

GLOBAL POLICY IN ANTHROPOLOGICAL PERSPECTIVE: RACIAL
DIVERSITY, AFFIRMATIVE ACTION AND SOCIAL RESPONSIBILITY IN
BRAZILIAN ENTERPRISES

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GLOBAL POLICY IN ANTHROPOLOGICAL PERSPECTIVE: RACIAL
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The goal of this dissertation is to examine the possibility that diversity and affirmative action policies serve to open up the private sector to the Afro-Brazilian population. The dissertation approaches global diversity and affirmative action policies from an anthropological perspective that takes into account the U.S.-Brazil exceptionalisms in race relations—the idea that Brazil is no longer a “racial paradise,” in contrast the U.S. “racial hell,” and that therefore Brazilian institutions should learn from the U.S. racial experience—on the one hand, and how transnational corporations, mainly U.S. based, export their diversity and affirmative action policies to their Brazilian subsidiaries, on the other hand. A combination of global ethnography and interpretive policy analysis is used to document how managers, consultants, and activists implement these policies in a network of private enterprises located in São Paulo. Global ethnography is concerned with the study of global forces as contingent and not assumed forces, “embedded themselves in a multi-sited context” (Marcus 1995; Burawoy 2000) and with how the “transnational social”—private social spheres that are less structured than the public institutionalized spheres and that, as such, offer more opportunities, albeit limited, to excluded “subaltern publics”—gets articulated. Interpretive policy analysis (Yanow 2000) is a situation-grounded approach that explores the contrasts between the policy meanings as intended by different “policy-relevant groups.” The ethnographic research based on participant observation, documentary research, and the study of group dynamics and in-site interviews with managers, consultants, and activists across a network of

business enterprises over a period of two years, from July 2003 through July 2005. The study concludes that the voluntary nature and fragmented character of the actions and the limited authority that the managers implementing the policies have, particularly when the policies are disseminated as mimetic practices or management fads, very much limit the possibilities that diversity and affirmative action policies will result in significant socio-economic openings for black people in Brazil.

BIOGRAPHICAL SKETCH

Rocío Alonso Lorenzo received a SM in Anthropology from Cornell University in 2002 after having received a BA in 1996 in Spain in Geography and History from Seville University with a specialty in Social Anthropology. Since then, her participation in subsequent ethnographic projects has given her ample experience in developing relationships and using participatory methodologies for social research. From 1996 to 1997, she conducted multi-sited research in seven small communities in Minas de Rio Tinto, southwest Spain, with the goal of observing the organizational and cultural changes from within a mining company, including its shift from a multinational company to a cooperative one. She has also worked as a local development agent in Spain and as a workshop coordinator in business and social responsibility in Brazil. In 1998, she spent one year as a graduate student in the Department of Anthropology at the Free University of Amsterdam in the Netherlands. As a Ph.D. student at Cornell University, she has received several grants and fellowships. She carried out her dissertation field research in São Paulo, Brazil between 2003 and 2005. Rocío's research interests include race and gender relations, action research and applied anthropology, interpretive policy analysis and organizational culture, qualitative research methodologies, global diversity-management, and business and social responsibility. Currently, she is settled in São Paulo.

To my parents, Enrique and Emilia, both gave me support and encouragement

To my husband, André, who always inspires me

To my son, Henrique, who was born during the time in which I wrote my dissertation

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LIST OF ABBREVIATIONS

BSR	Business and Social Responsibility
CSR	Corporate Social Responsibility
IBGE	<i>Instituto Brasileiro de Geografia e Estatística</i> or Brazilian Institute of Geography and Statistics
PNAD	<i>Pesquisa Nacional por Amostra de Domicílios</i> or National Survey by Household

INTRODUCTION

As I began to explore the vast literature on race relations in Brazil, and as I became familiar with the current public policy debate over diversity and affirmative action, a race-related paradox continually assaulted my mind. How is it possible that so many Brazilians—mostly white and *pardos* (mixed)—do not recognize the existence of racism? Why do they assert cynically that they all look the same and have African blood, and that it is difficult to know who is white and who is black, while racial inequalities in Brazil are so visible and pervasive? This puzzling paradox¹ is uncomfortably present in most writings on Brazilian race relations, yet it remains unresolved. Perhaps there is no way to achieve a definitive solution other than through political argument and action. Though race-specific global industrial and public policies have been implemented in Brazil, they have arisen as fragmented, loosely coupled, and highly polemical actions rather than logical outcomes of either a national civil rights movement, as in the United States, or a long-term government reform plan.

Between July 2003 and July 2005, I explored a network of enterprises engaged in implementing diversity and affirmative action policies, all of them located in São Paulo. The following questions became crucial to my research project:

1. Is it legal in Brazil to deny employment and promotion to black people without justification?
2. Should transnational corporations implement their diversity and affirmative action policies in their Brazilian subsidiaries, and by implication, in the rest of the world?

¹ Paradoxes “have contradictory meanings that by formal logic ought to be mutually exclusive but by political logic are not.” They “violate the most elementary principle of logic: Something cannot be two different things at once. Two contradictory interpretations cannot both be true. A paradox is just such an impossible situation, and political life is full of them” (Stone 1997: 13).

3. Do global diversity and affirmative action initiatives influence Brazilian public policies regarding the race issue?
4. Do Brazilian executives and managers have enough motivation and authority to implement diversity and affirmative action policies effectively, or, on the contrary, do they adopt these policies as mimetic practices, “for the English to see,” so that the business and the social core of the organization are not affected and the changes are only cosmetic?
5. More generally, what possibilities do diversity and affirmative action as global policies open up for the Afro-descendant population in Brazilian enterprises?²

The current pressure on Brazil from the international community to end racism reminds me of a similar situation in the 19th century. Between 1850 and 1888, the British urged the Brazilian government to call a halt to the slave trade. Consequently, a series of mechanisms to camouflage the slave ships was invented in order to fool English warships (Fry 1982: 16). Since then, the expression “for the English to see” (*para inglês ver*) has been used in Brazil every time the government or any institution introduces reforms to attempt intentionally to deceive the international community so that things can continue to be the way they are, or to implement policies that are thought in advance not to be workable or to have important limitations.

² The terms Afro-Brazilian, or *afro-brasileiro*, and Afro-descendant, or *afro-descendente*, are increasingly used by the black movements, academic circles, and individuals committed in a variety of ways to the racial cause, even though they are not in common usage in popular discourse. In this dissertation I use Afro-Brazilian when I discuss the Brazilian case in an international context, to distinguish it from African American, for instance. In non-international contexts, I use the term Afro-descendant. In the ethnographic cases I use the term that the interviewee uses. Generally, enterprises do not distinguish between one and the other and use them interchangeably. According to sociologist Edward Telles (2003), Afro-descendant has gained supporters among Spanish speakers in Latin American countries because it is a good alternative to the Spanish highly depreciative “black.” The leaders of black movements, Telles notes, prefer Afro-descendant because it clearly identifies the descendants of African slaves, which is crucial for the current reparatory movement (2003: 39).

Nevertheless, current foreign oversight on the race issue clashes with the image Brazil enjoyed in the 1940s and 1950s when the country was internationally known by travelers and scholars as a “racial paradise.” Of course, a Brazilian “racial paradise” made sense internationally as opposed to an U.S. “racial hell.”

Since the time of slavery, both American and Brazilian societies have been differentiated as two histories of “exceptionalism” in race relations.³ “The mulatto escape hatch,” or the mulatto’s social acceptance by Brazilian society, historian Carl Degler argues, marks the real difference between race relations in Brazil and in the United States. In contrast, the “one drop rule,” a criterion for racial classification prevailing in the United States, draws a clear cut between blacks and whites there, for a person with as little as “one drop of black blood” in his heritage is considered a person of color. In Brazil, on the contrary, *mestiçagem* (blood and cultural mixture) plays a key role in the use of a relatively flexible continuum of racial categories and national identity construction. Therefore, the “one drop rule,” in contrast to the “mulatto escape hatch” and the role of *mestiçagem*, would have directed racial and social relations toward increasing violence in the United States and increasing tolerance in Brazil.

Nonetheless, the idea that Brazil is a society without “color line,” or a “racial democracy”—the Brazilian ability to secure social and cultural antagonisms by physically as well as culturally mixing racially different people—even though it enjoys a wide acceptance among Brazilians up to date, has fundamentally been challenged by systematic research on racial inequities that relies on sophisticated statistic analysis and that shows observable correlations between the poverty line and

³ The notion of exceptionalism, as it is used in American history, refers to the fiction that the United States escaped the class conflicts of Europe. On the other hand, the United States had terrible race relations, a legacy of slavery. By Brazilian exceptionalism, I mean here that, having a history of extensive slavery, Brazil escaped the “racial hell” of the United States, providing to be an exception to American exceptionalist history.

the color line. (I further develop this point in Chapter 2) Among other reliable data on racial inequities, it is striking how, since the 1980s, a pessimistic image of Brazil as having one of the world's most unequal income distributions has rapidly circulated among international institutions (Silva 2000). With about forty years of experience in affirmative action, the United States is said now to be the example in race relations that Brazil must follow—once the process of re-democratization that began in 1985 has culminated in Brazil—despite the fact that the history and the demographics of each country are quite different.⁴

I devote the first part of the dissertation to analyzing how the legacies of slavery, Brazilian exceptionalism in race relations, and the public policy debate on diversity and affirmative action affect the way that race-specific policies get articulated in the Brazilian private sector. Nonetheless, the main focus of the dissertation is not a “race relations” discussion, a discussion that is quite well developed in academic and governmental circles in Brazil (see Chapters 1 and 2 for literature review). My main goal here is to assess what possibilities for action and social reform are opened up to the Afro-Brazilian population through diversity and affirmative action as global policies. I examine this issue by showing how these policies are played out in a network of enterprises operating in São Paulo, the economic center of Brazil.

⁴ Although the current estimated population of black residents in the United States is 39.9 million, over 13 percent of the total U.S. population, the black population in Brazil, when considering mixed (*pardos*) and blacks (*pretos*) together, represents 45.3 percent, almost half of the total population. According to the National Survey by Household in 1999 of 160 million Brazilians, 54 percent defined themselves as white, 39.9 percent as *pardos* or mixed, 5.4 percent as *pretos* or black, 0.46 percent *amarelos* or yellow, and 0.16 percent as *indígenas* or indigenous people. In both countries, however, poverty is multiracial even though it is more concentrated among blacks. (I develop this discussion further in Chapter 2.)

Approaching diversity and affirmative action from a global policy perspective requires taking into account the U.S.-Brazilian exceptionalisms in race relations, on the one hand, and how transnational corporations export diversity and affirmative action policies and influence Brazilian public policies, on the other hand. In particular, I am interested in how global policies (norms, codes, and standards) are coercively implemented or persuasively influence private enterprises and public institutions, given that these policies are generally voluntary in nature rather than legally binding. These global policies are sometimes activated as an addition to national social agendas, while at other times they overlap already existing public policies and have been given neither the authority nor the means to enforce regulations. Most transnational and national corporations are headquartered in the city, so São Paulo turns out to be a key site for ethnographic research on the diffusion of diversity and affirmative action programs in the private sector. The business organizations from São Paulo highly influence the way corporate policies are diffused in Brazil.

A combination of global ethnography and interpretive policy analysis helped me analyze several cases from a socio-anthropological perspective that documents how managers, business owners, consultants, and activists strategically organize policy-relevant networks in order to exchange and implement diversity related programs. Global ethnography revolves around the study of global forces in transitional situations as “contingent and not assumed forces” (Burawoy 2000), “embedded themselves in a multi-sited context” (Marcus 1995), that is, the study of the global from a local perspective. Special attention, particularly when focusing on global connections, is given to how the “transnational social” gets articulated. The transnational social includes private social spheres that are less structured than public institutionalized spheres. As such, they offer more opportunities, albeit limited, to

excluded “subaltern publics.” Interpretive policy analysis⁵ is a less deterministic, a situation-grounded approach, that explores the contrasts among the policy meanings as intended by different “policy-relevant groups.” Drawing from the hermeneutic tradition⁶ in policy studies (Schön 1977; Dryzeck 1982; Fischer 1980; Togerson 1986; Stone 1988), interpretive policy analysis, as developed by Dvora Yanow (2000), is interested in *how does a policy mean*, that is, “through what processes policy meanings are communicated and who their intended audiences are, as well as what context-specific meanings these and other ‘readers’ make of policy artifacts” (2000: 8). Interpretive policy analysis was particularly relevant for the in-depth analysis of two particular cases I selected out of the enterprise network (see the case description below).

Global Diversity and Affirmative Action in Transitional Situations

Diversity and affirmative action policies emerged in the context of the changes experienced by Brazilian enterprises in the highly competitive environment of the 1990s, following the initiative of a few U.S. multinationals’ subsidiaries (Fleury 2000: 19). Since then, specifically from the time that key institutional brokers on the issue

⁵ I thank Davydd Greenwood for bringing this framework to my attention.

⁶ In order to use hermeneutics (the method of interpretation) for policy analysis, one has to expand the meaning of “the text” into multiple policy dimensions. The theory of interpretation, as elaborated by Paul Ricoeur, is rooted in the dialectic between “meaning” and “event,” on the one hand, and, on the other hand, the consideration that human action is an open work, the meaning of which is opened up to anyone who can interpret. The former constitutes anthropology as an interpretive (semiotic) enterprise. As Clifford Geertz puts it in his classic, *The Interpretation of Culture*, drawing from Ricoeur’s theory of interpretation, what an anthropologist does is to *inscribe* (fix) “the meaning of the speech event, not the event as event” (1973: 19). Hermeneutics thus evolves into a possibilistic and hopeful project for a better society and a better human being, whose main task is to open “the proposed world of the text [policy] *in front of* the text [policy]” in dialogic and therefore action situations, in contrast to written discourse. To interpret a text [a policy], he posits, is to explicate the type of “being-in-the-world unfolded in front of the text [the policy].” In other words, the world of the policy is a proposed world that I could inhabit and wherein I could project one of my ownmost possibilities (1991: 86). Hermeneutics thereby becomes a reflexive social science, inasmuch as it is through self-understanding that we understand reality (the other). A more pragmatic framework is Habermas’s notion of hermeneutics as “a capability that can be mastered” (in Mueller-Vollmer 1985).

emerged, policies endorsing workforce and workplace diversity have significantly extended from U.S. corporations to non-U.S. corporations and Brazilian enterprises. A higher level of interchangeability of policies and practices between the Northern headquarters and its Southern subsidiaries (not just what to do but how to do things), has made it easier. Now race-oriented policies disseminate through core enterprises in the Brazilian private sector along with global policies such as corporate social responsibility (CSR), global-diversity management, sustainability standards, and human rights actions. As a human resource manager working for an American bank puts it, “The bank is getting closer to Brazil, implementing its policies ... becoming more global; formerly, it was only the president of the Brazilian subsidiary who used to deal directly with the U.S....Now they influence us in the day to day, how to do things, our values...even though we constantly exchange ideas and practices.”⁷

The influence of transnational corporations on the adoption of diversity and affirmative action policies, at least in the private sector, is unmistakable. I found out while doing field research in São Paulo from January 2004 through July 2005 that there is some sort of relationship, though not a determinant one, between the implementation of diversity and affirmative action policies and global restructuring processes of specialized flexibilization in key transnational and Brazilian corporations. I refer to these processes of specialized flexibilization as “transitional situations” and to these kinds of corporations as “loosely coupled systems.” Loosely coupled systems, as defined in the management literature, are organizations “in which managers with limited authority provide support for relatively autonomous specialists performing complex tasks within relatively stable structures” (Birnbaum 2000: 150). Loosely coupled systems contrast with bureaucratized, formalized, hierarchical, and tightly

⁷ Interview, American bank, São Paulo, 08/26/04.

coupled systems. I assume that loosely coupled organizations—key transnational corporations and large enterprises in transitional situations—are more vulnerable to imitating global policies than bureaucratized tightly coupled systems as a result of standard responses to uncertainty. For instance, the Brazilian subsidiary of a U.S. information technology multinational began to create what they call “diversity councils” for the Afro-Brazilian population as the result of a global business strategy through headquarters. A Brazilian power company launched diversity goals for women and Afro-descendants after having been privatized and after having adopted global standards of social responsibility and sustainability.

Very often, global policies diffuse through business organizations as mimetic practices or management fads as a result of “both formal and informal pressures exerted on organizations by other organizations upon which they are dependent, and by cultural expectations in the society within which organizations function” (Powell and DiMaggio 1991: 67). For instance, when I asked a human resource manager from a Brazilian bank why the company was beginning to get interested in the diversity issue, she replied, “Because other banks are doing it.” Mimetic practices can also be seen as management fads. Management fads are “applied without full consideration of their limitations, presented either as complex or deceptively simple, relying on jargon, and emphasizing rational decision making” (Birnbaum 2000: 4). (I discuss these concepts further in Chapter 5.) Also, a German chemical company established diversity goals to promote women and Afro-Brazilian managers as a pilot experiment to be diffused from Brazil to the rest of Latin America. However, when asked about the reasons that had led the company to use diversity goals, a social responsibility manager said that by increasing the number of non-German—Afro-descendants—collaborators in the following ten years, the industry’s long-run sustainability would benefit. But he was not able to explain why and how this would happen.

In the Brazilian context, management fads acquire a particular meaning. As anthropologist Livia Barbosa (2002: 19) points out, the constant movement of “entering and leaving” new technologies (or what is known as Brazilian *antropofagia*) and the constant need to be modern, forces Brazilians not to ignore anything that is new, exposing managers and executives to recurring trainings and rigid coaching, in that way curtailing each person’s capacity of creativity. Diversity goals specifically run the risk of then being abandoned when companies follow them with “exaggerated zeal” for a time and when they rely on the exchange of jargon, which then limits the possibilities of producing alternative results for the long-term.

The risk that diversity and affirmative action policies will get articulated in Brazilian private enterprise as mimetic practices or management fads is high. This significantly limits the possibilities that large corporations may open genuinely to the Afro-descendant population in a truly sustainable socio-economic way over the long-term. Identifying the limitations that diversity and affirmative action policies impose on company practices, particularly when these are imported as mimetic global policies, turns out to be vital in order to assess to what extent these policies will contribute to the well-being of the Afro-descendant population.

Research Strategies

I began my field research in São Paulo through getting involved as a volunteer at the Ethos Institute for Business and Social Responsibility. Founded in 1998, the Ethos Institute is a not-for-profit organization associated with about 1,000 enterprises. The Ethos Institute has proved to be a key institutional umbrella for the diversity issue in the Brazilian private sector. They have published guidelines and indicators that serve as tools for companies to self-evaluate how and what they are doing to promote diversity in their respective workplaces. The Ethos Institute also sponsors key events such as meetings and workshops on diversity issues.

Between January and July 2004, I worked as a coordinator of the six management workshops scheduled between June and July of that year, which would take place at the Ethos National Conference. The diversity and affirmative action issue was transversal to the themes of the workshops, all of them dealing with how enterprises in Brazil could and should achieve a socially responsible management system. The workshops dealt with the different public venues that the company holds relationships with such as employees, clients and consumers, the community, and subcontractors and how these relationships could become more socially responsible. In 2004, for the first time, the Ethos Institute had developed the conference workshops in a participatory fashion by inviting managers from a selected number of enterprises to organize the workshops by themselves. During this first phase of the research, along with other collaborators, I coordinated regular meetings in order to organize the workshops. The group dynamics that took place during the meetings revealed important power relationships inside each of the different companies for which the managers worked. Out of the 44 managers who participated in the meetings, each working for a different company, at least 10 said they were involved in some sort of diversity and affirmative action program.

From July 2004 through January 2005, I switched the research site from the Ethos Institute to a network of enterprises (some linked to the Institute, others not) that were representative in a way or another of the “valuing diversity” movement in the Brazilian private sector. In doing so, I attempted to map out the companies that were holding diversity and affirmative action programs, and, in a second step, to approach personally the managers running these programs so I could interview them inside their places of employment. I opted for 20 organizations, mostly private enterprises, with the exception of two NGOs. I said that I would visit at least once with the goal of collecting profiles of managers, business owners, and consultants directly involved in

the implementation of diversity and affirmative action programs, basing my company selection on three main criteria: (1) companies implementing diversity and affirmative action programs, specifically racially-oriented ones, regardless of whether they were linked to the BSR movement or not; (2) companies having diversity and affirmative action programs devoted to other “minority groups,” to wit, women and people with disabilities. My interest here was to find out whether having a strong focus on other “minority groups” would eventually lead to implementing racially-oriented policies; and (3) individuals, networks, and/or organizations of different sorts that were involved in the “valuing diversity” movement in a strategic and leading fashion.

In order to analyze this enterprise network, I took inspiration from a combination of global ethnography and business-as-network analysis. While a management approach reveals something important about the changing structure of business in the global age and the hegemony of U.S.-management style in Southern subsidiaries, as the rapid diffusion of U.S.-derived mimetic practices shows, global ethnography and business-as-network analysis together offer a more sociological-anthropological conception of business as individual managers, business owners, and policy-relevant networks. Business-as-network analysis, as it has been developed by economic sociologists (cf. Schneider and Maxfield 1997: 37), is concerned with whether, and to what extent, business networks make a positive contribution to public policy that is applied to labor markets, the workplace, and business practices. In analyzing the social consequences of the “valuing diversity” movement in the Brazilian private sector, I take as the starting point how different policy-relevant individuals, “boundary-spanning individuals” (Birnbaum 2000: 133), despite their limited authority, borrow and expand programs and practices from other organizations and sectors.

The programs I studied came mostly out of information-sharing networks and they did not show a homogeneous pattern of diffusion. Mostly, they appeared to be organized around a small cluster of major American and European multinationals. However, when viewed from the point of view of activist groups, diversity and affirmative programs seemed to spill over a scattered group of racially conscious Brazilian enterprises. Among the few exceptions to the corporate pattern of diffusion was a medium-size Brazilian firm specializing in male clothing that took the initiative to increase the number of black vendors and managers as an immediate response to a trade union survey of about 500 five hundred companies on the race profile.

Overall, the cases I investigated show a fragmented pattern of diffusion. This is not surprising because there is no link between unique workplace creative experiences and a public policy framework that unifies diversity and affirmative action initiatives in the Brazilian private sector. Information-sharing networks and interpersonal communications revolve around mostly managers and consultants, rather than being robust movements emerging out of either formal institutional channels or a consistent civil rights movement. These networks and communications characterize the way diversity and affirmative action policies that are tied to global standards and norms disseminate and are adopted in Brazilian companies. As argued by anthropologists Shore and Wright (1997), in the current political and social context it becomes unclear what constitutes a policy: “Much of the work of organizing is to make these fragmented activities appear coherent, so it can be claimed that an intention has been realized and a successful result achieved” (5).

In the third and last phase of the field research, I selected two cases from the enterprise network that captured my attention as pioneers in the institutionalization of certain practices that are likely to impact diversity and affirmative action public policies in the future:

Case 1, *Geração XXI*, the first project labeled as affirmative action, involving black youngsters in Brazil, was launched in 1999, as the result of a strategic partnership between *Fundação BankBoston*, *Geledés*, or the Institute for the Black Woman, and *Fundação Palmares*, an institution linked to the Culture Ministry. The program selected 21 black youngsters between 13 and 15 years old from the periphery of São Paulo as the targets of the action. The goal of the program is to guarantee the youngsters full conditions for their self-development during a nine-year period until they finish their higher education. *Geração XXI* was conceived only after the visit of an African American lawyer from the board of directors of BankBoston in the United States. Budd Wayne traveled to São Paulo and persuaded his Brazilian counterparts to “figure out some way to get people of color involved in the bank.”⁸ A new world opened up to Brazilian executives when the African American lawyer asked them, “Why aren’t there black people in the bank?” According to Mr. Wayne, the Brazilian senior executives present in the meeting “had simply never thought of that.” Given its novelty and length, *Geração XXI* represents a pioneering experience in Brazil.

Contending interpretations of what affirmative action is or should mean have produced disagreement and conflictive debates among the different policy-relevant groups. More importantly, black activists used the program with the goal of influencing public policy regarding diversity and affirmative action policies. The program has already been replicated by five multinationals, showing a great potential for imitation across corporations. This kind of external program (with the community), a combination of corporate social responsibility and affirmative action, is less conflictive from the point of view of the corporation than other affirmative action practices such as “racial minority” recruitment, promotion, and subcontracting. Thus,

⁸ Phone interview, Ithaca, New York, 02/21/06.

it might become one of the few affirmative action experiences that could have a long life in the Brazilian private sector.

Case 2, *Integrare*, Center for Business Integration,⁹ is a not-for-profit organization founded in October of 1999 originating out of the mobilization of Afro-descendent entrepreneurs, liberal professionals, and executives who felt disadvantaged in the labor market and in their careers. Integrare got its inspiration from the United States' National Minority Supplier Development Council (NMSDC), who work with ethnic minorities such as Asian-Americans, Native-Americans, Latinos, and African Americans. Integrare's mission is "to promote and facilitate to the corporations and organizations associated with specific product and service buying opportunities from black, disabled, and indigenous people."¹⁰ *Integrare's* experience with small enterprises selling products and services to multinationals is an example from which one can learn. It raises puzzling questions: under what specific real-life commercial-relation conditions do "racial minorities" experience discrimination; whether the U.S. "ethnic minority" model fits in Brazil or not, and if not, what the alternative options are, and, finally, whether *Integrare* will become a pilot experience to be imitated by other enterprises or a short-lived experimental initiative doomed to disappear.

Interpretive policy analysis helped me examine the complexity of these two cases with more depth than the enterprise network. Yet, interpretive policy analysis, despite its analytical relevance, may easily fall into radical relativism, a situation where infinite interpretations and claims are all equally valid. Thus, critical structural analysis, just as much as hermeneutics, must subject the interpretations to application in specific relevant contexts. Cross-referencing between theory and context-specific

⁹ Centro de Integração de Negócios, www.integrare.org.br

¹⁰ Integrare's mission is, according to Silas da Silva: "Exercer a liderança nacional e a promoção da diversidade humana como fator fundamental para o desenvolvimento dos negócios e da sociedade."

analysis was central to my project. By paying attention to real-life situations and operationalizing concepts in context, theory is better grounded on the ethnographic findings. In effect, findings are constantly being tested in the field (Greenwood and Levin 1998) and are more coherent with peoples' values when fostering creative practical reasoning (Forester 1999). The multiple informal conversations, meetings, group dynamics, workshops and individual interviews I participated in all turned out to be key dialogical situations that made it possible to constantly re-test my own knowledge on the diversity issue *in front of* policy-relevant groups. By triggering reflective thinking and creativity for new research questions, the findings became more consistent with the field situations and their broader theoretical relevance became clearer.

Still, the study was so ambitious that it ended up being exploratory. I hope it serves as a compelling and comprehensive first-step inquiry that will stimulate more research and future action.

Structure of the Dissertation

In Part One, I aim to grasp the legacies of slavery because these legacies have long been discussed and re-interpreted in the vast research on race relations in Brazil. I particularly focus on the recent public policy debates revolving around affirmative action policies, which have gained a stronger and more polemic tone the last few years as a number of higher education institutions have introduced affirmative action quotas for “black” students in their admission processes.

In Chapter 1, I trace the history of slavery from the point of view of the symbolism in the centenary celebration in 1988 of the abolition of slavery and the claim of a “second abolition” by black movements and their allies. I believe this celebration played an important role in bringing the race issue up in the public policy

debate. Sophisticated statistical research on racial inequalities, carried out mostly in the 1990s, has challenged the old picture of Brazil as a “racial paradise” as opposed to an American “racial hell,” as well as the twentieth century ideal of racial democracy. Yet, the so-called myth of racial democracy remains defiant and irreplaceable by an alternative framework, for many Brazilians—blacks and whites, though mostly whites—continue to believe in it. I address this paradox in Chapter 2 and conclude that statistical evidence of racial inequities, despite its reliability and credibility, is not sufficient to construct persuasive arguments in favor of diversity and affirmative action in a context like the Brazilian one, where political support is low and cultural expectations skeptical regarding the race issue.

In Chapter 3, I deepen the philosophical discussion on the policy-implications of diversity and affirmative action as they play out at the heart of institutional and management systems. Those advocating for racially-conscious public policies have to face constantly the uncomfortable situation of being accused of violating the Constitution, promoting reverse racism, and defying racial and cultural *mestiçagem* (miscegenation), which is to many the essence of Brazilianness. While the first two accusations are also common arguments against affirmative action in the United States (cf. Guimarães 1999; Fredrickson 2001; Bailey 2004), the third accusation is linked specifically to the Brazilian historical context. The situation entails key public policy paradoxes that derive from both Brazilian exceptionalism in race relations and the fact that diversity and affirmative action policies have been imported to Brazil fundamentally as mimetic practices —“for the English to see.”

I devote Part Two to the ethnographic analysis of specific policy implementation processes and management systems, which, when taken from a situation-grounded perspective, allow one to scrutinize better how global policies are introduced in private enterprises. I contend that a global policy approach to diversity

and affirmative action policies is needed to identify its limitations and, as a corollary, to make the racial discrimination case stronger and more meaningful vis-à-vis the Brazilian historical experience. Viewing the diversity and affirmative action issue from a global policy perspective entails examining how managers, consultants, and activists import these policies from Northern headquarters and implement them without full consideration of their limitations. This discussion involves going beyond ethno-racial-identity-centered debates, long the main research focus of the socio-anthropological tradition in race relations studies. Even though the race relations academic tradition has very much contributed to enhancing scholarly and political debates on the race issue in Brazil, the most recent studies seem to be trapped in a false paradox that is arguably framed as a generalizing dilemma: either you embrace the myth of “racial democracy” and position yourself against affirmative action, or you declare the myth a false ideology and position yourself in favor of affirmative action. Furthermore, by neglecting to analyze policy and management systems, supporters of the “race relations” tradition are ill prepared to discuss important limitations that are linked in quite particular ways to how policies and specific management systems work.

In Chapter 4, I discuss key field research strategies and concepts that became crucial while analyzing a network of enterprises located in São Paulo. Through a wide range of individual interviews, group dynamics, meetings, workshops, and informal conversations with managers, entrepreneurs, consultants, and activists who have gotten involved in a variety of ways in diversity and affirmative action policies, I attempt to offer a more socio-anthropological approach to policy exchange and implementation processes. Thus, approaches such as global ethnography (Burawoy et al. 2000), the use of participatory methodologies (Greenwood and Levin 1998), “business-as-network” analysis (Haggard et al. 1997), and interpretive policy analysis

(Yanow 2000) have helped me enormously to understand the complexity of the policy-relevant business and management groups through which diversity and affirmative action policies get articulated in the Brazilian private sector.

In Chapter 5, I analyze *in the field* experiences implementing diversity and affirmative action policies, as they have come to be institutionalized through a network of enterprises located in São Paulo, the economic center of Brazil. My intention in analyzing a representative network of enterprises directly or indirectly related to diversity and affirmative action policies, was to get a closer picture of how large was the number of enterprises involved in these policies, how strong were the ties linking them, and to what extent the managers were committed to the policies. I call this chapter “Global-Diversity Management” because I found that global forces have greatly influenced the leading enterprises in diversity and affirmative policies, despite the evidence that public policy arrangements and civil society advocacy also affect them in significant ways. The enterprise network appeared to be quite fragmented, revolving around corporate information-sharing interpersonal communications motivated by mimetic goals, and lacking both a consolidated public policy framework and a legitimated civil rights movement that unifies all the practices and gives them coherence vis-à-vis the workplace and public opinion.

In Chapters 6 and 7, I analyze the cases of *Geração XXI* and *Integrare*. As mentioned above, an interpretive policy analysis framework allowed me to contrast competing interpretations by different policy-relevant groups, as well as to re-test my own knowledge on the diversity issue by constantly facing real-life dialogic situations. I consider the two cases key examples of how diversity and affirmative action policies get articulated and are institutionalized in the Brazilian private sector.

