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**Institutions and beliefs in the formation of a  
new nation: Brazil 1808-1847**

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Dissertation presented as a partial requirement to obtain the Master's degree in Economics by Universidade de Brasília

Universidade de Brasília – UnB

Faculdade de Administração, Contabilidade, Economia e Gestão de Políticas Públicas

Departamento de Economia

Supervisor: Bernardo Mueller

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# Resumo

Esta dissertação analisa o processo que levou à independência do Brasil em 1822 e o processo posterior de estabilização da nova nação. Analisamos este período a partir da perspectiva da literatura sobre coevolução entre instituições e cultura. Em particular, é construída uma narrativa analítica aplicando um arcabouço que enfatiza a interrelação entre instituições e crenças. A chegada da família real portuguesa em 1808 e as reformas subsequentes levaram à emergência da crença em um Brasil autônomo mas que mantinha laços formais com Portugal. A independência brasileira pode ser entendida como uma *critical transition* que aconteceu quando a crença da elite política brasileira em autonomia sem independência foi posta em xeque pelas ações da Corte portuguesa. Estas ações anti-brasileiras implicaram que as instituições vigentes não gerariam os resultados esperados e portanto uma mudança substancial, i.e. independência, era necessária. Mas, independentemente da mudança nas instituições políticas, o status quo econômico e social não mudaram um exemplo de quão persistentes são as instituições.

**Palavras-chave:** instituições. mudança institucional. crenças.





# Abstract

This dissertation analyzes the process that led to the independence of Brazil in 1822 and the posterior process of stabilization of the new nation. Our analysis is guided by the literature on the co-evolution between institutions and culture. In particular, we build an analytical narrative applying a framework that emphasizes the interrelation between institutions and beliefs. The arrival of the Portuguese royal family in 1808 and the subsequent reforms led to the emergence of the belief in an autonomous Brazil but that held formal links with Portugal. Brazilian independence can be understood as a critical transition that happened when the belief of the Brazilian political elite on autonomy without independence was put in check by the actions of the Portuguese Cortes. This implied that the institutions in place would not generate the expected outcomes and therefore a substantial change, i. e. independence, was necessary. But, regardless of the changes in the political institutions, the economic and social status quo did not change, an example of how stick institutions are.

**Keywords:** institutions. institutional change. beliefs.



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# Introduction

In the first decades of the 18<sup>th</sup> century, the former Iberian colonies in the American continent freed themselves from the colonial rule and formed new independent countries. But the path taken by these former colonies were completely different, while the former Spanish colony went through a process of balkanization and from the four distinct vice-royalties in which it was divided emerged seventeen different nations. In contrast, the former Portuguese America that by the time of independence was divided in eighteen captaincies general became a unique country, Brazil. (CARVALHO, 2003, pages 13-18) Moreover, while the countries that emerged from the former Spanish colony adopted republican governments, Brazil became a monarchy. Our goal here is to analyze this period of Brazilian history for understanding why Brazil took such a unique institutional path when compared with its neighboring countries.

In particular, we are going to use the framework developed by Alston et al. (2016) to build an analytical narrative analyzing the Brazilian transition from colony to an independent monarchy. This framework follows the recent literature about institutional evolution, focusing on the co-evolution between culture and institutions giving particular prominence for the role of beliefs in affecting institutional change. This framework is heavily influenced by Douglass North urge to integrate culture and beliefs into the analysis of institutional change and was inductively built by Alston and co-authors when analyzing recent Brazilian history (1964 - 2014). It emphasizes the role of beliefs and leadership in explaining the substantial institutional change, the so-called critical transitions; therefore, it is particularly appropriated as a lens for looking at the process of independence and institutional-making in a new nation.

An *analytical narrative* is defined by Bates et al. (1998) as "a case-oriented methodology for studying institutional development in historical context." So, it is a narrative because we must pay close attention to history and context. But it is also analytical because it applies a formal model or framework to discipline the explanation. Given the complexity of the world, we need a theory to guide us through all the events and enable us to identify the meaningful ones. Therefore an analytical narrative is by definition a historical work, but guided and constrained by a formal theory or framework. And this is what we intend to do here, to apply the framework in such a way that helps us to understand which were the key players and events that explain why Brazil could keep its territorial integrity and adopted a monarchic government.

As stressed by Alston et al. (2018) the impact of institutions and institutional changes are extremely specific and contextual. Therefore, throughout the building of the

narrative we do not have *smoking guns* or significant t-statistics that will prove our affirmations, but we expect to present enough circumstantial evidence that is consistent with our conclusions. And our main conclusion is that Brazil became a monarchy because the players that could affect institutions at that moment desired to keep the integrity of the territory and *believed* that a monarchy and the image of a king were necessary for this.

And this conclusion is in line with one of the main concepts in the main framework, that the beliefs of the dominant network<sup>1</sup> shape the institutional choices that they make, and therefore the institutions put in place in a given society.

Beyond being an analysis of a key moment in Brazilian history, this work also serves as a test for the framework in itself. Seeing how useful it is for understanding periods distinct from that on what it was inducted from. What we will see, is that even though it is indeed applicable some adjustments were necessary. First, we had to focus just on the political axis, because even though Brazil went through a considerable change in its political institutions, the economic and social status quo continued being the same. Moreover, it was necessary to incorporate the role of foreign relations for getting a better understanding of the institutional choices made on the period.

This master's dissertation proceeds as follows: in chapter 1 it's made a comprehensive review of the literature about institutions and institutional change. This chapter is divided into three parts. First, we review the basic concepts of Institutional and Organizational Analysis. In the second part, we review the mainstream view about institutional change, what we called *The Social Conflict view*, and the emerging literature that emphasize the relationship between culture and institutions. Beyond this introduction and the conclusion, this master's dissertation proceeds as follows: In chapter 2, we build the analytical narrative for the period from 1808 to 1847, divided in three parts, 1) 1808-1820, 2)1821-1830, and 3)1831-1847.

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<sup>1</sup> The political elite in (ACEMOGLU; JOHNSON; ROBINSON, 2005) terms.



# 1 Institutions and institutional change

”History matters. It matters not just because we can learn from the past, but because the present and the future are connected to the past by the continuity of a society’s institutions. Today’s and tomorrow’s choices are shaped by the past. And the past can only be made intelligible as a story of institutional evolution.” Douglas North<sup>1</sup>

Even though economists still cannot define how to make countries to develop, there is a consensus in the profession that Institutions are the main explanation of the comparative development between countries.(AOKI, 2007) Although there are skeptical as Jeffrey Sachs and Glaesar et al. (2004), examples such as the divergent economic performance of North and South Korea in the second part of the 20<sup>th</sup> century, or the failure of Socialism make difficult to deny the central role of institutions in determining the economic performance of a society.

It is undeniable that the study of institutions has shed light in many issues that Neoclassical theory by itself could not answer, but there are some questions that continues to be elusive to us.<sup>2</sup> For example, why some societies fail to adapt to exogenous shock and decay? Or why do poor countries don’t just adopt *good* institutions, and how and why institutions change over time? We still do not have definitive answers to these questions because we do not have a widely accepted(and convincing) theory of institutional change.

Although we still do not have such theory, there is a growing body of literature about this issue. In the same way that Institutional Economics departed from Neoclassical economics by incorporating transactions costs into the analysis, to study institutional change we must relax some assumptions such as the rationality hypothesis, and incorporate another concepts into our analysis, such as *path dependence*, *non-ergodicity*, and *beliefs*.

## 1.1 The building blocks of Institutional and Organizational Analysis

Before discussing the proposed extensions, it is necessary to define and clarify what are the basic concepts of Institutional and Organizational Analysis(IOA).These building blocks

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<sup>1</sup> NORTH, D. C. N. *Institutions, Institutional Change and Economic Performance*. [S.l.]: Cambridge University Press, 1990. ISBN 9789004310087.

<sup>2</sup> Parts 1 and 2 from Alston et al. (2018) is a good introduction to many of the knowledge generated by Institutional and Organizational Analysis.

are institutions, norms, and organizations. Institutions are "the humanly devised constraints that shape human interaction,"<sup>3</sup> and they are created to diminish the uncertainty inherent in human interaction. (NORTH, 2005) By defining what is mandatory or expected and the enforcement rules, institutions make up the incentive structure of a society and therefore defines its political and economic performance. Following Alston et al. (2018), and departing from North, I will reserve the term institutions for the formal rules and use *norms* when discussing the informal constraints.<sup>4</sup>

Institutions are the formal rules of a society, devised and enforced by recognized entities. In our modern society, this entity usually is the State and some organization related to any of their branches. In contrast, norms are not devised by anybody, but are rules of behavior and its enforcement characteristics that *emerge* through repeated interaction. Norms tend to be society-specific, reflecting the history and ideological basis of the society. Moreover, norms may affect how people react to the formal rules, explaining why the same institutions when put in different societies may create different outcomes. See for example, the implementation of Constitutions in the former Spanish and Portuguese colonies in the Americas in the 19<sup>th</sup> century. Although inspired by the American constitution, the social reality in these societies were different from those of the former thirteen colonies, and therefore the outcomes differed too. This implies that formal rules that are too far from the customs of a society may create unexpected outcomes, or just be ignored. Therefore, it is not a surprise that many formal rules are codification of previous existing norms, and that many exist just in paper but not in reality.

Institutions exist in different levels, and goes from structuring the interaction of organizations in a society to the internal rules of an organization.<sup>5</sup> For this work, what matters are the society-level institution, those regulating the interactions between individuals or organizations, and the constitutional-level institutions, the *meta-institutions* that defines when, how, and by who institutions can be created and changed.

An organization consists of a group of people bound together pursuing a mix of common and individual goals by coordinated action. (ALSTON et al., 2018, pg. 16) Organizations can be political, economic, or social and their specific form is determined by the opportunity-set created by the institutional structure<sup>6</sup> of a society. Although organizations are created as an answer to current institutions, they are not passive. If an organization perceives an opportunity that can be exploited only by changing the institutions, they will try to affect and change the institutions. And the reverse is also true, if they see that some institutional reform would be detrimental to their interest, they will

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<sup>3</sup> Ibid., pg. 3

<sup>4</sup> The definitions discussed in this section are all based in Alston et al. (2018), unless noted in contrary.

<sup>5</sup> For a more complete discussion about this, see Alston et al. (2018, pgs. 35 - 41)

<sup>6</sup> I use institutional structure and institutional framework as interchangeable names, both meaning the combination of formal rules, norms, and their enforcement characteristics.

try to block these changes.<sup>7</sup>

North, Wallis e Weingast (2009) distinguishes between adherent and contractual organizations. *Adherent* organizations must be self-enforcing because there is not a third party enforcing the agreements reached by the members. This implies that in every moment of time it must be incentive-compatible, i.e., it must be in the self interest of all members to act as agreed. Any group that deals with illegal operations, from criminal to revolutionary, is an adherent group, and therefore must have built-in mechanisms to ensure cooperation and rule-following behavior by its members. *Contractual* organizations combine incentive-compatible agreement between the members with third-party enforcement of contracts. Any non-familiar firm is an example of this type of organization. At the same time that it must build a contract that solve or at least alleviates the agency-problem, it also can solve problems with suppliers or employees through the Judicial System, and, at least in developed societies, to have a reasonable expectation that any judicial decision will be enforced by the State.(NORTH; WALLIS; WEINGAST, 2009)

Summing up the previous discussion, institutions and norms form the incentive structure of the society. The impact of institutions are dependent on the norms and customs of a society, although they also can affect the norms that will emerge. Organizations emerge as an answer to the institutions framework and are the major players in institutional change. Using these concepts, we are ready to move on and discuss the issues related to the evolution of institutions.<sup>8</sup>

## 1.2 Institutional change

As previously noted, one of the main questions in IOA is why societies fail to adopt the *correct*<sup>9</sup> institutions for growth and development. If institutions rule as a cause of development<sup>10</sup>, and underdeveloped countries can observe the institutions that exist in developed world, why do not they use these countries as role models and reform their institutions? Moreover, why societies that in a given moment had institutions compatible with development failed to adapt to changes in external conditions and shrink?

