an accommodating power, willing to accept challenges from expansionist intruders – such as Germany and Japan in the 1930s – but in the sense of a dissuasion power, ready to constrain hostile powers and refrain itself from the pretense to be the ultimate

decision-maker of the international system. The most powerful empire since Roman times is not, like its predecessors, an extortionary power, living at the expenses of its satellites or dedicated to the extraction of other people's resources.

The dominant element in the American power is the empire of free trade and open gates for investments, two concepts that are in some contradiction with Brazilian beliefs and practices since before Nabuco times. In fact, Brazil never believed or promoted free trade, besides the early and involuntary phase of British domination over Portugal at the beginning of 19<sup>th</sup> century, when tariffs were fixed at 15% for more than 30 years (a not so liberal opening, by the way). During most of its independent history, Brazil restricted fields and opportunities for foreign investments, and follows a similar pattern in the current multilateral trade negotiations. Even if it acted as a *de facto* protectionist economy during earlier phases of its consolidation as an industrial power-house, the United States vigorously embraced multilateral and non discriminatory free trade after World War II, thus helping to promote one of the most enduring eras of economic growth in world history.

Despite its rhetorical adherence to free trade and integration in South America, Brazil is not yet ready to play such a role on a regional scale. Consensual leadership usually comes at the cost of opening its own markets and cities to products and people from prospective followers. Brazil does not seem disposed, as yet, to act in such a way, unilaterally opening its borders to less developed neighbors. Joaquim Nabuco would certainly recommend such a policy of regional opening, but he would as well accept a formal economic agreement with the 'empire', even an 'asymmetrical' one as the proposed FTAA, as he seemed to believe that Brazil was to gain the most from this apparently unbalanced relationship. Although an amateur poet and a writer, not an economist by training, Nabuco shared the perception, now widely accepted among modern scholars of the economic theory and of empirical studies in regional trade, that if integration has to happen among 'asymmetric' partners, most gains are likely to flow from developed countries to developing economies, as the later are expected to receive investments and know-how from the former, in order to exploit their relative advantages, normally low labor costs and abundance of primary factors, such as land and natural resources. No other rationale presided the choices by Greece, Portugal, and Spain in their decision to join the European Communities, now the Union, as they correctly measured the costs and advantages of such an 'asymmetrical' venture. They have not repented since then, it seems, despite the new disciplines adopted.

Besides free trade and investment opportunities, another feature characterizes the candidate to a leadership role in its region or at large: immigration, as also Nabuco stressed in the case of the early 20<sup>th</sup> century United States. The evolution, here, is the inverse as with trade policy: starting by full opening to all sorts of immigrants, who came by the lots since colonial times, the United States started to restrict the free flow at the beginning of the third decade of last century, first the Asian candidates, after all the rest. Notwithstanding, United States remain, absolutely – but not comparatively, in face of Canada or Australia, for instance – the most open country of the world for the brains and the muscles of all countries. This is a unique feature that could explain the vigor, solidity and inventiveness of the American economy, and some of the Nobel prizes of its scientific establishment nowadays.

Needless to remember that Brazil, for most of the 20<sup>th</sup> century, stressed its preference for ‘farm people’ and its reluctance to accept ‘traders’ – perhaps Jews, by sort – and other ‘urban’ specializations as candidates for immigration. Nowadays, it is still unwilling to open its borders for neighboring partners in the allegedly strategic integration project of Mercosur, as well as it continues to impose a financial criterion – up to US\$200,000 it seems – to free candidates to immigration, as if nowadays the true capital should be still measured in financial terms as in the past (thus curtailing the possibility for any ‘poor’ PhD to enter the country). If there is such a thing as a world brain-drain competition, the United States is uniquely entitled to win the first place, as it still welcomes any kind of research people from all over the world. In comparison, Brazil continues to practice an educational and scientific nationalism that stands at odds with modern requirements of a competitive scientific establishment.

Democracy was another important contribution that Nabuco understood stood at the heart of the American modern civilization and one of its gifts to the world. This is highly controversial, but it is impossible to deny that the American special modality of democracy has unique features vis-à-vis other models around the world, where in fact are very few as true examples, perhaps only the English and continental Europe patterns. The first enduring characteristics of American democracy is, of course, its ‘village’ ground-basis, the popular assembly model, from electing a judge or a sheriff, to the designation of federal representatives, passing by open councils of all sorts, a real proliferation of associational activism that finds parallels in no other country. In this sense, American democracy is unique, as Tocqueville had already remarked in early 19<sup>th</sup> century. In most other countries, democracy, if it truly exists, means just a

representative form of government, not a way of life, a *mores*, like in the U.S. In Europe as well as in Brazil, democracy stands at most as, one could say in Marxian terms, a superstructure of a political nature, not as an infrastructure of a social nature, as in the U.S. In this sense, Nabuco's remarks maintain full validity for our times also.

This is also true, at least potentially, for the third selected feature by him, the "equality of social conditions of all classes in the nation", which retains a legitimacy of principle, even if the United States is more unequal in income distribution than its social-democrat counterparts in Europe. In fact, and precisely, there is no equality of social conditions, as much as there is equality of opportunities, much more than in the rigid systems of social stratification in Europe, directing young students to their future specializations without all the open-ended possibilities of higher studies as existing in America. Brazil has, probably, comparable flexibilities in terms of superior studies – but not as high an offer as in the American *campi* – and of professional careers, but not the job mobility that is a trademark of the American labor system. Social equality is a very complex question that, of course, could not be satisfactorily addressed by Joaquim Nabuco; nor is it a question tackled adequately by contemporary economists or sociologists. It will surely remain the most serious question to be dealt with by all economists and sociologists for the times to come.