In Chapter 8, I conclude by assessing the different dimensions of diversity and affirmative action as global policy. The main goal is to show how global policy both

intersects with and differs from public policy confined to governmental or intergovernmental action. More specifically, I try to assess through ethnographic examples how global policies (norms, codes, and standards) are coercively implemented or persuasively influence private enterprises and public institutions, given that for the former, the implementation is generally voluntary in nature rather than legally binding. Finally, I attempt to answer the question: What possibilities do diversity and affirmative action initiatives that are open to the Afro-Brazilian population have as global policy? Through a global ethnography analysis, I try to identify the different dimensions of Brazilian diversity and affirmative action policies as they get articulated, once they are exported from Northern headquarters to their Southern subsidiaries in the context of a globalizing world economy. With the help of an interpretive policy analysis perspective, I try to uncover how managers, policymakers, and activists consciously opt for specific global policies in contexts where cultural and political expectations are low. Thus, when the race issue is framed globally, action on it becomes more persuasive and legitimate. These practices, thereby, might institutionally (symbolically) legitimize the organization vis-à-vis the international community and Brazilian public opinion. This seriously limits the possibility that diversity and affirmative action policies turn into a real, long-run, socio-economic possibility for the Afro-Brazilian population.

PART ONE: TRACKING THE LEGACIES OF SLAVERY

“The family, not the individual, neither the State nor any trade company, is since the sixteenth century the great colonizer factor in Brazil, the productive unity, the capital that exploits the soil, builds the plantations, buys slaves, cattle...evolving into the most powerful colonial aristocracy in America” – Gilberto Freyre

CHAPTER 1

SECOND ABOLITION

On November 20, 2004, I had a remarkable fieldwork experience. Fersol, a medium chemistry enterprise of 290 employees, located about 30 miles away from São Paulo, was going to commemorate Black Consciousness’ National Day. This sounded quite odd to me, so I drove to the celebration. The president of the company, Michael Haradom, a Jewish progressive entrepreneur, opened the event by talking about how to build a better future and how to distribute resources and wealth. He then highlighted the fact that Jews come from the Egyptian diaspora, so he was also an Afro-descendant. Fersol has differentiated from other companies in Brazil for having been very idiosyncratic in the way they handle the concept of social responsibility. At Fersol, the concerns are tightly coupled to local problems, even though most ideas and practices developed at the company are strongly influenced by the president’s personal agenda. That day, Mr. Haradom had invited Prof. Helio Santos,¹¹ among other black

¹¹ Professor Helio Santos is a leading black activist and intellectual in Brazil. As early as the 1970s, he was one of the first activists in the country advocating for the institutionalization of the race issue as the solution for the *negro* problem. Santos currently leads vigorous actions in the private sector. In March of 2006, he launched the Brazilian Institute for Diversity (IBD), the first of its kind acting in the private

activists and intellectuals, to talk about diversity, racism, and racial discrimination in business and the workplace. Here are some excerpts from Santos' discourse to Fersol's workers:

Brazil has the second largest black population in the world, 80 million afro-descendants, only after that of Nigeria. But the way Brazil abolished slavery divided the country into two *Brasis*: on the one side, the Brazil that produces digitalized jets, and on the other side, the Brazil of the *favelas* (shantytowns) and violence. São Paulo has 2,018 *favelas*; that's striking at the very least. Even so, racism in this country is veiled... Brazil loses talents; soccer is a good example. We won the world cup five times, we defeated Europeans, and all this we made it with players who suffered from hunger in their childhood. But I can't say the same about labor relations... Brazilian companies are modern; they have excellent quality patterns, they use high technology, they compete with the world largest multinationals. However, Brazilian companies are not modern regarding ethics and respectful relations. Is it viable then to implement 'valuing diversity' programs in Brazil? Companies, in the end, reflect the cultural context where they are embedded. Corporate social responsibility has advanced in Brazil in many issues but regarding diversity, resistance can be noticed. Many multinationals with diversity programs in the United States and Europe find difficulties in Brazil to implement them. It is painful to hear from foreign directors that Brazilian directors are the ones who resist the inclusion of the *negros* in their companies.

sector. The mission of the institute is "to facilitate the creation and promotion of a *pro-diversity culture* in the Brazilian labor market."

November 20, *O Dia Nacional da Consciência Negra*, or Black Consciousness' National Day, came in the eighties to counter symbolically the meaning of May 13, the day slavery was abolished. Brazil was the last country in the Americas to declare slavery extinguished. In 1888 the Golden Law, or *Lei Aurea*,¹² granted total emancipation to slaves, however, slavery practices continued in the countryside and then in the cities all throughout the twentieth century. Despite being one the most symbolic dates in the history of Brazil, as well “the final act of slave emancipation on the Americas as a whole, once the last and largest slave system in the hemisphere was abolished...” (Andrews 1998: 329), a series of circumstances have doomed May 13 as a date not especially popular among Brazilians.¹³ Because abolition had been perpetrated under the monarchy regime, the newly proclaimed Republican government in 1890 discouraged the official celebration of May 13. The celebration of the abolition of slavery was also discredited by the radical Left. Many militants of the anarchist movement claimed that May 13 should be entirely forgotten because it distracted workers from their real commemorative date, May 1, International Labor Day. Because ex-slaves were subjected by that time to wage slavery, another kind of servility, according to them, there was no reason to celebrate the abolition of slavery¹⁴ (Andrews 1998: 332).

¹² Slavery in Brazil was abolished gradually. In 1871 Viscount Rio Branco guided to passage the “Law of the Free Womb,” which declared that all children subsequently born of slave mothers would be free. In 1885 the parliament passed the “Sexagenarian Law,” unconditionally freeing all slaves over sixty-five years old, while conditionally freeing those between sixty and sixty-five. The third and final abolition bill, the “Golden Law,” granted immediate and total emancipation in 1888 (Skidmore 1974: 16). The law was the work of a Conservative cabinet led by planters (primarily from São Paulo) who had previously fought to preserve slavery. At the last minute, they saw that replacement of slavery by free labor was inevitable and could even be beneficial because free laborers would be less expensive and more efficient than slaves.

¹³ *O Estado de São Paulo* (a journal from São Paulo) described the 1892 celebrations as “a handful of *libertos* dancing samba and playing drums in a block of *Liberdade* Street” (Andrews 1998: 331).

¹⁴ Ironically, in recent times, May 1 has turned into a festivity that trade union leaders capitalize for electoral elections. *Força Sindical* (Brazilian trade union federation) gathered 1.5 million people in São

Paradoxically, it was in the 1970s, when Marxism was in full swing in Latin America, that the Unified Black Movement (UBM) sought to institute an alternative date that served as a moment not for “festivity but for reflection about slavery and the differences between whites and blacks.”¹⁵ November 20 commemorates the death of Zumbi dos Palmares, a king of the *quilombo*¹⁶ Palmares, a federation of free *vilas* located in a remote part of Northeastern Brazil and populated by runaway slaves and fugitives from the Portuguese. Palmares managed to be independent for more than seventy years, until its destruction in 1694. According to the legend, Zumbi died fighting the last Portuguese offensive against the *quilombo* (Andrews 1991: 337). Thus, May 13 passed into history as a party day, a day for dancing, playing drums, and participating in a variety of cultural and intellectual events, while November 20 became a day for black movements to make political claims and publicly unmask racial discrimination.

The centenary of the abolition of slavery, in Carnival in Rio de Janeiro, the vice-champion samba school, a *Mangueira*, went out to the avenue asking: “One

Paulo who were attracted more by the shows with popular artists than by the political discourses. *Central Única dos Trabalhadores*, or CUT (Brazilian trade union federation), congregated about 12 thousand people in the ABC region (a district area in the periphery of São Paulo) to listen to Brazilian pop rock bands. “Most people celebrated the president and comrade Luiz Inácio Lula da Silva, and the only targets of the protest were the Alca and the war in Irak,” noted an article in the journal *O Estado de São Paulo*, May 2, 2003. As I walked to Avenida Paulista, a central avenue of the city where business headquarters and banks are concentrated, to witness the celebrations of Labor Day in 2004 by CUT, I was astounded to find thousands of black youngsters from the periphery of the city singing and dancing along with Sandy e Júnior, two white teenagers leading today’s most popular pop band in Brazil.

¹⁵ *O Estado de São Paulo*, November 21, 2003.

¹⁶ Kabengele Munanga (2001: 25) explains that the word “quilombo” has its roots in the Bantu language speakers—Ki-lombo—and it designates a geographical area and a specific cultural niche of black Africa, which is the result of military, political, and social associations. A developed *quilombo* was a cultural institution receiving contributions from different cultures: Lunda, Imbangala, Mbundu, Kongo, Wovimbundu, etc. In the Brazilian case, according to Munanga, the *quilombo* was transformed into a “pluri-racial democracy” because it welcomes Blacks, Indians and Whites. The 1988 Constitution passed an act attributing territorial rights (property titles) to the *comunidades remanescentes de quilombos*, or “quilombo-descendant communities.”

hundred years of liberty: Reality or Illusion?’ The champion, *Vila Isabel*...did not want to know anything about princess Isabel or the Golden Law: Long Live *Zumbi!* The strong *Palmares* cry / who run earths, heavens, and seas / influencing abolition” (Hasenbalg and Valle Silva 1992: 140).

The Ubiquity and Endurance of Slavery

The institution of slavery extended all throughout the country for more than three centuries along with successive economic cycles. As historian Thomas Skidmore describes them, the economic center of Brazil shifted away from the sugar-producing Northeast as a result of the gold and diamond booms of the Center-South in the eighteenth century, then continued southward with the coffee boom of the nineteenth century. As a consequence, by the nineteenth century, every major geographic region had a significant percentage of slaves among its total population. In 1819, no region in the entire country had less than 27 percent enslaved peoples out of its total population (1974: 43).

Brazilian exceptionalism in race relations is grounded in the fact that Brazilian *fazenderos* (landowners) enjoyed donations from the Portuguese Crown that made the former more independent. This situation is different from U.S. plantation slaveholders, confined only to the Southern states, and is unlike the Spanish *encomenderos* (landowners), who were subordinated to the Spanish Crown through a very complex bureaucratic apparatus grounded on a caste system. As Argentine historian Halperin-Dongui suggests, the exclusive independence conceded to the Brazilian *fazenderos* by the Portuguese Crown may be explained by the fact that in the two centuries before the discovery of gold and diamonds, there was simply less at stake in Brazil. Moreover, Portuguese colonizers never migrated to Brazil in great numbers, which, along with the enduring importance of sugar during the first centuries of the colony, left a clear

imprint on the demography and social organization of Brazil. Halperin-Dongui concludes that “[t]he ubiquitous institution of slavery reduced the need for a caste system to stabilize race relations” (1993: 38).

During the two years, beginning in the summer of 2003, I spent in São Paulo doing field research on the implementation of diversity and affirmative action policies in a wide range of enterprises, on countless occasions I was told: *o Brasil não tem jeito, é um país de malandros*—“Brazil has no solution because it’s a country full of thieves.” Then I learned that Brazilian history textbooks say that the earliest inhabitants of Brazil were *degredados* from Portugal: criminals exiled for robbery, murder, prostitution, bigamy, sodomy, or religious heresy.¹⁷ The image of the *degredado* is transposed to today’s *malandros*, hyperbolically represented by politically corrupt officials and slaving patrons. However, *malandragem* is used in common Brazilian vernacular very abstractly, always as an accusation against distant people but never to denounce or change immediate exploitative real-life relationships, such as one’s own employees, domestic servants, and a wide range of poorly paid menial jobs.

Due to the ubiquity and endurance of the institution of slavery, the *casa-grande e senzala*,¹⁸ or the master and the slaves’ separate houses, holds a remarkable

¹⁷ The first Portuguese colonizer, Pedro Álvares Cabral, a navigator who discovered Brazil in 1500, left just two *degredados* to guide future expeditions in the newly discovered land.

¹⁸ The *casa-grande*, the house where the master lived with his family, complemented by the *senzala*, the slaves’ dwelling, stood separately inside the colonial plantation. In his classic book *Casa-grande e senzala*, first published in 1933, Gilberto Freyre described the *casa-grande e senzala* as representing an economic, social, and political system. The first *casas grandes* were raised in the sixteenth century in Northeastern Brazil, where the Portuguese colony began, in the heart of the sugar plantations, and would extend to other regions of the country in turn in the following centuries according to economic cycles. Though influenced by Portuguese architecture, the *casa-grande* is an adaptation to the tropical environment, with fallen roofs to protect the house against the sun and the tropical rain. Inside the *casa-grande*—the expression of an absorbing rural, polygamous, and slavish patriarchalism, in Freyre’s words—there were innumerable rooms, corridors, even chapel, and a cemetery; the *casa grande* performed the function of school, fort, bank, and hospice for relatives, friends, travelers, orphans, widows, among many other roles (2002: 48-49).

symbolism in the Brazilian consciousness even in present times. The institution of the *casa-grande e senzala* is taken beyond the family, to the urban spaces, the private enterprise, and the public institution. A Brazilian journalist doing consulting work for several companies in São Paulo once made a quite unexpected observation for my foreign perception, that Brazilian entrepreneurs “have always exhibited a *casa-grande e senzala* kind of conservative consciousness.” A sort of mind frame: “How much I can make the most of for myself because I don’t care about social and environmental issues?”¹⁹ This socially careless consciousness, exhibited by landowners and entrepreneurs alike, intermingles with one of the most horrible forms of patriarchal exploitation, “harmoniously” relaxed in striking ways by a cordial attitude toward the subordinates, treated as *gente de casa*—home people.

Likewise, the Brazilian expression “for the English to see”—*para inglês ver*—dates back to the period between 1850 and the abolition of slavery during which the British Royal Navy put pressure on the Brazilian government to end the slave trade. As mentioned in the introduction, during that period, a series of mechanisms to camouflage slave ships was invented in order to misguide the English warships (Fry 1982: 16). Today the expression is widely used every time the government or any institution attempts to introduce reforms to deceive the international community so that things continue to be the way they are, or to implement reforms that are thought in advance not to function but are implemented anyway. I was writing the minutes of one of the preparatory meetings for a workshop on how the relationship between enterprises and their suppliers could improve to become more socially responsible, when my attention was grabbed by a statement from a good humored manager from

¹⁹ Interview, São Paulo, 02/11/05.

Visanet, a Brazilian credit card company. While relating his experience working with suppliers to the group, he said, “My company used to have an audit program for suppliers. However, this was more the result of a requisite than of a willingness to change the organization as a whole. I would prefer to have a culture of social responsibility embedded that is more enduring than a *para inglês ver* action.”²⁰

Both the *casa-grande e senzala* division of labor between whites and non-whites and the *para inglês ver* mentality clash, paradoxically, with a pervasive and perverse denial by the majority of white Brazilians that racism exists. Foundational myths such as “we all have the same blood,” or “we live in a racial democracy” become the usual expressions among those denying the existence of racial prejudice and discrimination. (I further develop this point in Chapter 2.) “I don’t understand those diversity policies that they are trying now to implement in companies. We Brazilians never had any problem with racism. We all have African blood,” a communication manager at McDonald’s said.²¹ As historian George Fredrickson (2001) asserts, “racial democracy” in Brazil, “nonracialism” in South Africa, and “color-blind” constitutionalism in the United States are three not-so-different ideological forms of denying racism. In the absence of explicit racial prejudice and bigotry, therefore, the need for a “second abolition,” or reparatory and compensatory policies, is central to the case for affirmative action.

The race issue even used to be evaded by Brazilian abolitionists. As historian Célia Azevedo reveals, it was less embarrassing for whites in the United States to address the abolition of slavery than in Brazil, for North American abolitionists such as William Lloyd Garrison, a Quaker from Massachusetts, were mostly from the North

²⁰ Meeting at the offices of Ethos Institute for Business and Social Responsibility, São Paulo, 01/19/06.

²¹ Interview, São Paulo, 02/16/05.

and had thereby had little contact with slaves. On the other hand, Brazilian abolitionists, such as Joaquim Nabuco, the political and intellectual leader of Brazilian abolitionism, came originally from slaveholding families (Azevedo 1995: 15-20). Where American abolitionists envisioned the double goal of abolishing both slavery and racism so that the emancipated slaves could live in freedom, Brazilian abolitionists visualized nothing more for the slaves than having them continue on the plantations—the *casas grandes*—as docile wage workers or tenants (1995: 121-122).

Black activists indeed believe that the Golden Law—also known as Law 3.353—did not abolish slavery, in the sense of entirely ending it. According to Prof. Helio Santos, the Law merely declared slavery extinguished (2003: 77). In his book *In Search of a Pathway for Brazil* (2003), Professor Santos brings to mind that the Law explicitly said, “Slavery is declared extinguished in Brazil.” In so doing, he wants to highlight the difference between extinguishing slavery and declaring slavery extinguished. In his words, pretty much like Azevedo’s remarks, abolition simply turned the “slave-worker” into a “worker-slave.”

Today, the argument that abolition was an unfinished process serves as one of the most powerful rationales for anti-racist advocates to justify the need for reparation policies. In an interview with César Nascimento,²² one of the founders of *Integrare*,²³ the first minority-owned business network in Brazil, in explaining how they decided what “minority groups” the organization should deem as “excluded from economic progress,” he pointed out that they “wanted to make clear that in Brazil the process of social exclusion escapes the U.S. concept of racial minority, because blacks have always been the majority in Brazil. The problem is that right after the abolition of

²² Interview, São Paulo, 06/21/05.

²³ See Chapter 7 for more detailed observations on the *Integrare* case.

slavery the ex-slaves were abandoned in the middle of the street.” Generally, black activists struggle to find a way to reconcile affirmative action with the fact that a large majority of *pardos* (mixed people) in Brazil do not identify as blacks. Whether to deem blacks as a “minority group,” and how, in any event, to appeal to them as a distinctive population, is one of the thorniest subjects for implementing affirmative action in Brazil. As anthropologist John Burdick concludes, in a thorough ethnographic study on the relations between gender, race, and popular Christianity in Brazil: “[I]t is conceptually, discursively, and politically difficult to reconcile the utter historical dependence on slave labor with the identity of ‘minority’” (1998a: 14).

The 1988 Constitution

Despite the ubiquity and endurance of slavery, the difficulties Brazilians have in recognizing the existence of racism and the dilemmas that identifying *pardos* as a distinctive population entails, the race issue entered the public debate more decisively than ever in Brazilian history upon the drafting of the 1988 Constitution. A series of political events made 1988 a moment Brazilians would not forget. In addition to representing the centenary of the abolition of slavery, 1988 was the year when the first democratic constitution was drafted after a period of dictatorship (1964-1984). In the spirit of overcoming enduring military repression, countless social groups and political parties came to be represented in the Constituting National Assembly to advance as many individual and collective rights as possible. Such hunger for rights nonetheless would not be satisfied, as rights became mere blueprints and the two *Brasis*, as Prof. Helio Santos furiously denounces, not only persisted but got even more distant one from the other in the coming years. For instance, Brazil was ranked in 1999 as having the world’s second most unequal income distribution, only after that of Sierra Leone (Valle Silva 2000).

Two main discursive axes marked the centenary of the abolition of slavery: the condemnation of racism and the promotion of black cultural identity. Since then, a deep paradox would pervade the future of race politics: “[v]iewed from top down, in the direction from the state to civil society, it was about co-optation and prevention of conflicts. From the other angle, in the direction from social movements to the State, things can be seen as the conquest of new spaces” (Hasenbalg and Valle Silva 1992: 142).

As anthropologist Peter Fry tells it, during the discussions leading to the 1988 Constitution, the black movement and its academic allies armed themselves to try to bring the racial issue into sharper constitutional focus. As a consequence, the new constitution also strengthened the *Afonso Arinos* Law, which had been introduced in 1951 to punish racial discrimination, by redefining racist practices as a crime rather than a mere misdemeanor. Afro-Brazilian Federal Deputy Alberto Caó later on presented new legislation that, in accordance with the new constitution, denied bail to those accused of “crimes resulting from racial or color prejudice and stipulated prison sentences from one to five years for those found guilty” (Fry 2000: 98).

In his first year as president of Brazil, Luiz Inácio Lula da Silva visited the Serra da Barriga (Alagoas), where *Quilombo dos Palmares* was built, to commemorate the Black Consciousness’ National Day. There, he said, “When Brazil abolished slavery... there were only 5 percent slaves among the population. Today one third Brazilians live in conditions of social exclusion.”²⁴ The same day, during the commemorations, Lula signed three decrees: one of them created a National Committee for Racial Equality (which in 2004 would become a federal office); the

²⁴ Ângela Lacerda, “Lula: negros pagam a conta da desigualdade,” *O Estado de São Paulo*, November 21, 2003, p. C8.

other regularized the *comunidades remanecentes de quilombos*, or Quilombo-descendant communities, and the third one launched racial equality public policies.

Slave Labor in the Context of the Transnational Social

In 2005, the Ethos Institute for Business and Social Responsibility articulated a National Pact to eradicate forced (slave) labor in Brazil, along with ILO, the International Labor Organization, and the Brazilian NGO Repórter Brasil. Upon meeting with representatives from large enterprises, leaders from a variety of groups, and different associations, the Labor Ministry committed itself to publishing a “black list” of employers contracting forced labor. ILO, the Ethos Institute, and *Repórter Brasil* created a data base with a list of signing enterprises and civil society organizations.²⁵ The goal of the pact is to obligate the signing enterprises to eradicate forced labor from their productive and supply chains. The pact, like many other agreements I discuss in subsequent chapters, is highly influenced by global instruments such as the ILO conventions or the Universal Declaration of Human Rights, and it is supported by a public institution such as the Labor Ministry. Nevertheless, this pact has neither the authority nor the means to enforce the regulations agreed upon. Compliance thereby is subject to public and media embarrassment. In using the ILO universal language on forced labor (specifically Conventions 29 and 105), the pact text does not mention the terms “race” or “racism.”

Despite its success in dismantling huge slave labor networks in Brazilian rural areas in the last few years, and the designation of these social responsibility campaigns

²⁵ For more information on the National Pact, consult “Campanha de Adesão ao Pacto Nacional para a Erradicação do Trabalho Escravo” at www.ethos.org.br / campanhas de responsabilidade social empresarial.

as the “second abolition,” the ILO definition of “forced labor”²⁶ sounds quite uncritical and disconnected from the overwhelming *casa-grande e senzala* and *para inglês ver* mentality that pervade Brazilian workplaces. The contemporary jargon exchange on forced labor managed by the international community, or what Burawoy et al. (2000) call the “transnational social”—“transnational public spheres that emerge in the spaces between institutionalized power structures” (2000: 139)—offers more opportunities, albeit limited, to excluded “subaltern publics,” in this case, mostly rural workers. Forced labor, therefore, and from the point of view of the transnational social, turns out to be a rather residual issue in the Brazilian private sector, which though celebrated with much hyperbole, holds quite a different meaning from the political claim of a “second abolition” by black movements and their allies and is more focused on the public denouncement of racist practices.

In conclusion, there is no doubt that the 1988 commemorations of the centenary of the abolition of slavery and the administrative space created by the 1988 Constitution set the bases for racism to be legally redefined as a crime and for the race issue to constitute itself as an important target of federal public policies. However, a safe administrative framework where reparatory actions can be managed in the private

²⁶ Convention No. 29 concerning “forced labor” was adopted on 28 June 1930 by the General Conference of the International Labor Organization. “The term ‘forced or compulsory labor’ shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily. Nevertheless, for the purposes of the Convention the term ‘forced or compulsory labor’ shall not include: (1) Any work or service exacted in virtue of compulsory military service laws for work of a purely military character; (2) Any work or service which forms part of the normal civic obligations of the citizens of a fully self-governing country; (3) Any work or service exacted from any person as a consequence of a conviction in a court of law, provided that the said work or service is carried out under the supervision and control of a public authority and that the said person is not hired to or placed at the disposal of private individuals, companies or associations; (4) Any work or service exacted in cases of emergency, that is to say, in the event of war or of a calamity or threatened calamity...; (5) Minor communal services of a kind which, being performed by the members of the community in the direct interest of the said community, can therefore be considered as normal civic obligations incumbent upon the members of the community” (Office of the High Commissioner of Human Rights, www.unhchr.ch, consulted in 10/10/06).

sector is absent. Instead, isolated—“for the English to see”—actions, of which the occasional commemoration of Black Consciousness National Day by the company Fersol or the pact to eradicate forced labor initiated by the Ethos Institute with the support of ILO are each in its own way clear examples, transform the “second abolition” claim into a residual social cause, albeit celebrated through the media with exaggerated zeal.

As in the past, when slavery was ubiquitous across the Brazilian geography and it was very embarrassing for whites to address the abolition of slavery, today it is quite discomforting for the white upper middle-classes to publicly denounce their own exploitation in their daily lives. As Prof. Helio Santos points out in his discourse to Fersol workers, it is Brazilian executives who resist the inclusion of the *negros* in their companies.

Similarly, it is more comfortable for foreign policymakers and social researchers to denounce today’s racism and slave practices publicly than it is for the Brazilian white upper-middle-class mainstream to do so. In the same way that opposition to slavery took a long time to become an important political force in Brazil, opposition to one’s own exploitation in daily life, or so to say, a “second abolition,” may never happen unless larger political and social changes take place.

Indeed, structural political and social changes are not easy despite the pervasiveness of racial inequality. Thus, in the next chapter, I examine how statistical evidence of racial inequities, for much that has been developed by sociologists and economists since the 1970s, turns out to be insufficient to make the race case stronger vis-à-vis the strong belief by Brazilians—mostly whites and *pardos*—in the myth of racial democracy. Once again, despite defiant figures proving the persistence of racial inequality, what re-emerge as the main impediments to a more widespread endorsement of U.S.-derived affirmative action policies in Brazilian public and private

institutions are *mestiçagem* (biological and cultural admixture) and what historian Degler called “the mulatto escape hatch,” or social acceptance of the *mulatto* by Brazilian society, taken as the most important element of Brazilian exceptionalism in race relations, in direct contrast to the American “one drop” rule.

CHAPTER 2

RACIAL INEQUALITY *VERSUS* RACIAL DEMOCRACY

“In no way it persists in the Brazilian, as it does in the
Anglo-American,
two enemy halves: the white and the black, the
ex-master and the ex-slave. We are two fraternizing
halves who have mutually enriched each other with
values and diverse experiences” – Gilberto Freyre

Brazil, once known as a “racial democracy,” is today better known for having the world’s fourth most unequal income distribution, only after Sierra Leone, Central Africa Republic, and Swaziland. Drawing on the different interpretations of the myth of racial democracy and statistical analysis of racial inequality, in this chapter I assess how diversity and affirmative action policy-relevant groups *ambiguate* and *disambiguate*²⁷ the meaning of history and numbers with the goal of constructing strong arguments either against or in favor of race-targeted policies. I conclude that statistical evidence of racial inequalities, despite its reliability and credibility, is not sufficient to construct persuasive arguments in favor of diversity and affirmative action in a context like the Brazilian one, where political support is low and cultural

²⁷ *Ambiguate* means to attribute more meanings or to broaden the meaning of a concept or idea, or ascribing a variety of anthropological interpretations to a single behavioral act. By *disambiguating*, the possibilities of attributing meanings fit into schemes of interpretation in a restrictive way. Anthropologist Martin Silverman (1972) saw fieldwork as a process of ambiguation and disambiguation. Similarly, policy making, when viewed from an interpretive framework, can be considered as a process of ambiguation and disambiguation, whereby formulating and implementing agents expand or shrink the meaning of laws, global codes, and organizational rules depending on whether they want to legitimize or de-legitimize a particular policy. I thank Professor Vilma Santiago-Irizarry for bringing this framework to my attention long ago.

expectations skeptical regarding the race issue. More and better philosophical discussion on the policy-implications of diversity and affirmative action that goes beyond ethno-racial-identity-centered debates is needed to make the racial discrimination case stronger.

The “Race” Concept

The myth of “racial democracy” materialized in the 1940s, when Brazilian intellectuals began to pay attention to the importance of miscegenation for the construction of the Brazilian nation, in contrast to European racist theories contending that racial mixing was degenerative. At the same time, critiques of the biological concept of race led many anthropologists in the aftermath of World War II to neglect the use of “race” and adopt an approach to intergroup difference stressing ethnicity-based principles of classification and organization (Harrison 1995). Yet, the singular focus on ethnicity left unaddressed the centrality of racially-based inequality, discrimination, social movements, legal systems, and policies (Omi and Winant 1994). Also, arguments against the public use of racial classification have emerged in the United States, Europe, and Brazil (see, for instance, Webster 1992; Delgado and Stefancic 2000; Gilroy 2000; D’Souza 1995).

“Racialization”—the deployment of institutional practices that require racial classifications of citizens, the use of scientific knowledge on race relations by a variety of institutions, and the development of reformist and liberationist variants of the racial theory (Webster 1992)—has gradually been reinforced in Brazil since the 1988 Constitution. The notion of “racial inequality” derives from the measurement by social scientists of the differences between blacks and whites, understanding that in order to “achieve a situation of complete racial equality it is necessary that both racial groups (whites and non-whites) are distributed equally in the social and economic

hierarchy” (Hasenbalg and Silva 1988: 140; Henriques 2001:3). Generally, research on racial inequality relies on the racial categories established by IBGE,²⁸ resulting from the Brazilian black movements’ reiterative demand to draw a clear cut line between the white and the black populations. Here, the *negro* (black) category stands for both *pardos* (mixed) and *pretos* (blacks) together.

While the persistence of racial inequality is increasingly recognized among Brazilian academics, politicians, and policymakers in light of virtually undisputable statistical analysis, racism, nonetheless, in the absence of ostensive prejudice or bigotry, is difficult to prove, hence the weakness of statistical figures to reverse racist practices. Fredrickson notes that “a broadened conception of racism draws attention to the ways that culture can serve as a surrogate for biology” (2001: 60). It is from this perspective that the “new racism,” or so-called “institutional racism,” sees some form of multiculturalism as the antidote of racism: “The recognition that unfairness may result from customary behaviors and procedures, even in the absence of prejudice or bigotry, is central to the case for affirmative action” (2001: 60). Yet, what “racism” is and how we can be so sure that it has been eliminated or contained is a question very difficult to answer because, generally, people may assert they are not racist while they may show, support, or practice non-ostensive forms of racist behavior themselves.

²⁸ IBGE, Instituto Brasileiro de Geografia e Estadística, or Brazilian Institute of Geography and Statistics. The Brazilian census bureau’s decision to resume collecting racial data in 1976 (the 1970 census had not queried on race) allowed demographers to document apparently persistent racial inequalities. In the last two decades, official Brazilian demographic surveys have created new racial categories with the goal of making “races” more distinguishable and demographically measurable. According to the 1999 National Survey by Household (*Pesquisa Nacional por Mostra de Domicílios*, PNDA) of 160 million Brazilians, 54 percent define themselves as *brancos*, 39.9 percent *pardos*, 5.4 percent *pretos*, 0.46 percent *amarelos*, and 0.16 percent *indígenas*—meaning white, mulatto, black, yellow, and indigenous respectively. Since 1982, the National Census by Households, or PNAD, asks household members, “What is your color or race?” The multiple choice answers are limited to the five categories above.

The “Racial Democracy” Revisited

By the 1950s, the idea that Brazil was a “racial paradise,” a society without a “color line,” was already popular in the United States and Europe. The origin and diffusion of the term “racial democracy” has been attributed to Northeastern social historian Gilberto Freyre, who since 1944 used the expressions “ethnic democracy” and “Luso-Brazilian social democracy” several times in conferences, books, and journals (Guimarães 2002: 138). Sociologist Antonio Sérgio Guimarães notes that French sociologist Roger Bastide, in an article published in the journal *Diário de São Paulo* (1944), after a visit to Freyre, “translated” Freyre’s ideas as “racial democracy.” Charles Wagley (1952), in the series of studies about race relations in Brazil sponsored by Unesco, said that “Brazil is known world-wide for its racial democracy” (Guimaraes 2002: 138-139). Thus, in the 1940s and 1950s, North American, European, and Brazilian scholars (cf. Pierson 1942; Wagley 1952; de Azevedo 1955) developed a mainstream of research led by feelings of admiration toward the ideal of Brazilian “racial democracy” and how the model could be exported to other countries or cultures.²⁹

By valuing the influence of African culture for the construction of Brazilian social harmony, Freyre, who had spent a few years at Columbia University studying with Franz Boas, challenged racial determinism as it had been developed by European writers such as French Arthur de Gobineau (1816-82). Gobineau, who even traveled to Brazil after publishing his influential *Essai sur L'inégalité des races humaines* (1853-1855), had announced in several letters and reports that “the pattern of marriages among whites, Indians and Negroes is so widespread [in Brazil] that the nuances of

²⁹ Guimarães also brings to mind that the expression was commonly used by the black movement in the 1950s. Abdias do Nascimento, a leader of the movement, in the 1st Brazilian *Negro* Conference in 1950 observed that the long history of miscegenation in Brazil was being transformed into a “doctrine” of racial democracy to be learnt by others.

color are infinite, causing a degeneration of the most depressing type among the lower as well as the upper classes” (in Skidmore 1974: 30). He predicted then that the native population was destined to disappear, due to its genetic “degeneracy.” The only possible solution to such a pessimistic announcement for the future of the country was to fortify the white races.