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<sup>7</sup> Institutional change is the central theme of this work, and therefore it is better discussed below.

<sup>8</sup> For a more complete and classic discussion of institutions and organizations see North (1990, chapters 1 and 9)

<sup>9</sup> It is hard to define what would be the *correct* institutions, but North, Wallis e Weingast (2009) notes that the actual developed countries are *Open Societies*, i.e., societies with open access to the formation of organizations and with widespread impersonal social relationships. (ACEMOGLU; ROBINSON, 2013) and (ALSTON et al., 2016) reinforce the notion that political openness is a necessary condition to long-term positive economic performance. I believe that the economic and political development of China in the 21<sup>th</sup> century will be a good test for this proposition.

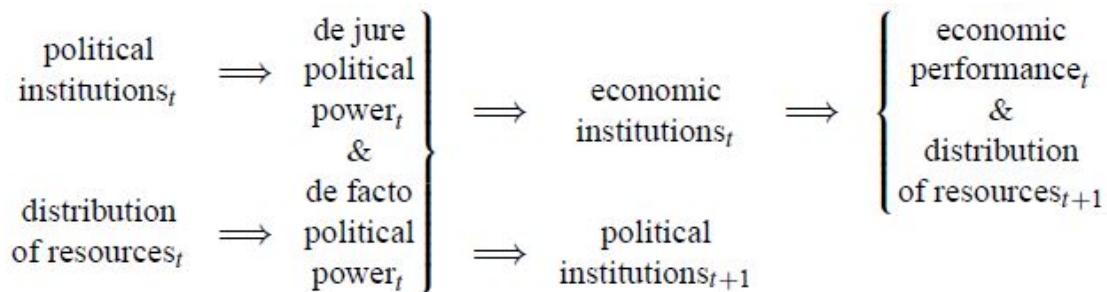
<sup>10</sup> There is a great amount of empirical evidence in this direction. See for example, Acemoglu, Robinson e Johnson (2001) and (RODRIK; SUBRAMANIAN; TREBBI, 2004)

### 1.2.1 The Social Conflict view

The most accepted answer to these questions is the offered by [Acemoglu, Johnson e Robinson \(2004\)](#), the so-called *Social Conflict* view. For these authors institutional change takes place only if these changes are in the self-interest of those with enough political power to affect institutions.

[Acemoglu, Johnson e Robinson \(2004\)](#) distinguish between economic and political institutions. Economic institutions shapes the economic incentives of the society, therefore influencing investments and the organization of production This implies that the economic institutions determine the economic outcomes and the distribution of economic resources. Political institutions define *de jure* political power, i.e., those who formally can create and change the formal rules. But more things affect the distribution of political power than the political institutions. For example, the ability to solve the collective action problem is also a source of *de facto* political power. A power that is not given by the institutional framework, but that an organization gains by its ability to mobilize and coordinate its members. The inequality in resources also affect *de facto* political power, by the simple fact that any undertake take costs and the more resources an organization has, the more it can invest in seeking its goal.

Figure 1 – AJR’s dynamic framework



Economic institutions are put in place by those with political power. The individual preferences over economic institutions are heterogeneous, because they determine the allocation of resources, and therefore different combination of economic rules will benefit different groups. If there are groups with substantial *de facto* political power, but without *de jure*, they will seek to institutionalize their actual political power.<sup>11</sup> This process is schematically shown in the figure 1.

In the initial moment  $t$  the political equilibrium is defined by the combination of *de jure* political power, the allocation of resources, and the coordination ability of different organizations. The political elite defined by this equilibrium, i.e., those with real power to affect the formal rules, determines the economic institutions that are put in place and

<sup>11</sup> They seek to do this because *de facto* political power is more volatile than *de jure*.

also the political institutions in  $t_{+1}$ . These economic institutions will define the economic performance and also the distribution of resources in the next period.

The main implication of AJR's framework is that institutional change will happen only when some groups with sufficient political power see a possible change as advantageous, and the losers are incapable of blocking the change.<sup>12</sup> Moreover, given that the resources inequality affects the distribution of *de facto* political power, the elites will block any economic reform that they expect to affect negatively their access to political power.<sup>13</sup>

The concepts and the framework discussed so far explain much. But there are some questions that it cannot answer. For example, why some societies fail to reform even when in the interest of their elites?([IYIGUN; RUBIN, 2017](#)) Or, given that the relation between Institutions and Outcomes is not direct, because the norms will affect how people react to the formal rules<sup>14</sup>, how much political elites really can know about the impact of institutions that they put in place? And if they cannot know for sure, how do they choose institutions to be implemented? To analyze these questions there is a literature that goes beyond the basic tenets of IOA and incorporate the role of culture in institutional performance and evolution.

### 1.2.2 Culture and its relationship with Institutions

Culture is an elusive concept and it seems that almost any author that discuss culture has its own definition. For this work I follow [Alston et al. \(2018\)](#) that define culture as "a set of beliefs, values, and preferences, capable of affecting behavior, that are socially transmitted and that are shared by a subset of society." This combination of beliefs, values, and preferences emerge through an adaptive process of accumulating solutions to previous faced problems, and evolves and survive through inter-generational transfer.([NORTH, 2005](#)) Culture is such an important concept that there are two research programs, not strictly related, that are worth mentioning. Economists are focusing on studying the relationship between institutions and culture, and in the field of Anthropology the focus is on *Cultural Evolution* and cultural-genetic co-evolution<sup>15</sup>. But why should economists care about culture, and how could culture affect institutions?

One of the channels through which culture can affect institutions is by affecting the institutions that are put in place by a specific society. For example, [Alesina, Glaeser e Sacerdote \(2001\)](#) analyze the causes of the difference between the American and European

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<sup>12</sup> Another possibility is that those adversely affected by the change perceives it as the minor evil. See for example, the discussion about "Why the West extend the franchise" in [Acemoglu e Robinson \(2000\)](#)

<sup>13</sup> [Acemoglu e Robinson \(2013, chapter 8\)](#) is full of examples of political elite blocking economic reforms that would improve the society's economy, but maybe diminish their political power in the process.

<sup>14</sup> [NORTH, D. C. N. \*Institutions, Institutional Change and Economic Performance\*. \[S.l.\]: Cambridge University Press, 1990. ISBN 9789004310087.](#)

<sup>15</sup> A good introduction to Cultural-genetic co-evolution is [Henrich \(2015\)](#)

welfare systems and conclude that the main cause is that the majority of the population believes that the redistribution favors racial minorities, and that if someone is poor, is due to their own fault. Fischer ( apud ALESINA; GIULIANO, 2015, pages 916-917), documents as the culture brought by four migration waves of the initial settlers (Puritans, Cavaliers, Quakers, and the Scottish-Irish) in the United States, lead to the creation of very different institutions, reflecting their cultural heritage. But the main example of culture affecting institutions is the comparative analysis of the Maghrib and Genoese traders made by Greif (1994), where he finds that although facing the same trade opportunities and with the same technology, each group developed distinct institutions to make long-range trade possible. And the adoption of different institutions is explained by their distinct cultures. The Maghribi were from a Jewish-Muslim background, with a collectivist *cultural belief*<sup>16</sup> what led to a "collectivist society with and economic self-enforcing collective punishment," with "an in-group social communication network." In contrast, the Genoese with their Christian background and an individualistic cultural belief, had to resort to contractual relationships, backed by "formal legal and political enforcement." This lead to the development of an "extensive legal system for registration and enforcement of contracts," and the creation of permanent courts. Institutional innovations never employed by the Maghribi.

The above examples show that the cultural background of a society affects its institutional organization. This already hints that to ask "Why society x does not adopt the institutions used by society y?" may be a mistake, because the current institutions reflect not just the interest of the elites but also the cultural heritage of that society. Nevertheless, the direction of causation is not only from culture to institutions. There are evidences that institutions or specific events have long-term effects in culture and beliefs. For example, Alesina, Giuliano e Nunn (2013) find statistical evidence of how the usage of the plough in traditional agriculture have affected contemporary beliefs about gender equality. Nunn e Wantchekon (2011) find evidence of a negative relationship between trust in others and how much one's ethnic group suffered from slavery in the past. Moreover, (ALESINA; FUCHS-SCHUNDELN, 2005) finds evidence that living under Communism affected people's preference, for example, decreasing their level of trust. This implies that there is a bi-directional feedback relationship between culture and institution. Therefore, it is counter-productive, and maybe impossible, to try to understand institutional evolution in a given society without making reference to its history and culture.

Alesina e Giuliano (2015) survey a great part of the literature about the relationship between culture and institutions and concludes that the most promising line of research is the one that "recognize and embrace a two-way effect" between culture

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<sup>16</sup> Greif defines cultural beliefs as "the ideas and thoughts common to several individuals that govern interaction-between these people, and between them, their gods, and other groups-and differ from knowledge in that they are not empirically discovered or analytically proved."

and institutions.<sup>17</sup> In this perspective, culture and norms influence the institutions that are put in place, but the institutional landscape leads to the emergence of new customs and defines which beliefs and values will survive and be transmitted to next generations. Moreover, if we consider that culture and institutions co-evolve, we must consider the possibility of "multiple stable equilibria with different sets of self-enforcing institutions and cultural norms."(ALESINA; GIULIANO, 2015, p. 916) This possibility of multiple equilibria implies that "the same institutions may function differently in different cultures, but culture may evolve in differing ways depending on the type of institutions."(ALESINA; GIULIANO, 2015, p. 938)

Institutions are a link between past, present, and the future, but they are also strongly affected by culture. Given that a society's culture is defined by their historical experiences, path dependence will be a widespread phenomena. Therefore, focusing in the co-evolution of a society's culture and institutions through history it's necessary for enhancing our historical understanding, and for grasping the real difficulties related to institutional change. That's why in the historical part of this work we strive to go beyond just to define what were the organizations with political power, but also try to define which were their beliefs and how these beliefs affected the institutional landscape and the outcomes generated by the institutions put in place.<sup>18</sup>

The main framework utilized in this work takes seriously the idea of co-evolution between institutions and culture. Following North (2005), it is built using *beliefs* as a key element in explaining institutional choice and change. But, before delving into this framework, we are going to review some related literature that consider the role of beliefs(or ideas) as the explanations for some historical events.

