

RULING CLASSES AND DEPENDENCY IN TWO BACKLAND COMMUNITIES OF NORTHEAST BRAZIL

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Studies of communities have generally neglected the impact of outside forces and have instead focused on the internal distribution of power. Analysis has focused on the identification of power holders within the community, often neglecting the question of to what extent power is allocated by the local political economy, and thereby ignoring that decisions may well come from outside. This paper will examine these concerns as they relate to my investigation of two communities in Northeast Brazil.¹ First we shall examine the setting of the study and historical patterns of rule, next identify those who rule, and finally analyze ruling-class perspectives on the question of dependency.

The Setting: Historical Patterns of Rule

The Brazilian Northeast, including the two communities upon which we focus attention, is an area with a history of problems. A cursory review of the prolific literature on the region reveals some of these problems. In politics, for example, one finds excessive personalism and lust for power, extreme concentration of executive power, ineffective legislatures and political parties, corruption and inefficiency of governmental bureaucracies and the misuse of public funds and facilities, widespread disregard and evasion of the law among privileged groups, denial and abuse of individual rights, fraudulent elections, military intervention. Characteristic of economics, one notes profitable exploitation through monoculturative or monoextractive enterprises, dependence on foreign markets and financial interests, inadequate communication and transportation, low productivity, low per capita income, unequal distribution of income, monopolization of markets, unskilled labor, concentration in

land ownership, unemployment and underemployment, and a lack of technological implementation. Added to these problems are physical conditions such as recurrent cycles of droughts and floods, depleted forest resources, low natural fertility, and shallow soils. Combined, these problems are obvious manifestations of the region's underdevelopment.²

Euclides da Cunha's classic, *Rebellion in the Backlands* (1944), motivated me to consider a study of the Northeast. In this work he describes the heroic resistance of the backland community of Canudos during the siege of 1896 and 1897. Canudos rested in the heart of the Northeast hinterland, to the southeast and not far from the São Francisco River which divides the states of Bahia and Pernambuco where the cities of Juazeiro and Petrolina are located. These cities are the focus of the present paper.

Other considerations governed the selection of these two communities. First was their location in the drought-prone hinterland; there problems of underdevelopment were partially conditioned by severe climate. Second was their geographical proximity, being contiguous and yet different administrative units (politically defined as municipalities); they were especially interesting because they were separated by a state boundary and a river. Such a situation allowed for examination of dependent relations, especially community interactions and interrelations as well as tensions between internal local and outside public and private forces. Third, the communities were located at considerable distance from Brasília, the national capital, and they were also distant from Recife and Salvador, the state capitals; each had fifty to sixty thousand inhabitants; and each had an urban center and substantial rural political and economic influence. Fourth, the two communities were considered to be poles of development, where the geographical location and the human and physical resource base offered some prospect for economic progress.³

Identifying the Rulers

Our study reveals two kinds of dependency. On the one hand, Juazeiro is a city dominated by a paternalistic bureaucracy whose recent history of political dissensus has resulted in increased dependency on the outside world and in capitalist underdevelopment internally. On the other, Petrolina is dominated by patriarchy with power recently consolidated

within a single family, resulting in a break with dependency on the neighboring community but in closer dependent ties with the outside world as well as in capitalist development internally. Thus, dependency persists as a condition in both towns. Dependency combined with divisions in the ruling classes has led to underdevelopment in one case; dependency combined with a cohesive ruling order has led to development in the other.

Initially this study focused on power structure in line with the observation that "the main impulse for much Latin American research is concern over a tightly knit ruling clique" (Rabinowitz, 1968: 120). Analysts of community power have been interested in questions about who governs and who rules. Some relate their findings about who governs to some conception of democracy, usually using the United States or England as their model of democracy (Robert Dahl's work exemplifies this tendency). Others are concerned with who rules and conclude that communities are usually dominated by a small number of persons, for example business leaders (Floyd Hunter, 1953). These studies provoked the well-known debate among social scientists which tended to dichotomize the conception of power as elitist or pluralist oriented.