In contrast to Gobineau’s racist pessimism, Freyre, whom Nancy Stepan (1991) characterizes as a “revisionist” of nineteenth-century scientific racism, offered a sanitized interpretation of Brazilian history of colonialism and slavery by advocating the miscegenation of European, African, and Indian descendents as a way to “improve the race of the nation.” This idea of cultural achievement resonates in Boas’s German notion of *Bildung*—the improvement of the nation (cf. Stocking 1974), Boasianism was later enriched with a variety of antiracist discourses, such as those espoused by U.S. intellectuals of color like W.E.B. DuBois. The belief in cultural achievement would also characterize the earliest manifestations of Pan-Africanism before the 1950s.

But we can trace the myth of racial democracy even farther, to the second half of the nineteenth century, the time when abolitionist campaigns began across the Atlantic colonies. The stereotype of Brazil as a racial paradise had long been circulating among American abolitionists, “as part of a vast effort to defeat the Southern American slaveholders and their Northern allies” (Azevedo 1995: ix). Both societies, the North American and the Brazilian, appeared to travelers and scholars as two contrasted exceptionalisms in race relations, as hell to heaven. Southern slaveholders were depicted by Northern abolitionists as non-human, lacking soul, undeserving to be considered Christians; while their Brazilian counterparts were observed with benevolence as caring Catholic patrons who treated their slaves with condescendence (Azevedo 1995: 21-48). That is to say, the *casa-grande e senzala* was

supposed to be a better and more peaceful place for a slave to live than the Southern plantation.

“The problem of Brazilian racism is that it is contaminated with love, hence its invisibility,” said a black NGO chief officer working for the first minority-owned business network in São Paulo.³⁰ Cordiality, in contradistinction to U.S. racial intolerance, would characterize Brazilian racism. Cordiality, to Brazilian historian Buarque de Holanda, was “the Brazilian contribution to civilization.” The virtues of hospitality and generosity—“legitimate expressions of an emotive human interior extremely rich and transcendent”—should not be taken for “good manners,” or “coercive civility,” Buarque argued (2004: 147).

Thus, the myth of racial democracy, to date, serves as a backdrop for many Brazilians to deny racism and prejudice. The expressions “we all have African blood” or “we do not need affirmative action policies because there is no racial prejudice in Brazil” are deeply ingrained in the, so to say, Brazilian “racial commonsense.” Historian George Fredrickson posits that one reason Brazil may seem less racially stratified than the United States or South Africa, besides the widely known fact that Brazil does not have a history of segregation laws or officially mandated discriminatory practices, is that poverty is obviously multiracial and the size of the black and brown population is larger.

“Race Relations” Studies

The Brazilian idiosyncrasies in dealing with the race issue have been extensively discussed within a rich tradition of historical, sociological, and anthropological research on race relations. Since the beginning of the twentieth

³⁰ Interview, São Paulo, 04/19/05.

century, this research has carefully examined the origins and contradictions of Brazilian racial ideologies. Thus, most research on Brazilian race relations has focused on tracking the role *mestiçagem* plays in the use of a relatively flexible continuum of racial categories and national identity construction (Freyre 1933; Herskovits 1943; Harris 1956; Harris & Kottak 1963; Degler 1971; Munanga 1999); revising abolitionism and the transition from slavery to free labor (Azevedo 1995; Viotti da Costa 1966; Cardoso 1962; Holloway 1980; Andrews 1998); revealing (or denying) the sociological realities of racial discrimination (Pierson 1942; Wagley 1952; Costa Pinto 1953; Ianni 1962; Fernandes 1965; Fernandes and Bastide 1971; Hasenbalg 1979; Hasenbalg and Silva 1988, 1992; Guimarães 1998; Twine 2001); tracing its historical development (Skidmore 1974; Butler 1998); unveiling social and police violence (Scheper-Hughes 1992; Holloway 1993); or showing how the non-whites organize themselves and target their “black” constituencies (Hanchard 1991; Burdick 1998; Mitchell 1998). More recently, researchers have made an effort to reevaluate Brazilian racial ideologies vis-à-vis affirmative action (Guimarães 1999, 2002; Heringer 2002; Telles 2003; Mala 2004) or to reconstruct the myth of racial democracy for future social action (Fry 2000).

Particularly during the second half of the century, countless external and internal influences came together with the goal of undermining the ideological hegemony of the racial democracy in Brazil. Even though the racial democracy had already been discarded by Afro-Brazilian intellectuals and the black press in the 1930s and 1940s as a hegemonic ideology professed by the official national orthodoxy (Guimarães 2002: 166),³¹ it was only in the 1950s and 1960s that the racial democracy

³¹ From a national political perspective, the notion of racial democracy is related to what political scientists call the “populist pact” (1930-1964). During Getulio Vargas’ populist pact, black Brazilians were symbolically integrated into the “Brazilian nation” by means of the popularization of a mixed—*mestiça*—national culture (Guimaraes 2002: 166). With the military coup of 1964, the “populist pact” was broken, and black Marxist nationalism challenged the myth of racial democracy as a conservative

was deconstructed in more powerful ways, even surpassing the national boundaries. Among these influences were the visits of black and white U.S. citizens to Brazil; the research projects funded by UNESCO; young Brazilians getting higher degrees in the United States; the rise of black cultural and political movements in the U.S.; and the activities carried out by American foundations in Brazil (Andrews 1997: 105). Moreover, key events happened in the 1960s such as Brazilian frustration with the Cold War years, the rise of Marxism, claims of a genuinely Brazilian social science by Brazilian academics, the formulation of theories of underdevelopment, and the denouncement of racial inequality and poverty (Correa 1995: 89). The military governments in the 1960s and 1970s strongly reacted to such subversive criticisms, which were associated with Marxist and communist influences.

A trend of revisionist studies carried out by the so-called School of São Paulo in the 1950s, which for the first time labeled the ideal of racial democracy a myth, signaled a paradigm shift among Brazilian academics regarding the race issue. The school was mostly represented by sociologists from São Paulo University who applied the concept of “race relations” from the University of Chicago—“relations existing between individuals conscious of racial differences” (Park 2000; 1938)—to the Brazilian context. Florestan Fernandes (1965) and Fernando Henrique Cardoso³² (1960), among others, reflected on the transition from agricultural society to industrial

ideology that served to obscure racial inequality and poverty. The reconstruction of democracy beginning in 1978 led to the revival of “culture,” “ethnicity,” and “race” by the state and social movements. The 1988 Constitution enacted antidiscrimination legislation and made possible the current deployment of racial classification and antiracist politics. Since then, this process has been accelerated by economic transnationalism, the growth of a global aid industry, and the expansion of the Third Sector.

³² Fernando Henrique Cardoso was elected president of Brazil in 1994 and stayed in power for two consecutive terms until 2003. President Cardoso studied race relations as a graduate student under Professor Florestan Fernandes’s advice. His doctoral dissertation, published with the title *Capitalismo e Escravidão no Brasil Meridional* (2003; 1962), is considered one of the most important works of twentieth century Brazilian sociology. At the end of the 1990s, he became the first president in Brazilian history to recognize the problem of racism publicly and to support affirmative action policies.

capitalism whereby racial classifications manifested in the competition for jobs. This mainstream looked at color as a “functional” element of the slave society, incompatible with the modern, bureaucratic, and class society. Their hope was that modern capitalism would eventually tear down the barriers inherited from the slavery regime. They inaugurated, let us say, the “golden age” of sociological research by unveiling patterns of social mobility, labor market discrimination, housing segregation, and racial and class inequalities, among other research interests.³³

In the 1990s, econometric analysis, along with the use of highly sophisticated statistical software, would give continuity to the 1950s’ sociological research on racial inequality, but this time it reached a level of statistic refinement and public policy influence unimaginable by São Paulo sociologists at the middle of the last century.

Paradoxically though, in the “golden age” of socio- and econometric research, the ideal of racial democracy has more possibilities of surviving as a myth than as an ideology. As a national myth that is neither true nor false and in which many blacks and whites strongly believe—the essence of Luso-Tropicalism (Freyre 1944), or a foundational myth of Brazilian nationality (DaMatta 1990)—racial democracy, like any other myth, is un-replaceable by a scientific formula (Levi-Strauss 1995). Anti-affirmative action intellectuals active in the national public policy debate over affirmative action argue that the ideal of racial democracy, instead of being discarded as a false myth, should be projected into the future as a “charting for social action or an ordered system of social thought” (Fry 2000: 97).

³³ Anthropologists, sociologists, historians, and political scientists, among others, have analyzed and measured racial inequalities in many domains of Brazilian life including: labor market competition and discrimination (Hasenbalg e Valle Silva 1988; Lovell and Dwyer 1988; Castro and Barreto 1998); social relations (Harris 1963; Degler 1971); social mobility (Azevedo de 1955; Bastide and Fernandes 1959; Cardoso and Ianni 1960; Andrews 1991); and popular culture and consumption (Simpson 1993). However, none of these studies relates the Brazilian racial experience to the development of scientific institutions and management systems in the private and public sectors. Nancy Stepan’s (1995) study of the eugenics movement in Latin America is perhaps one among few exceptions.

In a series on mythology, Lévi-Strauss has asserted that “all mythology is dialectic in its attempt to make cognitive sense out of the chaotic data provided by nature, and that this attempt inevitably traps the human imagination in a web of dualisms: Each dualism (such as male/female) produces a tension that seems to be resolved by the use of a mediating term (such as *androgyny*), but then that new term turns out to be one-half of a new dualism (such as androgyny/sexlessness) *ad infinitum*” (Doniger 1995: vii). In *Myth and Meaning*, Lévi-Strauss insisted that “every myth is driven by the obsessive need to solve a paradox *that cannot be solved*” (1995: x). Lévi-Strauss’s interpretation of myths and cultural diversity is a pragmatic one, as myths do not constitute in themselves the essence—content—of cultures, neither one of the external features of a given culture. Rather myths, like magic or science, are viewed here as an original way of solving problems, paradoxes, or dilemmas. In *Race and History*, a publication sponsored by UNESCO in 1952 for the goal of combating world-wide racial prejudice, Lévi-Strauss contends, in discussing the concepts of cultural diversity and progress, that “the originality of each culture consists rather in its individual way of solving problems...modern ethnology is concentrating increasingly on discovering the underlying reasons for the choices made, rather than on listing mere external features” (1952: 29). Viewed from a Lévi-Straussian perspective, the myth of racial democracy is rather a mediating term that resolves the tension between blacks and whites and not, as folklore has it, the essence of *Brazilianness*. Myths, according to Lévi-Strauss, are replaced by other myths, but never by a scientific formula.

Yet, as a hegemonic nationalist ideology that masks racial discrimination, the racial democracy has its days numbered. In contrast to racial segregation in the United States, or South African apartheid, the Brazilian elite would have consciously perpetrated at the end of the nineteenth century the cultural assimilation,

miscegenation, and whitening of the population by subsidizing the immigration of whites from Southern Europe as a solution to the *negro* problem. The concept of racial democracy, moreover, is politically incoherent because the term “democracy” here is not related to “equality,” but rather to “fraternity” between the races (Burke 2005).³⁴ A radical dualism orients now the Brazilian “racial commonsense”: a society violently divided into two halves—Helio Santos’ “two Brasils”—privileged whites and *mestiços* (believers in the myth of racial democracy), on the one extreme, and disenfranchised blacks and *mestiços* (betrayers of the myth of racial democracy), on the other extreme. From this critical perspective, not only is the ideology of racial democracy false, but it is pathologically rooted in the Brazilian racial dilemma revolving around “the *mestiço* problem.”

As a reaction to viewing the nation from a dual perspective, a group of Brazilian intellectuals have in the last few years positioned themselves against affirmative action or any public policy that is based on racial classification, on the grounds that “the racial democracy should be used against racism instead of being disregarded as simple myth” (Telles 2003: 31). The myth of racial democracy, Peter Fry observes, “continues strong in Brazil, in its constituency and in the very idea of racial democracy, even though there are signs...of an increasing polarization” (cited by Munanga 1999: 126).

“The Mestiço Problem” for Racial Classification

The Portuguese term *mestiço* means “mixed blood,” which can be any mixture of racial backgrounds, including Indian, African, and European. It should not be confused with the Spanish term *mestizo*, which has entered English with the primary

³⁴ *O Estado de São Paulo*, January 30, 2005.

meaning of a European-Indian mixture (Skidmore 1974: 23). The *mulatto* refers more specifically to the mixture of African and European features, or simply to light-skinned blacks. If historian Carl Degler was right, “the mulatto escape hatch,” or the mulatto’s social acceptance by Brazilian society, marks the real difference between race relations in Brazil and the United States. This key, Degler argued, directed racial and social relations toward increasing violence in the United States and increasing tolerance in Brazil (cited by Azevedo 1995: xv). The *mulatto* became the central character of the racial democracy because “he was granted entry—albeit limited—into the higher social establishment” (Skidmore 1974: 40).

The *pardo* category is perhaps as complex as the *mestiço* one, particularly in the ways that both categories have been used by Brazilian census bureaus. As Luisa Schwartzman (2006: 6-7) tells, in commenting on Melissa Nobles’s (2000) study of the census, all censuses that counted by race (usually called “color”) have used the terms *preto* (black) and *branco* (white) to designate two ends of the color spectrum. What rested in the middle (i.e., how to treat “mixed-race” people and the descendants of indigenous peoples) has varied a bit. The first census of 1872 had four categories: *branco*, *preto*, *pardo*, and *caboclo*, where *pardo* was supposed to be a mixture of (mostly) white and black and *caboclo* was supposed to be applied to the indigenous population. In 1890, the word *mestiço* was used instead of *pardo*. There were no color questions on the 1900 and 1920 censuses, and in 1910 and 1930 no census was made. The category *pardo* would only be asked again in the 1950 census whenever the interviewees declared themselves as *mulatto*, *caboclo*, *cafuzo* (African and indigenous mixture), etc. *Pardo* has thus become the “trash can” of racial categories where all the people are put who do not fit into either extreme.

The *mestiço* (*mulatto* or *pardo*)—perceived as a “pathological white,” or an “occasional black,” when he seeks to benefit from affirmative action programs (da

Silva 2003: 47-61)—is the racial democracy’s utmost representative character; a character who, when viewed as black holds a “deficit” in the competition for jobs (Fernandes 1965: 195), but when “passing” as white (Munanga 1999: 123), enjoys the possibility of the whites’ comforts. As anthropologist Munanga puts it, the *mestiço* definition is fatal: he is “one into another,” “the same and the different,” “neither one nor the other,” “to be and not to be,” “to belong and not to belong.” His option “remains hypothetically postponed, since he hopes, one day, to be a white, through either miscegenation and/or social mobility” (1999: 126-127, my translation from Portuguese).

Statistical Analysis of Racial Inequities

How is it possible that people can believe in the myth of racial democracy and at the same time trust statistical analysis of racial inequality that contradicts the myth? Will this statistical analysis eventually replace the myth of racial democracy? In contemporary society, tabulations and statistics, and not myths, are the most powerful tools for authenticating and legitimating social policy problems. As Luisa Schwartzman (2006: 2) points out, commenting on Porter’s (1995) work on the history of statistics, although bureaucracies and scientists have used statistics since the nineteenth century as a way to administer people and things from large distances and to cover large areas, the use of statistics for policy, public opinion, and the management of organizations was not yet as widespread and decisive as it is today. On the other hand, numbers are symbols, they can be *ambiguated*; they tell stories of control, success, decline, or failure. When statistics is used to formulate policy problems and solutions, very often a small part of a policy problem is used to represent the whole, and the likeness or unlikeness of something happening is asserted according to one kind of policy problem or another—i.e., a percentage is both a

synecdoche and a metaphor (Stone 1997: 132-5). And yet, policy problems, goals, and solutions, when expressed in numbers, strongly influence policymaking and public opinion.

According to the 1999 PNAD, *Pesquisa Nacional por Amostra de Domicílios* or National Household Survey, of almost 160 million Brazilians, 54 percent define themselves as *brancos*, 39.9 percent *pardos*, 5.4 percent *pretos*, 0.46 percent *amarelos*, and 0.16 percent *indígenas*—meaning respectively white, mulatto, black, yellow, and indigenous. Since 1982, the National Household Survey asks household members, “What is your color or race?” The multiple choice answers are limited to the five categories above. More recently, the census bureau has been under pressure from black movement organizations for the former to replace the categories *pardo* and *preto* with a single category *negro* (or sometimes *Afrodescendente*). Since the 1980s, tabulations of the categories *preto* and *pardo* have often been lumped into the single term *negro*. Though *negro* also means black, it is supposed to mean people of African descent in general, including those of lighter skin. In common language, however, the terms *negro* and *preto* are often used interchangeably, being applied only to people with dark skin. The definition of the term *negro* naturally has implications for the black movement, since it determines the size of its constituency. It also gives us a different picture of the Brazilian nation. Instead of one marked by a “mixed-race” people, it is now framed as a “diverse” society marked by racial disparities and the conflict between *negros* and *brancos*, and with the largest Afro-descendant population after Nigeria (Nobles 2000, cited by Schwartzman 2006: 7-8).

Of almost 160 million Brazilians, the 1999 PNAD estimated that about 34 percent of the Brazilian population lived in families with an income below the poverty

line.³⁵ While black Brazilians made up 45 percent of the total population, they represented 64 percent of the poor population. White Brazilians, on the other hand, made up 54 percent of the total population, but only 36 percent of impoverished people. In the Northeast, the poorest region in Brazil, 63 percent of the *pardos*, 66 percent of the *pretos*, and 47 percent of the whites are poor. In contrast, in the Southeast, the richest region in Brazil, 31 percent of the *pardos*, 31 percent of the *pretos*, and 15 percent of the whites are poor (cf. Henriques 2001: 9-12). In São Paulo, including the metropolitan region, the black population (*parda* and *preta*) reaches 5,765,977, the largest in Brazil, and represents 23 percent of the total. Most of the *paulista* black population lives in the *favelas* (shantytowns). As Helio Santos said to Fersol's workers on Black Consciousness's Day, "São Paulo has 2,018 *favelas*, that's striking at the very least."³⁶

Of every ten people in the poorest segment of the income distribution in the country, eight are black; in contrast, of every ten people in the highest segment of the income distribution, only one is black. In this segment, the whites' income *per capita* is almost 20 percent higher than the blacks' *per capita* income. Whites represent 85 percent of the richest tenth in Brazilian society. This contingent of white population—

³⁵ Economist Ricardo Henriques distinguishes *indigência*, or abject poverty, as the cost of one food consumption good that supplies the minimum of calories that an individual needs; whereas "poverty line" refers to other expenses besides the nutritional ones such as clothing, housing, and transportation. In 1999, 14 percent Brazilians lived in families with an income below the *indigência* line (2001: 9, my translation).

³⁶ As anthropologist Nancy Scheper-Hughes (1992: 16) accurately describes in a deep ethnographic study of child death and "maternal thinking" in impoverished Northeastern Brazil, social horror derives from having routinized human suffering and normalized violence in everyday life. In São Paulo shantytowns, this horror persists now under the threat of organized criminality, drug traffic, and police corruption. I myself interviewed black youngsters who benefit from *Geração XXI* (see Chapter 6) who confessed having gone through this kind of horror in their own families. A young girl told me how she had lost her sister and brother-in-law because of murder related to drug addiction problems. She and her widowed mother had now to take care of the child they had left behind. In another case, a girl was afraid of her brother leaving prison soon. According to her, he was very aggressive and used to threaten the whole family. Soon these youngsters were to become liberal professionals while facing everyday suffering and violence in their families or in their *bairros*.

the Brazilian *overclass*—appropriates 41 percent of the total income in Brazil. According to economist Ricardo Henriques, social inequality in Brazil derives to a large extent from the excessive inequality within the white population. When 5 percent of the richest are excluded from income distribution simulations, inequality as a whole significantly decreases. In sum, there is more inequality within the white population, but fewer poor people (22.5 percent); there is less inequality within the black population, but more poor people (47.8 percent) (2001: 17-26).

About 55 percent of wage inequality between whites and blacks is related to educational inequality, economist Ricardo Henriques argues. In 1999, the average years of schooling of the adult population more than 25 years old was almost 6 years. While the schooling average of a 25 year old black is 6.1 years of study, for a white young at the same age, the average is about 8.4 years. Even though the schooling average has gradually increased along the twentieth century for both whites and blacks, the racial discrimination pattern of a 2.3 year difference between white and black 25 year olds in years of schooling has persisted through three generations. For instance, in 1999, the illiteracy rate among whites above 15 years old was 8.3 percent, whereas for blacks it was 19.8 percent. Almost half of the black adult population (older than 25) can be considered functionally illiterate, adults with fewer than four years of schooling. The difference between white and black youngsters increases in favor of the whites, the higher the relative position in formal educational degree (Henriques 2001: 27-32).

Valle Silva and Hasenbalg (2000: 428) corroborate Henrique's point that whereas in the last two decades educational inequality has significantly decreased, the inequality between the highest and richest segments of Brazilian society continues to be very high. These results question to some degree Henrique's assertion that wage inequality between whites and blacks is related to educational inequality. There is the

assumption, generally advocated by Brazilian “social experts,” that wage inequality between whites and blacks is related only to educational inequality and that by investing in “human capital”³⁷ economic inequalities will naturally be reduced.

According to a study carried out by IPEA³⁸ in 2004, only 5.8 percent of black men and 6.4 percent of black women in Brazil completed higher education, compared to 12.6 percent of white men and 12.0 percent of white women; 82.8 percent of all students in Brazilian universities are white, compared to 8 percent black.³⁹ Since 2002, eight public institutions have implemented quota systems for “historically discriminated groups” in Brazil. Rio de Janeiro State University (UERJ) was in 2002 the first large public institution in Brazil to implement quotas; 20 percent of the places are reserved for students coming from public schools, 20 percent for black students, and 5 percent for people with disabilities or for members of ethnic minorities. University of Brasilia (UNB) and Bahia State University (UNEB) are other examples.⁴⁰ In São Paulo, however, no university has implemented racially-focused

³⁷ The notion of “human capital” as “investment” instead of “expenditure for consumption” dates back to philosopher-economist Adam Smith who included “all of the acquired and useful abilities of all of the inhabitants of a country as part of capital” (in Schultz 1961: 2). Neoliberal economists from the so-called Chicago School re-elaborated this idea by proposing a contemporary formulation of the concept of human capital. A seminal piece on the concept was articulated by economist Theodore Schultz. Here is an excerpt of his central ideas on human capital: “Much of what we call consumption constitutes investment in human capital. Direct expenditures in education, health, and internal migration to take advantage of better job opportunities are clear examples. Earnings foregone by mature students attending school and by workers acquiring on the job training are equally clear examples. Yet nowhere do these enter into our national accounts... In these and similar ways the *quality* of human effort can be greatly improved and its productivity enhanced. I shall contend that such investment in human capital accounts for most of the impressive rise in the real earnings per worker” (1961: 1).

³⁸ IPEA, *Instituto de Pesquisa Econômica Aplicada*. Brazilian Government Research Foundation linked to the Planning Ministry.

³⁹ 2000 Brazilian Census.

⁴⁰ News released by the Federal Government Communication Department and the Presidency’s Strategic Management Section. Nº 196- Brasília, 31 de maio de 2004
http://www.brasil.gov.br/noticias/em_questao/questao/EQ196

quotas so far. In the meantime, the Brazilian government has almost universalized elementary education.

Labor Market Studies

Labor market studies remain one of the most insightful approaches to understanding gender and race inequities. As sociologist Peggy Lovell (2006: 14) contends, based on quantitative research of labor market inequities in São Paulo, “Afro-Brazilians and women have made remarkable progress over the past four decades in securing hard won legal rights and in gaining access to the highest levels of schooling, entrance into higher occupations and narrowing the intra-ethnic gender wage gap. Yet, women and Afro-Brazilians are still paid less than similarly qualified white men.” She shows, for instance, that the monthly income average for whites is R\$ 400, and R\$ 170 for blacks.

A labor market survey carried out by DIEESE and SEADE,⁴¹ shows that unemployment is higher among blacks than among non-blacks, even though, as Lovell asserts, blacks have made remarkable progress in getting into the labor market.

⁴¹ DIEESE stands for “Departamento Intersindical de Estatística e Estudos Socioeconômicos,” or Inter Trade Union Department of statistics and Socio-Economic Studies. SEADE stands for “Sistema Estadual de Análise de Dados,” center for the production, analysis, and dissemination of socio-economic data about the São Paulo state.

Table 2.1: Unemployment Rates by Race
Brazil – Metropolitan Regions in 1998 (percent)

Metropolitan Region	Unemployment Rates		Differences between Blacks and Non-Blacks (percent)
	Blacks	Non-Blacks	
São Paulo	22.7	16.1	41
Salvador	25.7	17.7	45
Recife	23.0	19.1	20
Distrito Federal	20.5	17.5	17
Belo Horizonte	17.8	13.8	29
Porto Alegre	20.6	15.2	35

Source: DIEESE/SEADE and Regional Entities. *PED Pesquisa de Emprego e Desemprego*.

Nadya Guimarães's (2002: 239) study on labor market inequities focuses on "the ways that [women and blacks] are included in workplaces going through technological and organizational processes of transformation." This relevant issue, she emphasizes, has been neglected altogether by the Brazilian sociological studies of work and industrial restructuring. According to Guimarães, the presence of black men in economic activity slightly increases when the industrial restructuring process intensifies. Thus, in 1989 and 1998, at the end of the so-called "lost decade" (in reference to the great number of jobs that were lost), the racial composition of the population employed in the industrial sector in Brazil for each year was 35.9/36.7 percent for blacks and 64.1/63.3 percent for whites. A greater inclusion of black men and a "whitening" of the female population occupied in industries seem to be going on in industry, according to Guimarães. Yet, an industrial white male or female worker

receives a 1.7 higher wage average than a black male or female worker (Guimarães 2002: 245-50). Workplace grievances, Guimarães concludes, are also documented at the upper hierarchical levels (*idem* p. 264).

Anthropologist Livio Sansone's study of three neighborhoods in Salvador shows that 44.2 percent of the population declare themselves unemployed. He argues that people under twenty-five "have neither the manual skills of their parents nor the educational qualifications required to obtain 'modern' jobs" (1997: 285). Parents and children tend not to look for work in those sections of the labor market that are assumed to be inaccessible for "blacks" and for those with little education.

Altogether, the research findings above corroborate the suspicion that formal education, though absolutely necessary in the current competitive labor market, does not guarantee by itself respect, promotion, and equal wages for blacks in Brazilian workplaces. In this context, will diversity policies in the private sector benefit "blacks," or, on the contrary, will they serve to complement corporate low-wage strategies?

São Paulo

São Paulo city and its metropolitan area concentrate, in absolute numbers, the major black population of the country. In 1999, in the state of São Paulo, the black (*negra*) population was 5,765,977, that is, 23 percent of the total black population of the country. In 2002, more than one third of the *pardos* and 63 percent of the *pretos* in the country lived in the Southeastern and Southern regions of Brazil, including the state of São Paulo. The state of Rio de Janeiro concentrated about 16 percent of the country's *preta* population, while Minas Gerais concentrated more than 14 percent. However, despite hosting the largest absolute black population in the country, São Paulo is popularly perceived as not having any black population at all. This is due to the large white population, almost 80 percent of the total state population, living in the

city, mostly descendants of the great European immigration waves that took place at the beginning of the century. In contrast, the major population proportional distributions of blacks, about 80 percent, are found in the North and Northeast of Brazil.⁴²

Lovell notes that in São Paulo, forty years of economic growth “has neither erased the relative gap between whites and Afro-Brazilians nor has it favored women’s equal pay” (2006: 14). This is reminiscent of the debate a century ago, when deliberate attempts to whiten the population were displayed by the São Paulo state government by subsidizing the immigration of cheap laborers coming from the poor regions in Southern Europe, mostly from Italy but also from Portugal and Spain.⁴³ As historian Andrews has rightly pointed out, São Paulo, which in the twentieth century would become the third megalopolis in the world after Tokyo and Mexico City, is “an instructive example to try to verify to what extent capitalist modernization managed to eliminate the race relations patterns inherited from the slavery regime and tear down the racial exclusion barriers” (Andrews 1998:50).

⁴² Síntese de Indicadores Sociais, or Social Indicators Synthesis, IBGE, 1999 and 2004.

⁴³ Immigration of free European laborers to the South and Center-South—going from the 1880s through the 1920s—altered the racial balance in those regions forever. At the turn of the twentieth century, for the first time in Brazilian history, the white population began to outnumber the population of color. Historian Skidmore describes in detail the demographic trajectory regarding race ratios in every geographic region as follows. Slaves probably outnumbered freemen (white and colored) in Brazil in the seventeenth century. In 1819, out of 3,598,132 as the total population of Brazil, 1,081,174 were slaves, and in 1872, sixteen years before total abolition of slavery, there were 1,510,806 slaves out of a total population of 9,930,478. The percentage of whites grew from 44 per cent in 1890 to 62 per cent in 1950. 1960 data remains unpublished and race was omitted from the census in 1970 (1974: 40-45). The slave population increased along with the expansion of sugar and coffee production in the nineteenth century. Historian George Andrews (1998: 55) corroborates Skidmore’s numbers for the case of São Paulo. Between 1811 and 1830, he estimates, the African enslaved and Afro-descendant population increased from 23 percent to 28 percent in the region, remaining at that rate until 1850, before declining to 19 percent in 1872. In absolute numbers, the São Paulo slave population doubled between 1811 and 1836—going from 38,542 to 78,858—and again in 1872, reaching 156,612. In the middle 1870s, the São Paulo slave population was the third largest in the country, only exceeded by Minas Gerais and Rio de Janeiro.

In the aftermath of the abolition of slavery, countless scholars sought to answer the question of why *negroes* were not integrated in the São Paulo industries during the decades of spectacular economic growth of the city (1890-1920). Two key interpretations have attempted to answer the question above. One, displayed in an exhaustive research on race relations in São Paulo by sociologists Roger Bastide and Florestan Fernandes (1959), argued that “color” is a “functional” element of slavery incompatible with a modern capitalist society. That is, the slave had been brutalized by the master, kept illiterate, and thus kept from being integrated in the formal economy. The other interpretation, expressed in a variety of studies, put the responsibility on the industrial elite’s shoulders. São Paulo industrial patrons would have impeded the integration of the *negro* and the *mulatto* in the São Paulo formal labor market by contributing to the immigration of poor white European laborers (Skidmore 1974; Andrews 1998; Pochman 2001).

George Andrew’s (1991) historical research on patterns of recruitment and layoffs at the beginning of the twentieth century shows that in two factories in São Paulo, a textile and a power company, the number of blacks working in São Paulo industries increased when immigration was interrupted (a law obligated companies to hire 30 percent Brazilians). He also disproves Fernandes’s hypothesis that the *negro* problem was illiteracy, by showing that the education of whites coming from Europe was also very low and that most tasks did not require a qualified knowledge, and yet the preference for white immigrants was dominant in São Paulo industries. Still, immigrants were treated so badly, like slaves, that for a period of time the Italian government prohibited Italians from migrating to Brazil.

More than a century later, innumerable entrepreneurs and managers at São Paulo companies, when queried on why there are no blacks in their respective companies, mostly answered with expressions like “the problem is education and

poverty, and not race; blacks do not get into universities.” Managers, with few exceptions, reiteratively deny the existence of racial discrimination in the companies where they work, even when they are involved in and support affirmative action initiatives. There are important exceptions, however. For instance, a human resource manager at a power company told me that he was working really hard to convince employment agencies to send him black people to work in the company. “I tell you, if I don’t tell them and train them for doing so, they only send me white men.”⁴⁴

Final Remarks

In conclusion, statistical analysis for racial inequality may confirm differences among racial groups but does not prove the existence of racism; the reduction of educational equality between racial groups may not imply the reduction of racial inequality in all the cases; the myth of racial democracy may be seen as a racist ideology or a fraternal racial commonsense, depending on one’s point of view; and strong awareness of racial differences may not require that racial (phenotypic) boundaries are distinct in all cases.