### The role of beliefs in historical understanding

It is undeniable that people react to incentives and therefore institutions matters. But, as emphasized by Henrich (2015), we are a cultural species and also have preferences for status and peer respect. Therefore, the social perception of an occupation affects the institutional treatment dispensed to it and who enters that occupation. And this in the heart of McCloskey's critique of New Institutional Economics as being "Samuelsonian", i.e., treating institutions and norms just as incentives. She calls for a more subtle consideration of social relations. McCloskey (2017) attacks the idea that institutions were the cause of Industrial Revolution, or the "Great Enrichment" as she calls it , emphasizing instead the role of ideas. She defends that just when entrepreneurship and commerce became acceptable and honorable the human were capable to escape from the Malthusian

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<sup>17</sup> They define culture as the combination of beliefs and values.

<sup>18</sup> A relevant idea developed by Bisin e Verdier (2017) is that the effect of new institutions are dependent on the emergence of supporting cultural traits.

trap. Because now the gains of trade, that every economist emphasize, became realizable and even ethical.<sup>19</sup>

Joel Mokyr also defends the role of ideas in explaining the "Great Enrichment", as he stresses that the Baconian idea of *useful knowledge* is part of the explanation behind the technological advancement that marked the Industrial Revolution. His point is not that institutions were irrelevant, but that they were more a necessary than a sufficient condition for the Industrial Revolution and the posterior economic development of a crescent part of the world. (MOKYR, 2007) But the main reference about the role of beliefs in understanding institutional change is North (2005).

North emphasizes the role of belief systems in guiding our actions, and in particular the institutional choice. For North, even if we accept the *social conflict* perspective, we must consider beliefs of the elites, because the institutional structure of a society is the external representation of the belief system of those with enough political power to affect institutions. This implies that we must understand the "cultural heritage of a society" and "the belief structure underlying the existing institutions" before making any proposal about institutional change. And was by taking seriously the ideas developed by North that Alston et al. (2016) developed the framework that we will discuss now.

## 1.3 An analytical framework for understanding institutional change

In this work we use the framework developed by Alston et al. (2016) to guide our analysis of Brazilian history. It is an example of the works in Economics that uses culture to explain institutional evolution and performance. In particular, although this framework have many components that interact to create a dynamical "theory", its special element is how the beliefs of the relevant players<sup>20</sup> shape the institutional choices that they make, and therefore the institutions put in place in a given society. In this section I will first present each of the elements of the framework, and after this I combine them and discuss the framework's dynamic.

### 1.3.1 The Elements

The individuals elements of the framework are: Dominant Network, Leadership, Windows of Opportunity, and Beliefs.

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<sup>19</sup> A good introduction to McCloskey's ideias is Boudreaux (2014).

<sup>20</sup> The political elite in AJR therms



## The dominant network

The dominant network of a society is the group of organizations and individuals that have *de facto* political power, i.e., those who really can affect and change institutions. It is important to note that different organizations inside the dominant network may have contrasting preferences and would prefer different institutions, therefore the specific institutional landscape is determined by the relative power of those in the elite. (ALSTON et al., 2016)

In the same way that the leader of an organization must solve the agency problem, the main members of a dominant network must deal with the problem of internal coordination. This implies that the coalition must have rents that are compliance incentive compatible, i.e., the network must be an *adherent* organization. It is also necessary that the organizations outside the dominant network see the actual situation as the best feasible situation. This does not imply that they like the current institutions, just that they do not believe that a positive change is possible.

Although the organizations in the dominant network have preferences about the world, what matters for institutional change are their beliefs about how the world works. It is their beliefs about how institutions affect political and economic outcomes that matter, because it is through these beliefs that they determine which institutions would better suit their interest. Therefore, we must discuss better what we mean by *beliefs*.

## Beliefs

As stressed by North (2005) "the *reality* of a political-economic system is never known to anyone," therefore humans create mental models to deal with reality. Given that we have an imperfect perception of reality and we live in a non-ergodic world, there is no tendency toward perfect mental models. These mental models, are both positive and normative, i.e., a mental model is composed of beliefs about how the world is and how it should be.

(ALSTON et al., 2016) focus on positive beliefs, and in particular what they call *core beliefs*.<sup>21</sup> Core beliefs are beliefs about how institutions affect political and economic outcomes. In almost no moment of time all the members of a given society will have the same beliefs, but what matter for us are the beliefs of those with enough power to affect institutions, because it's their beliefs that will guide institutional change. (NORTH, 2005, p. 2) (ALSTON et al., 2016, pgs. 227 - 232) Nevertheless, the beliefs of population at large can work as an additional constraint to the feasible institutional choice-set for the elites. And in societies with binding constitutions, courts or previous institutions may also work as a constraint, or at least as barrier to be overcome, and popular pressure can affect the composition of the dominant network. (ALSTON, 2017)<sup>22</sup>

<sup>21</sup> In the remaining of the text everywhere I speak about beliefs, I am thinking about core beliefs.

<sup>22</sup> It is implicit in this argument that the beliefs of the elite are at least compatible with a society's

Beliefs are highly contextual, therefore the dominant network in different societies may have different beliefs. For the framework, it is not really important what is the origin of the dominant beliefs, but how they change or are reinforced. This is better analyzed when we discuss the dynamic aspect of the framework. By now we just state that beliefs get reinforced when they generate the expected outcomes, and therefore can be seen as a good approximation of reality. Moreover, if the the outcomes generated are good for skeptical groups, they may be convinced of the necessity of the current institution and the soundness of the current beliefs.

### Windows of Opportunity

Institutions are put in place to structure human interaction and diminish the uncertainty of human environment. (NORTH, 2005) Moreover, the organizations existent or at least those in the dominant network, have stakes in the current society's institutional arrangement. Therefore, it is not surprise that institutions rarely goes through dramatic changes. But there are moments when the formal rules of a country does change, in such a dramatic way that even affect the political and economic trajectory of that society. This process of change is called a *Critical Transition*, and the (not so) rare moments when this process can begin are called *Windows of Opportunity*.

"Windows of opportunity are historical occasions when there is a chance to change the trajectory of a country's economic and political outcomes by changing beliefs and institutions." (ALSTON et al., 2016, pg. 223) These are the moments when there is some problem of coordination inside the dominant network, or some sock causes a change in the composition of the network or in the dominant beliefs. These moments can be caused by many factors such as:

- There are unexpected rents gains to be seized, or the rental stream falls short of the expected by some of the organizations in the dominant network. Regardless of the cause, the coalition becomes a non-adherent organization.
- Some political or economic shock changes the configuration of the dominant network, therefore changing the political equilibrium inside the dominant network.
- Beliefs of some members of the network change, due to a considerable change in political or economic outcomes, or because of an external event.
- Pure political entrepreneurship. Some individual or organization may have such gains to realize in a possible institutional change that they would make the necessary effort to create a window of opportunity.

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culture, because they are important in determining the observed outcomes. And rules without any relationship to the society's culture would generate unexpected, and maybe undesired, outcomes.

A window of opportunity may be caused by any of these motives, a combination of them, or even a cause not considered above. The point is that it is a moment where a process that will engender profound changes in the society's political and economical trajectory, and involves a substantial change in the dominant beliefs begins. It is just the starting point of a change. Many windows of opportunity go unrealized or are just partially exploited.<sup>23</sup> In many moments, the full exploitation of a window of opportunity makes necessary the coordination of a new dominant coalition, and many times it is necessary the action of a leader, or some, to solve the collective action problem and form a new dominant network with a correspondent new dominant belief system.

## Leadership

To emphasize the role of *leadership* in a theory of institutional change is not to adopt a "big man" perspective of history, but to recognize that "certain individuals at certain moments in a country's history make a difference because of their actions."(ALSTON et al., 2016, pg. 233) Many times, these actions are key in initiating institutional and beliefs change, or in deepening new beliefs and institutions. The leadership in a given window of opportunity may be exercised by an individual, but usually this role is played by a group of individuals, each showing different attributes, such as: cognition, coordination, adaptability, and moral authority. (ALSTON, 2017)

- Cognition can be divided in two aspects:
  1. The leader(s) must perceive that a change is possible, i.e., she must be aware of the window of opportunity.
  2. She must know how to take advantage of the situation, i.e., have a set of institutional change that she believes that will enhance the situation of the members of the (new) dominant network.
- Coordination is the capability to make the relevant players to follow the leader's ideas. It is necessary to create coordination between the (possible) new elite, creating a situation where the majority is compelled to act in the same direction, therefore avoiding the collective-action problem.
- Adaptability is the capability and willingness to react to downstream consequences, usually using political or economical side-payments to keep the coalition. It is the ability to keep the coalition, even when there realized rental stream diverge from the expected.
- Moral authority gives the leader legitimacy, enhancing his persuasion power and can help in the coordination effort.

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<sup>23</sup> "Revolutions are never so revolutionary as desired."(NORTH, 1990)

The main role of leaders is to perceive the window of opportunity and to coordinate a network of organizations with an alternative belief system, and direct them through the process of institutional and belief deepening. This process is better discussed in the next section where we focus in the dynamic aspect of the framework.

### International relations

One additional aspect necessary for understanding the period analyzed is the role that Great Britain had in many of the institutional choices of the period. As it will be made clear throughout the historical narrative, it is impossible to think about this period without considering the pressure and influence exercised by England over Portugal and Brazil in different moments.

[Tamayo \(2014\)](#) used this framework for understanding Ecuador development and also found necessary to consider the influence of the great power of the moment, United States in Ecuador's case. So this may be a hint that when analyzing the institutional evolution in countries in development, it is mandatory to consider the possible influence of powerful foreign countries that can affect the balance of power in minor countries, and therefore influence the politic and economic choices that are made.

### 1.3.2 The dynamics

Above we discussed the main elements of the framework, now we discuss how we use them to understand and interpret reality. This discussion is divided in two parts, first we define and discuss "autopilot," i.e., the situation in the majority of time when there is just marginal changes to institutions. The other concept is the "Critical Transition," those rare moments when profound institutional change is observed, these are moments when the institutional change is such, that the society's political and/or economical trajectory are affected.

#### Autopilot

One remarkable, but not surprisingly, characteristic of institutions is how stable they are. In most of the time the institutional structure of a given society does not change, or change just marginally. This is not a surprise because the members of the dominant network realize gains that are possible due to the current institutions. Moreover, as noted by [North \(1990\)](#), there are incentives to rationalize the current organization of society, and creating theories to explain bad outcomes.<sup>24</sup> In these moments institutional change is only marginal, and in the direction of *deepening* the current structure, i.e., making

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<sup>24</sup> See for example how Nicolás Maduro always explain the bad outcomes in Venezuela making reference to some kind of sabotage or international conspiracy.

changes that favor the current elite and reinforcing the current situation. This is a society in institutional autopilot and the situation is depicted in figure 2. The absence of substantial changes in autopilot times does not imply that the majority of population and organizations in this society are happy with the actual outcomes. This just means that the rental stream is such that most of the organizations within the dominant network accepts this as the better deal that they can get now. The same is valid for the population at large. It is possible that there is much discontentment in the population, but they just accept the situation as being "how the world works."

It is useful to think see a society in autopilot as a society in a path-equilibrium. This meaning that the dominant beliefs are stable, showing just minor and sporadic changes, and the institutions show gradual changes. These marginal changes in beliefs and institutions do not affect the overall political and economic trajectory of the society. But if this were the whole story, we would still be stuck in the social organizations that emerged following the Neolithic Revolution,<sup>25</sup> and a framework about institutional change wouldn't be necessary. Therefore, let's turn our attention to those unusual moments where a society goes through substantial change in its dominant beliefs and consequently in its institutions.