Let us summarize some assumptions about who rules. Karl Marx viewed every society beyond the most primitive as characterized by a ruling class and one or more subject classes. The dominant position of this ruling class was based on its possession of the major means of economic production and of political power. In this tradition of Marx, Latin American social scientists tend to use the term *dominant class*. This terminology suggests rulers and exploiters, on the one hand, and ruled and exploited, on the other. My own conception of ruling or dominant class does not refer necessarily to a monolithic ruling class, but to a class of varied interests which tends to become cohesive. I view *class* as an economic term and *rule* as a political term, thus agreeing with the assumption that a ruling class is an economic class that rules politically (Nichols, 1972: 35-69). Such a class shares common interests. Its power may be concentrated, with decisive control over such resources as expertise, status, or wealth. Usually its monopolization of power is intimately related to capitalism; it dominates the economy through control over corporations and financial institutions. Further, it may dominate the government because it occupies key positions at the executive center of the state. It controls the national media and finances

the electoral process. Through its reliance on capitalism, the ruling class in Latin America may be dependent on foreign capital; its interests may be internationally oriented and unrelated to national ideals of autonomy, self-determination, and domestic development.

Francine Rabinowitz (1968: 121) argues that interpretations about community power "have little importance unless they elucidate some larger theory of community politics or some aspect of the policy output process." With attention directed to dependency, the present essay attempts to move in this direction; dependency and community power are intricately related.

Rabinowitz adds that focus on the city as a unit of analysis may cause problems. She notes that several investigators have found that they must necessarily include the surrounding rural area as well as the urban center of a municipality. Such has been the case in my own study since the behavior of influentials and the destiny of resources in rural areas affect the municipalities. This fact has further importance in that it suggests the possibility of some linkage between rulers in the countryside and in the cities. Backland Juazeiro and Petrolina are sometimes characterized as traditionally feudal or semifeudal in contrast to the modernizing cities along the Brazilian coast; or the incipient capitalist development within the urban centers of the two municipalities is contrasted with the backward rural life. Some conservative and also some radical analysis would proclaim the existence of a dual society, arguing that while the cities are developing, rural areas remain underdeveloped, a condition which will be corrected when the capitalism of urban areas is diffused to the backward rural areas. The work of Jacques Lambert (1959), the French geographer, illustrates this theory. He identified two Brazilian societies: "The dual economy and the dual social structure which accompanies it are neither new nor characteristically Brazilian—they exist in all unequally developed countries."

Rabinowitz (1968: 117) also raises another point. Community studies in Latin America have relied primarily upon the use of reputational and positional techniques in the identification of community leaders. She argues that "there seems to be no built-in technique for identifying the role of forces which operate to set limits on decisions in communities, and whose influence is represented neither in public issues nor in the reputation or participation of individuals." This concern has been of particular importance in our study, and our broad conception of ruling class takes into consideration not simply those who govern through

elected or appointed position but also those who overtly or latently are identifiable as part of the tightly knit ruling order through their influence in the economy, social status, or wealth and class position.

We shall now examine my own approaches to identification of the ruling classes in Juazeiro and Petrolina. An initial phase of investigation, undertaken during the summer of 1969, attempted to study the power structure of the two communities along traditional lines of inquiry. A panel of judges was selected. In Juazeiro this panel comprised the head of a local development center; a prominent physician; a state deputy and former councilman; the head of a regional agency through which federal funds were allocated for projects; the municipal director of schools; a merchant and former mayor; a priest; and an engineer. In Petrolina the panel comprised a former mayor and engineer; a councilman and farmer; a former councilman, member of the opposition, and owner of a large pharmacy; the mayor; a social worker; a soils engineer; the two editors of local newspapers, who were former councilmen; the director of the radio station; and the director of the educational foundation. Interviews were exploratory, and respondents were asked to identify five leaders in each of the following areas: business-financial-commercial; professional; political; high social status. They also identified the five most influential persons in the neighboring community.