Census data, though needed to make the weaker case stronger, in the end, as Lovell recognizes (2006: 16), “tell us nothing about the concrete practices by which Afro-Brazilians and women are excluded from jobs and higher wages.” By emphasizing process and human agency, participatory research and qualitative approaches are also needed to further our understanding of racial and gender intersections in the workplace.

A larger question is at stake in Brazil today: how to build democratic institutions in a country where racial inequalities and slavery practices are pervasive,

⁴⁴ Interview, São Paulo state, 04/15/05.

persistent, and verifiable, but where people, ironically, strongly believe in the myth of racial democracy. In order to reach the utopia of a society without racial discrimination, Afro-descendant peoples and their cultural achievements ought to be valued; however, the ideal of racial democracy lacks democratic content, or “a charter for social action,” as anthropologist Peter Fry (2000: 97) proposes.

One important question is whether all antidiscrimination measures to combat racism are in dissonance with the myth of racial democracy. For instance, as Peter Fry reminds us, the “Working Group for the Elimination of Discrimination in the Workplace and Careers,” organized in 1995 when Fernando Henrique Cardoso’s government launched its National Human Rights Program, contained a series of planned activities in the interests of the “black community” which do not contradict the ideal of racial democracy (Fry 2000: 99). Likewise, social actions such as training workshops devoted to lessen racial prejudice in employment agencies do not question the core values of a racial democracy.

The question still remains unanswered of what to do when harsher race inequities or veiled forms of racism happen in higher status and professional positions, and yet remain invisible. Likewise, more research is needed on how the new technological and organizational management systems that were introduced in Brazilian workplaces during the 1980s affected the black population—the so-called “lost decade” because of the number of jobs lost, mainly in large industries. Furthermore, a reliable answer that has not yet been worked out why some companies that I visited during the field research, which claim now to be socially responsible enterprises after having gone through radical post-privatization structural changes, have recently got involved in diversity and affirmative action programs.

While the idea that Brazil is not a poor country but extremely unequal has easily disseminated across academic and political circles in the past two decades,

admitting that those inequalities are significantly structured by color or race is far from the thinking of the majority, despite statistical evidence. The myth of racial democracy, thereby, still proves unchallenged by statistical evidence. Whether eventually it will be so, we cannot know.

Lastly, more philosophical discussion on the policy-implications of diversity and affirmative action, that locates at the heart of institutions and management systems and that goes beyond ethno-racial-identity-centered debates, is needed to make the racial discrimination case stronger and more meaningful vis-à-vis the Brazilian historical experience. Thus, in Chapter 3, I analyze the arguments for and against affirmative action as they unfolded in the Brazilian Congress upon a proposal by a senator to institute a quota law and a federal statute for racial equality. I discuss the paradoxes that affirmative action as a distributive policy entail in the context of the precepts set by the Brazilian Constitution. Then, I provide an overview of the state of the art of the diversity issue in the Brazilian private sector and how managers and policymakers at large *ambiguate* and *disambiguate* diversity and affirmative action paradoxes depending on whether they want to legitimize or de-legitimize these policies. I provide two ethnographic examples from Brazilian private enterprises: one shows the nuances of the movement initiated by “people with disabilities,” which by the 1980s helped to encourage a Constitution recognizing a mandate for public institutions and private enterprises to reserve a quota percentage for people with disabilities. Such political achievement is taken by black activists, though not always with success, as a case in point to justify the legitimacy of a quota system for black people. The second example shows how a black activist, among other collaborators, mobilizes global policy resources in order to institute the first affirmative action program for black youngsters in the Brazilian private sector. While many precepts are already recognized by the Brazilian 1988 Constitution, activists and policymakers

prioritize global codes and norms in order to make the case for diversity in the private sector acceptable, given that the race issue enjoys low credibility and low support in Brazilian society at large as a social issue in need of public policy intervention.

CHAPTER 3:
THE BRAZILIAN PUBLIC POLICY DEBATE ON DIVERSITY AND
AFFIRMATIVE ACTION

For or Against Affirmative Action?

On May 30, 2006, a group of intellectuals released a manifesto to the Brazilian Congress against the so-called Quota Law and the Federal Racial Equality Statute, both to be voted on in Congress in the following few months. The Quota Law would make it mandatory for federal universities to keep quotas for indigenous and black peoples; the Federal Racial Equality Statute would implement official racial classification for Brazilian citizens, institute racial quotas for public service positions, and establish preference for those private enterprises having commercial relations with public institutions which reserve racial quotas in their recruitment procedures. The main arguments that the group made against passing both measures were that official racial classification and racial quotas work against the constitutional precept that all citizens are equal under the law and have equal rights. Furthermore, the group argued, policies targeting racial groups do not eliminate racism, but they can rather produce the reverse effect by exacerbating conflict and intolerance. As an alternative, the group proposed the expansion of quality universal public services in education, health, and retirement, as well as the creation of employment opportunities for all.

In response to the manifesto against the laws, another manifesto was released on June 30 in favor of both laws. It was argued that constitutional equality is merely formal because it does not guarantee equal rights to all groups. According to the group of intellectuals, the Brazilian government has in fact favored certain groups by, for instance, subsidizing European immigration at the end of the nineteenth century.

Official data have shown racial inequality patterns repeating themselves for four generations in a row. Extreme exclusion of young blacks and indigenous people from public universities justifies the current struggle to institute quotas for these groups at federal institutions for higher education. Concrete public policy actions already exist, for they were launched and supported by former and current governments. The Quota Law must also be understood as a responsible and coherent response of the Brazilian state to several international juridical instruments to which the former adheres. Moreover, the quota system at universities, as it has already been implemented in 35 institutions of higher education, has contributed to fighting racial discrimination in academic settings rather than exacerbating intolerance, as those against affirmative action claim.⁴⁵

In the beginning of July 2006, the Congress voted in favor of implementing a quota system in federal universities, but rather than “racial quotas,” these would be labeled “social quotas.” The Statute would have to go back to the Senate for discussion, as the Congress asked its author, Senator Paulo Paim, to modify the text and to “include the concept of ‘social quotas,’ which should comprise poverty and income criteria, and not just race.”⁴⁶

Who won and who lost? The manifesto against quotas had framed a false dilemma, as if the government had to choose between either affirmative action or universal social public services. The manifesto in favor of quotas had focused only on race and education, as if fighting racial discrimination at universities was the only and best solution to end racial inequality. The Congress re-framed the debate by proposing

⁴⁵ See <http://www.schwartzman.org.br/simon/> for both manifestos.

⁴⁶ “Senator Admits to Altering Federal Racial Equality Statute and Including Social Quotas,” *Folha de São Paulo*, July 9, 2006.

an integrative concept of “social quotas” and by opening a new round of discussion in the Senate. In the end, both parties won.

Affirmative Action Paradoxes

The paradox in distributive policies is apparent in that “[e]quality may in fact mean inequality; equal treatment may require unequal treatment; and the same distribution may be seen as equal or unequal, depending on one’s point of view” (Stone 1997: 41). Affirmative action is the example *par excellence* of a policy of distributive preference that in order to achieve equal treatment (or racial equality), unequal treatment of racial groups that are the victims of historical discrimination is required. In Brazil, as in the United States, there is no political agreement over whether the state should support affirmative action policies or not. Thus, activists, managers, and policymakers *ambiguate* and *disambiguate*⁴⁷ (Silverman 1972) the ensuing paradoxes depending on whether they want to legitimize or de-legitimize affirmative action policies.

For instance, affirmative action is seen as constitutional and unconstitutional at the same time in the United States, as well as in Brazil. Those arguing against affirmative action in the United States generally claim that the U.S. Constitution is color-blind and therefore grants equal rights to all U.S. citizens. Conversely, pro-affirmative action advocates counter the presumed colorblindness of the U.S. constitution.⁴⁸ Historian George Fredrickson (2001) for instance, who has extensively

⁴⁷ For my take on the concepts of *ambiguation* and *disambiguation*, see Chapter 2.

⁴⁸ In an important decision written by Justice Sandra Day O’Connor, the Supreme Court held in 2003 that affirmative action in public-university admissions was constitutional because of the educational and social benefits of diverse classrooms. In its new term, beginning in October of 2006, the court has agreed to hear two major cases regarding the constitutionality of racial preferences in public elementary and high schools. Now that O’Connor has been replaced by Justice Samuel Alito, some liberals worry

written about racism and affirmative action in the United States, argues that before the Reconstruction era, the Constitution sanctioned racial slavery and official discrimination against those defined as nonwhite. The Thirteenth, Fourteenth, and Fifteenth Amendments outlawed slavery. In Brazil, arguments abound claiming that affirmative action policies awarding preference to black and indigenous groups are unconstitutional. A *manifesto* against the so-called Quota Law, which was discussed in July 2006 in the Brazilian Congress, argued that official racial classification and racial quotas work against the constitutional precept that all citizens are equal under the law and have equal rights. In contrast, a *manifesto* in favor of the Quota Law made the point that constitutional equality is merely formal because it does not guarantee equal rights to all groups. Moreover, they say, the Brazilian government has historically favored certain groups by the aforementioned subsidizing of European immigration and by currently obligating companies with 100 or more employees to reserve a quota for people with disabilities.⁴⁹

Regardless of whether affirmative action is considered constitutional or unconstitutional, it is important to highlight the fact that unlike the U.S. Constitution—which dates back to the eighteenth century, has its roots in the English liberal model, and guarantees “civil and political rights”—the Brazilian Constitution was almost entirely drafted in 1988 after a period of dictatorship (1964-1984), emulates the French model, which widely developed the cultural functions of public institutions, and presents the thematic *quadrivium* of the “political,” the “economic,”

(and conservatives hope) that the end of affirmative action may once again be imminent (Jeffrey Rosen, “School Colors,” *The New York Times Magazine*, September 24, 2006, p. 15).

⁴⁹ Article 93 (Law 8.213, 1991) reserves quotas for people with disabilities in the following proportions: in companies with up to 200 employees, 2%; from 201 to 500, 3%; from 201 to 500, 4%; from 1,001 and beyond, 5% (cf. *Perfil Social, Racial e deGênero das 500 Maiores Empresas do Brasil e Suas Ações Afirmativas*, Instituto Ethos 2003, p. 16, for more detailed data).

the “social,” and the “cultural” (Prieto de Pedro, in Greenwood and Greenhouse 1998: 108). Thus, Article 215 assigns to the State the function of protecting “the expressions of popular, Indian and Afro-Brazilian culture...” In addition, “[a]ll documents and sites bearing historical reminiscence to the ancient communities of runaway slaves are protected as national heritage.” Chapter I recognizes “individual rights and collective rights and duties,” and Article 5 declares “[t]he practice of racism is a non-bailable crime, with no-limitation, subject to the penalty of confinement, under the terms of the law.” Chapter II contemplates “social rights” and Article 7 prohibits “any difference in wages, in the performance of duties and in hiring criteria by reason of sex, wage, color or marital status.”

Paradoxically, despite the long American experience (more than forty years) with federally backed affirmative action, compared to the Brazilian early public debate (about a decade) over the issue, post-1960s multicultural constitutions like the Brazilian one open more room for identity politics than old liberal constitutions like the American one, despite claims declaring affirmative action unconstitutional in Brazil and the general belief that multiculturalism is a bizarre practice imported from the United States that does not fit in either Brazil or in Latin American countries with their sizable mixed populations. In a thorny and widely commented upon article entitled “On the Cunning of Imperialist Reason” (1999), Pierre Bourdieu and L  ic Wacquant fiercely criticized Brazilian adoption of racial classification and affirmative action in post secondary institutions as one example of simple “imitation” or submission to a “foreign” import of U.S. culture. In response, a number of U.S. Brazilianists, among them social historian John French (1999) and sociologist Edward Telles (2003), replied by claiming, among other arguments, that debates between the United States and Brazil on race relations, which are ignored by the two French sociologists, are quite old and that the current “U.S.-Brazilian dialogue” is a much

more complex phenomenon than the simple embracing of American imperialist reasoning. Bourdieu and Wacquant's piece is one more proof of how the international community scrutinizes the direction that race relations take in Brazil and why the United States and Brazil should be pursued comparatively.

Diversity and Affirmative Action in the Private Sector

Diversity and affirmative action policies in Brazil normally target four main populations: women, Afro-descendants, indigenous people, and people with disabilities. The policy landscape, as I pointed out in the Introduction, is quite fragmented: some companies value diversity at the corporate image level but do not promote affirmative action(s) either inside or outside the workplace; other companies implement affirmative actions outside the workplace but do not value diversity inside the workplace, and still others promote cultural diversity and affirmative action(s) at all levels of the organizational hierarchies. There are also important differences in the way each company approaches racial classification and whether they decide to implement a quota recruitment system or to focus on organizational goals. Still, in some enterprises, "valuing diversity" is coupled with the adoption of business and social responsibility (BSR) principles and the implementation of BSR indicators. Yet, the credibility and legitimacy of diversity and affirmative action policies are not warranted in all the companies implementing them, and the meaning of BSR varies depending on whether the latter is understood as philanthropy, corporate citizenship, sustainability, or socially responsible management.

As I argued in Chapter 2, the *mestiço* problem accounts for one of the main reasons why reluctance regarding affirmative action policies is so widespread in Brazil among entrepreneurs, managers, and policymakers. Negative attitudes against

applying the racial classification established by IBGE⁵⁰—white, brown, black, yellow, and indigenous—are very common in companies of any kind, even though the Labor Ministry established a system of data collection, RAIS, or Annual Report of Social Information(s), including information on “color” or “race,” that enterprises are obligated by law to fill out every year. Despite the annual sparking of diversity and affirmative action policies in the Brazilian private sector, a survey conducted on affirmative action by the Ethos Institute⁵¹ on the largest 500 enterprises in Brazil found that out of 40 percent of all enterprises with affirmative action programs for disadvantaged groups, only 1 percent had programs to improve the capabilities of the Afro-descendent population. According to the study, the participation of black men and women in those enterprises is 23.4 percent at the functional level, 13 percent at the supervisory and coordination levels, 8.8 percent at the managerial level, and 1.8 percent at the executive level. The study also disclosed that between 23 percent and 27 percent of the enterprises surveyed did not answer the questions that referred explicitly to “color” or “race.” This indicates the difficulty that Brazilians in general have in speaking openly about the race issue.

The Negro among Other “Minority Groups”

Thus, while some companies support specific programs for other so-called “minority groups” such as people with disabilities and women, they do not necessarily hold up race-targeted initiatives. A coordinator of a program for the employability of people with disabilities at one of the leading companies in Brazil for this issue puts it this way: “The company is reluctant to circulate, and even count, the number of blacks

⁵⁰ For more detail on statistical analysis of the Brazilian population by race and statistical analysis based on the Brazilian Institute of Geography and Statistics demographic data, see Chapter 2.

⁵¹ *Perfil Social, Racial and de Gênero das 500 Maiores Empresas do Brasil e Suas Ações Afirmativas* (2003), Ethos Institute for Business and Social Responsibility, www.ethos.org.br

because it believes that if we make that figure public it is as if we were signaling the black people working here in a negative way...this is an incoherent issue because the company created a specific program for people with disabilities, and in so doing, it made them visibly distinguished.”⁵² A social responsibility analyst working for a leading Brazilian company in gender matters confesses: “We don’t like using the term ‘race,’ we use it because the GRI⁵³ utilizes it; therefore we have to use it, but we don’t like it at all.”⁵⁴

“Among the groups recognized as the targets of diversity policies, the *negro* is the least visible because there is not yet understanding of diversity as a measure to fight inequality.”⁵⁵ However, diversity policies for people with disabilities are seen by many supporters of race-targeted affirmative action as an inspiration. Cidinha da Silva, a black intellectual and activist for the *negro* cause, sees the movement that the people with disabilities initiated in the 1980s as “an example of struggle that [Brazilian black activists] should follow, because thanks to that they have today a quota system according to which companies with one hundred employees or more have to reserve 5 percent of their positions for people with disabilities. In addition, handicapped entrepreneurs have preference in federal government contracts.” According to da Silva, people with disabilities incite a sort of sentimentalism among people and companies that the *negro* does not.

⁵² Interview with coordinator of handicapped employability and organizational culture at a Brazilian credit card information company, 09/03/2004.

⁵³ GRI, Global Reporting Initiative, is an NGO based in Amsterdam, The Netherlands, whose main goal is to create a global framework for organizations to report on economic, environmental, and social performance as routine and comparable to financial reporting. In Brazil, in 2004, about two companies only, CPFL (electric power) and Natura (cosmetic industry), had used the GRI guidelines as their reporting guidance (for more information visit (<http://www.globalreporting.org>)).

⁵⁴ Interview with social responsibility analyst at a Brazilian cosmetic industry, 09/14/2004.

⁵⁵ Interview with Cidinha da Silva, black intellectual and activist leader in the *negro* cause, 12/16/2004.

Anthropologist João Ribas, handicapped himself, learned the philosophical discussions on the handicapped before entering the private sector when he worked for a Brazilian company leader in hiring people with disabilities. As he traces back the issue through history, until 1981, when the United Nations announced the People with Disabilities' International Year, he had not met another handicapped person in his life. "Society was by then getting out of what was known as the medicalization of deficiency."⁵⁶ By that time, he relates, organizations that had programs for handicapped people were called "entities" and not "institutions." Entities were Goffman's "total institutions," paternalistic and authoritarian, "entities of" in contrast to "entities for." They, managers and benevolent people, did not give voice to the handicapped, and essentially thought they were doing acts of charity. "The 'entities of' did not even want to accept non-handicapped people; it was like the Jew or the *negro* ghetto...Being handicapped was a stigma because they defined our identity as handicapped above everything else."

Anthropologist Emily Martin (1997), in a brilliant discussion on "the management of the self" as the concept operates in corporate settings, compares Goffman's notion of managing the self to Gideon Kunda's (1992) analysis of corporate culture and notes how the two visions are different. In a few words, Goffman's main idea is that the self is divided into different parts and one part manages the others in everyday life presentations of the self. In Kunda's interpretation of corporate culture, individuals have to bring their entire selves to the workplace in order for them to contribute to the construction of a strong corporate culture. In contrast to Foucault's view of institutional mechanisms of control as veiled, Kunda's

⁵⁶ For a deeper reflection on the "medicalization of ethnicity," see Vilma Santiago-Irizarry (2001), *Medicalizing Ethnicity: The Construction of Latino Identity in a Psychiatric Setting*.

corporate selves are aware of the corporate mechanisms of control, and yet, they commit themselves to corporate goals.

I find this discussion around issues of power, control, and commitment of the self crucial to understanding how corporate culture works in the cases I explored during the field research. As João Ribas points out, in the “entities of,” being handicapped was a stigma because the individual’s identity was defined as handicapped above everything else. The same may happen to black people when they are hired to perform a given role related to their identity as blacks. Here, the “black part” or the “handicapped part” of the self, as Goffman would put it, manages the other parts in workplace everyday life presentations of the self, rather than bringing the entire self to the workplace as engineers were expected to do so in Kunda’s high-tech corporation.

At the beginning of the 1990s, people with disabilities organized a mass demonstration in *Avenida Paulista* (the main avenue in São Paulo), claiming that buses—which by then showed the slogan “collective transportation for all”—should create facilities for the handicapped. João, who used to participate in those demonstrations, after time got tired of being a militant and decided instead to become a technician. He got a Master’s degree in anthropology, even though he could not find an advisor who worked with the issue of people with disabilities, since, according to him, the theme is absolutely ignored in anthropology. Then, he migrated to the private sector and became the key leader in the Brazilian private sector for the “employability of people with disabilities.”

Ribas’s story conveys elusive and troubling paradoxes regarding diversity and affirmative action policies. One of them is the paradox of distributive justice, as Deborah Stone puts it above, that “equal treatment may require unequal treatment”; the identity paradox that affirming oneself according to a single category may entail

discriminating against oneself; and the fact that diversity policies (even in the so-called “institutions for”) can be used as a euphemism for paternalistic charity and *de facto* segregation. Yet Ribas consciously *ambiguates* and *disambiguates* the paradoxes he encounters by formulating creative policies and methodologies in specific organizational contexts. For example, Ribas created a methodology for companies to hire people with disabilities in a respectful way. The methodology, which he considers non-paternalistic, basically consists of not placing all handicapped employees in the same area. “I do not start from the handicapped to the task, all the opposite, I look at the task and then I figure out what kind of professional I need; only then do I search the person regardless of what kind of deficiency s/he has and try to adapt the task to him or her. I can find a single-armed person who can type faster than a person with both arms.”

Ribas’s view and philosophy of a fair division of labor is closer to the ideals of industrial democracy than to the ideals of a socially responsible management and diversity management more compatible with the notions of business ethics and distributive justice.⁵⁷ From an industrial democracy perspective, diversity is seen as “differences in knowledge, interests, experience, and capabilities...a rich social resource that, when effectively mobilized, gives a group or an organization a much greater capacity to transform itself” (Greenwood and Levin 1998: 12). This notion of workplace diversity is incompatible with views of democracy and distributive justice

⁵⁷ Industrial democracy, or what is known as “sociotechnical thinking” (Trist and Bramforth 1951, cited by Greenwood and Levin 1998: 24), as it was developed by the Tavistock Institute in England after the Second World War, tried to eliminate the redundancy of functions at work as an alternative to Taylorism (or scientific management)—the efficient [division of labor](#) by reducing tasks to [machine-like repetitive operations](#). Later on, participatory industrial democracy was seen as the “immediate control over the work situation,” in contrast to “numerical (i.e., representative) models of democracy” (Greenwood and Levin 1998: 28). Unfortunately, in the last two decades, industrial and management rhetoric, according to Greenwood and Levin, shifted “from a focus on democracy to an emphasis on empowerment, from participation as the key to democracy to participation as a necessary move to motivate workers to shape a more effective organization” (1998: 28).

that “reduce social justice to a limited redistribution of goods to those defined as disadvantaged.” Such a view of democracy, according to Greenwood and Levin, neither respects diversity nor seeks to enhance the capacity of the disenfranchised to act on their own behalf” (1998:12).

Mobilizing Global and Public Policy Resources

Cidinha da Silva, along with other partners, managed to articulate a pioneering trilateral partnership among three institutions *Fundação BankBoston*, *Geledés* (Institute for the Black Woman), and *Fundação Palmares*, dependant from the Ministry of Culture. The partners strategically mobilized global and public policy goals and organizational resources in order to build an unusual alliance in the Brazilian private sector.

The resulting program, *Geração XXI* (Twenty first Generation), was labeled as the first affirmative action revolving around black youngsters in Brazil. Launched in 1999, the program selected 21 youngsters, 12 girls and 9 boys, between 13 and 15 years old as the targets of the action. The goal of the program is to guarantee the youngsters ideal conditions for their self-development, by providing good schools, access to cultural goods, decent food, and health attendance. (I further develop this case in chapter 6.) In a formal presentation of the program, the partners stated that *Geração XXI* seeks protection in the legal framework established by the ILO Convention no. 111, and Articles 5 and 23 of the Brazilian Constitution.⁵⁸ It is curious

⁵⁸ ILO Convention No. 111 *entered into force* in June 15, 1960. It defines discrimination in employment and occupation as “any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation”; Article 5 of the 1988 Brazilian Constitution declares “[t]he practice of racism is a non-bailable crime, with no-limitation, subject to the penalty of confinement, under the terms of the law.” And Art. 23 says: “It is the competence of the Union, the States, the Federal District, and the Municipalities: Chapter V – to provide the means to access to culture, education, and science; Chapter X – to combat the causes of poverty and the factors of marginalization, promoting the social integration of disenfranchised sectors.”

that Article 7, which prohibits “any difference in wages, in the performance of duties and in hiring criteria by reason of sex, wage, color or marital status,” is not mentioned, while the ILO Convention 111, which defines and prohibits discrimination in the workplace, is put in the first place. As I brought up in the introductory chapter, in the example of the “Manifesto in Favor of the Quota Law and the Federal Statute for Racial Equality,” supporters of affirmative action claim that affirmative action “must also be understood as a responsible and coherent response of the Brazilian state to several international juridical instruments to which the former adheres.” The 1969 ONU Convention for the Elimination of All Forms of Racism and Racial Discrimination (CERD) is mentioned in the *manifesto* as the most important one.

As with the ONU declarations, many of the provisions that global norms, conventions, and guidelines include, are contemplated by the Brazilian Constitution as well. Does this mean that global ideals are redundant and therefore interpreters should make an either/or choice? From an interpretive and pragmatic standpoint, global policy goals such as the ideals derived from the Universal Declaration of Human Rights should not be taken as “timeless metaphysical a priori reasoning” (Clohesy 2004: 52), rather, in a Habermasian spirit, as “schemes of interpretation that competent and entitled users can invoke in yet unknown ways whenever it suits their purposes” (McCarthy 1985: 33). A global stock of knowledge, let us say, it is often (if not always) necessary “to make the weaker case stronger” (Majone 1977: 174) in the context of a global economy. Supporters of affirmative action, therefore, need to put the race issue in the context of global policy, given the low expectations that both the Brazilian population writ large and public policy circles put on race-targeted policies. Cidinha and her partners have thus to appeal to specific “institutional umbrellas”—global and domestic regulations that policy-relevant groups mobilize in order to

protect and legitimize policy initiatives—in order to build strategic partnerships with private enterprises.

Partnerships among the so-called three sectors—the State, the Market, and the Third Sector—have proliferated in Brazil since the 1980s at a rapid pace, albeit with difficulties. A comparative field research coordinated by Brazilian sociologist Maria Rosa Fischer, from University of São Paulo, on inter-sectorial collaboration programs between civil society organizations and private enterprises in ten cases in Brazil, India, and South Africa, concluded that “some cases showed considerable capacity to generate support,” while other cases “affected a relatively small part of the population and had a short life” (Fischer 2002: 16). They relate the successful cases to several critical factors such as: enduring presence of political, legal, and social pressures that encouraged the collaborative efforts; sharing control over key decisions among representatives from both civil society and private organizations, and encouraging “critical cooperation,” i.e., when both parts explicitly recognize “convergent interests” and “conflicting interests” alike, so that they are able to make agreements on how those interests will be advanced and protected during the implementation process (Fischer 2002: 16-17). Among the factors that account for the unsuccessful cases are: the three sectors’ relatively little experience with joint strategic alliances; civil society and third sector organizations’ distrust and lack of knowledge of the business world; entrepreneurs and executives’ lack of sensibility concerning social problems and income inequality; and State inefficiency in attending to public demands (Fischer 2002: 23).

Stakeholder theory has widely been criticized for not including those stakeholders that the company does not agree with as partners. (See, for instance, Jonker and Foster 2002: 187-195.) According to Jonker and Foster, Habermas’s theory of “communicative action” appears to be particularly relevant to the

perceptions of stakeholder dialogue or engagement in the business world. “It demonstrates the significant role that epistemological and ontological assumptions of those involved in the communicative process play in stakeholder dialogue.” His theoretical framework, the authors conclude, “can provide insights into the essence of the misunderstandings and disputes that so often arise” (2002: 193). According to Habermas, reaching an understanding requires “a cooperative interpretation aimed at attaining intersubjectively recognized definitions of situations.” On the basis of his theory, Habermas develops the distinction between “communicative rationality” and “goal rationality.” The focus of the former is the intersubjective achievement of shared understanding. In this, reaching understanding means that the parties set out to convince each other and action is coordinated on the basis of “coordination through reason.” This results in what he calls “communicative action.” “Goal rationality,” by contrast, involves action that is oriented to “egoistic calculations of success.” The resultant action is coordinated not by reason, but by the complementarity of interests and is called “strategic action.” In the process, the influence on the other party is not through dialogue regarding claims of validity, but “through such things as incentives, sanctions and force” (2002: 193).⁵⁹

Geração XXI represents an example of a trilateral partnership that, even though it has been pioneering and has afterwards been replicated by other multinationals, the parts involved in the program do not agree on the meaning of the concepts of diversity and affirmative action. (I further discuss this issue in Chapter 6.) BankBoston seemed

⁵⁹ For a more comprehensive conceptualization of the stakeholder approach as it is used in enterprises today, see Edward R. Freeman (1984) *Strategic Management: a Stakeholder Approach*. Pitman: Boston, MA. The stakeholder approach is also related to the concept of accountability as “organizational responsiveness,” or the extent to which an organization takes action on the basis of stakeholder engagement. In Brazil, companies are beginning to use global guidelines such as AA1000, aimed at improving the quality of social and ethical accounting, auditing, and reporting from a stakeholder engagement framework (see www.accountability.org.uk/aa1000/default.asp).

to be moved more by the incentive of having a corporate image enhanced by a social cause than a conviction that the company needed to have affirmative action(s) for Afro-descendant peoples. Furthermore, as in some of the cases studied by Fischer, the program affects a rather small part of the Afro-Brazilian population and it will have a very short life, if ending in 2007, as the program partners already anticipate.

Conclusions

The two manifestos released to the Brazilian Congress against and in favor of the Quota Law and the Federal Racial Equality Statute show important disagreements between political and civil society groups over the public-policy implications of affirmative action. Both groups framed their respective arguments as either-or false dilemmas. As in the United States, pro- and anti-affirmative action groups re-interpret the Constitution by declaring affirmative action either constitutional or unconstitutional depending on each one's position. Likewise, activists, managers, and policymakers *ambiguate* and *disambiguate* key diversity and affirmative action policy paradoxes depending on whether they want to legitimize or de-legitimize these policies. Yet, the Congress re-formulated the debate by proposing the use of the concept "social quotas" as an alternative concept to "racial quotas" that integrate poverty and race criteria. The current public policy discussion, therefore, demonstrates that the case for affirmative action is not closed in the Brazilian Congress and that the affirmative action issue can still be reframed from very different points of views.

An overview to how diversity and affirmative action policies have been received in the private sector shows that despite the expansion of these policies since the last decade, the policy landscape appears to be quite fragmented. Several reasons explain the difficulties that the race issue encounters in getting incorporated into Brazilian workplaces. Among them is the *mestiço* problem, widely discussed in the

previous chapter, which makes racial classification difficult and, to many, unacceptable; secondly, when accepted, diversity and affirmative action policies are introduced into Brazilian enterprises along with other global policies, mostly with BSR programs or human rights actions, which make the former highly dependent on the precepts and goals of these programs; and, lastly, the survey conducted by the Ethos Institute among the largest 500 enterprises regarding their affirmative actions shows that while affirmative action programs for disadvantaged groups are widespread among Brazilian companies, programs devoted to improving the capabilities of the Afro-descendant population are scarce among those companies, despite the expansion that race-targeted affirmative action programs have experienced in the private sector as a whole since the last decade.

The case of João Ribas reveals how people with disabilities managed to legalize a quota system that recognizes the obligation by public institutions and private enterprises to reserve a percentage of their positions to people with disabilities. This level of institutionalization contrasts with the difficulties that black activists, such as Cidinha da Silva, find to make the *negro* case stronger in the Brazilian private sector. Ribas, moreover, developed a system for the employability of people with disabilities based on the ideal of industrial democracy, which pays attention first to the person and the task, instead of taking the deficiency as the starting point. The industrial democracy ideals contrast with other management philosophies that are more consolidated in Brazilian workplaces such as BSR and diversity-management, which approach minority groups from a more paternalistic, *tayloristic*, and distributive justice perspective. Ribas, thus, avoided creating segregated workplace ghettos by placing people with disabilities in different tasks and positions.

Finally, the *Geração XXI* case demonstrates how global norms and codes become important “institutional umbrellas” for diversity and affirmative action

advocates to enclave the race issue in the private sector, despite the fact that a race-specific public policy framework is currently in the making, as the Congressional debate on the Quota Law and the Federal Racial Equality Statute shows. Again, black activists find themselves mobilizing institutional resources in order to persuade private companies to implement affirmative action programs for Afro-descendants in a context where managers show low motivation and commitment to these programs.