### Critical Transitions

There are moments when due to an external or internal shock, the society moves out of its current equilibrium and a window of opportunity is open. As discussed above, these are moments when considerable changes in the dominant beliefs are possible, and when one of these opportunities is seized it's possible that a critical transition will begin. A Critical Transition is a process of significant institutional and belief change in a society, and if "completed" leads a society to a new political and economical equilibrium.<sup>26</sup>

If the shock to the system is sufficiently strong, the society moves out of the current equilibrium, at least temporary, and the dominant beliefs enter in check. Maybe some new organization gained *de jure* political power, or the rental stream fell short of expected by some organizations that comes to believe that a institutional change is more in their interest than the status quo. Whatever the reason, there is space for a new belief system to become the dominant one. If the new coalition seizes the power, new institutions are put in place reflecting the change in the dominant beliefs, and to institutionalize the new balance of political power. These changes can generate a *constitutional moment*, when there are changes in the constitutional level codifying the new belief system.

It is important to note that a critical transition is not an one-time event, but an

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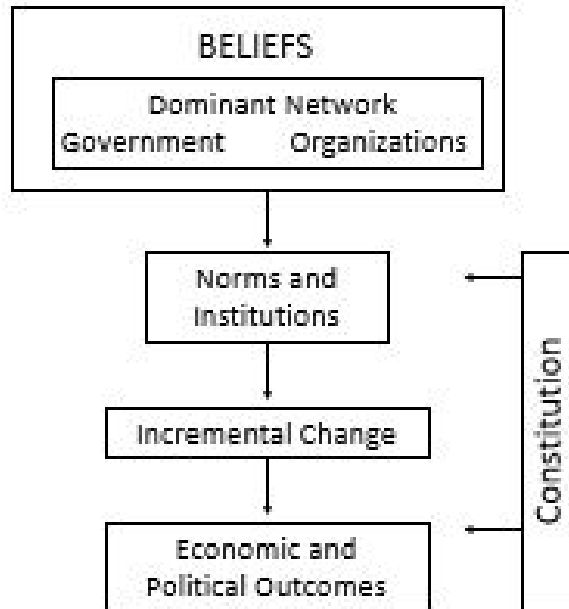
<sup>25</sup> And I wouldn't spending days worrying about an Economics dissertation.

<sup>26</sup> There is nothing to guarantee that this new equilibrium is *better* to the society at large. It is seen as better just for those members in the new dominant network.

iterative process that takes time, and usually involves the action of leaders, that works to spread a new dominant belief and solve the problem of collective action inside the new dominant network. Moreover, the coalition must be rent-incentive, therefore the outcomes must be within the expectation of the new elite. If the outcomes are close to the expected, the belief in them are reinforced and usually makes room for more institutional change. If this process of belief and institutional deepening is profound enough, the society moves to a new equilibrium, when it enters again in an autopilot but now with a new dominant belief.

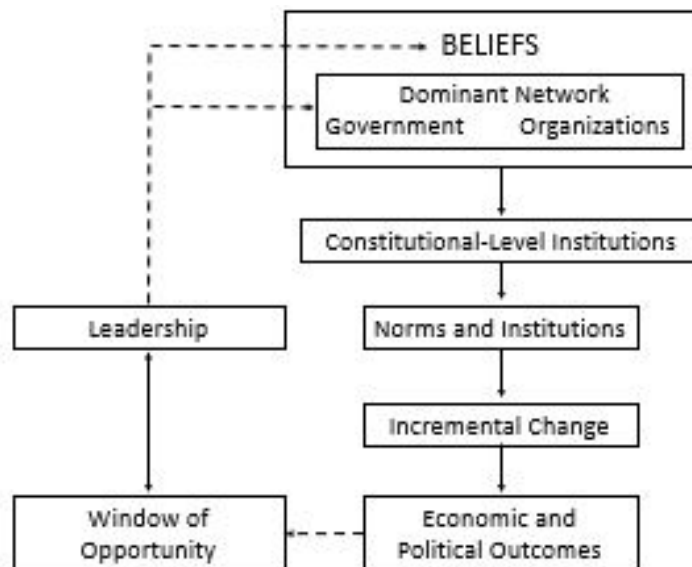
Figure 3 depicts a society going through a critical transition. The dotted lines show situations that may happen, but are not strictly necessary. The double direction in the arrow between *Leadership* and *Window of Opportunity* shows that usually leadership is necessary for a window of opportunity to be fully exploited and that a leader himself may create one. If a leader seizes the opportunity, the society goes through a change in the dominant belief, by changing the balance of power within the dominant network, changing the composition of the network or by a change in their beliefs. Regardless of the cause, the new dominant belief system is codified in a constitutional moment, and if the outcomes are within expectations, there is a process of institutional and belief deepening. If the process goes through sufficient iterations the society moves back to the world depicted in figure 2, but with a new dominant belief and probably with different economic and political characteristics.

Figure 2 – Institutional evolution in the Autopilot



Source: [Alston et al. \(2018\)](#)

Figure 3 – Institutions going through a Critical Transition



Source: [Alston et al. \(2018\)](#)

## 2 From Colony to a "Backward Parliamentary" Monarchy: 1808 - 1847

From now on, we delve deep into Brazilian history to construct a thick description of its institutional evolution. The goal is not to describe each and any event that happened throughout the period but to show the co-evolution between institutions and the core beliefs of the society. Here we apply the aforementioned framework to analyze the process of independence of Brazil and its subsequent institutional organization. As we discussed above, institutions tend to show path-dependence, therefore to understand the independence process we must first to have at least a rough idea of the situation in place when the process towards independence began. So, we begin by laying out what was the situation in Brazil in the final years of the the colonial period.

### 2.1 The late colonial period

#### 2.1.1 The Colonial pact

*Colonial pact* is a generic term used to describe the set of rules that a colonizer country used to regulate its relationship with the colonies. Even though the economic side of these rules tends to be emphasized, the colonial pact usually encompasses each and every aspect of the colony's organization, going from its foreign policy to its educational policies. Although each colonizing country had its own set of colonial policies, that were enforced with a varying degree of success, these policies were used to achieve two common goals shared by every colonizing country: To secure the colonial ties between the metropolis and colony and to maximize the economic gains that could be extracted from each colony. These goals reflected the underlying belief that the interests of the colonizing country had precedence over the interest of its colonies.

By the end of XIX century, the policies adopted by Portugal towards its American territory reflected not only the underlying colonial mentality but also the fact that Portugal's economic health relied heavily on the riches generated by the provinces of Brazil. In the commercial side, all Brazilian foreign commerce was directed by Portugal, i.e, Portugal was the entrepôt for all Brazilian imports and exports. Of course, there was contraband, given the value of the goods and the lack of capacity to police all the Brazilian coastal area. As an example of the effort put in place to guarantee Portugal's privilege in Brazilian commerce we reproduce below a decree issued in 18<sup>th</sup> century towards British merchants:



*”Como à Bahia e ao Rio de Janeiro concorressem navios ingleses que para o Brasil levavam mercadorias da Europa e da Índia e de lá tiravam muito ouro e tabaco, determinou-se, pelo Alvará de 8 de fevereiro de 1711, que os governadores das conquistas não admitissem nos portos delas navio algum inglês ou de qualquer outra nação estrangeira, a não ser que fossem incorporados nas frotas do reino e com elas voltassem, na forma dos tratados, ou quando entrassem abrigando-se de alguma tempestade ou falta de mantimentos.”*<sup>1</sup> (SIMONSEN, 2005, pg. 454)

The fact that this decree cites directly British ships is symptomatic, given that Great Britain had much influence over Portugal in this period. Therefore, this shows that Portugal was really concerned about the access of any foreign country to the Brazilian market and goods. The willingness to adopt such measures also reflect the huge gains that the Crown and the Portuguese people had with the Brazilian foreign commerce. Consider the maritime commerce, for example, the Portuguese ships gained from the freights, the custom houses gained with the Brazilian imports, and also with the re-exports of foreign manufactures to Brazil. (SIMONSEN, 2005)

Brazil was a supplier of tropical goods to the European market and of raw materials to Portuguese manufactures, of which Brazil should also be a consumer market. This is the rationale underlying most of the economic colonial policies, as exemplified by the draconian decree enacted by D. Maria I in 1785 prohibiting any manufacture effort in Brazil:

#### **Alvará de 5 de janeiro de 1785**

*”Eu a Rainha faço saber aos que este Alvará virem: Que sendo-me presente o grande número de Fábricas, e Manufaturas, que de alguns annos a esta parte se tem diffundido em diferentes Capitánias do Brasil, com grave prejuízo da Cultura, e da Lavoura, e da exploração das Terras Mineraes daquelle vasto Continente;[...] Hei por bem Ordenar, que todas as Fabricas, Manufaturas, ou Teares de Galões, de Tecidos, ou de Bordados de Ouro, e Prata: De Veludos, Brilhantes, Setins, Tafetás, ou de outra qualquer qualidade de Seda: De Belbutes, Chitas, Bombazinas, Fustões, ou de outra qualquer qualidade de fazenda de Algodão, ou de Linho, branca ,ou de cores: E de Pannos, Baetas, Droquetes, Saetas, ou de outra qualquer qualidade de Tecidos de Lã, ou os*

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<sup>1</sup> ”As to Bahia and Rio de Janeiro were traveling British ships which brought goods from Europe and India to Brazil, and from there drew much gold and tobacco, it was determined by the Decree of February 8, 1711, that the colony’s governors did not admit at their ports any English ships or from any other nation, unless they were incorporated in the fleets of the kingdom and returned with them in the form of treaties, or when they entering seeking refuge from some storm or lack of provisions.”

*ditos Tecidos serão fabricados de hum só dos referidos Generos, ou misturados, e tecidos huns com os outros; exceptuando tão sómente aquelles dos ditos Teares, e Manufacturas, em que se técem, ou manufacturão Fazendas grossas de Algodão, que servem para o uso, e vestuario dos Negros, Para enfar-dar, e empacotar Fazendas, e para outros Ministerios semelhantes; todas as mais serão extinctas, e abolidas em qualquer parte onde se acharem nos Meus Dominios do Brasil[...]*<sup>2</sup> - (NOVAIS, 1966)

These economic policies reflected the aforementioned goals of using the colony to enhance the Metropole's economic situation and to keep the colonial ties. But, as previously mentioned, the colonial policies were not restricted to the commercial and economic sphere. In Brazil, the existence of printing presses was not allowed and even the mere presence of foreigners was seen with distrust in the period. Even Brazilian educational policy was heavily restricted by Portugal, mass education was seen as undesired by the Metropole and no University or institution of higher learning was allowed in Brazil.