There is nothing to be added in relation to the two other 'contributions' by America to the world: individual initiative and competition. Although not specifically American in their origins or characteristics, they are nevertheless truly embodied in the American character since colonial times, and are promised to remain at the heart of the social organization and economic structure of the American society and nation. Education has been already emphasized enough to be again a subject for a detailed discussion, even if one can never adequately stress its crucial importance for most of the differences between Brazil and United States.

In fact, institutions, in the sense of Douglass North, as an all-encompassing support for all social transactions and human interactions, are, in the whole, the most defining elements of a successful economic performance historically (see *Institutions, Institutional Change and Economic Performance*; Cambridge: Cambridge University Press, 1990). The set of American institutions has offered, since the colonial times, a more supportive environment for sustained economic growth and social prosperity than, say, Portuguese and Iberian social and economic institutions and their modern successors in today's Latin America. Not that United States has been exempted from

populism, corruption, profligacy and pork-barrel in party politics, as well as hubris, arrogance and contempt – especially towards Latin Americans – but it has performed well, in any case, than all other competitors or imitators (including Latin Americans).

The reason is probably the American capacity in correcting itself, because of its flexible system emphasizing individual responsibility, accountability from those elected or chosen to lead (temporarily) state institutions, competition, and, above all, the extraordinary capacity of its people, that is, labor productivity, arising from an open and democratic educational system, based on merit and recognition. Aristocratic inheritance and extreme concentration of riches in Latin America, as well as the all-powerful State, dominating all social interactions and permeating all transactions, its centralizing behavior posturing against a healthy competitive business environment, those are probably the laggard elements in the historically low performance in Latin American nations.

#### **As a mode of conclusion: one aspect neglected in Nabuco's lecture**

Even intuitively, Nabuco sensed the differences between Latin America and the United States and tried to present a realistic picture of American contributions to which he called 'civilization' (and we can name 'modern world'). He indulged a lot, perhaps, taking into account his audience and his position as the Brazilian Ambassador to the host country, but probably no more than an empathic scholar trying to assess the very reasons for the American success in early 20<sup>th</sup> century (and the United States was really a success, as it still is, despite its many shortcomings, especially in social aspects). So, the selected features presented by Nabuco in his essay seem to stand the test of the time, with one last qualification that cannot be eluded by a Brazilian scholar: the enduring nature of the American segregation arising from former racial relations between masters and slaves (and I purposefully use here the American title for the U.S. edition of Gilberto Freyre's classic, *Casa Grande e Senzala*, translated by Samuel Putnam as *The Master and Slaves: A Study in the Development of Brazilian Civilization*; New York: Knopf, 1946).

Looking at the current state of racial relations in America, specifically towards black-and-white relationship, one cannot be but stuck by the *de facto* Apartheid that seems to permeate those uneasy interactions. After more than a century and half of the official liberation, the divide may not be closed, due of course to the post-bellum segregation and the official racialism of most public policies – both at federal and

state levels – followed during most of the 20<sup>th</sup> century. The official Apartheid came to a finish less than one generation ago, but the psychological segregation still endures. This a sad fact of American scenario not addressed adequately in Nabuco’s essay.

Even if one does not adhere to the idyllic vision of a racial democracy in Brazil – not especially promoted by Gilberto Freyre, as many of his critics would like to emphasize – one has to recognize that it is a truly feature of the Brazilian character and nationality the exceptional mixture of its peoples and races (in a manner rarely experienced in other peoples and cultures). Truly again, black and mestizo people form not only the majority of the Brazilian population but also, sadly, the major component of its still large fraction of poor and destitute individuals (in terms of income, education, job security and other features). But Brazil has avoided the most negative components of American racialism, that is, the cultural segregation, in fact, the existence of a structural fracture of deep cultural dimensions that goes beyond the racial relations as such, and touch the inner dimension of both communities, mostly, perhaps, black people (or, as they prefer, African-Americans, which is conceptually incorrect and a myth, historically and anthropologically speaking; Brazil and the United States have, at most, ‘afro-descendants’, not Afro-Americans or -Brazilians).

Sadly, those negative realities – both the enduring racialism in the United States and the social discrimination in the case of Brazil – are not only history; they are present in the current agenda of both countries. And, sadly again, when the United States seem to start a post-racial agenda – with the presidential election of a legitimate Afro-American – Brazil seems to be entering into racial politics and policies that never before were part of its society and governments. The ‘racial quotas’ and affirmative actions being introduced nowadays in Brazil – including a Statute of Racial Equality, which is in fact an invitation to racial segregation – are building up a possible Apartheid, which never existed in Brazil, either socially or culturally. Of course, this particular issue goes beyond the object of 1909 Nabuco’s essay, but for someone who fought for the real liberation of former slaves in Brazil – recommending not only land reform, but also education and social assistance for Black people – the current developments in Brazil present resemblances with 19<sup>th</sup> century’s policies that both societies, American and Brazilian, should definitely left in the stacks of history.

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