PART TWO: ETHNOGRAPHIZING POLICY AND MANAGEMENT SYSTEMS

CHAPTER 4 UNDERSTANDING BUSINESS AND SOCIAL RESPONSIBILITY NETWORKS

Volunteering at the Ethos Institute

I literally got “into” the field when I began to work as a volunteer at the Ethos Institute of Business and Social Responsibility. Founded in 1998 and located in São Paulo, the Ethos Institute is a not-for-profit organization financially sustained by a group of approximately 1000 associated enterprises. Its main mission is to disseminate the concept of business and social responsibility (BSR) throughout the Brazilian business community by promoting meetings, circulating information, creating data bases, and publishing guidelines and indicators on BSR and related themes, among other activities.⁶⁰ I worked as a volunteer four days a week for six months, coordinating the six management workshops that would take place at the Ethos

⁶⁰ From an American perspective, CSR, Corporate Social Responsibility, is primarily understood as philanthropy and community relations, even though other relationships have been included in the last two decades through stakeholder theory (see, for instance, Waddock 2004). Brazilian business activists prefer to talk about BSR, Business (instead of “Corporate”) Social Responsibility because they believe the social responsibility movement should encompass all kinds of businesses, even small enterprises. Another important difference is that Brazilian BSR leaders seek to drive the companies interested in the movement toward a management perspective that takes more seriously the democratization of working relations and not just the company’s relationship with the external community. In practice, however, as a direct consequence of corporate isomorphic forces, many corporations in Brazil overemphasize BSR as philanthropy and charity to the detriment of workplace-centered social changes. Since the last decade, the themes of diversity and affirmative action devoted to the black population have emerged in many Brazilian companies and subsidiaries of foreign multinationals as a corollary to the implementation of BSR policies. (I further develop this point in Chapter 5, “Global-Diversity Management.”)

National Conference, between June 29 and July 2 of 2004. During that period, each of the six groups, in which there were between six and ten participants, met approximately twice a month in order to discuss and elaborate on the content and structure of each workshop. The themes of the six workshops were: “First Steps in BSR,” “Strategic Management,” “Human Resources,” “Relationships with Suppliers,” “Socially Responsible Marketing,” and “Relationships with Clients and Consumers.” The diversity and affirmative action issue was transversal to every of the themes, varying with the degree of attention paid to it in each workshop.

For the first time, the Ethos Institute had conceived these workshops in a participatory way by inviting managers from the companies associated with the Institute to organize the workshops themselves, instead of leaving the task to the Ethos’s personnel as they had done in the past. In so doing, the managers from the Ethos Institute thought they could learn directly from the companies’ managers about their experiences working with BSR. Furthermore, through the wide range of enterprises selected, Ethos’ personnel could generate new knowledge on BSR practices that is related in particular ways to the size and economic branch of each company. The meetings, thus, were set up as “development coalitions” among companies and became important co-generative learning arenas to advance practical BSR knowledge in the Brazilian private sector and elsewhere.

My role in these meetings was quite operational: to write the minutes of the meetings and to coordinate each meeting time frame and agenda. The meetings rotated throughout the different companies where the managers came from, all of them located in São Paulo, near the Ethos Institute offices. Visiting the company buildings became a very rich experience for me to gain an overall understanding of how business organizations work. This kind of onsite knowledge cannot be acquired in the academy and even less in anthropology, as long as students trained in the discipline

are not learning any substantial knowledge about business practices. As anthropologist June Nash correctly observes, “Anthropologists are best trained to study the impact of transnational corporations throughout the world and, as a result, less to view the organization of production and distribution on a worldwide scale” (1981: 413). By setting up development coalitions, everyone involved in the meetings produced detailed onsite knowledge of an ethnographic sort. This kind of anthropological knowledge makes it possible to view changes in business practices on a worldwide scale from a local perspective, that is, from inside the companies that are going through these changes.

From the meeting minutes, I was able to write substantive descriptions of the managers’ interpretations of their own experiences in implementing socially responsible programs for their respective companies. The group dynamics that eventually emerged out of the meeting conversations for the Conference workshops revealed important information on power relation situations inside every company involved. As Greenwood and Levin (1998: 17) point out, group dynamics allow identifying “factors and forces important for development, conflict, and cooperation in groups.” Thanks to these conversations, I became familiar with Brazilian business jargon and etiquette, I was able to understand the nuances of the BSR movement, and in the meantime, I managed to contact a representative network of business professionals whom I could interview in the future. Out of 44 managers working for the different enterprises that participated in the meetings, at least 10 were involved in some sort of diversity and affirmative action policy.

Exploring the Enterprise Network

From July 2004 through January 2005, I switched my research site from Ethos Institute to a network of enterprises (some linked to the Institute, others not) that

I considered in one way or another representative of the current “valuing diversity” movement in the Brazilian private sector. This movement emerged in Brazil in the context of changes that various enterprises had experienced in the highly competitive environment of the 1990s, following the initiative of a few U.S. multinational subsidiaries (Fleury 2000: 19). From then on, particularly since the emergence of important institutional brokers on the issue, policies endorsing workforce and workplace diversity have significantly extended from U.S. corporations to non-U.S. corporations and Brazilian enterprises. Leading not-for-profit organizations specializing in themes such as business ethics, education, CSR or BSR, and labor market discrimination,⁶¹ among others, play a key role in the formulation and implementation of diversity and affirmative action policies in enterprises operating in Brazil.

The largest number of corporate operations in the country are still concentrated in São Paulo and its metropolitan environs, representing one fifth of national industrial production, in spite of the decentralization of important industrial sectors and the increasing unemployment suffered during the 1980s, the so-called “lost decade.” According to sociologist Marcio Pochman (2001), in 1998, of the 100 largest enterprises operating in Brazil, 47 were located in São Paulo, compared to 39 in 1986. This new concentration of capital has resulted, Pochman observes, from a “reconcentration of intensive capital segments such as high tech industries and services” (2001: 144). On the other hand, at the same time that the city consolidates as one of the main economic and financial centers of Latin America, the marginalization

⁶¹ For instance, in 2006, Helio Santos, a black activist from São Paulo, professor of business administration at San Marcos University, launched the Brazilian Institute for Diversity: IBD. The mission of the institute is “to facilitate the creation and promotion of a *pro-diversity culture* in the Brazilian labor market.”

and *peripheralization* of large masses of population, mostly *pardos* and *pretos*, continues to intensify (see Chapter 2 for population statistics).

Given the geopolitical position that São Paulo occupies in South America, the companies headquartered in the city exert a great influence over the business intelligentsia nationwide, and to some extent internationally. Thus, most of the enterprises I researched have been pioneers in implementing diversity and affirmative action policies in Brazil, and in some cases such as *Geração XXI*, they have even evolved into “best practices” to be imitated by other enterprises nationwide.

Therefore, I did not need to leave the city in order to personally contact a representative network of enterprises that had led the dissemination of diversity and affirmative action policies. I selected twenty companies that I would visit at least once with the purpose of collecting profiles of professionals directly involved in diversity and affirmative action programs. Every time I carried out an interview, I asked the interviewee for feedback on the content and structure of the questions. I changed the questionnaire every time I visited a company so that I could, in turn, incorporate both the previous considerations done by the professionals interviewed and the particular characteristics of the enterprise.

I based the selection of the enterprises on three main criteria: (1) companies implementing diversity and affirmative action programs, specifically racially-oriented ones, regardless of whether they were linked to the BSR movement or not; (2) companies having diversity and affirmative action programs yet devoted to other “minority populations,” to wit, women or people with disabilities. In these two cases, I chose two enterprises that had become leaders in each of the two issues in the Brazilian private sector. My interest here was to find out whether the fact of having a strong focus on other “minority populations” would eventually lead to the implementation of racially-oriented policies. Both of these enterprises were strongly

tied to the BSR movement; and (3) individuals, networks, and/or organizations of different sorts that were involved in the “valuing diversity” movement in a strategic and leading fashion.

Table 4.1: Research Strategies and Field Sites

Calendar	January 2004-June 2004	July 2004-January 2005	February 2005-May 2005
Research Phases	Ethos Institute for Business and Social Responsibility (BSR)	Network mapping and managers’ profiles (20 organizations)	In-depth analysis of Case 2 and Case 3
Techniques	Group dynamics for BSR management workshops	Open-ended interviews with managers and business professionals	On-site interviews and conversations with policy relevant groups

Even though I visited twenty different organizations and interviewed mostly managers, executives, and consultants involved in specific programs in each respective organization, in this dissertation I analyze only selected cases that I group under the label “global-management diversity” (I further develop these cases in Chapter 5). “Case 2,” *Geração XXI*—21st Generation—is the first program in Brazil to be labeled as affirmative action for black youngsters, launched in 1999 by BankBoston (currently Bank of America), and “Case 3,” *Integrare*, is the first minority-owned business network created in Brazil to influence corporate buying contracts so that the

former takes diversity criteria into account when selecting suppliers. I further develop both cases in chapters 6 and 7.

Table 4.2: Case Studies

Dimensions	Enterprise Network	Case 2	Case 3
Organizations	Selected cases	<i>Geração XXI</i> BankBoston Foundation program	<i>Integrare</i> NGO - network of small enterprises
Goals of the actions	Image enhancement, recruitment, promotion, market differentiation	To be replicated and to influence public policy	To increase corporate buying contracts with minority-owned small enterprises
Policy and management approaches	Global-diversity management	External business and social responsibility (BSR)	Socially responsible management at the supply chain of large corporations
Phase of policy implementation	Different in each case	Ending	Beginning
Number of in-site interviews carried out	17	10	3
Number of interviews transcribed	15	10	3

The intent of analyzing a representative network of enterprises either directly or indirectly involved in diversity and affirmative action policies was to get a closer picture of how large the number of enterprises involved in these policies was, how strong the ties linking them were, and to what extent the managers dealing with these policies both had authority and commitment to the policies. I group the cases selected from the enterprise network under the title “Global-Diversity Management” (or Chapter 5) because I found that global forces such as management fads and mimetic practices had greatly influenced the leading enterprises in the development of diversity and affirmative policies, despite evidence that public policy arrangements and civil society advocacy significantly affected them as well.

Out of this enterprise network, I selected two concrete cases (Case 1 and Case 2 in Table 3.2) that caught my attention for either having evolved into seminal models to be replicated by other companies or for being pioneers in the institutionalization of certain practices and policies that are likely to impact diversity and affirmative action public policies in the future. Through the two cases, I intended to undertake a more holistic analysis of two single policy implementation processes.

Case 1, *Geração XXI*, the first project with an affirmative action label involving black youngsters in Brazil, was launched in 1999, as the result of a strategic partnership between *Fundação BankBoston*, *Geledés* or Institute for the Black Woman, and *Fundação Palmares*, an institution linked to the Culture Ministry. The program selected twenty youngsters: twelve girls and nine boys between thirteen and fifteen years old as the targets of the action. The goal of the program is to guarantee the youngsters ideal conditions for their self-development, by providing good schools, access to cultural goods, decent food, and attendance to their health needs. The program began when the youngsters were eighth-year students at the elementary school, and will extend for nine years, until they finish college. Given its novelty and

length, *Geração XXI* represents a pioneering experience in Brazil. As I discuss in Chapter 6, the relationship among the three partners is a complex one, as they occupy quite dissimilar institutional terrains. In addition, contending interpretations of what affirmative action is or should be have produced disagreement and conflictive debates among the different “policy-relevant groups.” More importantly, the program aimed at influencing public policy regarding diversity and affirmative action policies. The plan has already been replicated by five multinationals, which shows a great potential for imitation across corporations. This kind of external (with the community) BSR/affirmative action programs, compared to more conflictive actions, from the point of view of the corporation, such as “racial minority” recruitment, promotion, and contracting, might become one of the few affirmative action experiences in the Brazilian private sector with a long life.

Case 2, *Integrare*, Center for Business Integration,⁶² is a not-for-profit organization founded in October 1999, originating out of the mobilization of Afro-descendent entrepreneurs, liberal professionals, and executives who felt disadvantaged in the market and in their careers. Integrare got its inspiration from the U.S. National Minority Supplier Development Council (NMSDC), which works with ethnic minorities such as Asian-Americans, Native-Americans, Latinos, and African Americans. Integrare’s official mission is “to exert national leadership in the promotion of human diversity as a fundamental factor for the development of businesses and society.”⁶³ As Silas da Silva, Integrare’s current director states, “We have the mission to promote and facilitate to the corporations and organizations associated with us, specific product and service buying opportunities from black,

⁶² Centro de Integração de Negócios, www.integrare.org.br

⁶³ Integrare’s mission, according to Silas da Silva: “Exercer a liderança nacional e a promoção da diversidade humana como fator fundamental para o desenvolvimento dos negócios e da sociedade.”

disabled, and indigenous people.” *Integrare*’s experience selling products and services to multinationals is a very rich practice from which one can learn and raise puzzling questions such as under what specific real-life commercial relation situations do “racial minorities” experience discrimination; whether the U.S. “ethnic minority” model fits in Brazil or not, and if not, what the alternative options are, and, finally, will *Integrare* become a pilot experience to be imitated by other enterprises or a temporary, short-lived, experimental initiative?

Key Concepts and Research Questions

In order to understand the policy-relevant groups better that had come together to either advocate or implement diversity and affirmative action related programs in the private sector, some sort of network analysis or conceptualization of how a network works turned vital during the second research phase.

I found, though, that research on the *form* that networks take (what is mostly known as “network analysis” in the social sciences) is more advanced than research on the social and policy consequences that are likely to result through networks. Thus, extremely sophisticated software for network analysis (network mapping as the most developed one) exists (see for instance White and Johansen 2005) that nevertheless do not help identify what and how network relationships are likely to derive into political and social actions that can somehow benefit positive social change in both the short and long run.

The so-called “business-as-network” approach partially resolves the problem. Mostly developed by economic sociologists, business-as-network analysis offers a more socio-anthropological conception of business as individual managers and owners (Haggard et al. 1997: 37). This approach is not concerned with identifying similarities and differences between managers’ behavior and businesses, or with the degree of

complexity of the network from a systemic perspective, but with whether, and to what extent, business networks make a positive contribution to social public policy that is applied to labor markets, the workplace, and business practices. Business-as-network is defined by the authors as a contrast to other approaches to business more widely used in the social sciences, such as business-as-capital and business-as-sector, which though vital to understanding capitalism, consumer markets, and economic structures, there is nonetheless little attention paid, if any at all, to issues of business political and social organization. Sociologists addressing business as network, for instance, find that very often interaction with government comes not through formal institutional channels but through networks of personal relationships and the occupancy of overlapping roles that may blur the distinction between the government and private agents (the way “the transnational social,” to use Burawoy et al.’s (2000) expression,⁶⁴ gets articulated in the Brazilian context is a case in point here). Business-as-network analysis can also assess the extent to which networks are open, transparent, or competitive as opposed to closed and monopolistic (Haggard et al. 1997: 56),⁶⁵ as well as whether certain groups constitute networks at all (or mere web-like interconnections), and, in any event, what the meaning is of getting organized in a network fashion after all.

⁶⁴ Burawoy et al. define the “transnational social” as “transnational public spheres that emerge in the spaces between institutionalized power structures” (2000: 139). While welfare state responds to social needs by “attempting to enclave these needs into a safe administrative framework where they can be managed, and partially satisfied...,” when the social is privatized it appears as a much less structured phenomenon than the institutionalized public spheres. As such, “it offers more opportunities for expression by those ‘subaltern publics’ excluded from white, male-dominated civil society... This transnational social is in many ways a precarious place within the world-system, but it is also a place of privilege, albeit limited” (2000: 140).

⁶⁵ Drawing from Wright Mills’ (1956) influential analysis of the power elite, Haggard et al. note that followers of Mill’s analyses, however, are more interested in issues of personal power, status, and stratification than in documenting the policy and economic consequences that the presumed networks would experience (1997: 53-54).

In this dissertation, information sharing networks revolving around managers, executives, and consultants become key to uncovering and assessing how diversity and affirmative action policies have disseminated in the Brazilian private sector in the last two decades.

In anthropology, the study of “embedded networks”—“natural” networks, ethnic, family and regional networks—have virtually dominated the study of “strategic networks”—instrumental forms of cooperation, policy and issue networks, and ad hoc information sharing. In this academic context, my focus on strategic business networks locates my ethnographic analysis closer to sociology, management studies, and to some extent to political science, than to anthropology. As June Nash contends, “the anthropological view of the world system⁶⁶ has been concerned with the impact of global institutions in peripheral or semiperipheral zones more than with the system itself” (1981: 413). On the other hand, Nash pinpoints that in the process of “reinventing” anthropology, some anthropologists have tried to study global institutions and networks themselves. Examples of these kinds of attempts are recent anthropological debates on global ethnography (Burawoy 2000), or multi-sited ethnography (see for instance Marcus 1995; Gupta and Fergusson 1997), which have put the ethnographic inquiry of global forces and connections (networks) in “transitional situations” at the front of the discipline.

⁶⁶ As Wallerstein himself has made it clear two decades later, the original intention of world-systems analysis was to “protest against modernization theory,” and to recognize the world-system cause of any given state of “development of underdevelopment” (1999: 194-195). Dependency theory and world-systems analysis, as they were conceived in the 1970s, were “intellectual movements,” a critique, and not, “a consensual premise” put into “the very center of social science.” Dependency theory and world-systems analysis, Wallerstein maintains, was not what we know today as globalization. Globalization is, so to say, “a world-system, though a recent one, historically related but not directly derived from Braudel’s *long durée* economic cycles.” To recognize the unique characteristics of globalization is crucial to understand the phenomenon and to act upon it. Globalization, Wallerstein goes on, “is associated with an important loss of centrality of states as no longer primary units of decision in international relations and in national development” (1999: 196-199).

In the introduction to *Global Ethnography*, Burawoy suggests that out of the four innovations undertaken by the Mancunians (from the School of Manchester), i.e., a focus on social processes, cases over extended periods of time, external forces, and the impact of colonial capitalism on urban and rural areas in postcolonial Africa, “global ethnography” challenges the third dimension; that is, “the extension from micro to macro, from local to extralocal, from processes to forces” (2000: 29). In proposing strategies to counter the “objectification” of the global as “inevitable and natural forces,” Burawoy suggests several strategies, highlighting as the most important one the need to shift the global lens from “studying sites” to “studying the connections between sites.” Put in current multi-sited ethnography jargon, global ethnography is the study of the global from a local perspective, whereby the world system context is viewed as “contingent and not assumed, embedded itself in a multi-sited context”⁶⁷ (Marcus 1995: 110).

⁶⁷ This is different from Laura Nader’s (1969) approach in “Up the Anthropologist—Perspectives Gained from Studying Up,” which, erroneously in my view, is very often taken as the foundational piece of multi-sited ethnography (see, for instance, Marcus 1995; Gusterson 1997). As Ulf Hannerz (1996: 28) puts it, “[t]he global sometimes has to be brought down to earth, the local has to be brought up to the surface, to be demystified.” In contrast, global ethnography, as it is elaborated by Burawoy et al. (2000), is not just about *ethnographizing* complex organizations or the upper-middle classes from a community or under-class (“studying down”) point of view, rather, as Burawoy makes it clear, global ethnography proposes to counter the objectification of the global as “inevitable and natural forces.” What we call the global can be either “up” or “down”; not everything that is “corporate.” To say so, is “global” or “up,” as not everything that happens in “communities” is “local” or “down.” In history, for instance, this discussion has been framed as “histories from below” *versus* “histories from above” (cf. Burke 2001). In anthropology, the “studying up” versus “studying down” discussion only makes sense in the context of colonial and imperialist ethnographies developed at certain dominant European and American departments of anthropology. In that context, workplaces (Nash 1979, Ong 1987) are approached from a “community” perspective; that is, they are mostly “studied down” because they usually focus on the impact of large multinational corporations on workers, labor movements or indigenous communities while supervisors and managers, or management systems are put aside, with few exceptions such as Warner and Low (1947) and Burawoy’s (1979) ethnographies. Other ethnographies have been concerned with analyzing the penetration and effect of capitalism in traditional communities from a Marxian political economy approach (Wolf 1982; Nash 1979) or from a modernization perspective (Geertz 1963; Gluckman 1958). Capital was seen as an outside, impersonal and invisible structuring force and therefore un-ethnographiable.

Thus, a combination of a global ethnography perspective and an interpretive policy analysis framework has really inspired the ways in which I addressed the main research questions. Together, both perspectives helped me approach relevant real-life policy situations inside companies from a political economy, hermeneutic, institutional, and social viewpoint combined. The main questions that guided the research process are: Through what institutional arrangements does global policy get articulated (whether through loosely or tightly coupled systems) and when and how did it begin to receive global or public attention? What dimensions of the policy did become appealing to specific policy-relevant groups, whether changing corporate values, pursuing issue advocacy and legislative intent, improving or creating management systems for implementation, or establishing institutional mechanisms for collective representation? And, in the end, what possibilities do diversity and affirmative action policies as global policies open to the Afro-Brazilian population? (Instead of merely asking why the policy emerged and what impact it had on particular organizations and communities.)

Nevertheless, the importance of studying managers goes beyond the premises underscored by global ethnography. The history of management systems reveals something important about the changing structure of business in the global age. Put in political economy terms, global competitive capitalism and the hegemony of U.S.-management style constitute the major influences of business thinking today as much in the North as in the South. A human resource manager working for an American bank puts it this way: “the bank is getting closer to Brazil, putting its feet here, implementing its policies...we are becoming more global; formerly, it was only the president of the Brazilian subsidiary who used to deal directly with the United States the headquarters being very distant to the rest of us...Now they influence us in the day to day, how to do things, our values...even though we constantly exchange ideas and

practices.”⁶⁸ And yet, this influence is not a determining factor in all of the cases. As I show through the global-diversity management cases in Chapter 5, and *Geração XXI* and *Integrare* in chapters 6 and 7, it is difficult at times to draw the line among policy coercion, influence, and persuasion.⁶⁹ Hence, the relevance of the case studies here.

In this context, globalization is intimately related to a more intense interchangeability of practices at the management level, thus the vast growth of global business networks experienced in the last two decades. As I found out by interviewing executives, managers, and consultants at different companies in the second phase of my field research, managers increasingly learn from non-conventional sources of knowledge such as NGOs, on-line think tanks, international workshops, virtual bosses, and so on, and are more eager to embrace globalized tools and codes, as well as to influence public policy in their own countries.⁷⁰ In this intense-practice-exchange management style, “transnational connections” count more than ever, particularly

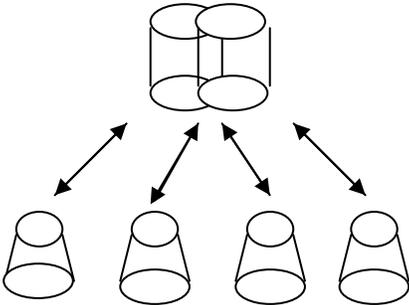
⁶⁸ Interview, American bank, São Paulo, 08/26/04.

⁶⁹ In this context, corporate culture is reinforced as a strong competitive advantage that allows companies to envision global business strategies and differentiate themselves from their most aggressive competitors. According to Gideon Kunda, who perhaps carried out the most ethnographic analysis of corporate culture as it plays out in a high tech large firm, “The idea of developing strong cultures is the latest stage in the historical evolution of managerial ideology” (1992: 217). Managers, at this stage, organize multiple rituals with the goal of “controlling” and “conveying” corporate culture; employees internalize the company’s values in a very complex process whereby individuals construct their “organizational selves.”

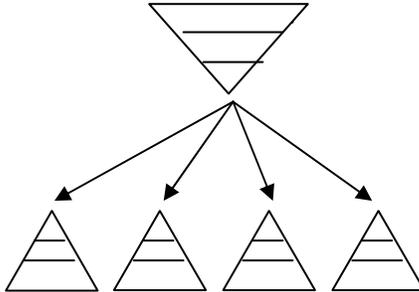
⁷⁰ Transnational corporations may wield immense economic power and have indeed “the capacity to influence political policies in their home bases and elsewhere...[even though] there are some key respects in which their power cannot rival that of states—specially important here are the factors of territoriality and control of the means of violence” (Giddens 1990: 70-71). The economic power of corporations is generally brought up by advocates of the BSR movement in Brazil. For instance, one of the chief arguments that ex-president and founder of the Ethos Institute, Oded Grajew, usually puts forward in justifying the existence and relevance of the BSR movement is that “business responsibility begins with reckoning the importance and immense power that companies wield” (2000: 40). Though powerful, this argument is dangerous in that it may be used, as some have, to declare that the state failed, consequently giving more freedom to business organizations and NGOs to influence public policy. Paradoxically, on the other hand, recognizing the immense power that companies wield nowadays is vital to creating effective “social watchdog” channels.

compared to the old bureaucratic multinational system. The most basic differences between the two management systems can be graphically represented as follows:

1. The transnational corporation



2. The multinational corporation



The transnational corporation	The multinational corporation
horizontal	hierarchical
intelligent	bureaucratic
flexible specialization	mass-production ⁷¹
fragmented	integrated
consensus	conflict

The circular spaces in diagram 2 mean that companies now have more managers and fewer workers than they used to have, with less distinguishable hierarchies within but with more inequality and fragmentation among them (this problem, for instance, is addressed only shyly by the BSR movement in Brazil). Intense communication networks happen in a management-to-management direction, in contrast to the distant

⁷¹ For the transition from mass-production to flexible specialization see Piore and Sabel (1984).

and hierarchical relationships typical of the old bureaucratic multinational system.⁷² In the “transnational corporation,” decisions are made through consensus by always both controlling and neglecting conflictive relationships through subtle and sophisticated cultural rituals. Employees are valued not for the tasks they perform but for their strategic and emotional intelligence in making specific projects successful in the short term.⁷³

Limitations of the Study

As I pointed out in the introduction, since global policies such as global diversity and human rights actions have lately been put into play in more decisive ways in Brazil, sometimes acting in addendum to national social agendas, other times overlapping already existing public policies, the policy landscape concerning diversity and affirmative action in the private sector has gotten articulated in a loosely coupled way: A bunch of progressive companies? A random cluster of American and European

⁷² Multinationals are also defined in basic terms as “industries based in an industrial center with branches established in one or more foreign countries—and transnationals—industries whose international operations take priority over the claim of home base” (Nash 1981: 413). Or, as Brazilian social economist Paul Singer clarifies, multinationals, in contrast to transnationals, used to be “firms from a developed country that opened subsidiaries in the Third World... As a result of mergers and acquisitions, transnational corporations have their headquarters in more than one country. This situation, though still with exceptions, is becoming the rule” (1998: 129). As a corollary to neglecting management systems, and to a lesser degree policies, in the anthropological literature, particularly the one addressing globalization from a cultural production perspective (see, for instance, Appadurai 1996), the term transnational corporation is used loosely as an essential element (though unknown) of global cliché.

⁷³ The “transnational” can also be approached as a metaphor. As Gareth Morgan shows in his groundbreaking piece *Images of Organization*, metaphors are capable of creating valuable insights. When understood as not a description of reality, but as a way to construct meaning about reality, well-chosen mental frames enable us “to find fresh ways of seeing, understanding and shaping the situations that we want to organize and manage” (1997: 6). The challenge is to find or create metaphors that help us understand a situation in new, useful ways, to think and act in new ways, one that “extends horizons of insight and creates new possibilities...more effective ways of understanding and tackling organizational problems” (1997: 351-353).

multinationals? A scattered group of racially conscious Brazilian enterprises? A web-like network of managers sharing information?⁷⁴

I expected to use an array of participatory methodologies that would allow me to create multiple dialogue situations, in that way breaking the conventional notion in anthropology of the ethnographer as someone blindly trusting in serendipity by bearing informal conversations with key-informants in a lonely and wandering around fashion (see for instance Sanjek 1990 for recent reflections on field research and field note writing in anthropology). Even though serendipity, the natural discovery of unknown phenomena, is vital to ethnography, a heuristic activity would render the field research process more valid and credible. The latter is something one never stops doing during the whole field research, a more professional and action-oriented concept of “the friendly outsider” as a researcher able to achieve a balance of critique and support of local groups “through a variety of actions, including direct feedback, written reflections, pointing to comparable cases, and citing cases from the professional literature where similar problems, opportunities, or processes have occurred” (Greenwood and Levin 1998: 104).

From an action-research perspective, knowledge is drawn not from universal truths but through the constant engagement with people in real-life situations. No matter how the process went on, documenting the field research process is vital for the reader or any other kind of audience to examine critically the kinds of data collected, the network of people and organizations selected, the theories stood on, and the arguments and recommendations posed. “The logic of the inquiry process itself,” John

⁷⁴ Taking into account this loosely-coupled policy landscape, let us say that I use the term network loosely, just for the purpose of clarity and understanding, because it is difficult to know at this primary phase of policymaking, whether the group of enterprises that have began to implement diversity and affirmative action policies in the Brazilian private sector really constitutes a meaningful network or just a scattered group of disconnected companies.

Dewey argued, “is the real basis that underlies human knowledge” (in Greenwood and Levin 1998: 79). As Kurt Lewin, the founding father of action research, pointed out generations ago, a case that contradicts a universal truth shows that it was not a universal truth, hence the power of case studies.

Overall, by combining the ideas of global ethnography and action research, I believed I would reach a deeper level of understanding of how and why diversity and affirmative action policies were being implemented in particular Brazilian enterprises, in addition to being able in subsequent research processes to test my own academic knowledge in the field. In a later research stage, if the power relation situation inside the organizations and the resources and time available allowed, group dynamics could even drive the field research toward problem-solving.

Nonetheless, I was able to partially fulfill these expectations. The study was so ambitious that it ended up being an exploratory project, more of a compelling and comprehensive first-step inquiry needed for future action than an action research project by itself. Therefore, the validity from an action research perspective can be evaluated only according to future re-testing and effective results.

CHAPTER 5

GLOBAL DIVERSITY MANAGEMENT

In this chapter I analyze selected cases from the enterprise network in which I made inquiries during my field research. First, I evaluate briefly the extent to which global diversity-management is related to the economic growth that some countries, including Brazil, are experiencing in the so-called global South. Until recently, diversity-management was a practice virtually restricted to U.S. corporations. In analyzing selected cases from the enterprise network, one can learn something important about global diversity-management mechanisms and what motivated the enterprises to pay attention to the diversity issue. In one case, Brazilian executives were persuaded by their American counterparts to adopt diversity and affirmative action policies through occasional conversations; in the other cases, the diversity issue emerged once the company committed itself to related management practices and global norms such as specific global business strategies, business and social responsibility (BSR), SA8000, ILO conventions, and human capital. Finally, I discuss the concepts of “corporate isomorphism” and “management fads” because I believe these are the concepts that best capture the borrowing and exchange of policies and practices inside and across companies I have witnessed in the Brazilian corporate world. In particular, I attempt to disclose the ways in which these concepts shed light on the possibilities and limitations that diversity and affirmative action entail when adopted as global policies, mainly when these are imported by Southern subsidiaries and large Brazilian corporations from other organizations upon which they are dependent.

Diversity in the Context of Economic Growth

The slogan of the newly founded Brazilian Institute for Diversity cries: “Only with policies that recognize the value of diversity, Brazil will trace a path for sustainable development.” “Want growth? You need black empowerment,” shout South-African government-sponsored billboards strewn alongside freeways and soaring above airport parking lots.⁷⁵

In May 2006, *DiversityInc*, the most widely read U.S. magazine on diversity in the corporate world, chose South Africa as the subject for their first foray into global-diversity coverage.⁷⁶ Four months later, *DiversityInc* selected Brazil and Venezuela the second time they covered global diversity. Brazil, they say, is one of the BRIC (Brazil, Russia, India, China) countries, which represent the fastest economic growth in the world today. Venezuela is the leading example of how a flourishing left-populist movement makes it increasingly difficult for business to thrive. They conclude that Brazil and Venezuela have endangered their global competitiveness by ignoring the educational and consumer needs of their populations of color.⁷⁷

In the context of South Africa, journalist Sonja Sherwood says, one has to understand how legalized racism has shaped labor relations, attitudes, schooling, and even transportation. Black economic empowerment, or BEE, as South African affirmative action is known, sets tough hiring quotas and timelines. It establishes targets for diverse procurement, requires companies to earmark money for training and philanthropy, and even asks that companies sell equity to black investors. The government measures BEE compliance by a scorecard on a range of zero to 100

⁷⁵ Sonja Sherwood, “Carrot & Stick: Affirmative Action in South Africa (Part I),” *DiversityInc*, March 2006.

⁷⁶ Sonja Sherwood, *idem*.