As there was no institution of higher learning in Brazil, any Brazilian that desired to get a degree had to go to the University of Coimbra; this was seen by the Crown as "one of the strongest link that keeps the colonies' dependency." (LACOMBE, 2003) As a side effect of this policy, the Brazilian intellectual elite acquired a similar training; this similarity was reinforced by the fact that most of them studied civil law. This, combined with the Portuguese policy that tried to accommodate the Brazilian elite by enabling their participation in the State bureaucracy<sup>3</sup>, led to the emergence of a homogeneous political elite, with similar ideological basis and experience in state affairs.<sup>4</sup> It is also important to note that a form of Brazilian national identity was another side effect of this necessity for studying in Coimbra, the common experience made this group create links between them and surpass or at least diminish the regionalism that existed in Brazil,

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<sup>2</sup> "I, the Queen, will make clear to everyone that sees this Decree: That coming to my knowledge the great number of factories and manufactures, that from some years have been installed in distinct Brazilian captaincies, with great lost to the agriculture, farming, and mineral exploration from that vast continent; [...] [I] decided to demand that any manufacture or loom, of woven, gold embroidery, silver; of velvet, brilliant, satins, taffetas, or any other quality of silk; of calicoes, bombazine, or any other quality of cotton fabric or linen, white or colored; or other wool fabrics, or the woven Fabrics be manufactured of just one of the aforesaid Kinds, or blended and woven with each other; with exception for those of such looms and manufactures which make rough cotton fabrics, that are use for clothing the Negroes, to package the farm products, or for similar uses; all the more be extinct, and abolished in any part of my Domains of Brazil[...]" Our translation

<sup>3</sup> HAMNETT, B. R. *Process and Pattern : A Re-examination of the Ibero-American Independence. Journal of Latin American Studies*, Cambridge University Press, v. 29, p. 279-328, 1977.

<sup>4</sup> Pang e Seckinger (1972) argue that this group of literates can be seen as the "Brazilian mandarins". Mandarins are defined as a group of political agents recruited and trained to exercise the role of administrating and unifying a country, forging a national ideology and justifying the continuation of the political and economic status quo. It seems to match the role played by Brazilian Coimbra-trained political elite during the process of Independence, even though this political elite emerged as a side effect of a colonial policy.

given the lack of political integration between the provinces. The homogeneity and new national perspective will have an important role in the idiosyncratic nature of Brazil's Independence and posterior form of government. (CARVALHO, 1982)

Brazilian export-oriented production system was based on slave labor, that by the end of the 18<sup>th</sup> century was mostly composed of black people brought from Africa. Slavery had such an acceptance in Brazil that even the Church and free black men had slaves.(SCHWARCZ; STARLING, 2018) Another key aspect of Brazil's internal organization in this period is that there was strong political autonomy between the provinces. This, in part, reflected a direct Portuguese colonial policy that sought to keep the ties between the provinces weak and encouraged direct communication with Lisbon. (LYRA, 1994) And the situation was not helped by geographical factors, such as the wind direction that made easier for the north of the territory com communicate with Portugal that with the colony's capital city at this moment, Salvador, or the difficulty of inland travels.(SKIDMORE, 1999, pgs. 12 - 13) As a consequence of these policies and the geographic factors, there were almost no political links between the provinces with each of them directing themselves, without any influence from the general government established in the capital.(CARVALHO, 1982)

Despite this lack of political integration, the same cannot be said about the economy. The mining industry stimulated the occupation of the interior of Brazil and the creation of access routes to the coastal cities. Moreover, livestock creation and cattle commerce created links between the main economic poles of Brazil: The sugar industry in the northeast and the mining industry in *Minas Gerais*. These economic links are important when analyzing why Portuguese America became a unique country and not many as the Spanish colonies. Take for example the case of *Rio Grande do Sul*, Carvalho (1982) argues that the main cause of why it did not secede from Brazil was their need of access to Brazilian internal market.<sup>5</sup>

Notwithstanding all the restrictive colonial policies, Brazil became vital to the economic health of the Portuguese Empire. At the beginning of the 19<sup>th</sup> century, 60.76% of the Empire exports came from Brazil, and just 27.43% from Portugal. Moreover, 83% of goods imported by Portugal came from Brazil.(RUSSELL-WOOD, 1987, pgs. 281 -282) Brazil had become the most important economic unit in the Empire, and in some way had already achieved a *de facto* economic autonomy.(SIMONSEN, 2005)

Summing up what we discussed up to here. Before the arrival of the Royal Family, there was no recognizable notion of Brazilian *national identity*, excepting for that group of students in Coimbra that by the common experience developed a similar ideology and started to surpass the strong regionalism present in Brazil. The most powerful

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<sup>5</sup> This need is exemplified by the fact that the desire for protection from foreign competitors would be one of the triggers for the major revolt that broke out in the 1830s.

group in Brazil was the big slave owners and slaveholders. These oligarchs used their economic power to nurture a close relationship with the Crown and amassed much local power.([SKIDMORE, 1999](#)) By this time, it was already clear that the Brazilian provinces did not need Portugal for economic survival, and maybe Portugal was already incapable of being the entrepôt that Brazil needed. Regardless of this, there were no clear signs in 1806 that the colonial ties between Portugal and colonial Brazil were in risk, possibly because of the lack of political integration between the provinces.([SIMONSEN, 2005](#)) Despite the lack of political links, there were economic links, at least thin ones, between some of the provinces, or how [Carvalho \(1982\)](#) puts it "the country was not an economic archipelago."

## 2.2 The arrival of the Royal Family; its institutional and cultural effects

Portugal, that had historically profited by keeping itself neutral during the recurring European wars of the period was in a different and fragile situation in 1806. The War between Great Britain and Napoleonic France was in its height; given the incapability of invading the British Isles, Napoleon decided to weaken its enemy by strangling its commerce, by closing all the European ports to any English ship. And by mid-1807 the only country with its ports still open to British ships was Portugal, that was working as the entry point of British goods to the European market. Realizing that the blockade would be effective only with the participation of Portugal, Napoleon issued an ultimatum demanding that the Portuguese aligned themselves with the rest of Continental Europe and also close their ports to English goods or it would be invaded. But not only was Portugal a long-time ally of Great Britain, as the regent prince knew that accepting French demands would probably imply the lost of Portugal's overseas domains. To complete this puzzle, the position of Great Britain was clear: If Portugal hold to the alliance, the British navy would provide protection to the Bragança dynasty and support a transatlantic migration, but if Portugal decided to side with France, the same Fleet that would give protection in case of a voyage to America would instead destroy the Portuguese fleet and probably seize Portugal's colonies.([BETHELL, 1970](#), p. 8)

We have discussed before how important was Brazil to Portugal's financial health, therefore the possibility of losing this territory probably was seen as catastrophic by the prince regent. But, regardless of what drove the final decision in November 1807, the Royal family and the entire Portuguese court fled with the support of the British navy from an imminent invasion from Portugal by the French Army. With the Royal family came between 10000 to 15000 people, bringing with them approximately 50% of all the circulating currency in Portugal at the time.([SIMONSEN, 2005](#), p. 500) ([GOMES, 2007](#)) It is not our goal here to discuss the impact of this in Portugal, but it is interesting to

note that the loss of such amount of currency and posterior shipments made to Brazil can be seen as a cause of economic hardships in Portugal.(ARRUDA, 2000)

Even though this voyage was put in motion only after strong British pressure and the beginning of the French invasion, the moving of the Portuguese court to Brazil for the creation of a new and powerful Portuguese empire was an old utopia in Portugal as well explained by Lyra (1994). But how this transaction was put in place is a good example of a regular feature in the first part of 19<sup>th</sup> century in Brazil where some key policies would be put in place only due to strong British pressure, some times this pressure even escalating to open threats.<sup>6</sup> This influence that Great Britain would have over Brazil throughout the first part of the 19<sup>th</sup> century began with the transatlantic migration of the Bragança family. Being basically an extension of the influence that Great Britain had over Portugal, and such influence was reinforced by the key role that the UK played in the transmigration of the court from the old Metropole to its biggest colony.

In January 1808, the Royal Family and the court reached Brazil; and as soon as the Prince Regent João reached Brazil, he began to make institutional reforms for the re-organization of the Portuguese Empire, or better said, for the creation of a new Luso-Brazilian Empire.

One of the first and most important measures taken by Dom João VI was the opening of the Brazilian ports to ships of all friendly nations which in 1808 meant Great Britain. Even though this reflected a necessary measure, given that Portugal was occupied by the French army and therefore incapable of exercising its role as colonial entrepôt, it put an end to the old colonial system, by dismantling one of its fundamental institutions.(PEDREIRA, 2000)

But the dismissal of the old colonial commercial system was not the only measure taken by Dom João. He took other measures that signaled the break of the colonial ties, as the permission to create medical schools in Rio de Janeiro and Bahia, the revoke of the decree banning the presence of manufactures or foreigners in Brazil, and even the new efforts towards the economic and political integration of the Brazilian provinces.(LYRA, 1994) Therefore, it is with merits that the coming of the Royal family to Brazil and the subsequent measures are seen as the *de facto* emancipation of Brazil from the colonial rule.(LYRA, 1994) (CUNHA, 2010)

The flee from Europe meant that now the Bragança family was completely dependent on Great Britain for defending not only their colonies but also their country. This position of dependency combined with the indebtedness due to the "protection" offered during the transatlantic migration explains the favorable terms given to the British when Portugal and Great Britain signed the Treaty of Commerce and Navigation that estab-

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<sup>6</sup> The best example of this is the process of abolition of the slave trade in Brazil, that only happened after years of British pressure. See a discussion of the process in Bethell (1970).

lished a preferential import tax for British goods, that had as consequence the flooding of the small Brazilian market with British goods, a situation that inhibited any possible growth of Brazilian manufacture.<sup>7</sup> Also, the Treaty of Alliance and Friendship was signed and had as one of its clauses a sign of the approval of measures towards the end of the African Slave Trade.<sup>8</sup>

Even though the British had a prominent role, eventually ships from other nations also arrived in Brazil and with the presence of ships from different nations came the contact with foreign people and new ideas. This not only lead to a "cultural awakening", but also lead to a better perception of the Crown and the Metropole in general.([HOLANDA, 2010](#)) Therefore, we can speak not only about political and economic emancipation but also of a cultural emancipation. The colonial times were over, and Brazil, that was already the most important economic center of the Empire became also its political center.([RUSSELL-WOOD, 1987](#), pg. 283)

This process of political, economic, and cultural emancipation is institutionalized in 1815 with the elevation of Brazil to the status of Kingdom, and the creation of the United Kingdom of Portugal, Brazil and the Algarves. But it is important to note that the transposition of the Royal Court to Brazil did not mean that substantial change happened to the internal organization of the society, but only that the old bureaucracy had a new seat.([SCHWARCZ; STARLING, 2018](#)) In the same way that the magistrates formed the backbone of the Portuguese State, they would be the political elite of the new Luso-Brazilian Empire and they are going to be important players in the process of Independence.([CARVALHO, 1982](#))([SCHWARTZ, 1970](#))

The arrival of the Portuguese Royal Family was a shock to the old *colonial equilibrium*. The institutional reforms not only broke the colonial pact but also made any possible acceptance of the colonial status obsolete and impossible to maintain. The general perception about the reforms that culminated in the elevation of Brazil to the status of kingdom was that Rio had become the Metropole and Portugal a simple province, or even worse to the Portuguese people, the colony, as it is possible to see in the commentary below, written by the abbot De Pradt in 1817:

*"Portugal não tinha mais colônia; pois ele próprio se transformara em colônia. A metrópole não está mais em Portugal, e daqui em diante não é mais em Portugal que se deve procurá-la. Ela passou para a América e a colônia ficou na Europa. As antigas relações do Brasil com Portugal, tornou-se bem evidente, que foram invertidas"*<sup>9</sup> ([LYRA, 1994](#), pgs. 143 -144)

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<sup>7</sup> One key aspect of this Treaty is that it could be revised in fifteen years.