Synthesizing the information from these interviews, a list of prominent persons was prepared. Added to this list were some persons whose prominence was evident in newspapers read over a ten-year period. For example, the names of past councilmen and mayors were added where they had not been identified by the panels. This list was used later in another set of interviews, conducted with persons who had received a minimum of four votes totalled from all the categories mentioned above. The selection of persons for the second set of interviews was checked by a series of new questions.

The second set of interviews was conducted by asking each respondent to name the most important person in each community. Then the respondent selected ten names of persons from our list of roughly fifty names who would be acceptable to a majority of residents in the community if there were a project that necessitated a decision by a group of leaders. The respondent also revealed persons on the list who were involved on committees in which they were also members. The respondent was asked to name persons from whom counsel would be sought. Then the respondent was requested to state his/her relationship with each

person on the list and to give an opinion of each person's involvement in the community. Finally, the respondent discussed his/her role in twelve decisions relating to community effort to resolve problems during the past decade (hydroelectric power, a paved road, rural electrification, sewage, river transport, schools, popular housing for the poor, water treatment, health assistance, water supply, a university branch). The degree of decision-making involvement was coded as was the relationship to other persons on the list, and votes were counted. Then results were compared with the respondents identified by the reputational panels as constituting the power structure of the communities. Those who fell unto the upper echelon of this power structure, but who had not been previously contacted, were then interviewed.

A total of 39 persons were interviewed, 23 in Juazeiro and 16 in Petrolina. The implications of this phase of the study will be discussed elsewhere. Different approaches result in different selections of rulers whether they be leaders, decision makers, influentials, knowledgeable, and the like. Results from the various approaches showed an overlapping of names and a matrix of persons who constituted a ruling power structure. There were two echelons of persons, one being a tightly knit clique and the other a close grouping of important persons—a secondary level of ruling leaders, influentials, and so on.⁴

Having exhaustively investigated the structure of power in the two communities, I turned to a second phase of investigation and administered another questionnaire, this time not only to the 39 persons already interviewed but also to all the names on the lists developed with the assistance of the reputational panels. This list was refined in the light of our results, some names being deleted and others added. Since the field work for this second phase was carried out in 1971, it was also necessary to add names of persons who since mid-1969 appeared to have established themselves firmly in the ruling class of the communities (for example, a fairly inconspicuous lawyer in 1969 had become a state deputy two years later). In addition, I included the names of all persons on the executive committees of political parties and all mayors in office since 1945. Altogether the list constituted 120 persons, 66 from Juazeiro and 54 from Petrolina. All were interviewed except two from Petrolina.⁵ These persons constituted the ruling or dominant classes in the communities. Their political background was impressive. Forty were on executive committees of political parties, 46 were former or present council persons, 15 were former or present mayors or vice-mayors, 7

were former or present state deputies, and 1 had served as federal deputy.

Most respondents resided in the two communities, although 4 lived in Recife and 7 in Salvador where they served as political representatives or coordinated the commercial affairs of their family business. Of the 118 respondents, only 12 were women, including one state deputy from Bahia, one councilwoman from Petrolina, and six teachers or school directors. Only 4 persons lacked any education, while one-third of the total had attended primary school and another third had reached the university. This level of education was remarkably high in comparison to other Brazilian communities and especially so in the hinterland.

Another indication of class position was in principal occupation: 42 were retailers, 31 professionals (doctors, lawyers, engineers, professors), 31 bureaucrats (usually agency heads at local, state, and federal levels), while 6 were ranchers or farmers, 4 clerics (including two bishops), 2 industrialists, and 1 military police. Based on a review of jobs held since leaving school, it was determined that 70 respondents were upwardly mobile while only 3 suffered some loss of job status over the years. A rough assessment of career orientation was attempted, revealing that 36 respondents combined business with political activity and 15 combined their professional vocation with politics, while another 9 were involved primarily in politics.