⁷⁷ “Lições de negócios na América do Sul,” *DiversityInc*, September 2006.

percent. Although affirmative action technically is voluntary, companies that aren't "black empowered" can't compete for lucrative government contracts, which account for about 25 percent of South Africa's gross domestic product. In the context of Brazil, journalist Peter Ortiz argues, the challenge is how to categorize race and ethnicity in a society that claim to be "colorblind" but actually has great inequities.

There is no doubt that global-diversity management is intimately related to growing markets in the Global South. Major arguments put forward by *DiversityInc* in advocating for global-diversity management are: As globalization opens up more opportunities, many of the most forward-thinking corporate-diversity leaders from the United States have begun to tackle the problem of how to adapt homegrown diversity ideas for overseas operations. As companies push into new markets, the cultural variety they encounter promises greater creativity and more insightful marketing, but it can also ignite conflict and misunderstanding. Without a strategy for addressing the human side of international business, global companies risk antagonizing labor and alienating consumers to the detriment of their financial success. Growth rates are higher outside of North America and Europe and labor forces more heterogeneous. In 2004, the developing countries' share of world merchandise trade hit its highest point since 1950, according to the World Trade Organization. Foreign consumers represent a growing share of the profits of U.S. producers. One measure of internationalization is the increasing importance of foreign subsidiaries as a source of revenue for U.S. companies. Foreign-affiliate sales have surpassed exports as a revenue source since 1996, according to the Bureau of Economic Analysis (BEA).⁷⁸

In the last decade, U.S. corporations have turned away from affirmative action as a civil right toward an understanding of diversity as financially profitable. In an

⁷⁸ Sonja Sherwood, "Global Diversity Management: Cultures in Dialogue," *DiversityInc*, March 2006.

interview published by *Diversity Inc.*, Bernard Anderson, an assistant secretary in the U.S. Department of Labor under former President Clinton, points out that progressive diversity initiatives by U.S. corporations are rooted in the Civil Rights Movement: “Only when the U.S. government made employment discrimination illegal and created opportunities through the Civil Rights Act of 1964 and Affirmative Action did opportunities start to really filter down through corporate America. Before 1964, it was perfectly legal to deny employment to minority groups and women without explaining why.” Critics during Clinton’s term, according to Anderson, unfairly linked affirmative action with taking away opportunities for white men. This led many corporations to instead adapt the term “diversity,” which gave broader meaning. “Diversity goes beyond employment ... [It] deals with work and family life and a lot of things that affirmative action never touched... Diversity is now the mechanism that, in addition to broadening opportunities to groups previously excluded, also helps the firms be more financially successful.”⁷⁹ Professor Helio Santos said in a speech on racial discrimination in Brazilian shopping centers, “A study by the American Association of Human Resource Managers about the largest 500 major U.S. companies showed that two thirds of managers said that diversity produces more creativity and that the 50 companies that best worked with diversity were above the average economic performance in the New York Stock Market.”

⁷⁹ Yet, Anderson notes that more than 80 percent of American corporations don’t have diversity initiatives, but most of those that do are Fortune 500 companies. At the same time, Anderson, a self-described “voracious” critic of American corporations, says, “There is not a country in this world that offers the same opportunities for people of color and women as the United States.” But Anderson is doubtful that many large corporations that also operate globally can ensure their proactive diversity practices outside the United States. “What they do overseas will depend entirely upon national policies of countries they are operating in regarding equal-employment opportunities,” he says (“Global-Diversity Management,” *DiversityInc*, June, 2006).

Nevertheless, despite all the abovementioned arguments that show a direct relationship between global diversity-management and the financial performance of multinationals, it is not so clear that diversity and affirmative action policies increment profit in all cases. For instance, Ford Motor Company in São Paulo, as well other automobile industries, rejected establishing diversity goals. Also, BankBoston, even though it launched the first affirmative action program for black youngsters in Brazil (*Geração XXI*), does not see blacks as potential clients and consumers, for its customers are required to hold a monthly rent of at least \$R 4,000, an income considered to be B class in Brazil. Another *DiversityInc* article says that with the exception of a few countries, including South Africa and some Scandinavian countries, most foreign governments, Brazil among them, have not mandated laws that create a solid foundation for diversity initiatives to thrive. U.S. corporations with strong diversity programs that give them a competitive advantage at home may not see the same results overseas. “Unless the cultural and moralistic values of that country support equal employment ... an American company attempting to operate diversity programs overseas might operate at a competitive disadvantage in that market.” The author gives the example of fuel giant Sasol in South Africa, which in a furious response to President Thabo Mbeki’s accusations of “bigotry” and “an outdated mindset,” cited BEE as a risk factor.⁸⁰

Managing diversity, therefore, may mean a competitive advantage and a disadvantage for businesses depending on the kind of target the company pursues, whether philanthropic programs, consumer markets, image enhancement, job training, recruitment, promotion, or work and family life. This explains why, as Taylor Cox (1993) puts it, some companies invest more in diversity than is required by the federal

⁸⁰ Peter Ortiz, “Global Diversity: The Next Frontier,” *DiversityInc*, June 2006.

government, while others do not invest at all. Precisely, for that reason, I argue, a public policy framework is needed for fair diversity and affirmative action policies to flourish, putting aside economic growth and profit making arguments.⁸¹ “Even though profit might be a natural consequence of specific socially responsible actions, it should never be the motivation. The company has to be deeply convinced that it has a social role that goes beyond selling, employing, and paying taxes.”⁸²

Analyzing the Enterprise Network

As the field research got underway, the following questions became crucial to my research project: Is it legal in Brazil to deny employment or promotion to black people without explaining why? Should transnational corporations implement their diversity and affirmative action policies in their Brazilian subsidiaries, and by implication, in the rest of the world? Do global diversity and affirmative action initiatives influence Brazilian public policies regarding the race issue? Do Brazilian executives and managers have enough motivation and authority to implement diversity and affirmative action policies effectively or, on the contrary, do they adopt these policies as mimetic—“for the English to see”—practices, so that the business and the social core of the organization are not affected and the changes are only cosmetic? More generally, what possibilities, as global policies, do diversity and affirmative action open up for the Afro-descendant population in Brazilian enterprises?

⁸¹ As Habermas argues when discussing the tension between political and administrative mechanisms in democratic systems, “The ‘utopian’ idea of self-conscious self-determination must remain a regulative idea, in light of which we might at least recognize when we are compromising and why” (cited by McCarthy 1985: 45).

⁸² Interview with social responsibility manager at a large Brazilian cosmetic industrial company, São Paulo 09/14/06.

When in 2004 I asked 20 managers, each from a different company, whether they paid attention to the diversity issue and when they began to do so, I got different answers. Here are some of the responses of those who answered “yes” to my question:

Five years ago the directory board from the United States came to Brazil to get to know the executive personnel of the bank. When they visited the São Paulo headquarters they asked, “Why aren’t there Black people in the bank? What is the percentage of Black people in Brazil?” The Brazilian CEOs explained: “It is an educational problem; black people do not get to university...” That same year, 1999, Geração XXI, the first affirmative action for black youngsters in Brazil, was born (BankBoston, human resource manager, 08/26/06).

The policy really began in 2000 when the diversity councils were created. In the context of IBM global business strategy, workforce and workplace diversity are understood as areas of global corporate responsibility. Every country where the corporation operates has now this kind of work going on (IBM, human resource manager, 07/05/06).

It was last year (2003) that we got involved in the diversity issue. We filled out the Ethos Indicators for Business and Social Responsibility. It was through them that we realized that diversity was a very weak point in the company. We noticed that we only had two black employees, one male and the other female (Philips, social responsibility chief officer, 11/18/06).

It came from business and social responsibility because the company is heading toward a philosophy grounded on the concepts of responsibility and sustainability. But it was not a determination from international norms such as ILO, Global Compact, etc., although, of course, the diversity issue came along with them. We are now defining recruitment goals for 2009 for women and black people (CPFL, electric power Brazilian company, human resource manager, 04/15/06).

It came from benchmarking. We noticed that everyone [other enterprises] was beginning to think of the diversity issue, so we needed to do so as well. We have contact with all those companies working with diversity such as IBM, Dupont, ABN. We found out that we had only one black executive in the bank (Itaú, Brazilian bank, human resource manager, 07/13/06).

We want to be a “differentiated company.” That is why we have an affirmative recruitment policy. In 2003, of the total workforce, 61 percent were women, 38 percent Afro-descendants, 26 percent older than 45, and 3 percent were people with disabilities. We are now getting prepared to obtain the international social norm SA 8000, which seeks to implement conduct codes in the workplace, respecting our labor legislation and the workers’ rights. The company is growing so we need to compete out there. The president tells the employees not to stop studying. There is no doubt that quality certificates enhance the company image in the market and inside the organization, and they have a positive effect in the value of the stocks (Fersol, Brazilian medium chemical industry, human resource analyst, 07/14/06).

During my two years of fieldwork in São Paulo, while I participated in group dynamics, visited a wide range of companies and interviewed managers, consultants, and activists involved in diversity and affirmative action policies, I often wondered why enterprises were adopting global standards and guidelines so quickly. Overall, I could see through this enterprise network that despite the currents against diversity and affirmative action in the Brazilian public opinion and in the private sector writ large, for one reason or another, managers across a wide range of companies have found themselves involved in “valuing diversity” programs in the last few years. The examples above show that what motivated the companies to pay attention to the diversity issue had little to do with an increasing awareness of the existence of racial discrimination in their respective workplaces. Rather, other reasons such as informal conversations, the adoption of BSR and sustainability standards, a concern with what the other competitors in the sector are doing, or the need to obtain quality certificates motivated these companies to begin paying attention to the diversity issue.

One thing that got my attention is that many of the managers newly engaged in these policies held very little knowledge and awareness of the diversity issue. Despite the fact that racial discrimination is and has been illegal in Brazil since the inauguration of the Republican regime in 1890 (Fry 2000: 86), few Brazilians know about that and, in any event, it is quite rare that an employer is sued or goes to jail for denying employment or promotion to black people without explaining why. Furthermore, in the few cases that I found of racially-conscious managers supporting diversity and affirmative action programs, they feared treating the race issue openly with their colleagues, leaving the issue a veiled one.

Policy Influence through Informal Conversations

At BankBoston, the headquarters' influence over the Brazilian subsidiary came through informal personal conversations. In a visit of the U.S. directory board of BankBoston to São Paulo, in the middle of a meeting with the Brazilian executives, one of the American members suddenly asked an uncomfortable question: "Why aren't there black people in the bank?" This straightforward question was enough for the Brazilian senior managers participating in the meeting to feel highly intimidated. According to the person who asked the question, an African American member of the directory board who is a lawyer, "They had never thought of that." Later, he asked, "Why don't you figure out some way to get people of color involved in the bank?"⁸³ In less than a year the Brazilian counterparts had launched *Geração XXI*, the first affirmative action for black youngsters in Brazil, and by 2005 five multinationals were already replicating the program. (I further develop this case in chapter 6.)

Diversity-Management as Global Corporate Policies

In June 2005, I scheduled an interview at the IBM offices in São Paulo with a young manager in the human resource department. Camila,⁸⁴ a psychologist, was hired to deal with recruitment and social inclusion programs. IBM is, in the United States and now in Brazil, one of the most vigorous corporate leaders implementing a diversity approach to both the workplace and the marketplace.⁸⁵ As IBM has striven

⁸³ Phone interview, Ithaca, New York, 02/21/06.

⁸⁴ Pseudonym. Interview carried out in March of 2005 at the IBM headquarter offices in São Paulo.

⁸⁵ Furthermore, diversity and social inclusion appear to be incorporated in IBM's corporate history. Mercer, who wrote a social history of IBM management style, recounted that Tom Watson Jr., in the fifties, directed for the first time "managers to hire negroes and members of minority groups to every extent possible" (1988: 54). Key events in the corporate history are: 1935, IBM declares men and women will do the same kind of work for equal pay; 1944, IBM becomes the first company to support the United States Negro College Fund; 1953, formal equal opportunity policy established; 1975, first year a majority of IBM revenues come from outside the United States; 2001, Global Work/Life Fund

to turn into a global business since 2000, its goal has been to establish deep roots in Brazil, considered now by the company to be a “hyper-growth emergent market.” As a corollary, three linked strategies, “on demand business,”⁸⁶ “on demand community,” and “on demand inclusion” have come into play in the company. *On demand inclusion*, or workplace and workforce diversity, was introduced in IBM Brazil at the beginning of 2000. Although the company already had some actions on the way, “the policy really began the day the diversity councils –*comitês de diversidade*—were created,” noted Camila. “The creation of diversity councils was an initiative by the corporation, World IBM. All countries have now the same principles but they do not work with the same groups.”

The diversity councils operate at the national level and are coordinated with the region, Latin American. In Brazil, IBM works with four groups: PWD (people with disabilities), women, GLBTs (gay, lesbian, bisexual and transsexual), and Afro-descendants, who now constitute the strongest focus. “The councils are very open; new members can participate at any time, the members can change, switch from one group to another, or quit. They think and promote initiatives for each group and there are not status requirements to participate in the groups.” To Camila, “[d]iversity means to respect the way each individual is and to promote that respect, while social

announced with a five-year, \$50 million commitment, to address employee dependent care issues on a global basis [60 % will be spent outside the United States]” (Corporate Responsibility Report 2005).

⁸⁶ *On demand business*, the new IBM slogan, widely advertised on TV around the globe, means a type of services business that goes beyond “selling services in the marketplace” that requires “deep knowledge of business processes,” even of human resource management, and that “relies heavily on automated processes and intellectual capital” (p. 4). An *on demand enterprise*, as IBM now calls its clients, can be any organization—a museum, a bank, a school, an industrial plant, a hospital, a restaurant, or a community—that demands BT (business transformation) and IT (information technology) integration. In 2003, IBM applied the *on demand* approach to community relations. The information technology expansion in Brazil, moreover, converges with a nation-wide plan to universalize elementary education, and reduce the digital divide. (See, for instance, Velloso 2002.)

inclusion means to give an opportunity to people that have been away from the labor market and society for a long time.”

The diversity and affirmative action practices implemented so far are differentiated by their specific “target publics”:

(1) *Suppliers*. “10 percent of world IBM goods and services purchases should be from minority-owned enterprises. As in other countries, IBM does not allow its suppliers to have slave labor, and child labor. The purchase department is doing a very important work to conscientize the suppliers.”

(2) *Clients*. “Today the company is entirely focused on services. The relationship with clients is now IBM’s main competitive advantage.” According to Ted Childs, IBM Vice President of global workforce diversity, “Diversity is the bridge between the workplace and the marketplace...a cornerstone of the company’s business strategy” (2003: 39). A strategic goal of the company today is to increase business with small and medium-size businesses (SMBs) significantly.... A substantial portion of those companies are run by women” (IBM Report 2005: 5). Under the new “community relations” paradigm, IBM main “clients” are schools, SMBs, the public sector, and not-for-profit organizations.

(3) *Subcontractors*. “We deal basically with the cleaning, the maintenance, and the restaurant personnel. We have monthly meetings with each group to check what they are doing regarding diversity. We have a little building named *Tutória Fácil* (Easy Tutória) where all services such as laundry, shoe repair, post office, beauty salons, etc., are located. Two years ago we began working with the provider of all those services, *Senhor Otávio*. Today the majority of employees working at *Tutória Fácil* are Afro-descendants. Sometimes when we receive low-profile CVs, insufficient to work at IBM, so we send them with *Senhor Otávio*, because the problem is that in order to work at IBM, everyone needs to know how to use a computer and have at least higher

education. There are many people who begin to work with *Senhor Otávio* and later on end up working at IBM. He also works with ex-convicts.”

(4) *Recruitment*. The company focus is, according to Camila, “to reach different publics, though not as specific groups, rather the goal is to achieve diversity as a whole.” However, IBM has carried out several demographic surveys taking into account the racial categories instituted by IBGE,⁸⁷ even though the company “already has that information from when the person is hired and has to fill out a form where s/he has to [racially] self-identify. The problem is that many people who are ‘brown’ choose ‘white.’ This is a very complex issue because the Brazilian population is almost entirely formed by browns, or *pardos*; it is very difficult to find a person that has not someone with black blood in the family. We changed the name of the council from *Blacks’ council* to *Afro-descendants’ council*, so people understand that they do not need to be a hundred percent black. In our latest census in April 2005, we got a result of 5 percent Afro-descendants. I am sure that number has already increased because the hiring of black people is significantly growing.” In order to achieve the diversity goal, IBM has partnerships with several universities in São Paulo, Campinas, and Rio de Janeiro, the cities where the corporation has offices. The human resource department has an agreement with the Labor Ministry, and several partnerships with NGOs specializing in recruitment of people with disabilities, Afro-descendants, GLBTs, and women.⁸⁸

⁸⁷ Instituto Brasileiro de Geografia e Estatística.

⁸⁸ The universities they have partnerships with are: MacKenzie, PUC, FAAP, GV, ESPM, UNIP, FIAP, MODULO, *Universidade Metodista*, and UNICID. Basically, IBM has a signed contract with the internship offices at those institutions for CV indication. What surprises Camila is that many universities do not have the data they request, such as “disability” and “race,” though, according to her, some of them are adapting their records. IBM also has a partnership with FATEC, one of the best technology schools in São Paulo city. The students there, along with students from other universities, created a unit, an OSCIP, or *Organização da Sociedade Civil de Interesse Público* (Public Interest Civil Society Organization), called *FATEC Afro*, that trains black students to prepare them for the job market. Basically, they have continuous—no vacation—courses, and English and Spanish for free. IBM has

(5) *Employee training*. “On demand inclusion is different from diversity,” Camila argues, “whereby I give you a position for you to develop your capabilities, when we *socially include*, we offer training to show the company that those people are capable and can be effectively integrated in the workplace. Each diversity council decides what kind of training they need and then they communicate it to the rest of the organization through the intranet.”

In short, IBM is the only example I found in the network of enterprises I researched with a diversity-management policy clearly linked to a global business strategy. In this case, paradoxically, business-oriented strategies aimed at flexibilizing the workplace in order to produce innovation and expand locally-rooted commercial relationships have opened up new opportunities to groups that have historically experienced discrimination such as the Afro-descendant population.

Diversity and Affirmative Action as BSR

Unlike IBM’s global business strategy, tightly-coupled with the corporation global business strategy and the company historical commitment to the recruitment of people of color in the United States, in the cases of Philips and CPFL (a large Brazilian electric power company), the managers I interviewed explicitly said that the diversity issue came through business and social responsibility (BSR). However, as the BSR chief officer at Philips made it clear, the diversity issue was not a headquarters mandate; rather it was when they filled out the Ethos Indicators for BSR that they realized diversity was a very weak point in the company. In addition to BSR, at CPFL, diversity and affirmative action policies emerged along with the adherence

already committed to hiring some of the students. Last year, the company also has a partnership with an Afro-descendant deputy from the São Paulo state legislative assembly, whereby they trained 180 black youngsters in computing.

of the company to specific international norms and certificates such as SA8000 and ILO conventions.

Why does BSR hold such a close relationship with diversity and affirmative action policies in the private sector in Brazil? And how do Ethos indicators work to make it publicly embarrassing for companies not to have diversity and affirmative action programs on the way?

BSR, better known internationally as corporate social responsibility (CSR), has somehow emerged in the last three decades as a global business movement. Sandra Waddock (2004: 5-35), a professor at the Carroll School of Management, Boston College, has made a great intellectual effort to bridge practice and academic streams in the various “parallel and sometimes confusing universes” that encompass the fields of CSR, corporate citizenship, business ethics, and stakeholder theory. She locates CSR, as well all the other parallel universes, within the so-called field *business and society*, which she prefers to call *business in society*. According to Waddock, this field has always been peripheral to mainstream management theories and practices ever since its beginning in the 1970s. Recently, there has been a proliferation of other terms such as corporate social responsiveness, corporate social relations, corporate social reputation, corporate community relations, or even corporate responsibility (leaving the social out) that seem to describe essentially the same phenomena. I briefly discuss here only the concepts addressed by Waddock and those concepts I have found most regularly used in the Brazilian context. I am particularly interested in the degree to which these concepts relate in theory and practice to the diversity and affirmative action issue and how they are understood in Brazilian enterprises in contrast to U.S. academic and corporate thinking.

To Waddock, corporate responsibility is “the degree of (ir)responsibility manifested in a company’s strategies and operating practices as they impact

stakeholders and the natural environment day to day.” CSR is “the subset of corporate responsibilities that deals with a company’s voluntary/discretionary relationships with its societal and community stakeholders...CSR is frequently operationalized as community relations, philanthropic, multisector collaboration, or volunteer activities” (2004: 10). Stakeholder theory permeates both of these definitions. Popularized by Edward Freeman in a widely cited book entitled *Strategic Management: A Stakeholder Approach*, stakeholder theory essentially argues that “stakeholder relationships are the very basis of value added and strategic initiative...it is through a company’s decisions, actions, and impacts on stakeholders and the natural environment that a company’s corporate responsibility/citizenship is manifested” (in Waddock 2004: 11). Corporate citizenship, an increasingly popular term in business theory and practice, particularly in Europe, attempts to integrate CSR and stakeholder theory. However, as Waddock points out, considerable controversy centers on whether a company can (or should) act as citizen. Corporate community relations or involvement shares the same principles with CSR though it typically encompasses “relationships [hopefully positive] both with members of communities in which [the company] operates...and with ‘society’ at various levels (local, state/provincial, regional, national, and global)” (Waddock 2004: 11).

CSR, as I pointed out in Chapter 4, and as one can draw from the above definitions, is primarily understood as philanthropy and community relations, even though other relationships have been included in the last two decades through stakeholder theory. Brazilian business activists prefer to talk about business (instead of “corporate”) social responsibility because they believe the social responsibility movement should encompass all kinds of businesses, even small enterprises. Another important difference is that Brazilian BSR leaders seek to drive the companies interested in the movement toward a management perspective that takes more

seriously the democratization of working relations and not just the company's relationship with the external community. In practice, however, as a direct consequence of global business forces, corporations in Brazil continue to overemphasize BSR as philanthropy and charity to the detriment of workplace-centered social action.

“Ethos Indicators” are important because they have become the most respected and used business standards among companies in Brazil to evaluate their BSR practices. “Ethos Indicators” are an array of self-assessment tools developed by Ethos Institute for Business and Social Responsibility. The institute, a non-governmental organization with about 1,000 associated companies, has become the pivotal organization in Brazil leading the BSR movement since its foundation in 1998. Its main mission is “to mobilize, encourage, and help companies manage their business in a socially responsible way...”⁸⁹ In contrast to Waddock's definition above of CSR as “a company's voluntary/discretionary relationships with its societal and community stakeholders,” the Ethos Institute defines BSR as “a management type characterized by the company's ethical and transparent relationship with all the *públicos* [stakeholders] with which the former holds relationships and by the establishment of business goals compatible with society's sustainable development, preserving natural and cultural resources for future generations, respecting diversity and promoting the reduction of social inequalities.”⁹⁰ Clearly, the Ethos' definition of BSR is more encompassing than Waddock's definition of CSR (I am assuming here that Waddock's definition represents the U.S. corporate definition of CSR writ large).⁹¹

⁸⁹ www.ethos.org.br (retrieved in May 2006).

⁹⁰ This definition is hung on the walls of the Ethos Institute building in São Paulo.

⁹¹ BSR ideals, when understood as anti-neoliberal ideology, shake the essential liberal-nineteenth-century functions of business that self-interest by itself advances public interest and that business professionals should be accountable only to shareholders or owners. Hence, Nobel laureate Milton

I became motivated to work as a volunteer at the Ethos Institute because I found out that some enterprises such as Philips and CPFL began to implement a diversity approach to the workplace once they had gotten involved in the BSR movement.⁹² “Ethos Indicators” are organized in a questionnaire format divided into seven broad themes: value and transparency, internal public, the environment, suppliers, consumers and clients, the community, and government and society. “Ethos Indicators” address directly “valuing diversity” by including it under the broader theme of “internal public.” Specifically they say:

The [socially responsible] enterprise shall not allow any kind of discrimination in terms of recruitment, access to training, remuneration, evaluation or promotion of its employees. Equal opportunities should be offered to different people regarding sex, race, age, origin, sexual orientation, religion, physical handicapped, health conditions, etc. Special attention must be given to members of groups who generally suffer from discrimination in society.⁹³

For each of the indicators there are four levels against which a company can evaluate its performance. Indicator 12, “The Company Commitment to Equity and Racial non-Discrimination,” recognizes the enterprises’ ethical obligation to combat all forms of negative discrimination and of valuing the opportunities offered by society’s rich diversity. Indicator 12’s four levels are: (1) the company rigorously

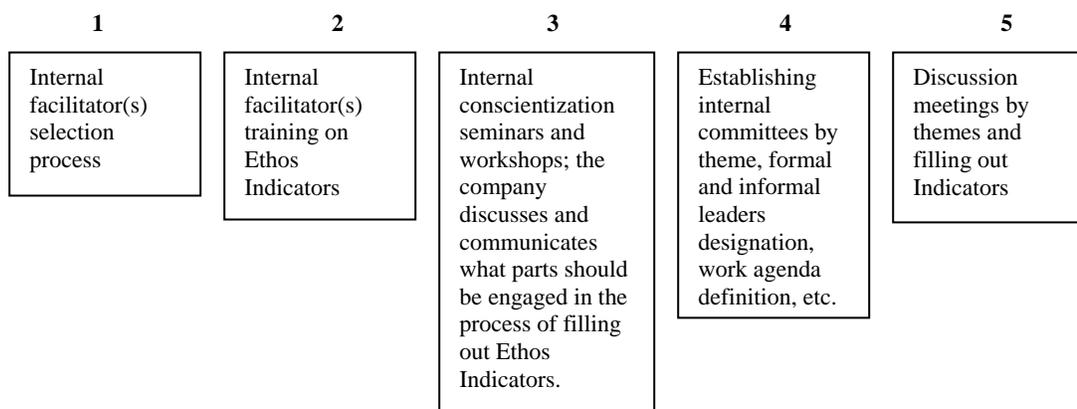
Friedman’s furious criticisms against CSR (see Milton Friedman, “The Social Responsibility of Business is to Increase its Profits,” *The York Times Magazine*, September 13, 1970).

⁹² Ethos Indicators reveal that the so-called “socially responsible enterprises” do not limit themselves to comply with domestic and international legislations, even though these are indispensable. Enterprises “must go beyond” the law and seek to benefit society as a whole, to propel employee professional and personal development, to promote benefits for its partners and the environment, and to produce a return for the stockholders.

⁹³ *Ethos Indicators 2004*, www.ethos.org.br

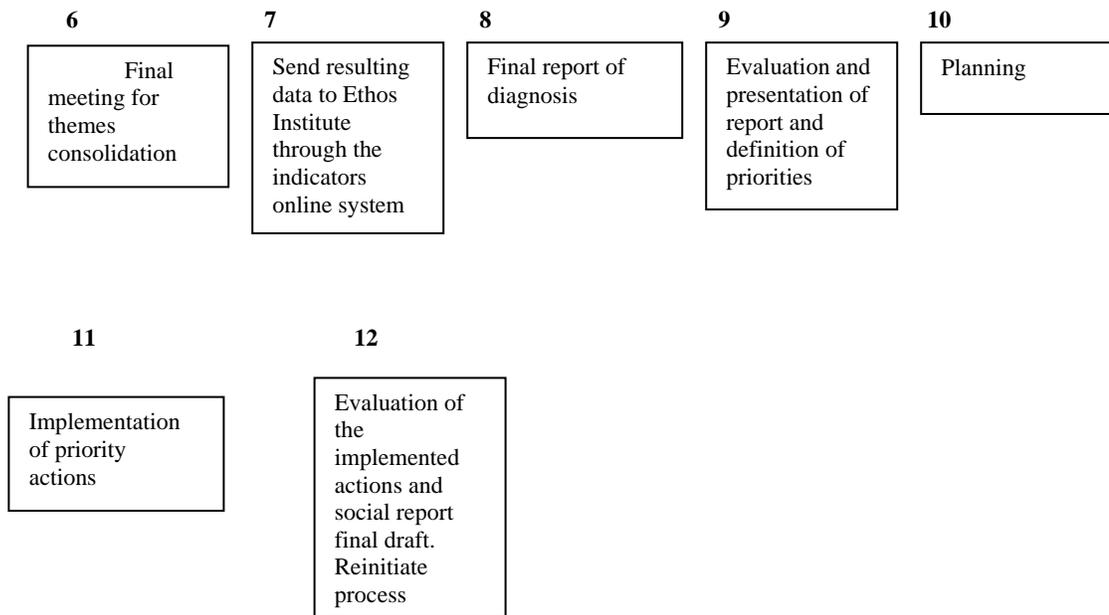
complies with the legal mandates related to negative discrimination and it declares against discriminatory behaviors that do not promote equal opportunities in the internal environment and in its relation with clients, suppliers, and the surrounding community; (2) in addition, the company promotes diversity through written norms that prohibit discriminatory practices, regulating the processes of selection, recruitment, promotion, and internal mobility and providing orientations to employees on channels for possible grievances; (3) in addition, the company organizes trainings and seminars about the theme and uses indicators to identify problematic areas and establishes recruitment and promotion strategies; (4) the company expands the actions to the whole productive chain and participates in forums for the valuing of disadvantaged groups such as blacks (*pretos e pardos*), women, people with disabilities, people older than 45, among other groups and situations.⁹⁴

The Ethos Institute suggests an auditing process for the companies interested in implementing Ethos Indicators following 12 steps:⁹⁵



⁹⁴ *Indicadores Ethos 2006*, p. 30, [www.uniethos.org.br/ Uniethos/Documents/indic_ethos2006](http://www.uniethos.org.br/Uniethos/Documents/indic_ethos2006) (retrieved on 10/11/06. My translation from Portuguese).

⁹⁵ *Idem* p.10.



Even though the Ethos Indicators got their inspiration from leading global organizations on CSR, mainly from the British NGO AccountAbility, whose main foci are CSR and stakeholder engagement, the Institute updates the indicators every year according to both the associated companies' feedback and civil society pressures. As the analysis of the evolution of "valuing diversity" indicators above proves, since 2000, "valuing diversity" indicators have become less abstract. In 2006, for the first time, "valuing diversity" focused on "gender and racial equity promotion."

To some managers sympathizing with the race cause, the social responsibility metaphor creates a sense of comfort that helps them publicly legitimize the diversity and affirmative action programs they have suddenly gotten involved in without full conviction. This sense of relative comfort, although very often devoid of social criticism, renders the possibility of questioning for the first time, inside the workplace, the overwhelming Brazilian belief in the myth of racial democracy. The BSR voluntary character, rather than being legally binding, moreover, allows occasionally for some degree of *tropicalization* (adaptation to the Brazilian context) of global

diversity management procedures. On the other hand, the benefits of diversity and affirmative actions that are tightly coupled with BSR ideals are rather limited, since BSR assists a really insignificant number of people when based on small-scale charity actions.

Among other important CSR-related global standards is SA8000, or Social Accountability 8000. SA8000 is a global standard developed by Social Accountability International and designed to make workplaces socially responsible. Based on conventions of the International Labor Organization, SA8000 is already being adopted in twelve countries. The standard addresses issues such as discrimination, health and safety, and compensation. According to Deborah Leipziger (2001), what makes SA8000 a breakthrough is that it is the first auditable standard on workers' rights; it creates management systems for implementation; it is global because it is based on ISO, or the International Organization for Standardization, making it easier to integrate it with quality and/or environmental audits; and it was developed by businesses, non-governmental organizations, and trade unions.⁹⁶ CPFL created a commitment to diversity and affirmative action policies once a company adheres to both BSR and SA8000 principles.

Diversity as Human Capital

When I asked managers to identify a social target that companies should pursue in the next ten years, fifteen out of twenty I interviewed said "education." Here are some of the answers: "Education is a systemic problem, located at the heart of the relationships within teachers and politician municipal networks"; "How are we going

⁹⁶ Leipziger (2001:136-37) argues that the future of SA8000 involves the establishment of a new type of auditor: the hybrid auditor, who combines the training of the professional auditor with the sensitivity of the NGO. The hybrid auditor, according to her, will have both a local and a global ("glocal") perspective. Any organization can become accredited to audit SA8000.

to grow? Brazil does not have human capital, you know?"; "The public system has enormous deficits in both professional capabilities and infrastructure"; "The problem is education, it is not race, Blacks do not get to universities"; "How in the earth are you going to work here if you are illiterate? You even need to have good English to work in this company"; "We had to open a school inside the company and tell all the employees not to stop studying ever..."