<sup>8</sup> Bethel1970

<sup>9</sup> "Portugal no longer had a colony; because itself became a colony. The metropolis is no longer in Portugal, and henceforth it is no longer in Portugal that one should look for it. It went to t Americas

In some way, the transmigration of the Portuguese royal family not only puts an end to the colonial pact but is also the last note of the Portuguese Empire, or at least a considerable interregnum. All the reforms put in place from the moment of the arrival of the court to the moment of its return to Portugal reflected an effort to create in Rio de Janeiro and Brazil the necessary structure, be it physical or political, to be the capital and main country of the the new empire of the Braganças, the Luso-Brazilian Empire; the elevation of Brazil to the status of Kingdom was only a formal recognition of this.

But, while the project of this new empire was cherished in Brazil, it was seen as a misfortune in Portugal.(LYRA, 1994) With the break of the colonial pact, not only Portugal lost the honor of being the Government's seat as it also lost its commercial privileges in relation to Brazil's market and goods.(SIMONSEN, 2005) That's why as soon as Portugal became free of the French occupation in 1812, the clamor for the King's return began. In 1815, the same year that Brazil was elevated to the status of a kingdom, the war in Europe that had been the ultimate cause of the migration of the Portuguese court came to an end with the definitive defeat of Napoleon. But Dom João VI did not answer to the clamors. He only listened to the clamors when a revolution erupted in Portugal that threatened his seat as king of Portugal.

## 2.3 The Liberal Revolution and Brazilian Independence

In 1820 the "Liberal" revolution erupted in Porto and spread to other Portuguese cities. The revolutionaries demanded the immediate return of the King, and that he accept a constitution that would be drafted by an elected body.They were called liberals because they demanded the installation of a constitutional monarchy in Portugal. Initially the Brazilian elite greeted the Liberal Revolution in Portugal with optimism and support. This is evidenced by the fact that Dom João VI was made to swear the to-be drafted constitution while residing in Brazil.This happened because the same liberalism that was fuel to the Porto Revolution was present in Brazil, but what Brazilians failed to perceive in a first moment was that the liberalism of Portuguese Cortes was combined with a strong anti-Brazilian attitude. Not only did they desire that Brazil cease to be considered a Kingdom but also the re-establishment of the old colonial commercial practices.(HOLANDA, 2010) In sum, the Cortes desired a return to the old colonial times and were not willing to compromise.

The Brazilian dominant network, composed of the big landowners and the mandarins, desired autonomy but wanted to keep the ties with Portugal, and consequently with Europe. A return to the old colonial status would mean a lost of economic oppor-

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and the colony remained in Europe. The old ties between Brazil and Portugal, became very evident, that were inverted." Our translation

tunities for the agrarian elite, because they would lose direct access to other European markets beyond Portugal, and the intellectual elite could not accept a regress to the old status. Moreover, even Great Britain, the old time ally of Portugal did not desire a return to the colonial times, because this would mean that the role exercised by them of selling Brazilian products in Europe would return to the Portuguese. (SCHWARCZ; STARLING, 2018, chapter 8) (SHAW, 1928)

Even though the Cortes' intransigence would be at least instrumental in the drive towards Independence, this idea was already in the Brazilian imaginary in the beginnings of the 1820's. As is exemplified by these verses, that Cunha (2010) states were popular in Brazil around 1821:

"Inda que não fosse herdeiro  
Seja já Pedro Primeiro."<sup>10</sup>

"Seja nosso Imperador  
Com governo liberal  
De cortes, franco e legal  
mas nunca nosso Senhor."<sup>11</sup>

These verses represent the emerging belief in an independent and liberal Brazil that would be reinforced by the decisions taken by the Cortes. Initially the Brazilian elite desired autonomy with equal status with Portugal, in some way a continuation of the situation formalized in 1815, but the anti-Brazilian stance adopted by the Cortes forced them to accept the reality that the desired autonomy would not be attainable while keeping institutional links with Portugal.

What the Portuguese Cortes failed to perceive was that the the return to the old colonial status was not possible, because the institutional reforms carried out after Dom João VI arrival, created a de facto independent Brazil, and the Brazilian elite believed in that, therefore no relegation of status would be acceptable. Given that autonomy with equal status was not accepted by the Cortes, and the colonial status was not compatible with the self-perception of Brazilians, Independence was the unique possible path.

## 2.4 The Independence and the aftermath

As discussed in the last section, around 1820 the belief in a liberal and independent Brazil was already present. But it co-survived with the belief in the union with Portugal. An

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<sup>10</sup> "Even if you were not heir, Be now Pedro I" Our translation

<sup>11</sup> "Be our emperor, with liberal government. With cortes, honest and legal, but never our lord. Our translation



evidence of this is that the defense of the union was the main theme of the directions that José Bonifácio, the patriarch of the Independence, gave to the representatives of São Paulo in the Cortes.([FAORO, 2001](#))But the intransigence of the Cortes made this belief obsolete and strengthened the alternative. In this way, it is possible to see the anti-Brazilian actions by the Cortes as a shock that undermined the institutional structure in place, and therefore created a window of opportunity for considerable institutional change.

Given the degree of political and economic autonomy that Brazil had achieved in the first two decades of the 19<sup>th</sup> century, the Cortes' cause was a hopeless one, and the real institutional question created by this window of opportunity was what would be the shape of Brazilian independence, a monarchic system or a republican one. The deliberate choice made by the intellectual elite was for a Constitutional Monarchy. They believed that this was the only way to avoid the disintegration of Brazil in smaller countries, as happened to the former Spanish America. Moreover, this choice was a national unanimity, because the belief in monarchy was widely accepted by the population at large.([CARVALHO, 2003](#)) ([CUNHA, 2010](#)) So, the idiosyncratic path of Brazilian independence reflected society's underlying belief.

One important aspect of the main framework is the role of leadership in directing a society through a window of opportunity, and in the process of independence and consolidation in 1820's this role was performed by the Brazilian political elite. Even though José Bonifácio was prominent having much influence over Dom Pedro through his period as *de facto* prime minister, the process of consolidation of national integrity and of a Liberal Empire will be the work of the political elite at large.([CARVALHO, 2003](#)) and([PANG; SECKINGER, 1972](#)) As previously discussed, this political and intellectual elite shared a common ideology acquired through similar academic training and professional experience. This ideology emphasized the relationship with the Crown and the unity of the Empire. And in the first years of the Empire, they are going to be the architects of Brazilian integration under a monarch, therefore warranting their definition as the "mandarins of Imperial Brazil."([PANG; SECKINGER, 1972](#))

Given that a Monarchy implies a king, the elite sought the Prince Regent's support for the national cause. This effort involved acts like the gathering of signatures clamoring for his stay and his designation as "Brazil's Perpetual Defender."<sup>12</sup> So, it was with the support of this intellectual elite and as an answer to another anti-Brazilian decree issued by the Cortes that in September 7, 1822, Dom Pedro declared the Independence of Brazil.

The Independence did not change the political organization of the country, just giving new colors to an old structure. In the same way that the magistrates had been the backbone of the Portuguese and of the Luso-Brazilian Empires, the Brazilian intellectual

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<sup>12</sup> For a better discussion about the efforts realized by the elite see [Cunha \(2010, pgs. 185 - 202\)](#)

elite would be the political elite and the backbone of the new country.([COSTA, 2010](#)) But, as the big landowners and slaveholders had much regional power and formed the fiscal basis of the new State, the literate could only govern and achieve their goals in alliance with this rural elite. Moreover, in many moments the intellectuals themselves were part of this rural elite. Therefore, the window of opportunity was seized by those that already were powerful in Colonial Brazil, therefore the "new" dominant network, had nothing new at all.

The political power of the rural class is better demonstrated by the absence of any discussion about the end of slavery during the process of Independence and of constitutional drafting in 1823, even though José de Bonifácio and, supposedly, the monarch was openly against slavery and the slave trade. Given that slave labor was the basis of the Brazilian production system, they resisted even Great Britain's pressure to end the transatlantic slave trade, so as not to lose the support of the big landowners for the monarchy and risking the disintegration of the country.([MAXWELL, 2003](#), pgs. 163-164)

It is important to reinforce that the fact that the political regime established following the independence was a monarchy was a deliberate choice of the political elite, i.e., there were other possible choices of regime and there was nothing that implied that Brazil should become a monarchy. In reality, given the situation in the Americas, it was reasonable to assume that the "Independence would come with or without a king." Our point here is that this institutional choice was first and foremost influenced by the shared ideology between the members of the Brazilian political elite. Their education in Coimbra and experience in the Imperial bureaucracy created a belief in the institution of monarchy, and since the beginning the Independence Movement was built around the Prince Regent Pedro, the future Emperor of Brazil.<sup>13</sup>

Before moving on, it is important to discuss briefly the role played by Great Britain in the process of Brazilian Independence.<sup>14</sup> As noted before, the return of the colonial pact between Brazil and Portugal was against British interest because it would mean the loss of a new consumer market and source of raw goods. Moreover, Great Britain took some measures that were an indirect support for Brazilian independence. The Portuguese government asked for support against the insurgent colony, using their treaty where the British pledged to come to rescue if Portugal was attacked by any external power. But the British replied stating that a struggle between colony and Metropole was an internal affair and there, therefore they couldn't and wouldn't intervene. Great Britain's other action that supported Brazil was the veto for any action of the Holy Alliance<sup>15</sup> against

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<sup>13</sup> This argument is developed in [Carvalho \(1982\)](#).

<sup>14</sup> This paragraph is heavily based in [Pantaleão \(2010\)](#).

<sup>15</sup> The Holy Alliance was an alliance whose members were the Russian Empire, the Kingdom of Prussia, and the Austrian Empire. It was formed after the final defeat of Napoleon and had as goal to suppress the revolutionary movements that were erupting in Europe.

the independence movement in the Americas. Given the British maritime supremacy this implied that no European power would intervene in Portugal's support, and as Portugal had no real military power at the time, this implied that Brazilian independence would not suffer a military setback.

The key role that Great Britain exercised in this moment paid off, and as we are going to see below, the same dominant position that it had in Brazil since 1810 would be in place for years after the independence, as a consequence of the treaties that Dom Pedro I will sign with the British for the formal recognition of Brazilian Independence. (PANTALEÃO, 2010, pg. 378)

### 2.4.1 The unfinished constitutional moment

A key moment when a society is going through a *critical transition* is the process of codification of the the new belief system, the so-called constitutional moment. In Brazil, this process began even before the declaration of Independence on September 7, 1822; in June a general Constitutional Assembly had been convened whose members would be elected indirectly by the provinces. Ironically, this would be the sole victory of the liberal members of the Brazilian political elite in this period.

The point of agreement for most members of the Brazilian political elite was that the new country should be a constitutional monarchy, but the relative status of the congress and the monarch in this monarchy was a point of struggle. The liberal group, those that advanced the idea to convene a Constitutional Assembly even before the declaration of independence, supported the notion that the Sovereign was the "People's Opinion,"<sup>16</sup> and the King's authority is "given" by the people. The other group, the "realists", supported the notion that the monarchy and the King's authority preceded not only the constitution, but also the independence. And therefore it did not need to rely on the "People." (FAORO, 2001, págs. 319 - 322)

The first struggle between these two groups was if the monarch should pledge to accept the to-be drafted Constitution. The liberals defended that in the same ceremony that Dom Pedro would be declared Emperor he should pledge to obey the Constitution, in the same way that Dom João VI pledged to accept the constitution to be drafted by the Portuguese Cortes in 1821. The realists, in this moment headed by José Bonifácio, were strongly against this, supporting that the monarch had the right to give his opinion during the drafting of the constitution. The outcome of this struggle was that the main leaders of the liberal group were imprisoned or exiled, and on December 1, 1822, Dom Pedro I was crowned as Emperor of Brazil, with no mention to the Constitution.