There were other indications of the importance of the respondents in this study. Not all were wealthy or even considered themselves to be so, although they lived comfortably. Three-fifths earned close to \$5,000 annually, a figure based on salary acknowledged for income tax (probably did not reflect real income, but I consider the reported data to be relative to unreported income). Only 13 respondents earned more than \$15,000 annually, and all of these were in the first echelon of the power structure identified in phase one of the study (there was a direct correlation between each echelon and level of reported income). When asked questions about their social class position, 5 respondents acknowledged that they were "rich" and 28 that they were "poor," while the others felt they were "modestly average." Fifteen affirmed they were "upper class," 101 "middle class," and 1 "lower class." A quite different question revealed that nearly half thought of themselves as members of the "proletariat" while only 1 considered himself a member of the "upper bourgeoisie"; this may have been a reaction to the pejorative connotation of the word *bourgeoisie* in many parts of Latin America.

The activity of these respondents in civic and voluntary organizations was substantial. Some 95 percent were active in one or more organizations, and more than half were associated with five or more organizations. Three-fifths of the total had held a leadership position in one or more of these organizations during the past five years.

The Question of Dependency

Over the past decade a new perspective of development and underdevelopment has emerged. Known as "dependency theory," this perspective views the economy of certain nations as conditioned by their relationship to another economy which is dominant and capable of expanding and developing. The interdependence of such economies assumes contrasting forms of dominance and dependence. Dependent nations develop as a reflection of the expansion of dominant nations or "underdevelop" as a consequence of their subjective relationship (for a full discussion of dependency see Dos Santos, 1968: 6). A further elaboration of dependency which relates to our focus on ruling classes has been suggested by Sunkel (1972: 519):

... the concept of *dependencia* links the postwar evolution of capitalism internationally to the discriminatory nature of the local process of development, as we know it. Access to the means and benefits of development is selective; rather than spreading them, the process tends to ensure a self-reinforcing accumulation of privilege for special groups as well as the continued existence of a marginal class.

The present study assumes that dependency does indeed tend to ensure ruling classes "a self-reinforcing accumulation of privileges," but that the prospects for development or underdevelopment differ from community to community. As such, these ruling classes would have a vested interest in the world outside their communities. They might carry out certain functions on behalf of interests at the state, national, or foreign levels. In return they might be assured of a continued privileged and increasingly dominant and hegemonic position within their own community.

While these classes remain dominant locally, they and their communities become dependent on outside activities. For example, as suppliers of local materials to national or foreign enterprise, they in turn might expand and thrive as a consequence of the relationship. We asked respondents about their contacts with business. Eighty percent had some

contact, including 34 who acknowledged frequent dealings with businessmen at the state and national levels. Eleven of these also conducted affairs with foreign firms, and a quick check reveals that all were identifiable in the upper echelon of community power structure. Another example can be noted. Bureaucrats—technical, managerial, and professional personnel—also might become dependent on the expanding role of state and national bureaucracies, especially when one of the primary functions of a state or nation is to stimulate private enterprise. Since most private enterprise in Brazil is dominated by foreign interests, bureaucracies might become dependent on those interests. Then too the interests, privileges, and actions of local bureaucrats might not only be derived from ties to foreign private capital but also to foreign aid distributed through banks and agencies. We asked respondents about contacts with governmental agencies. Nearly 70 percent had worked with state and federal agencies, including 7 persons who had dealt with foreign agencies. Again, we note that these seven were part of the upper echelon of the ruling classes. When asked why they supported contacts with business and government, two-fifths of all the respondents replied that these contacts brought improvements and recognition to the communities, while another fourth felt that contacts enhanced their own business.

Given these relationships, it seemed appropriate to ask the 118 interviewees a series of ten questions about the implications of dependency in their communities. These questions were designed to probe attitudes about the relationship of local industrialization and commercial activities to the outside world. Traditionally, Juazeiro with its proximity to Salvador, was the commercial hub of this part of the interior. Industrialization consisted of a tanning factory which processed hides brought from the interior and down the São Francisco. Another tanning factory had failed, while other factories in the community had shut down due to an economic decline and lack of state and federal assistance. In contrast, commercial activities in Petrolina had picked up in recent years, and a complex of industries based on vegetable oils, grains, and other agricultural products had been constructed by the Coêlho family. In addition, there was in recent years considerable interest by outside investors (national and foreign) to combine their capital with that of ruling families of the region. Thus our questions were directed to respondents at a time when awareness of relationships with the outside was high.