Despite the soaring claims for more educated employees, getting educated may turn into a conflictive issue in some companies. For instance, at Fersol, a chemical factory in São Paulo I visited several times and which had implemented recruitment quotas for women and blacks, the notion of human capital as continued education was persistently advocated by the company's owner. To the surprise of all, the trade union leader rebelled against the mandate of getting educated. According to him, if the owner wanted the company workers to get educated, he should share more stocks with them than the ones he had shared so far (35 percent). The situation created a structural crisis in the company which translated later on into significant changes in the way the company had been managed so far, particularly the way the ideal of participatory management had been handled. Eventually, the rebellious union leader was replaced by a loyal leader; however, discussions on education and profit sharing continued up to date.

In claiming the fairness of deeming human beings as capital, managers and policymakers actively participate in the new phase of capitalism, what sociologists and management scholars call post-capitalism or knowledge capitalism,⁹⁷ whereby "[l]aborers have become capitalists not from a diffusion of the ownership of corporation stocks, as folklore would have it, but from the acquisition of knowledge

⁹⁷ A classic piece in management studies on this matter is Peter Drucker (1993) *Post-Capitalist Society*.

and skill that have economic power” (Schultz 1961: 2).⁹⁸ Related to this notion of human capital is Brazilian Marxist intellectuals and trade unionists critical of affirmative action or any other form of educational inclusion because they see this kind of action as either a neoliberal policy or an “artificial demand” created by this new phase of capitalism.

Education, paradoxically, in the context of economic growth and increasing business profitability, may mean both a neoliberal policy and a welfare policy. For Blacks, education does not always imply upward social mobility, and that, precisely, is the point of having affirmative action policies. Carlos Hasenbalg e Nelson do Valle Silva (1978 and 1985) showed that “discrimination against the non-whites seems to increase as the general position at professions also enhances” and that “wage inequality worsens the higher the educational and professional degree” (Haselbag 1979: 214). Research carried out in Rio de Janeiro in 1973 showed that the earnings by black men with elementary education were higher, in absolute numbers, than the earnings by black men with secondary and higher education (cited by Hasenbalg 1979: 214). As Silas da Silva, *Integrare*’s current director, puts it, “We, black executives, get tired of waiting for one day to be promoted. We have to double work in order to be as good as or better than our white colleagues, and yet we know that at corporations

⁹⁸ It is striking that concern with education, and particularly with “human capital,” has become so passionate among managers and policymakers in the last two decades. At the beginning of the 1960s, when Theodore Schultz addressed an audience of economists at the Annual Meeting of the American Economic Association, the term “human capital” sounded quite odd, even to economists. As Schultz admits, “[t]he mere thought of investment in human beings is offensive to some of us. Our values and beliefs inhibit us from looking upon human beings as capital goods, except in slavery, and this we abhor” (1961: 2). Schultz criticized J.S. Mill, who at one time had insisted that “the people of a country should not be looked upon as wealth because wealth existed only for the sake of people” (Schultz 1961: 2).

we will never reach the directory level. So, that is why many black professionals become small entrepreneurs.”⁹⁹

In conclusion, even though human resource departments are now more committed to financial performance and the development of human capital, as the Fersol case shows, and studies of different sorts show a clear relationship between human resource investment and financial performance, and between diversity-management and increasing profitability, “What causes this relationship and the way the latter operates continue without answer” (Ulrich 2000: 10-11). Despite *DiversityInc*’s contending arguments for diversity-management as a mechanism that helps increment business profitability, this is difficult to be proved in all the cases, particularly when affirmative action programs are thought to open opportunities for Afro-descendants. As a black entrepreneur told me, “If we blacks were able to show that diversity is profitable for enterprises, then we wouldn’t even need to convince corporations to have affirmative action(s).”¹⁰⁰

Assessing Global Policy from a Mimetic Practice Framework

In the absence of racial consciousness or a mandating public policy framework to which companies have to respond, it is fair to wonder what other forces motivate enterprises to get involved in diversity and affirmative action policies and thereby whether Brazilian executives and managers have enough motivation and authority to implement these policies effectively or, on the contrary, they adopt these policies as mimetic—“for the English to see”—practices, so that the business and the social core of the organization are not affected and the changes are only cosmetic. It is clear that

⁹⁹ Interview, São Paulo, 04/19/05.

¹⁰⁰ Interview with black entrepreneur, São Paulo, 06/21/05.

policy persuasion and coercion happens through quite different channels such as informal conversations, corporate mandate by the headquarters, or through the adoption of global standards and norms such as BSR indicators and SA8000. Other business currents such as a concern with human capital and quality certificates and how the investment in human resources may benefit the business profitability also become important factors.

The concepts that best capture the borrowing and exchange of policies and practices inside and across corporations I have witnessed in Brazilian corporate life are “corporate isomorphism” and “management fads.” Even though corporate isomorphism and management fads imply extreme policy persuasion and homogenization¹⁰¹ of organizational practices, I believe both concepts can shed light on the possibilities and limitations that diversity and affirmative action policies entail when these are imported by Southern subsidiaries and large Brazilian corporations from other organizations upon which they are dependent. I assume, on the other hand, that neither of these concepts offers an answer for those cases which do not follow leading corporate fads, as well as those companies and entrepreneurs who truthfully commit themselves to radical social justice despite market isomorphic forces. “Corporate isomorphism” suggests that “organizational characteristics are modified in the direction of increasing compatibility with environmental characteristics” (Powell and DiMaggio 1991: 66). Management fads are “management innovations borrowed from other settings, applied without full consideration of their limitations, presented either as complex or deceptively simple, relying on jargon, and emphasizing rational decision making” (Birnbaum 2000: 4). As the example of the Brazilian bank Itaú shows, what motivated the bank to get involved in diversity initiatives, the human

¹⁰¹ For socio-cultural critical analyses of global processes of homogenization (or “McDonaldization,” as folklore has it) *versus* heterogeneization, see Ulrich Beck, *What is Globalization?* (2000), Chapter 1.

resource manager said, was that they “noticed that everyone was beginning to think of the diversity issue, so [they] needed to do so as well.”

Powell and DiMaggio distinguish two types of “isomorphism”: competitive and institutional. Competitive isomorphism is more relevant in those fields in which free and open competition exists, which explains part of the process of bureaucratization that Weber observed and may apply to early adoption of innovation. As we have seen throughout this chapter, many scholars and practitioners in the United States and in Brazil contend that “valuing diversity” initiatives turn into a competitive advantage for the business as organizations become better suited to adapt to the environment and respond to unexpected market changes more effectively. IBM, for instance, wittingly understands workforce and workplace diversity as a global business strategy as medium and small enterprises around the globe, many owned by women, have turned into their main clients. Yet, according to Powell and DiMaggio, competitive isomorphism does not present a fully adequate picture of the modern world of organizations and it must be thereby supplemented by an institutional view of isomorphism. Organizations, they argue, “compete not just for resources and customers, but for political power and institutional legitimacy, for social as well as economic fitness” (1991: 66).

Powell and DiMaggio identify three mechanisms through which institutional isomorphic change occurs: (1) coercive isomorphism that stems from political influence and the problem of legitimacy; (2) mimetic isomorphism resulting from standard responses to uncertainty; and (3) normative isomorphism, associated with professionalization (1991: 67). Coercive isomorphism, they posit, “results from both formal and informal pressures exerted on organizations by other organizations upon which they are dependent and by cultural expectations in the society within which organizations function” (1991: 67). Such pressures may be felt as force, as persuasion,

or as invitations to join in collusion. In the BankBoston case, an African American lawyer persuaded and invited his Brazilian counterparts to join the American experience of doing something to get people of color involved in the bank. Yet, the Brazilian senior managers would have not responded so quickly to their American counterparts if there were not, as there is, an expectation in society and the international community for Brazilian institutions to get involved in affirmative action initiatives.

Where to draw the line between coercion and persuasion is not clear. As Deborah Stone (1997: 24) points out, “Influence sometimes spills over into coercion, and the line between them is fuzzy at best.” The boundary between influence (persuasion) and coercion pervades many of the dilemmas that companies face when facing global regulations and public policy mandates. For instance, while Brazilian subsidiaries may accept their headquarters’ coercion as legitimate in particular issues, government coercion is taken as intolerable when it affects profitability.

When an organization faces a problem with ambiguous causes and unclear solutions, as it is the case with workplace racism and racial discrimination in Brazil, policy persuasion may yield a viable solution (for the bottom-line) with little expense. Since the end of the 1980s and beginning of the 1990s, when the Brazilian *abertura econômica*—economic opening after a long period of dictatorship and protectionist domestic policy—got under way, companies have been anxious to adopt “social innovations” to strengthen their legitimacy in society and the market. They use the media in order to demonstrate they are at least trying to improve working conditions. The wider the population of personnel employed by, or customers served by, these companies, the higher the pressure to provide the programs and services offered by other organizations and to legitimize their social practices publicly (Powell and DiMaggio 1991: 70). Generally, Third World subsidiaries and large domestic

enterprises thereby tend to be far more isomorphic and adopt management fads more quickly than their Northern headquarters and than small enterprises. As many managers recognized, the pressures they feel to imitate “social innovations” from either their respective headquarters or from other enterprises are very strong, and yet, as a Brazilian communication manager at a U.S. power company said to me, “Even though it is a difficult process, we always try to openly negotiate with the headquarters when we disagree on something.”¹⁰²

Therefore, although isomorphic forces and global management fads may turn extremely coercive for Southern subsidiaries, corporate isomorphism is never a complete process in the process of adopting mimetic practices. Particularly if they are successful, organizations can create new things based on their own experiences. In Chapters 6 and 7, I further develop this point by analyzing in depth two particular cases: *Geração XXI* and *Integrare*.

¹⁰² Interview with communication manager at an American power company, São Paulo 11/05/04.

CHAPTER 6

Geração XXI

Instituting and Replicating Affirmative Action

As briefly described in the Introduction and in Chapter 4, *Geração XXI* was launched in 1999 as the result of a strategic partnership between *Fundação BankBoston*, *Geledés*, Institute for the Black Woman and *Fundação Palmares*, an institution linked to the Culture Ministry. *Geração XXI* involved twenty-one youngsters, twelve girls and nine boys, between thirteen and fifteen years old, who were selected as the beneficiaries of this first affirmative action project in Brazil. The goal of the project is to guarantee the youngsters optimum conditions for their self-development, by providing good schools, access to cultural goods, decent food, and health attendance. The project began when the youngsters were eighth-year students in elementary school, and will extend for nine years, until they finish their post-secondary education. In the second year, another project was added, *Família XXI*, involving about a hundred relatives. The main goal of *Família XXI* is to assist the youngsters' families in finding jobs and earning income.¹⁰³ Given its novelty and length, *Geração XXI* represents a pioneering experience in Brazil. As I discuss below, the relationship among the three partners is a complex one, as they occupy quite dissimilar institutional terrains. In addition, contending interpretations of what affirmative action is or should be have produced disagreement and conflictive debates among the different "policy-relevant groups."

¹⁰³ Release "Projeto Geração XXI," Fundação BankBoston/ Geledés – Instituto da Mulher Negra, 2004, and "O Compromisso das Empresas com a Valorização da Mulher," São Paulo: Instituto Ethos, 2004.

BankBoston, established in Brazil in 1947, is among the largest foreign banks in the country. With more than 60 offices and 3,900 employees, the bank joined Fleet Financial Group in 1999, and in 2004 FleetBoston embarked on a fusion with Bank of America. Today Bank of America is a giant financial conglomerate that attends a universe of 33 million clients in 150 countries.¹⁰⁴ A human resource manager at the bank notes: “Bank of America is putting its foot on Brazil, trying to grow and to implement its policies here... We are getting more influenced on a daily life basis; we really feel now part of a world bank.”¹⁰⁵

Fundação BankBoston was created in 1999 to represent BankBoston’s social responsibility actions. The Foundation carries out social, cultural, and educational projects in partnership with international institutions, the government, not-for-profit organizations, enterprises, and universities. One day a mission group from the United States visited Brazil: “They wanted to meet all the executives in the Brazilian subsidiary. Then they asked, ‘Wait a minute, what is the percentage of the Brazilian black population? Why there is not even one black person among the executives?’ The personnel began to explain, ‘Look, the problem is education, we do not have qualified people... It was then that *Geração XXI* was born.”¹⁰⁶ The way *Geração* was conceived would later on result in certain problems and contradictions that I discuss below.

*Geledés: Institute for the Black Woman*¹⁰⁷ is a not-for-profit organization founded in São Paulo in 1990 that has played an important role in the articulation and

¹⁰⁴ <http://www.bankboston.com.br/linhadotempo>

¹⁰⁵ Interview with a human resource manager from BankBoston, 08/26/04.

¹⁰⁶ *Ibidem*.

¹⁰⁷ Instituto da Mulher Negra.

advancement of the black movement's demands. Rooted in the struggle for democracy in the time of the dictatorship, the main goal of the institute is "to protect, guarantee, and expand basic citizenship rights among the black population."¹⁰⁸ Geledés was the first organization in Brazil to offer a SOS Racism service with juridical assistance to the victims of racial discrimination. The institute is an active advocate of feminism and anti-racism and seeks constantly to emphasize the integration of human, civil, political, economic, social, and cultural rights. Among other activities, they also provide female victims of violence with juridical and psychosocial assistance. Its director, Sueli Carneiro, is a leading militant of the black movement in Brazil, an ever present scholar in academia and in the public media, and a person truly committed to the advancement of the Brazilian democracy. As I point out later, the expectations put by Geledés on *Geração XXI* have been by far much higher and more ambitious than the expectations of the other two partners.

Fundação Palmares was established in 1988 by the federal government in the context of a series of political and cultural events that unfolded along with the celebration of the centenary of the abolition of slavery. Since then, it has been the main mediator between the government and black organizations. However, the foundation's emphasis on the preservation of Afro-Brazilian cultural values and heritage, following the precepts established by article 215 of the 1988 Brazilian Constitution, has proved inefficient in the economic and social matters that concern today's black population. As Professor Edward Telles points out, the monopoly held by *Fundação Palmares* as the mediator between the black movement and the federal government ended during the preparation of the World Conference against Racism that happened in Geneva in 2000, when the government expressed a deliberate

¹⁰⁸ www.geledes.org.br/areas_atuacao. Retrieved on January of 2006.

willingness to have a direct dialogue with black organizations (2003: 87). In appealing to *Fundação Palmares* as a partner for *Geração XXI*, Geledés sought to have the federal government represented in the partnership. Their goal in doing so was to influence public policy by propelling the institutionalization of affirmative action policies through governmental blueprints, as well to open dialogical spaces with other governmental entities. However, *Fundação Palmares* has always been absent in the project, and on the few occasions Geledés contacted them, they proved to be unable to meet the simplest demands.¹⁰⁹ Had *Geração* happened later, the project leaders would have probably sought out the Special Secretary for the Promotion of Racial Equality Policies: SEPPIR,¹¹⁰ created by the federal government in 2003, or more influential international partners such as UNESCO.

Between May and July of 2005, I carried out field research at the offices of GXXI. During that period, I visited the place about two or three times a week, had conversations with the coordinators of the project and the beneficiaries, and interviewed ten youngsters who benefited from the program, five girls and five boys. I made up a questionnaire, entitled “Planning Our Future,” intended to contribute to any reflections that the program participants were undergoing as the end of the program was getting closer. The main concern, at that point, was how to guarantee the success of the youngsters at university, particularly of those who would not finish by 2007, when the project is supposed to end. I tried to include questions that would help them reflect on their life and professional trajectories, by focusing on the practical issues of their daily lives, their relationships with the program, and their future goals and

¹⁰⁹ “Dinâmica Projeto Geração,” Institutional data elaborated by Geração XXI, 04/01/2001.

¹¹⁰ Secretaria Especial de Políticas de Promoção da Igualdade Racial.

dreams. I attempt to reproduce here what the program has so far meant to the youngsters and to the institutional partners.

By visiting *Geração*, I got to know the different “communities of meaning” that construct and give sense to the project on a daily basis. Many students use the expression *muita coisa*—“a lot”—to describe what changed in their lives during the first years of *Geração*:

I used to study in a place where everyone humiliated the teachers. I didn't think at all of my future...The responsibility that we had to create by switching to private schools and getting into universities changed our lives in incredible ways (Girl, 07/07/05).

*I never had access to so many things as when I entered *Geração*. There are places where I would have never got in. The building of Bank Boston, for instance, still appears magic to me (Boy, 06/07/05).*

I used to understand how racial prejudice worked, but I did not take it so seriously. For instance, people used to call me “monkey” but I did not care much...today, when it is a serious situation, I say something (Boy, 07/07/05).

I began to have a more solid racial consciousness...Today I perceive that black people do not get accepted in public universities not because they do not have capacities, rather because they find many difficulties on the way (Girl, 05/07/05).

I would have never gone to university had I not been selected by the project (Girl, 29/07/05).

Most students come from either the periphery of São Paulo or poor neighborhoods in the old downtown area. The personnel from *Fundação BankBoston* selected the teenagers mainly from either public schools or neighborhood organizations. The selection process was an arduous task. For some students, the admission process at the public schools was very competitive. They want to make clear that even though it was an affirmative action, the selection was based on merit among their peers. In the second phase of the project, the students switched from public elementary schools to private high schools, so they would get better prepared for *vestibular* (the higher education admission test in Brazil). This was a tough transition for them, given the extremely low quality of public schools in Brazil. Once they finished high school, all of them got accepted in private universities without making use of a quota system, since no university in São Paulo has so far implemented a quota system in their admission procedures. Still, none of them managed to get into public universities.

In February of 2006, I had a phone interview with Budd Wayne, the person who persuaded the directory board of BankBoston in Brazil to “do something to get people of color involved in the bank.” Budd Wayne is an African American lawyer settled in Boston and identified with the civil rights cause. As a former member of the directory board of BankBoston in the United States, he visited Brazil in 1999 along with other American senior managers. His image of Brazil was a country with a “reputation for having a well integrated society in terms of people being integrated into society as a whole.” But he felt frustrated as he could not see anyone who looked like him in the bank offices. So while presentations by the Brazilian counterparts were

made, he raised the question: “Why aren’t there people of color working in the bank?” And the general response, according to him, was, “Well, we really don’t pay attention to color here in Brazil, so we never noticed it.” Then he asked, “Do you have any thoughts or ideas of what could be done?” They made the point that people of color didn’t come up to the university system. So funding students through their university careers was an approach that would help them do that.

That was the initial idea that boosted *Geração*. However, Mr. Wayne also thought that having internships for the students after accomplishing university would have been a “natural follow in the scholarship.” However, the issue of recruiting the students has caused resistance as much in BankBoston as in the other companies that have replicated the program, indicating a general trend in the Brazilian private sector against relating affirmative action to employment practices, as it is common in the United States.

BankBoston thereby conceived *Geração* as a corporate “best practice” with great potential to be imitated by other multinationals. Since 2005, Monsanto, Xerox, Colgate-Palmolive, Unilever, and Philips have replicated *Geração*, though the length and target of each program varies depending on the guidelines set by each company. Xerox Institute began a program called *AfroAscendente* in 2001 but the funds were cut in 2003 and the program was terminated. Monsanto, a major U.S. producer of genetically modified seeds, began to consider the implementation of affirmative action programs for the Afro-descendent population even earlier than BankBoston. The company launched *Afro-Brasileiro* in 2001, a program that has so far benefited about 40 low-income black students with university grants. Overall, these programs target “external publics,” that is, selected individuals from the community, not from the workplace. Monsanto explicitly says in its *Community Relations Report* that the company “does not commit itself to hiring the student as apprentice or employee

during or after his university completion. In the case of having the opportunity, the candidate will compete in equal conditions with the other candidates in the selective process.”¹¹¹

BSR has produced a false antithetical relationship between the company and the foundation, in the cases where there is a foundation, and more generally between the workplace and the community. As mentioned in Chapter 1, there are those who advocate an “external” approach to BSR,” i.e., the company investment in social programs devoted only to the external community, and those who struggle for a more holistic notion of BSR, popularly know as “socially responsible management,” that encompasses every element and relationship of a company management system. Even though the idea of BSR as “socially responsible management” is widely supported in the discourse by key leaders and most militants of the BSR movement in Brazil, in practice external programs such as *Geração* are much more likely to be replicated than holistic BSR experiences. The focus of *Geração* on the community rather than on the workplace may explain why other multinationals have felt obligated to imitate the program in such a short period of time.

BankBoston is an elitist bank; that is, in order to be eligible to become a client of the bank, people need to have a monthly wage of at least R\$ 4,000 (reals, Brazilian currency). This wage level is considered in Brazil class B, i.e., it is the average that the white middle-class person manages to raise every month. It is not therefore in the bank’s interest to target the black population as clients and consumers, as Budd Wayne suggested, for as I showed in Chapter 2, significant wage average differences exist between whites and blacks. As the abovementioned manager said,

¹¹¹ www.monsanto.com.br/monsanto/brasil/comunidade/ Retrieved in January 2006.

while in the United States, diversity is compelling for business and in Brazil there is not so much diversity, so it does not make sense to have diversity programs.

This community versus workplace disjuncture tends to frustrate the NGOs that act as partners of the corporations in BSR programs. For instance, in a document filed by *Geração* in a meeting on the potential, limitations, and doubts concerning each partner, Geledés sees the fact that “BankBoston does not have an opportunity policy for blacks” as an obstacle. On the other hand, Geledés recognizes important potentials such as the bank’s “credibility, leadership, public image, international insertion, high technology, and the availability of financial and technical resources.” In a word, by applying different policies inside and outside the workplace, many corporations establish double standard economies whose contradictions very often manifest throughout the organizational structures and among the different partners involved in the social projects. However, a social project manager working at *Fundação BankBoston* said that they “are making a great effort to make clear that social responsibility is not the community or the foundation, it is ‘you manager’ in your relationship with other employees, what you buy from your suppliers, whether you comply with the ethics code, and so on. But this is not clear to most employees in the bank.”¹¹²

The way the different program stakeholders understand the meaning of affirmative action also creates conflictive terrains:

Reinaldo Bulgarelli, the chief officer of *Fundação BankBoston* by the time the project was launched, defined affirmative action as “any policy action that seeks to benefit socially discriminated groups because of race, religion, sex or ethnicity, and

¹¹² Minutes from workshop on social responsibility. Statement by a social project manager from Fundação BankBoston.

that, subsequently, experience a disadvantaged situation in relation to other social groups... The premises of affirmative action are the recognition that people subjected to inequality should receive preferential treatment in the promotion of social justice.”¹¹³ *Geração XXI*'s official definition of affirmative action was clearly intended to single out racial differences and inequalities and the willingness to support positive discrimination.

Geração's students' interpretations of the meaning of affirmative action also diverge:

I think that people need to have opportunities, though I am not quite sure if the negro because he had problems in the past and was marginalized, now he needs to have a quota at the university first. There is a very important work that needs to be done much earlier. For instance, the work that was done with us in the high school was crucial. Imagine if you go even further and begin at the elementary school and even at the maternity level. None of us needed quotas to get into universities (Boy, 04/07/05).

I believe that affirmative actions are increasing and must continue to do so, though I think they should not be related only to color. There are other people who are not black and are struggling with everyday life, there are many poor children, and many other problems that this country needs to invest in. I really believe that affirmative action is the struggle for a better life (Girl, 07/07/05).

¹¹³ Reinaldo Bulgarelli, Apresentação oficial do projeto, 1999. Wânia Sant'Anna e Marcelo Paixão – Observatório da Cidadania 1998/ Ibase/ Fase/ Cedec/ Unesc/ SOS-Corp.

Affirmative action brings education, and the selection to participate in the affirmative actions is very rigorous. I am in favor of the quota system. I think it is a very positive thing, one more opportunity to improve the educational level in Brazil (Girl, 04/07/05).

I always thought that affirmative actions are extremely necessary as part of a reparation process. I believe that affirmative actions should be done not only in Brazil, but in other countries, though not forever, rather as something temporary, until the people reach the equality stage and the opportunities that are at least equivalent to the other groups'. Yet, quota is not enough. It is the people's consciousness that must change (Girl 05/07/05).

To the bank, affirmative action means both BSR and diversity:

To Bank of America today diversity means even more than a "nice to have" policy; it is fundamental for the business competitiveness. Because the bank is the largest consumer banking network in the United States, our clients there are very diverse, Hispanics, Blacks, Asian. Therefore, the bank even has minority quotas and goals, they take it seriously. In Brazil we do not have so much diversity, though we need to get better in that issue. We try to make clear, however, that diversity is not just about the color of the skin, but about thinking differently and knowing how to deal with those differences.¹¹⁴

¹¹⁴ Interview with human resource manager at BankBoston, 08/26/04.

The bank's understanding of affirmative action indeed appears to be quite different from *Geração*'s official mission: "To create scenarios that defy racism and all forms of discrimination, by encouraging educational actions with Afro-descendant teenagers and youngsters, fostering the youth leadership in the construction of racial equality."¹¹⁵

Conflict emerges as well on whether the project will have continuity or not. Despite the institutional effort put forth on the project, BankBoston has not yet decided whether it will keep investing in affirmative action initiatives or not. Some people from the project guess there won't be more *gerações*. This lack of continuity derives from the project to have been conceived as a social responsibility program which, when understood as philanthropy, "presumes a social action of assistencialist, charitable, and predominantly temporary nature" (Tenório 2004). The temporality of the project creates anxiety among the youngsters, who see that other black teenagers will not benefit from positive experiences like the one they have gone through. The fact that *Geração* was conceived as a result of the visit of a mission group from the U.S. headquarters also explains why many employees in the bank have never heard about the program, or just do not feel committed to it.

One of the leading boys said that "it is very important that people get out of the periphery and come here" (07/04/05). Still another felt she "would like to be able to give opportunities to other people...the program ended but we do not end, we are going to continue growing together" (05/07/05).

Lastly, in the legal arena, banks in Brazil are becoming more vulnerable to proportional representation and credit access discrimination lawsuits. Last September the Labor Ministry triggered a legal action against Itaú, Bradesco, ABN AMRO, and

¹¹⁵ Estatutos do Geração XXI, p.1.

Unibanco, claiming the banks would have discriminated against blacks and women. The action came after the refusal by the four banks to participate in the “Program to Promote Equality for All,” launched by the Labor Ministry in April of 2005, whose goal was to reduce racial and gender discrimination. Among the accusations was that “in São Paulo, in the four banks, the total number of employees is 64,750, however, 92% are white and only 7.9% are black, 4.0% are black men and 3.9% black women.” In addition, in Brazilian banks, “Blacks receive 63% less than whites and women on average, and 60% of what white men receive.” According to the Labor Ministry data, “There are no educational differences that justify the wage disadvantages.”¹¹⁶ In the United States, banks spend millions of dollars every year in reparation and discrimination lawsuits. Similarly, anti-discrimination actions seem to be evolving in Brazil, in this case, as socially responsible initiatives to protect from legal regulations, in the same way that happened in U.S. corporations few decades ago.

¹¹⁶ “MP acusa bancos de discriminação contra negros e mulheres,” INVERTIA press release, 09/11/05.

CHAPTER 7

INTEGRARE

“In the market model...a ‘pure’ commercial relationship is precisely one not tainted by loyalty or sentiment. In the polis, history counts for a lot; in the market, it counts for nothing” (Stone 1997: 26).

Becoming an entrepreneur may have a liberating component. To a white middle-class Brazilian it may represent the opportunity to get out of unemployment, to escalate in the social hierarchy, or simply “to be the boss.” To a black Brazilian it may mean becoming the master. “I wanted to be the patron,” a black entrepreneur from Bahia, Northeastern Brazil, once said.¹¹⁷ Yet such optimism and individualism, as envisioned by small entrepreneurs, leaves much to be desired. Markets are imperfect; therefore, one or a few suppliers and buyers dominate the market and can control prices; information is imperfect, buyers may conceal information or it may be too technical for suppliers to understand it; and exchanges between two parties have side effects on third parties who have no say in the exchange (Stone 1997: 81).

In the context of the BSR movement in Brazil, the Ethos Institute re-defined the concept of commercial relations as a relationship that goes beyond a mere buying-selling contract as a win-win relationship, instead of a win-lose relationship. IBM,

¹¹⁷ Owner of Master Glass, a medium enterprise producing glass frames. Refer to his experience as entrepreneur (talk transcription).

which is associated with Ethos, is one of the more committed multinationals to sign contracts with so-called minority-owned businesses in Brazil. As a social responsibility chief officer put it: “IBM buys from suppliers led by minority groups. Yesterday I signed a partnership with a tiny company with zero capital headed by a handicapped person. The company manages to produce but it does not manage to employ. Therefore, we help this kind of enterprise to develop and, in the end, to enter the game, right? Because it is not easy, the game is always in the hands of companies headed by majorities. Black people in Brazil are majority, but we treat them as if they were minority because they don’t have the needed formal education to work with companies like IBM.”¹¹⁸

Integrare, Center for Business Integration,¹¹⁹ is a not-for-profit organization founded in October of 1999, originating out of the mobilization of Afro-descendent entrepreneurs, liberal professionals, and executives who felt disadvantaged in the market and their careers. The first institutional step that César Nascimento, one of the *Integrare*’s founders, took on was to associate with the American Chamber of Commerce in São Paulo. Later on Nascimento met Orlando Davenport, an African American lawyer from Washington who came to São Paulo on a mission sponsored by the National Black Chamber of Commerce. The goal of the mission was to establish relationships with entrepreneurs and people from the Afro-Brazilian community.¹²⁰ African American missions to Brazil have become very common. For instance, in March of 2005 the Municipal Secretary for Reparation in Salvador, Bahia, signed a partnership with Avocet Travel and several public institutions, in which every week a

¹¹⁸ Interview with Social Responsibility Program executive, IBM, 11/04/2004.

¹¹⁹ Centro de Integração de Negócios, www.integrare.org.br

¹²⁰ Interview with César Nascimento, 06/21/05.

charter flight would land in the city bringing African Americans to the city, so they would benefit Afro-Brazilian tourist entrepreneurs.¹²¹

Orlando Davenport invited Nascimento to visit him in Washington. Nascimento suggested that they discuss possible models for the Afro-Brazilian entrepreneurs to organize. Orlando then prepared an exhausting three-day agenda. Eventually, they met Harriet R. Michel, president of the National Minority Supplier Development Council (NMSDC). When she began to explain the NMSDC model, Nascimento completely fell in love and said, “That’s what I want for Brazil.”

NMSDC was founded in 1972, when post-civil rights movement institutional developments were in full swing in the United States. The organization, however, was not created by black movements, but by the corporations. Corporations were already seeing the government mobilization with universities, commerce, etc., and felt the need to take a step before the latter did it. NMSDC’s primary goal today is to provide a direct link between U.S. corporations and minority-owned businesses of all sizes. NMSDC includes 3,500 corporate members throughout a national network, including most of the largest companies in the United States, as well as universities, hospitals and other buying institutions. The regional councils certify and match more than 15,000 minority owned businesses—Asian, Black, Hispanic, and Native American—with member corporations which want to purchase goods and services.¹²²

What captivated César Nascimento about the NMSDC was that, as he puts it, “They do effective affirmative action, not in the discourse, but in practice, in the everyday life of business, and that, in the most perfect North American style, means

¹²¹ Boletim informativo da Secretaria Municipal da Reparação nº 04 Prefeitura Municipal do Salvador, 25/03/2005.

¹²² http://www.nmsdcus.org/who_we_are/purpose.html

business.” However, as Silas da Silva¹²³ acknowledges, the NMSDC model doesn’t quite fit the Brazilian reality: “The U.S. ethnic model does not work in Brazil because there is not so much ethnic diversity in Brazil. Moreover, for instance, in the U.S. the Japanese diaspora is a member of the NMSDC. In Brazil, the Japanese diaspora is not an economically excluded group. We decided, then, to focus on the groups that are socially and economically excluded. The blacks because they represent the poorest and almost the half of the Brazilian population; the people with disabilities, who are between 10 percent and 14 percent, because it is a large excluded group, and the Indians because they are the natives of this country, and many of them live now in the cities and do not have access to education, among many other things.”