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<sup>16</sup> In a country plagued with Slavery as Brazil, this meant the minority white elite that had any political power at all.

On May 3, 1823, the emperor Dom Pedro I opened the Constitutional Assembly, and at his opening discourse, he made it clear that he would accept the constitution to be drafted only if he agreed with the text, or as he put "if it[the constitution] was worthy of Brazil and himself". This was only a hint of the despotic inclinations that the monarch had, even though he declared himself a liberal. Most of the elected members for the constitutional assembly were liberals, but this group was really representative of the political elite. This is shown by the fact that from the one hundred elected, in the future 33 would become senators, 28 ministers, 7 members of State's council, 4 regents, and 18 presidents of provinces.(CUNHA, 2010) Nevertheless, on November 12, Dom Pedro I, with the Army's support, dissolved the constitutional assembly and decided to convoke himself a group to draft a constitution to the new Empire.

In 1824, Dom Pedro I imposed a constitution to the new Empire. This new constitution did not ignore the works realized by the Constitutional Assembly, and was drafted by a group on ten Brazilians, selected by the monarch who presided over the sessions. This *Magna Carta* was dubious, as if reflecting the dubious nature of the emperor himself. The Letter of 24 had a surprisingly liberal regulation of the franchise. Even though it established censitary suffrage, the economic requirements were low enough to enable even the free but poor to have the right to vote.(CARVALHO, 2008, chapter 1) But the real innovation was the creation of the Moderator Power, that was private to the monarch. This gave to the emperor the right to appoint and depose ministers without consulting the Parliament, the right to select the presidency of the provinces, and to dissolve the chamber of deputies. In sum, even though Brazil would be a constitutional monarchy, this constitution would be a weak constraint to the monarch.<sup>17</sup>

The dual and contradictory nature of the 1824 Constitution reflected an imposed compromise between the underlying liberal<sup>18</sup> beliefs and the monarch's desire. When Dom Pedro I chose to interrupt the drafting process, he hindered the codification of the core beliefs. Even though the constitution had liberal aspects its main characteristic was the lack of constraints on the monarch. Although Brazil would be a constitutional monarchy it would not be as liberal as initially desired. But the deposition of the Constitutional Assembly also marks the begin of the Pedro's fall from grace. As Cunha (2010) states, in Brazil Liberalism was irreducible, the coup in 1823 and the subsequent anti-parliamentary actions that he would take would only reinforce the liberal opposition, and make him lose the popular support.

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<sup>17</sup> Even though politically the emperor had much power, Summerhill (2015) states that this same constitution is the explanation for why the Brazilian state could raise external loans and did not default on its interest payment. One possible interpretation of Summerhill's argument is that Brazil could access the loans in spite of the monarchy and because of it.(??, page 8)(FAORO, 2001)

<sup>18</sup> It is important to clarify what is this *liberalism*. This is not the classical liberalism of personal liberties. This is liberalism is a mere desire for a constitutional government with provincial autonomy.

Another blow to Dom Pedro I's popularity among Brazilian people was the treaty of commerce signed in 1827 with Great Britain that meant the formal recognition of Brazilian independence and the companion convention about slave trade signed and ratified some months before which established that by March 1830 the Slave trade to Brazil should come to an end. The treaty of commerce had the minimum duration of 15 years and followed the same lines of the 1810 treaty signed by Dom João VI; it established that British goods would continue to pay a tariff *ad valorem* of 15% and Brazil could not offer lower taxes for any other nation. As an answer to this, in 1828 Brazil established this as a rule, and the goods from any country paid the same tariff. The economic costs of this treaty for Brazil was considerable, it implied the loss of custom receipts which were the main source of state revenue in the period and also that Brazilian industry would have no room for growth and development. The agreements weakened even more Dom Pedro's popularity and influenced in the process that lead to his resignation in 1831.

The dynamic that lead to Dom Pedro's resignation could be the beginning of a critical transition. Clearly the political outcomes generated by a monarchy were far from the expected by Brazilian political elite. Therefore, it is possible to see this as a possible window of opportunity. But the absence of a republican movement and the choice for Regency meant that this window of opportunity would not be seized. Instead, it would be a period of institutionalization of the belief in a liberal monarchy. The core beliefs at the end of the first reign were a combination of the belief in a Constitutional Monarchy and Slavery.

Through the 1830s and 1840s the slave trade was a point of tension between Brazil and Great Britain. As noted above, Because of the treaty with Great Britain Brazil had to put an end to the Atlantic slave trade in 1830; even though a law was enacted in 1831 declaring this infamous trade illegal, it continued mostly undisturbed until 1850 when the law *Eusébio de Queiroz* was signed and the Brazilian government made a real effort to control this. The question that emerges is how could Brazil resist the British pressure for putting an end to this for more than two decades? The answer was already given. In the same way that abolition of slavery was not a part of the conversation in the moment of Independence for keeping the support of the big farmers, in this moment the dominant network was a composition of the mandarins of the Empire with political power and intellectual ascendancy and the big landowners and slaveholders with their economic and regional power. Given that a dominant network must be incentive-compatible, it was not feasible to adopt measures in a contrary direction from that desired by the slaveholders, and this is one of the explanations for why Brazil resisted for so long to the British pressure to end the Slave.<sup>19</sup>

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<sup>19</sup> There was a general belief that Brazilian economy would cease to work without slaves, and given that the rate of natural increase among slaves in Brazil was negative, this implied the necessity of continuous importation.

Before proceeding, it is important to revisit our structure. At this key moment in the institutional organization of the new empire leadership was being exercised by the magistrates. When we say that their central beliefs were a combination of belief in a constitutional monarchy and slavery, we are talking that an institutional structure with these two characteristics was seen as necessary to achieve its objectives, that is, to maintain the integrity of the Brazilian territory.

## 2.5 De facto Constitutional moment: 1831 - 1842

The 1823 coup interrupted the process of institutionalization of the constitutional belief held by the *mandarins* of the empire, the literate political elite that worked for the Independence. But the "Revolution of April 7"<sup>20</sup> opened a period of institutional reforms that can be seen as a *de facto* codification of the dominant network's beliefs. The Regency years would be marked by many internal revolts what reinforced the belief that the monarchic institution was indispensable for keeping the unity. The institutional organization that emerged from this period, a monarchic regime, with a strong central power and some provincial autonomy and slavery would form the institutional basis of Brazil until the proclamation of Republic in 1889.

When Dom Pedro I resigned the throne, in 1831, his son and heir Pedro was 5 years old. And by the laws established in the 1824 constitution he could become the ruler only when he reached 21 years of age.<sup>21</sup> Until he reached adulthood, the 1824 Constitution established that the country would be ruled by three regents to be elected by the chamber of deputies and the senate. In practice, this meant that from 1831 onwards the Chamber of deputies and the Senate would have the power to direct the new country.

In 1831 the Brazilian political elite was divided in three groups: Caramurus, Exalted Liberals, and the Moderate Liberals.<sup>22</sup> The Caramurus, also known as restorers because some of them desired the return of Dom Pedro I to power, supported a strong central government, roughly in the terms defined by the 1824 Constitution. They dominated the Senate and by [Basile \(2010\)](#) estimates had 35 deputies. The moderates supported the monarchy, but desired to reform the government giving more autonomy to the provinces and more prerogatives to the Chamber of deputies; they were the major group in the Chamber, with at least 47 deputies. The last, and minor group was the Exalted liberals, this group desired a federal government and many flirted openly with the idea of a republican government; Even though they had just 7 deputies, their influence over public

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<sup>20</sup> The resignation of Dom Pedro I

<sup>21</sup> One of the changes put in place by the Additional Act is the reduction of the adulthood age to 18 years old.

<sup>22</sup> These groups were not organized political parties. Therefore it is complicated to pinpoint their specific composition.

opinion in the first years of the Regency would have much impact in the path chosen by the group that would be directing the government in this period.<sup>23</sup>

As soon as the abdication of Dom Pedro was received, the members of parliament that were in Rio elected a temporary Regency<sup>24</sup>. This temporary trine Regency was composed of three senators: Nicolau Pereira de Campos Vergueiro - a liberal and abolitionist -, Carneiro de Campos - conservative and seen as the main writer of the Constitution of 1824-, and Francisco Lima e Silva - a renowned military leader -. The main actions of this Regency were to amnesty political prisoners and military men jailed due to desertion, and to convoke an assembly to draft a new body of laws.(SCHWARCZ; STARLING, 2018, pág.247)

### 2.5.1 The liberal period (1831 - 1837)

On June 17, 1831, the General Legislative Assembly elected a new and permanent trine Regency, It was composed of the deputies João Bráulio Muniz(Liberal, and bachelor in Laws by Coimbra.), José da Costa Carvalho( Conservative, magistrate and bachelor in Laws by Coimbra.), and the senator Francisco Lima da Silva. There are some facts to note about the composition of this Regency. First, it was composed by the Moderates that were the majority in the Congress; Second, the composition of both trine regencies was such that the three regions, Center-South, North, and Northeast were represented, which shows the effort to keep the internal balance of power(DOLHNIKOFF, 2005, p. 89); Third, the composition of these regencies is one more evidence of our previous point about the key role of the magistrates and law graduates in the Empire's formation. From the first five regents, four held bachelor's degrees in law at Coimbra, and the only one that was not a law graduate, senator Lima da Silva, had previous experience as president of province(Pernambuco). Therefore, that homogeneous group in terms of education and experience in public service that had a key role in the moment of independence, would now have the opportunity and responsibility to direct the institutional choices of the country.[p. 247](SCHWARCZ; STARLING, 2018)

The first important act of the permanent Regency was the approval of an institutional law regulating the Regency itself. The law gave primacy to the Legislative over the Executive, limiting the Moderative Power to be exercised by the regents.(DOLHNIKOFF, 2005) It established that any action related to the Moderative Power should have the referendum from the relevant minister. Moreover, the regents would not have the right to dissolve the chamber of deputies, to give amnesty, to declare war or ratify treaties. This

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<sup>23</sup> Basile (2010) investigated the composition of the chamber of deputies during the 1930-1933 legislature. He identified the position of 79 chamber members, from a total of 129 that exercised the role by any amount of time throughout this period.

<sup>24</sup> The Congress was in recess and few members of the parliament were at the capital,that's why the Regency elected had a temporary status.

first institutional change was a clear movement towards a parliamentary system, where the chamber of deputies would be "power center", (FAORO, 2001) and reflected the underlying belief of the Moderate liberals in a constrained central government. (BASILE, 2010) But this was only the first of many changes advanced by the liberals in the early thirties.

The two most important institutional changes put in place during the First Regency were the 1832 reform of the code of Criminal Procedure and the 1834 Additional Act. Even though both changes reflected the belief in provincial autonomy held by the Moderate liberals, they were also affected by influence over public opinion exercised by the Exalted. Basile (2010) and Sousa (2010) explain that many Moderates saw these pro-autonomy changes as inevitable, and therefore tried to guide the process of policy-making themselves as a way of emptying the Exalted discourse. This lack of complete belief in these changes explains why many Moderates would take part in the Regress Movement that reverts most of the institutional changes made during the Liberal period.