Questions focused on conspicuous problems which any community might experience in the face of outside control and penetration of local

FIGURE 1

ACTIVITY DETRIMENTAL TO LOCAL DEVELOPMENT

	RESPONSE		TYPE OF DEPENDENCE						
	Yes	No (%) N=118	Don't Know	Neigh. City	Neigh. State	Nat. Govt. (Frequency of Response)	Other Part Country	Outside Country	Other
1. Outside control over local economy	14.4	67.8	17.8	0	1	3	5	2	7
2. Outside control of production	35.6	46.6	17.8	0	0	2	13	1	26
3. Outside control of marketing and distribution	36.4	44.9	18.7	1	0	2	14	4	21
4. Outside control of patents and licenses	10.2	64.4	25.4	0	0	4	2	2	4
5. Competitive advantage over local firms	18.6	63.6	17.8	1	2	0	11	4	4
6. Outflow of capital, profits	25.4	57.6	17.0	0	0	0	10	5	15
7. Export local products creating local scarcity	6.8	76.3	16.9	0	1	0	5	0	2
8. Outside technology causing unemployment	12.7	71.2	16.1	0	0	2	3	3	7
9. Imports of domestic goods	39.0	42.4	18.6	0	0	1	20	5	18
10. Outside managerial class	31.4	50.8	17.8	0	1	19	0	1	15

economies. Some problems concerned outside influence over the local economy through direct ownership and control over production, marketing and distribution, and related considerations. In Brazil it has not been unusual for foreign corporations to buy out national industry. This has not been the case in Juazeiro and Petrolina, however. Nor has there been much intervention by domestic corporations into the local economy. Data in Figure 1 reflect these facts. Respondents were generally unaware of or insensitive to the issues of outside influence which we were examining.

Respondents were asked, first, to assess the impact of outside control over the local economy. Only 14.4 percent acknowledged this as a problem, and those who did tended to attribute it to a variety of causes. One person stated flatly that the problem was due to "foreign capital unknown to the government." Several felt that it was the consequence of federal pricing and wage policies, while another believed that banking activities had caused an inequality. In general their responses were vague and imprecise.

Their understanding of the degree of outside control over local production was somewhat sophisticated. More than a third acknowledged that such control was detrimental to the community. Half of these persons traced the problem to dominance of the central and southern regions of the country. Frequently mentioned were government controls on markets of some agricultural products: onions, for example, were grown in abundance in the São Francisco Valley, yet the government allowed São Paulo distributors to import onions from abroad. Respondents viewed this and other discriminatory practices with alarm: "Control should be internal," "strangulation," "They don't relate to the people," "it's an indication that we do not control what is ours," "initiative is taken from us," "what happens here is a reflection of the control over all producing regions."

On the issue of outside control over marketing and distribution, over a third of respondents felt this to be a problem. They reasoned that there should be some internal control over the local area: "The monopoly is in the hands of persons outside the community," exclaimed one person; "beware of foreign interests," warned another.

We also asked them about outside control of patents and licenses. Only a small percentage of respondents were aware of any problem; these were industrialists and others who relied heavily on outside technology. One person mentioned the difficulties of obtaining licenses to

export and import products. Another attributed the problem to “the bureaucracy.” Others had only “read about the problem.”

We inquired about the effect of favoring outside firms over local firms, this being apparent among large-scale industries, especially foreign enterprise and monopolies in Brazil. Nearly a fifth of respondents recognized this problem in their communities. Understanding the cause of the problem was not clear. Price, market influences, and devaluation of currency were mentioned. Only one person referred to large outside firms. In short, there was a problem but nobody could articulate how it affected the communities.

Another concern, especially of Brazilian nationalists, has been the outflow of capital. One-fourth of those interviewed in Juazeiro and Petrolina affirmed that the flow of capital and profits to areas outside their communities was indeed a problem. As with previous questions, elaboration on the problem was brief, and understanding of its causes vague. They simply affirmed that “the money should remain” or “there is no local control.” Identifiable causes of the outflow of capital included the sports lottery which “controlled from the south of the country is provoking the impoverishment of the population in all its social classes”; “investments from the south”; and “withdrawals by private banks.”