Besides the indigenous people and the Afro-descendants, São Paulo is mainly composed of two main ethnic communities, originally from the immigration flows that the city received between the end of the nineteenth century and the first half of the twentieth. One group is formed by the *Nisei* and *Sansei*, second and third generation Japanese-Brazilians, and the other by the descendants of Western Europeans, mostly from Portugal, Spain, Italy, and Germany. The Sirio-Libnese and the Eastern European communities are also represented in the São Paulo ethnic mosaic. The Japanese community in São Paulo organizes around family and ethnic networks, very often connected to Japan, and they have proved quite successful in running medium and small businesses. As Silas argues, “There would be no reason to identify them as minority entrepreneurs.”

Many social scientists from the so-called *escola paulista*, have always wondered why the *mulatos* and the *negros* were not integrated in the industries during the decades of spectacular economic growth of the city (1890-1920). Some scholars

¹²³ Interview with Silas da Silva, current chief officer of Integrare, 19/04/05.

put the responsibility on the industrialist elite, who would have impeded the integration of the *negro* and the *mulato* in the formal labor market by fostering the presence of a large white labor force of poor Europeans (see Chapter 2), warranted by state subsidies (Skidmore 1974; Andrews 1998; Pochmann 2001). The descendants of European immigrants experienced a significant upward mobility during the middle of the twentieth century as they benefited from the rapid growth of the city. Therefore, they were not a disadvantaged population in need of Integre's support. By highlighting the "groups excluded from economic progress," César Nascimento points out, "We wanted to make clear that in Brazil the process of social exclusion escapes the U.S. concept of racial minority, because blacks have always been the majority in Brazil. The problem is that right after the abolition of slavery the ex-slaves were either abandoned in the middle of the street or died." Also, by focusing on "economically excluded groups," Integre tried to avoid a "laundry list" approach to cultural diversity, leaving out groups such as white women, who are generally included in workplace social inclusion programs, and GLBTs (Gays, Lesbians, Bisexuals, and Transsexuals).

In any case, the groups the organization should target in the first place and the organizational model to be adopted have always been the main issues dividing Integre's founding members. In 2001, César Nascimento, who then became the president of the organization, founded CIEPEGHEP¹²⁴ (Center for the Integration of Historically Discriminated Ethnic and Groups). Maria Iranise Barros de Lima, a person who holds commercial relations with corporations, became the vice-president. Later on CIEPEGHEP turned into Integre. Silas da Silva, current chief officer, came

¹²⁴ Centro de Integração para Etnias e Grupos Historicamente Discriminados.

at that time to introduce a bunch of institutional reforms. In 2002, Dupont Brasil S.A. was the first multinational corporation to join the organization. The organization now has about fifteen associates, or supporting corporations.

Integrare's official mission is "to exert national leadership in the promotion of human diversity as a fundamental factor for the development of businesses and society."¹²⁵ As Silas da Silva states, "We have the mission to promote and facilitate to the corporations and organizations associated with us, specific product and service buying opportunities from black, disabled, and indigenous people." Integrare contributes with a data basis containing approximately 200 enterprises, of which 90 percent are owned by black men and women, 7 percent by people with disabilities, and 3 percent by indigenous people. At the same time, they offer to the certified enterprises a data base of buying corporations interested in applying diversity to their supply chains.

The profile of the enterprises certified by Integrare, EFIs¹²⁶ (*Empresas Fornecedoras da Integração*), varies. According to Silas da Silva, a large number of people with disabilities became disabled as a result of an accident or a genetic disease. Some of them have already worked for large corporations and are experienced entrepreneurs. Most of the enterprises owned by indigenous people, with few exceptions, are small ones. The group of black people, for being the largest, is very diverse. The majority of the enterprises in all groups are from the service sector, consulting, accounting, transportation, marketing, or computing. The main criteria for becoming an EFI are that the enterprise is legal and that at least 51% of the stocks is controlled by a black, a disabled, or an indigenous person. Eventually, opportunities

¹²⁵ Integrare's mission, according to Silas da Silva: "Exercer a liderança nacional e a promoção da diversidade humana como fator fundamental para o desenvolvimento dos negócios e da sociedade."

¹²⁶ Integration Supplying Enterprises (my translation).

with large corporations do not come out easily because the corporations demand high-quality conditions from the suppliers, and the majority of certified entrepreneurs do not enjoy that high-quality level. So Integrare has to carry out activities that help the three groups develop their capabilities.

As Jorge Monteiro (2001) acknowledges in a book on the life trajectories of black entrepreneurs in Brazil, “To study the negro as a capitalist employer... How ... living in a racist society, excluding, and unequal like the Brazilian one, [they] managed to become entrepreneurs, employ people from all the races, and contribute to the national PIB generation, exerts a great intellectual fascination...” (2000: 21). Indeed, the life trajectories of black business professionals and entrepreneurs in Brazil represent rare examples among the black population. Silas da Silva, for example, got access to education because his father converted to Methodism and the church had a school. When da Silva entered University of São Paulo to study engineering, he was the only black student in his class. César Nascimento studied accounting sciences at PUC,¹²⁷ one of the best private universities in São Paulo, after trying without success to get accepted in a medical school. In order to pay the tuition, he was very lucky to get a loan from a person that later on forgave him the debt. After having worked for several multinationals, both Nascimento and da Silva got tired of waiting to be one day promoted to the directory level. They, like many other black professionals, say “We get to reach the management level, but never the directory.” They experienced *invisible barriers* during their professional careers and, as Silas confesses, “they have to double their efforts all the time in order to prove that they are equal or better than their white colleagues, because it is on the others’ minds the prejudice that black

¹²⁷ Pontificia Universidade Católica.

people are incompetent.” Nascimento became an entrepreneur after experiencing frustrating corporate experiences.

Integrare’s institutional umbrellas are CSR, corporate governance, sustainable development, and sustainable businesses growth. The relationship with social responsibility, though, is a complex one. Edna Santos, a black entrepreneur who owns a civil engineering business and is certified as EFI by Integrare, managed to sign a contract with IBM to build an office inside the corporation’s main building. “I felt an excellent treatment while our service was contracted but it did not have continuity.”¹²⁸ Because CSR actions are voluntary, very often companies do not commit themselves to continue with the practices they initiate. On the other hand, as Nascimento points out, “In Brazil CSR is still understood as charity, then when you bring quality they get scared because what it is on their minds is that they are doing a charitable action, sort of *‘faça um contratinho para essa empresa aí.’*”¹²⁹ Silas has also mixed feelings toward CSR. On the one hand, CSR and corporate citizenship are crucial for Integrare to attract and retain corporations as members of the organization, inasmuch as diversity is conceptualized as corporate policy. For instance, marketing campaigns such as “I buy from your community” turn out very fruitful to Integrare. On the other hand, Silas recognizes that diversity is not the core issue of the social responsibility movement in Brazil. The Ethos Institute, a not-for-profit organization leader on business and social responsibility, is integrated by many Brazilian business professionals and entrepreneurs who, according to Silas, “believe that enterprises operating in Brazil do not need to have affirmative actions for the Afro-descendent population. In those cases, therefore, it becomes quite difficult to have a dialogue.”

¹²⁸ Interview 06/26/05.

¹²⁹ Dismissive expression meaning “make that little contract for that company, whatever.”

On another occasion, Santos tried to sign a contract with Dupont. This time, however, the supplies' manager did not attend to her with the courtesy that would be expected in a commercial relationship. Edna got the impression that "at Dupont there is a person taking care of diversity but the latter has not circulated in the other areas of the company." As Nascimento posits, "Once the corporation recognizes the racial problem, diversity is understood as a human resource problem. One of the main challenges we face is how to make sure that Integrare's message permeates all throughout the corporate structures."

Finally, an important difference between the United States and Brazil is that the Brazilian government does not have a quota system applied to its buying procedures. In the United States, 10 percent of all government purchases have to be from minority-owned enterprises. Last year was the first public debate on the issue at Fundação Getulio Vargas—one of the best ranked business schools in Brazil—with the goal of engaging the government to buy from the so-called socially excluded groups. According to Edward Telles (2003), José Serra, a candidate in the 2002 presidential elections, who then lost to Lula, promised "to create mechanisms that increased the blacks' participation in the businesses holding contracts with the federal government, but at no moment he mentioned quotas or any similar thing" (p. 97). As in most countries, the government is the largest buyer in the national market. And because he is a public player, Silas da Silva believes that "in order to contribute to a more sustainable national rent distribution, he must have a social rationale driving his buying procedures. To buy products and services from historically discriminated groups is direct affirmative action."

Through the *Integrare* case one can see how diversity and affirmative action policies, or social inclusion programs, scaffold the corporate organizational structures and how committed the higher bodies of the corporation and the managers directly

dealing with the programs are. The particular experiences of black entrepreneurs in real-life negotiations with corporations help us understand better when and how small “minority” entrepreneurs face discrimination.

PART THREE: CONCLUSIONS

CHAPTER 8

ASSESSING AS GLOBAL POLICIES THE LIMITATIONS AND POSSIBILITIES OF DIVERSITY AND AFFIRMATIVE ACTION

What forces motivate managers, entrepreneurs, and consultants to get involved in diversity and affirmative action policies in the absence of racial consciousness and a mandating public policy framework? The question is truly compelling. In this dissertation, I try to assess through a wide range of ethnographic examples how global policies (norms, codes, and standards) are coercively implemented or persuasively influence private enterprises, given that these policies are generally voluntary in nature rather than legally binding. Sometimes they are added to national social agendas and at other times they overlap already existing public policies, but there exists neither the authority nor the means for the regulations to get enforced.

Approaching diversity and affirmative action from a global perspective implies taking into account the U.S.-Brazil exceptionalisms in race relations, on the one hand, and, on the other, how Brazilian subsidiaries and large national enterprises import policies and practices from other organizations upon which they are dependent. Even though the history and demographics of each country are quite different, the U.S.-Brazil comparison becomes ineludible for three reasons. First, Brazil has long been seen by travelers and scholars as a nation of exceptionalism in race relations compared to the U.S. “racial hell.” Secondly, once diversity and affirmative action were implemented in a wide range of public institutions and private enterprises after the 1964 Civil Rights Act, the United States turned into the example *par excellence* to be followed by Brazil, where the ubiquity and endurance of slavery has strongly marked

social and labor relations. Lastly, the history of management systems reveals that global competitive capitalism and the hegemony of U.S.-management style constitute the major influences of business thinking today as much in the North as in the global South. In this context, Brazilian subsidiaries of U.S. corporations, as the IBM case shows, import global diversity-management mechanisms from their Northern headquarters that are linked to key corporate structural changes and global business strategies. In the current global economy, where the interchangeability of policies and practices among managers, executives, and policymakers at large has proved more intense across international borders, diversity and affirmative action policies are introduced in Brazilian workplaces. A wide variety of communication channels are used, which can range from informal personal and virtual conversations between members of the corporation in the United States and Brazil to distant blueprint regulations put forward by the corporation or by international organizations.

In Brazil, as in the United States, the claim of a “second abolition”—that “abolition did not actually extinguish slavery” (Santos 2005) or that “abolition simply turned the ‘slave-worker’ into a ‘worker-slave’” (Azevedo 1995)—has played a key role for black movements by afro-descendants and their allies to demand reparatory actions from the federal government. However, in the Brazilian private sector, reparatory actions are rare. Instead, isolated commemorations of Black Consciousness Day, “for the English to see” actions celebrated with exaggerated zeal by some private enterprises, become part of proliferating voluntary activities and non-profit or non-governmental organizations. In this context, in the Brazilian private sector, a second abolition is not understood as the reduction of disparate racial inequities or the denouncement of racial discrimination; rather, a second abolition is understood as the dismantling of residual forms of forced labor which still exist in some rural areas in Brazil. A *casa grande e senzala* attitude predominates among landowners and

entrepreneurs alike. This attitude is fundamentally characterized by a socially careless consciousness that is intermingled with one of the most horrible forms of patriarchal exploitation but which is “harmoniously” relaxed by a cordial manner toward the subordinates, who are treated as *gente de casa*, or home people. Thus, Brazilian *cordialism* hides the pervasiveness of racial discrimination in a subtle fashion. For that reason, a second abolition may never happen unless larger political and social changes take place.

Still, the commemorations of the centenary of the abolition of slavery in 1988 and the administrative space opened by the 1988 Constitution set the bases for racism to be legally redefined as a crime and for black cultural identity to be promoted. Since then, the advancement of a federal legal framework for diversity and affirmative action policies, as the Congress deliberations on the Quota Law and the Federal Statute for Racial Equality show, may in the future uphold the expansion of these policies in the Brazilian private sector, as enterprises seek to protect themselves from government regulations.

The two manifestos on both sides of the so-called Quota Law and the Federal Racial Equality Statute issued in May of 2006, show that policymakers and intellectuals active in the political debate on affirmative action, *ambiguate* and *disambiguate* the meaning of history and numbers with the goal of constructing strong arguments either against or in favor of race-targeted policies. On the other hand, the Congressional proposal of an integrative concept such as “social quotas” instead of “racial quotas,” which should comprise poverty and income criteria and the opening of a new round of discussion on reparatory actions by Congress, reveals that the public policy debate on race-specific policies can still be reframed from quite different points of views. Lastly, a closer look at the public debate over diversity and affirmative action and to real-life workplace experiences of policy implementation processes

sheds light on uncovered policy limitations and possibilities that are difficult to see, if at all, from the point of view of a generalizing dilemma.

Important paradoxes emerge out of the way Brazilian society deals ambiguously with the race issue. Thus, the myth of racial democracy may be seen as a racist ideology or a fraternal racial commonsense, and affirmative action as constitutional or unconstitutional, depending on one's point of view: (1) strong awareness of racial differences may not require that racial (phenotypic) boundaries are distinct in all cases as is commonplace in Brazil; (2) statistical evidence of racial inequality may confirm differences among racial groups but do not prove the existence of racism; and (3) the reduction of educational equality among racial groups may not imply the reduction of racial inequality in all cases.

These ambiguities in dealing with the race issue are also visible in various enterprises. Thus, reluctance to apply the racial classification established by IBGE for workplace census —white, brown, black, yellow, and indigenous—is commonplace in companies of any kind, even though the Labor Ministry established a system of data collection, RAIS, or Annual Report of Social Information(s), including information on “color” or “race,” that enterprises are obligated by law to fill out every year. The survey conducted by the Ethos Institute in 2003 on the social, racial, and gender profile of the major 500 companies in Brazil and their affirmative actions is very important because it showed that despite the proliferation of diversity and affirmative action policies in the Brazilian private sector, of the 40 percent that have affirmative action programs for disadvantaged groups, only 1 percent hold programs to improve the capabilities of Afro-descendants. The survey also disclosed that the participation of black men and women in those enterprises was only 13 percent at the supervisory and coordination levels, 8.8 percent at the managerial level, and 1.8 percent at the

executive level, and that about 25 percent of the enterprises surveyed did not answer the questions that referred explicitly to “color” or “race.”

This survey had a tremendous effect on managers, consultants, and activists involved in diversity and affirmative action programs because the Ethos Institute had organized a series of events to circulate the resulting publication throughout a wide range of enterprises in São Paulo, as well as in other regions in Brazil. When I carried out onsite interviews with several managers in their respective companies, I became very surprised to find out that all of them had the Ethos publication on their office shelves. Yet, despite the statistical evidence on the gender and racial inequities predominating in Brazilian major workplaces, the survey data were not sufficient to construct persuasive arguments in favor of diversity and affirmative action in the private sector. As the ethnographic examples in the preceding chapters show, the majority of the managers interviewed do not see the need for affirmative actions in their respective workplaces.

Statistical evidence, though important for mapping out macro socio-economic conditions, tells us nothing about the concrete practices by which Afro-descendants and women are excluded from jobs and higher positions. By emphasizing process and human agency, participatory research and qualitative approaches are also needed to further our understanding of racial inequities in the workplace, as I attempt to show in this dissertation. For instance, census racial classification at the national level is impersonal and distant, and thereby it may not question peoples’ identities and the ideal of racial democracy. Objectification of people’s identities here is temporary, even though, afterwards, census data analysis has relevant consequences for policy decision making. However, internal workplace censuses work in a different way. As Camila from IBM pointed out, the name of the diversity council had to be changed from *Blacks’ Council* to *Afro-descendants’ Council*, so people understood that they

did not need to be a hundred percent black in order to become a member of the council. Cidinha da Silva, when selecting *Geração XXI* youngsters avoided *os negros de ocasião*, or occasional blacks, people who define themselves as blacks only for a particular occasion such as getting the benefit of an affirmative action program. *Integrare* had a hard time during its foundational phase to decide who the “people excluded from economic progress” were. Each case shows idiosyncratic mechanisms to deal with racial classification.

A larger question is at stake in Brazil today: how to build democratic institutions in a country where racial inequalities and slavery practices are pervasive, persistent, and verifiable, but where people, ironically, do not recognize the existence of racism. The concept of racial democracy, I believe, rather than “a charter for social action,” as anthropologist Peter Fry (2000) and others propose, turns out to be politically incoherent because the term “democracy” is not related to “equality” but rather to “fraternity” between the races (Burke 2005). Thus, the so-called myth of racial democracy, as Gilberto Freyre’s Boasian spirit implied, is important for Afro-descendant peoples and the valuing of their cultural achievements. However, it lacks racial consciousness that pursues the utopia of a society without racial inequality. As a consequence of the pervasive belief in the myth of racial democracy in Brazilian society, admitting that social inequality in Brazil is significantly structured by color or race is far from being majority thinking, even though the idea that Brazil is a country of extreme inequality has easily been disseminated across academic and political circles in the past two decades.

One important question is whether all antidiscrimination measures to combat racism are in dissonance with the myth of racial democracy. For instance, a number of human rights actions carried out by the government since 1995 for the elimination of discrimination in the workplace and careers contained a series of planned activities in

the interests of the “black community,” which do not contradict the ideal of racial democracy, reports anthropologist Peter Fry (2000). Likewise, I found out through ethnographic research that the innumerable training workshops devoted to lessen racial prejudice in employment agencies and workplaces do not question the core values of the racial democracy because they do not focus on positive discrimination of racial groups. Rather, they aim to *conscienticize* people on racial discrimination and prejudicial conditions that have important consequences for workplaces.

The question of what to do when harsher race inequities or veiled forms of racism happen at the higher status and professional positions, and yet remain invisible, still remains unanswered. Likewise, more research is needed on how the new technological and organizational management systems that were introduced in Brazilian workplaces during the 1980s—the so-called “lost decade” because of the number of jobs lost mainly in large industries—affected the black population. Why some companies such as CPFL that I explored during my field research, which had gone through re-structuring and privatization processes and which claim now to be socially responsible, have recently gotten involved in diversity and affirmative action programs, is a question in need of a reliable answer that has not yet been worked out.

Affirmative action as a distributive policy for groups historically discriminated against entails a series of paradoxes in the context of the precepts set by the 1988 Brazilian Constitution. Thus, while the Constitution recognizes the mandate for public institutions and private enterprises to reserve a certain percentage for people with disabilities, it does not do the same with other minority groups which include women, indigenous peoples and Afro-descendants. Such political achievement by people with disabilities is taken by black activists, though not always with success, as a case in point to justify the legitimacy of a quota system for black people. The case of *Geração XXI* shows that referring to global policy resources in order to institute the first

affirmative action programs for black youngsters in the Brazilian private sector may be more effective than referring to the precepts recognized by the Brazilian 1988 Constitution. Thus, activists and policymakers prioritize global codes and norms in order to make the case for diversity in the private sector acceptable, given that the race issue enjoys low credibility and support in Brazilian society as a social problem in need of public policy intervention.

When companies frame the race issue globally, for instance, when affirmative action programs emerge tightly coupled with BSR practices, diversity and affirmative action may institutionally (symbolically) legitimize the organization vis-à-vis the international community and Brazilian public opinion and, when they are successful, organizations can create new things based on their own experiences. On the other hand, policy coercion and persuasion at the corporate level may keep diversity and affirmative action policies from turning into a real, long-run, socio-economic possibility for the Afro-Brazilian population.

I use the terms mimetic practices and management fads to show the ways in which diversity and affirmative action policies are put into play in transnational and Brazilian corporations that are going through transitional situations. That is, how are global policies (norms, codes, and standards) coercively implemented or how do they persuasively influence private enterprises and public institutions, given that the programs are generally voluntary in nature rather than legally binding—acting sometimes in addition to national social agendas, while other times overlapping already existing public policies—and have been given neither the authority nor the means to enforce regulations?

To some managers who sympathize with the race cause, the social responsibility metaphor creates a sense of comfort that helps them publicly legitimize the diversity and affirmative action programs they have suddenly gotten involved in

without full conviction. This sense of relative comfort, although very often devoid of social criticism, renders the possibility of questioning for the first time, inside the workplace, the overwhelming Brazilian belief of the myth of racial democracy. The BSR voluntary character, rather than being legally binding, moreover, allows occasionally for some degree of *tropicalization* (adaptation to the Brazilian context) of global-diversity management procedures. On the other hand, the benefits of diversity and affirmative actions that are tightly coupled with BSR ideals are rather limited, for when BSR targets isolated groups from the external community, the actions are restricted to a very small number of people.

Global ethnography, as it has been framed mainly by Michael Burawoy, allows for a contingent analysis of global forces and processes. Thus, I have tried to *ethnographize* the different dimensions of Brazilian diversity and affirmative action policies as they get articulated, once these are exported from Northern headquarters to their Southern subsidiaries in the context of a globalizing world economy.

The government relationship with enterprises has undergone significant changes under the current liberal democratic regime. Companies now see the government as either a partner in social programs or as a client in business operations. *Integrare* needs the government in order to increase the business volume of the small enterprises associated with the organization. *Geledés* aims to influence public policy through BankBoston and *Fundação Palmares*. IBM uses the government as a client to expand digital literacy and open-sources and services. At the same time, the intensification of the business rationale for global-diversity management coincides with a time, the beginning of the 1990s, when the Brazilian federal government began to invest heavily in education and *computeracy*. This business expansion converges with Brazil's economic opening and re-democratization from the end of the 1980s onwards, a strong citizenship movement, and a nation-wide plan to reform public

higher education so the country can avail itself of a “human capital” pool that allows economic growth to happen. This new situation produces new dialectics between business and knowledge, on the one hand, and social rights and class inequalities, on the other hand, in the context of the current expansion of global businesses and transnational networks in Brazil. The danger of corporations getting too powerful by influencing public policy and declaring the state failed is all pervasive.

When “goals” do not mean a fixed number in any strong sense, they can be a more welcome instrument in Brazilian enterprises than “quotas,” which imply the fulfillment of racial and gender percentages in a given period of time. For instance, it is very common that enterprises set goals as follows: “Between 2003 and 2013 we will *significantly* increase the number of blacks occupying management positions.” *Significantly*, here, in the last instance, acts as a quota though ambiguously reified. It communicates a purpose and creates an expectation, yet leaves an empty space for relaxation and negotiation. A *goal approach* to affirmative action, therefore, might fit Brazilian institutions better, given the negative attitude expressed by human resource managers and others towards racial classification and the quota system. The *goal’s* imprecise meaning may smooth radical disagreement with affirmative action policies. It is a way of addressing the race issue without hard racial classification and rigid quota systems. In the end, racial discrimination is not present everywhere and at every moment, but it is pervasive. Still, it is important to recognize that a goal approach to affirmative action, when too vague, may diminish the effectiveness of reducing racial inequality, and for that reason, many militants of the black movement reject what it is known as “soft affirmative action.” On the other hand, the danger of leaving out *pardos*, showing explicit preference for darker skin candidates who would not, under any circumstance, declare themselves as white, is all pervasive when hard affirmative action applies.

The relationship between corporate headquarters and their Brazilian subsidiaries is a complex one. Bank of America (or BankBoston) and IBM are clear examples that the globalization of their business structures has meant more direct intervention of the headquarters in their subsidiaries, as Brazil is identified now by these corporations as a growing emerging market. As transnational corporations globalize their business operations, they also export social policies such as BSR, “valuing diversity,” and affirmative action, among others. This form of corporate intervention in the corporations’ Southern branches opens new possibilities for historically excluded and vulnerable groups, albeit limited, as Burawoy et al. (2000) would put it when defining how the “transnational social” operates. Very often, the transnational social creates expectations, particularly among NGOs, communities, and activist networks, which are not fulfilled in the long run.

Contending interpretations over what social responsibility should mean, whether the company should implement a diversity approach to the workplace, and whether affirmative action policies are legitimate or not, become objects of public disagreements, particularly among Brazilian managers and executives who believe that because the Brazilian social reality is different, Brazilian enterprises should not adopt U.S.-style “global-diversity management.” So-called “race experts,” including consultants, black activists, and a variety of professionals now specializing in “valuing diversity,” face frustration and difficulties in mobilizing the business community for the anti-racist cause. In the BSR context, enforcement of global norms and codes become more “a matter of discreet persuasion...or of public embarrassment through the media” (Meintjes 2000: 92, in Williams et al. 2000). Sometimes global standards are duplicative of existing laws. For instance, many BSR indicators such as those under the indicator “internal public,” as well as specific ILO conventions, would easily fall under the Labor Legal Code, or *Consolidação das Leis Trabalhistas* (CLT).

Thus, the “transnational social,” acting through both virtual and face-to-face global connections, has the capacity to produce “parallel policy universes,” even when national legal frameworks on the issue have existed for quite some time. On the other hand, the social responsibility metaphor sometimes creates a sense of comfort and acceptability that makes it credible for Brazilian managers to promote a pro-diversity culture in the workplace.

The disjuncture separating the corporation from the foundation and the workplace from the community where the company operates can be an important obstacle for diversity and affirmative action policies to be implemented in the workplace. When this separation persists, external partners of enterprise-sponsored social programs, mainly NGOs, feel very frustrated with the fact that the actions implemented outside of the workplace do not get expanded inside the workplace. IBM seems to be more coherent in that regard than BankBoston, even though in both cases diversity and affirmative action initiatives came upon headquarters’ influence and coercion. As a social responsibility executive from IBM claimed, “If you do not respect the individual, by having programs, health care, social benefits, listening, taking standards seriously, etc., for the people that are inside the company, how it is that you are going to help the community? You need first to have responsibility with your own body, your employees, so you may be responsible with the community.” The difficulties of sustaining a “good company” public image in the long run exist and can even damage the bottom line in those cynical cases whereby social actions in the community disparately mismatch labor practices in the workplace. On the other hand, NGOs are dependant on the resources and technical support that only transnational corporations can offer.

Both the “HR syndrome” and the “charity syndrome,” as *Integrare*’s leaders put it, prevent diversity and affirmative action policies from spreading across company

departments. Once a sort of “valuing diversity” initiative is accepted by the corporation, it is first adjudicated to the department of human resources; consequently, the other areas either do not get to know about the initiative or can simply ignore it without anything happening. When affirmative action is conceived by the organization as charity, managers tend to treat its beneficiaries as inferior people, and the affirmative action program as temporary, as the story shows that was told by the small entrepreneur who benefited from a contract with an American multinational through *Integrare’s* mediation but was not even received by the supply manager. The two “syndromes” seem to happen even in those companies identified in the marketplace as “best practices” regarding diversity and affirmative action policies among Brazilian business organizations.

In the context of economic growth, the paradox that “human capital” may mean both a neoliberal policy and a welfare policy challenges important elements of the Brazilian Neocolonial socio-racial structure, particularly the way that the division of labor derived from such a structure has prevented historically discriminated against groups to reach knowledge-demanding positions in the labor market. However, as Hanselbag and Valle Silva show, the reduction of educational inequality as a natural consequence of the expansion of the Brazilian public education system has not shrunk the racial inequality gap very much. Thus, race and gender inequities in the workplace persist despite the fact that white women show a higher educational level than white men, and black women have more years of schooling than black men. Racial discrimination is more pervasive at the higher levels of the organizational hierarchies. Education is, therefore, only a partial solution to the problem of racial discrimination.

An important challenge for the anthropological analysis of policy is to explore how institutions address the multiple conflicts emerging from economic, social, and ecological demands, and the incompatibilities resulting from integrating business and

social rationalities. Anthropologists, by using ethnographic methods such as global ethnography and a wide range of participatory methodologies, can and should approach the multiple dimensions through which global/public policy hybrids get articulated, going beyond either restricted culturalist or Marxist identity and discourse analysis. The contingent alignment of social issues with core policy and management strategies influence in significant ways how managers, executives, and consultants learn about themselves and act on the workplace and the surrounding communities.

DiversityInc's decision to launch a series of volumes on global diversity-management for the first time in the history of the magazine makes it clear that the diversity issue has become a "must do" outside the United States for some major U.S. corporations. In particular, managing diversity in Brazil appears to be intimately related to the current Brazilian economic growth. Thus, arguments establishing a direct relationship between "valuing diversity" and increasing economic domestic growth and business profitability abound as much in the international press as in the Brazilian corporate world. Nevertheless, managing diversity may mean a competitive advantage and a disadvantage for businesses depending on the kind of goals the company pursues. That is why some companies invest more in diversity than it is required by the federal government or by global norms and codes, while others do not invest at all. Therefore, a public policy framework and a socially conscious commitment are both needed for fair diversity and affirmative action to proliferate in private enterprises, putting aside economic growth and profit making arguments, particularly in Brazil, a society that claims to have no racial prejudice in spite of disparate racial inequities.

Although studies of different kinds have approached diversity from a broader meaning as a mechanism that opens opportunities to groups previously excluded, diversity also helps private enterprises become financially successful. What causes this

relationship continues without answer. Education, paradoxically, in the context of economic growth and increasing business profitability, may mean both a neoliberal policy and a welfare policy. However, for Blacks, education does not always imply upward social mobility, and that, precisely, is the point of having affirmative action policies. Carlos Hasenbalg e Nelson do Valle Silva (1978 & 1985) showed that “discrimination against the non-whites seems to increase as the general position at professions also enhances” and that “wage inequality worsens the higher the educational and professional degree.” Again, here is the same discussion as in SP at the beginning of the twentieth century.

It is not clear what kind of relationships the abovementioned companies hold among themselves: A bunch of progressive companies? A random cluster of U.S. and European multinationals? A scattered group of racially conscious Brazilian enterprises? A web-like network of managers sharing information? Still, despite the differences in the ways the policies began and in the disparate characteristics that these companies have, all of them ended up adopting very similar programs about the same time. Thus, in some cases such as BankBoston and the multinationals that replicated *Geração XXI*, the institutionalization of diversity and affirmative action programs seem to be more related to the adoption of “loosely coupled arrays of standardized elements” (Powell and DiMaggio 1991: 14). Here, “management fads” or “best practices” rely on effortless translatable procedures which allow multinationals to exchange programs in the short term. The ethnographic examples also show that other motivations, unlike the personal recognition of the existence of racism, account for the proliferation of affirmative actions in the private sector. On the other hand, some companies, mostly Brazilian ones such as Fersol, have gotten involved in radical local projects that envision combating unfair discriminatory recruitment practices, respecting their black workers, consumers, and clients, improving work/family life,

and recovering their surrounding communities. The marketing potential and the cross-institutional capacity of replication of easily replicable global diversity initiatives, nonetheless, strikingly contrasts with the difficulties that workplace experiences of radical social transformation have to multiply beyond company walls.

Managers increasingly learn from non-conventional sources of knowledge such as NGOs, on-line think tanks, international workshops, virtual bosses, among others, and are thereby more willing to embrace globalized tools and codes. Nonetheless, in most cases, the hibridity and interchangeability of practices between institutions do not develop into social collective consciousness, at least concerning diversity and affirmative action initiatives. “Race experts,” including consultants, black activists, and a variety of professionals specializing in diversity management, face frustration and difficulties in mobilizing the business community for the anti-racist cause.

Thus, global policy persuasion and invitation, as in the ethnographic examples, emerge in the absence of both the explicit recognition of the existence of racism by Brazilian society and clear public policy frameworks and enforcement mechanisms. This situation explains somehow the rapid proliferation in the last decade of diversity and affirmative action policies in the Brazilian private sector in a context lacking both a legal framework that encourages companies to implement these policies and a grounded anti-racist consciousness. Therefore, the policy-networks emerging around diversity and affirmative action activities are likely to be more ad hoc, sporadic and uncertainty-driven rather than a direct consequence of the rise of a consciousness of racial discrimination in Brazilian workplaces or of government policy-making. This means that transnational corporations in Brazil have plenty of room for global policy-making disengaged from both government blueprints and civil society pressures.

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