Dependency theorists sometimes refer to adaptation of a local economy to outside dominant economies in order that specialized exports can be supplied at disadvantageous prices. Respondents were asked if this was a problem and, if so, did it limit the market and availability of local products within the communities. Only a small number related to this problem. One person felt that “they export the best and leave the worst for the city.” Few respondents referred to any specific products.

In many countries domestic markets are restricted by unemployment—the consequence of introduction of advanced, capital-intensive technology, without regard to size or composition of the local labor market. Brazil is no exception to this practice, and nearly one in eight respondents acknowledged this problem in Juazeiro and Petrolina. Only one respondent seemed able to grasp the problem: “Outsiders should be taught to agree with conditions here.” Others, while recognizing the problem, affirmed that technology was necessary no matter what the impact on local labor.

Most underdeveloped countries lack a domestic goods industry, resulting in increased dependence on imports. Two-fifths of the interviewees in Juazeiro and Petrolina agreed with this proposition. They

tended to condemn industrial areas of São Paulo and Rio as well as foreign countries like the United States for creating and perpetuating this condition. They felt that "our economy has been strangled," "income has diminished," "private enterprise lacks freedom," "the possibility of growth has lessened." The need for importing goods from outside the communities was viewed as a sensitive issue. Of all the questions asked about dependency, there especially was understanding and interpretation of this one.

Finally, there was a question about the impact of an outside managerial class undercutting local initiative in economic development. A third of respondents agreed that this problem existed. Those from Juazeiro understood the problem in terms of government selection of outside persons to run local agencies. Some Petrolina respondents, while recognizing this as a problem, also objected to the presence of any foreigners in the community.

Let us review our findings and discuss their implications. First, Juazeiro and Petrolina are examples of communities whose dependence on the outside world has affected internal development and underdevelopment. Historical experience has demonstrated this fact, and the ruling classes in the two communities have confirmed that dependency has indeed had its impact.

Second, we have found that the upper echelon of power holders in these communities is more aware of the implications of dependency than those who represent lower levels of power. The large majority of the 39 persons we identified in this upper echelon easily recognized the problems of dependency which we probed in interviews with the universe of 118 persons. Many of them were able to offer in-depth perspectives of the problems and their impact on the communities. Their awareness was attributable to their deep involvement in the everyday affairs of the political economies. They ran large industries, farms, and cattle ranches; they were the large retailers, the exporters and importers; they were dependent on the banks and the government for credit; they even sometimes joined with outside investors to promote new enterprise. Further, they were the high officials in the communities; they came in contact with politicians at the state and federal levels. They were also highly educated, and could relate to the problems that modern capitalism creates for less developed parts of the world.

Third, among persons interviewed who could not identify with problems of dependency, in most instances they were unable to judge if a particular issue was detrimental or beneficial. They were unsophisti-

cated about the relationship of their community to the outside world. Longtime residents in the isolated backlands, they remained parochial in their understanding of their community's problems. Frequently these persons believed that dependency was a consequence of local causes. Workers were lazy or administrators inefficient, they argued; local authorities might be able to establish autonomy for the communities.

Fourth, while different patterns of dependency had evolved in each community, the ruling classes in Juazeiro and Petrolina shared common understandings of dependency. Figure 1 reveals that in response to ten questions only 2 persons attributed the cause of dependency to the neighboring city and only 7 to the neighboring state. Rulers in both communities related to the dominance of the industrialized south, while a secondary concern related to the dominance of foreign nations. Only in response to one question about outside administrative personnel did Juazeiro respondents, in particular, express preoccupation with the national government.

Finally, while nearly all respondents acknowledged that dependency was a reality in their communities, they offered different perspectives on the importance of such dependency. A minority seemed to be agreeing with one major interpretation in the literature on dependency (for a critical synthesis see Chilcote, 1974). Much of this literature has focused on the capitalist development of underdevelopment, a thesis illustrated with the case of Brazil and explicitly set forth in the early writing of André Gunder Frank (1967). According to this thesis today's Latin American countries were undeveloped, not underdeveloped, in their original state. Underdevelopment is the consequence of historical relations between underdeveloped satellites and the present developed metropolises. These satellite-metropolitan relationships, Frank argues, are found within countries as well as in the imperialist world. The development of satellites is precluded by their dependent status and only during times when their links to the metropolis are weakened, say during depression or world war, do they experience any significant growth. The minority of respondents in our study seemed to be saying that the capitalism of the outside world had limited their own advancement. They advocated autonomy and local control over their political economies as well as safeguards against outside private and public forces. These critics were not calling for an end to capitalism. They firmly believed in the premises of capitalism, and once rid of outside controls and pressures, they fully expected that they and their communities would prosper under a capitalist system.

The majority of respondents also firmly believed in capitalism. They were not much concerned about dependency. Their thinking relates to another thrust in the dependency literature, a line of argument in the writings of Brazilian sociologist Fernando Henrique Cardoso (1972). Cardoso argues that multinational corporations in Latin America comprise local and state capital, private national capital, and monopoly international investment. Thus monopoly capitalism and development are not contradictory terms, and dependent capitalist development has become a new form of monopolistic expansion in the Third World. This development is oriented to a restricted, limited, and upper class oriented type of market and society. At the same time, the amount of net foreign capital in dependent economies is decreasing. New foreign capital is not needed in some areas where there are local savings and reinvestment of profits in local markets; further, dependent economies during times of monopolistic imperialist expansion are exporting capital to dominant economies, Brazil being an example. The majority of respondents seemed to be affirming the reality of the Cardoso thesis. Dependency could be beneficial to their interests, and all the problems of dependency, including outside control of production, markets, and the like, would probably result in prosperity for themselves and in development for their communities, not underdevelopment.

The results of this study reveal different perspectives about dependency. They show that ruling classes in Juazeiro and Petrolina believe they are subject to both positive and negative influences and forces of capitalism. They provide empirical evidence revealing some contradictions with dependency theory. They help us understand that dependency is indeed a condition of the capitalist world, and that capitalism and dependency relate directly to the continuity and power of the ruling classes of backland communities in Northeast Brazil.

NOTES

1. A first phase of the research was carried out in Juazeiro and Petrolina along the São Francisco River, respectively in the states of Bahia and Pernambuco. This investigation consisted of identification of the power structure in each community, initial interviews with important leaders, influentials, and knowledgeable persons, and research into the historical background of the region. With a sabbatical leave from the University of California and a grant from the Organization of American States, a second phase was completed in March-June 1971. This work focused on a survey among high school seniors and semiprojective interviews with 11- to 13-year-old sons and daughters of members of the elite ruling classes. A final phase of research, supported by the Social Science Research Council, was initiated in July and completed by the end of the year. This phase concerned interviews of roughly three hours duration with 118 members of the ruling classes. The present paper focuses on some of the results from the interviews of this last phase.

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2. For a discussion of bureaucratic decision making in response to physical conditions of the dry Northeast, see Hirschman (1963: 11-91).
3. The concept of poles of development derives from the work of F. Perroux (1964). In relation to the Northeast the concept has been elaborated by Manuel Correia de Andrade (1967).
4. The methodological implications of my work are important and will be discussed in a related paper. Essentially I meticulously attempted to utilize a variety of approaches in order to identify the power structure with some confidence. Alone no single method is satisfactory. In this sense my work followed in the tradition of Presthus (1964:62) who in using the reputational and decisional methods of identifying community power concluded "that both methods had a great deal to contribute and that neither was unqualifiedly superior to the other."
5. Both persons were interviewed during phase one of the study. One had been appointed to a federal position in Brasilia and was separated from his wife, a member of a prominent family in Petrolina. I was unable to travel to Brasília to interview him. The other, an important industrialist, eventually refused to be interviewed.

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