The 1832 Reform of the Code of Criminal Procedure diminished the power of interference of the monarch over the Judiciary by diminishing the power of the magistrates that were linked to the central government, and giving more power to the justice of the peace (*juiz de paz*), that was an locally elected judicial member. The justice of the peace had powers ranging from determining whom had access to the franchise to judging small transgressions and making formal accusation in criminal process. Moreover, he was also part of the newly established jury, that would judge crimes. (DOLHNIKOFF, 2005, p. 93) The reasoning of giving such powers to a local judge was that this would enable the law to be applied in places not reached by the central power, given the extension of the territory and how badly integrated it was. But in reality, as the judge was elected locally and had powers to influence the outcomes of legislative elections, it not only became a position linked to the local elites but also in many opportunities the oligarchs themselves exercised the function. (DOLHNIKOFF, 2005) Such shift of power to the local arena was a considerable change to the framework built by the 1824 letter, and would be a source of struggle between local groups and a focal point of dissension within the political elite. Nevertheless, concomitant to the judicial reform, a more radical constitutional change was also beginning in the chamber of deputies.

In 1832, the chamber of deputies dominated by the Moderate liberals and under the influence of the Exalted approved a project of constitutional reform that was the outcome of the assembly convoked by the temporary Regency in 1831 for drafting a new body of law. This project would imply a significant change in the political organization of the Empire: It declared Brazil to be a federal monarchy and changed the Regency from trine to sole. It also abolished the Moderative Power, the Senate's lifetime mandate, and the Council of State; moreover, it completed the shift of power from the central



government to the provinces by creating the provincial assemblies and giving autonomy to the municipalities. But the project had also to be approved by the Senate, that was composed mainly by Caramurus, who were mainly against this decentralization effort and vetoed the project.

The two main outcomes of this veto were the reaction by the minister of Justice Feijó. He planned a parliamentary coup, where the Chamber of deputies would become a constitutional assembly and draft a new constitution with the changes vetoed by the Senate written in it. But this coup did not move forward because it faced opposition even from inside the Moderates.<sup>25</sup> Given that the coup was not successful and the chamber rejected the Senate's vetoes, the project had to be discussed by the general assembly. The final draft approved by the general assembly was a clear compromise between the first draft and the Senate's position. The lifelong tenure in the senate was kept as also the Moderative power. On the other hand, it abolished the Council of State, changed the Regency from trine to sole, and, more significantly, established that the provinces had the right to create legislative assemblies with autonomy over decisions, inter alia, about taxation<sup>26</sup>, public spending, public jobs at municipal and provincial level, police forces.(BRASIL, 1834) of the nation, or as Skidmore (1999) states, the "Regency's experiment with decentralization." The final version of the text, written by the deputies Paulo Araújo, Lima de Abreu, Bernardo de Vasconcelos, became known as the Additional Act and was approved in 1834. This Act completed the liberal reforms advanced in the first years of the Regency. It was not as radical as the first draft, but was one more step in the direction of decentralization and provincial autonomy.

Even though the creation of the provincial assemblies transferred considerable political power to the provinces, the Additional Act also strengthened the provincial president and maintained his appointment as a duty of the central government. Schwarcz e Starling (2018) see this as a self-contradiction and an example that the regents and the political elite were uncertain about the institutional landscape that they desired. Of course, as any non-despotic political action, the Additional Act was fruit of compromises, but it was not an example of self-contradiction. In reality, it represented the underlying belief of the political elites in provincial autonomy as a mean to enhance the country's unity. Under this belief, the role of the president was to be the main representative of the central government in the provinces, trying to give some homogeneity for provincial policies by negotiating with the local elites and trying to influence the local elections.(DOLHNIKOFF, 2005, pgs. 100-118)

The Additional Act is the last great institutional change guided by the moderate

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<sup>25</sup> The discourse made by Honório Carneiro Leão, a moderate liberal, is seen as key for the failure of Feijó's coup. For a discussion about this, see Basile (2010, pages 78-79)

<sup>26</sup> Excepting import-export taxation.

liberal, and the political struggles related to it can be seen as the main cause for the creation of the new political parties in Brazil, around 1837. Moreover, the drafting process and the ultimate outcome from the general assembly is a clear example of the changing times in the Brazilian political arena. The senators were capable of keeping their lifelong tenure because the moderate liberals were not a cohesive group, and many voted in favor of the first version not because of a strong belief in those reforms, but due to the circumstances. The approval of these decentralizing reforms would be both a defeat for the "Caramurus" and would make the Exalted's discourse empty.([BASILE, 2010](#)) Moreover, the approved version of the institutional reform reflected the world view of a man that is a key figure throughout this period, deputy Bernardo Vasconcelos and his belief in "fair middle-ground" doctrine<sup>27</sup>, i.e., that it was necessary to give autonomy to the provinces, but without endangering the public order and territorial integrity.([SOUSA, 2010](#))

Parallel to these changes and under the guidance of the minister of Justice and future regent Diogo Feijó, the permanent Regency created, still in 1831, the National Guard. It was a national force, but organized by provinces. Every Brazilian man with access to the franchise had to enlist. Even though the guard were organized by province and its specific organization and field of action was determined by the provincial legislative assembly, it was subordinated to the president, and therefore linked to the central Government.([DOLHNIKOFF, 2005](#)) Not by accident, its main area of action would be in the repression to the revolts and riots that emerged throughout the regencies<sup>28</sup>.([SCHWARCZ; STARLING, 2018](#), p. 247)

In 1835, Diogo Feijó, the former minister of Justice, was elected as the first sole regent. This period in power would be marked by the eruption of the two major revolts in the regential period, the Ragamuffin War (Guerra dos Farrapos) in the extreme south of the country and the "Cabanagem" in Pará,<sup>29</sup> and the increase in the dissensions in the congress given the disenchantment with the liberal period. The renunciation of Feijó in September 19, 1837, marks the end of the liberal period in front of the Executive, and the beginning of a movement that would become know as the Regress.

The moderate liberals used their majority in the chamber during the permanent trine Regency to advance institutional reforms that reflected their belief in autonomy. This belief is exemplified by the defense of the provincial autonomy made by Senator Campos Vergueiro in 1832: "*O único meio de conservarmos unidas todas as nossas províncias consiste em habilitá-las para poderem cuidar de suas necessidades e promover a sua pros-*

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<sup>27</sup> *Doutrina do justo meio.*

<sup>28</sup> The creation of the National force also had the effect of weakening the Army. This was not a side effect, but a deliberate goal of the minister of justice and the liberals now in power. They saw the army as a possible source of problems, given his actions in 1823 and 1831.[pages 347-348]([FAORO, 2001](#))

<sup>29</sup> We will discuss these two revolts below.

*peridade por meio da influência dos seus próprios governos.”*<sup>30</sup> (DOLHNIKOFF, 2005, p. 64)

The additional Act, the creation of the National Guard, and the code of criminal procedure represents the institutionalization of the belief in autonomy and liberalism as a mean to keep the unity. This is not a belief that emerged to deal with the contemporary revolts, but an old belief<sup>31</sup> that only now could be translated in policies due to the Emperor’s dominance over the country throughout the first reign. Therefore, it is not without basis the notion defended by Calmon (1947) that the Independence begins de facto in 1831, with the renunciation of Dom Pedro I.

Even though this was a period when many liberal beliefs could finally impact institutions, it was also a period of reorganization of Brazilian political forces. The moderate liberals were the group with most members in the parliament and they were capable of using this majority for advancing their desired reforms, but the struggles over the Additional Act and the unsuccessful coup of 1832 made it clear that there were increasing dissensions within the moderates. Moreover, the liberal reforms did not generate the expected outcomes. The judiciary decentralization did not take justice to places not reached by the central government, instead it empowered the local elite and created local struggles for these positions. The provincial autonomy associated with the creation of provincial assemblies were incapable of inhibiting the emergence of new regional revolts. In the end, Feijo’s Regency was an adequate epilogue for the liberal years. A period that began with much promise and high expectations, but ended in frustration and disillusionment. The frustration was such that it led to the emergence of a new political movement that would guide the process of reforms from then on.

This new movement was formed mainly by Caramurus, some Moderate dissidents, and new political actors that were not in the chamber in the moment of the approval of the Additional Act. Its declared goal was to create an institutional arrangement with more power concentrated in the central government instead of the provinces, and had as one of its main leader the ex-moderate Bernardo de Vasconcelos.(BASILE, 2010) It is from this movement that would be created the Conservative party, in 1837, that would be one of the two dominant political parties throughout the Second Reign, the other being the Liberal party, mainly formed by former moderates that still defended the decentralizing reforms.

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<sup>30</sup> ”The only way to keep all our provinces together is to enable them to take care of their needs and to promote their prosperity through the influence of their own governments.”

<sup>31</sup> For example, Ledo speaking from his hiding in 1822, defends that ”without a liberal Constitution that invites their alliance” it’s possible that some provinces would continue separated from the Brazilian Empire.(FAORO, 2001)

## 2.5.2 The Conservative Regress(1837 - 1842)

After Feijó's resignation in 1837, Araújo Lima assumed the role of sole regent, marking the beginning of the Conservatives as the main political force in Brazil. Lima's Regency lasted from 1837 to 1840, when the regential period was put to an end by the "coup" orchestrated by the liberals declaring that Dom Pedro II was sufficiently mature to rule with his 14 years of age.<sup>32</sup> Even though he founded some institutions such as the *Instituto Histórico e Geográfico Brasileiro* and the *Colégio Dom Pedro II*, his Regency is marked by the beginning of the so-called Conservative Regress with the approval, in 1840, of a law reinterpreting some aspects of the 1834 Additional Act.(SCHWARCZ; STARLING, 2018, p. 254)

The Conservative Party, formed in 1836, would stay in power, with a brief interregnum in 1840, from 1837 to 1843. Throughout this period they put in place the *Conservative Regress*, a series of constitutional amendments and institutional changes reverting many of the decentralizing reforms put in place by the liberals in the early 1830s. These amendments are the Additional Act's Interpretative Law, the reform of the Criminal Procedure Law, and the recreation of the State Council.

On May 12, 1840, Araújo Lima sanctioned the Interpretative Act with eight articles re-interpreting the 1834 Additional Act. The law transferred the control of the Judicial police<sup>33</sup> from the provincial assemblies to the central government; prohibited the assemblies from creating or destructing general public jobs, i.e., jobs related to the central government apparatus; regulated when the assemblies could fire magistrates; and established that laws enacted by the provincial assemblies, but that the province president considered unconstitutional would be analyzed by the national congress.(??) In sum, this Reinterpretation established clear boundaries between the competencies of the central government and the provinces.(DOLHNIKOFF, 2005) And by establishing these boundaries, it reinforced the position of the central government relative to the provinces.

In December 1841, already after the "adulthood coup", it is sanctioned the imperial law n° 261 that reformed the 1832 code of criminal procedure. It created the role of delegate, that would be responsible for the criminal inquiry. The delegate would be chosen by the Police Chief, who was nominated by the province president or the ministry of justice. Moreover, the role of defining those apt to participate in the jury was transferred from the justice of the peace to the police delegates.(BRASIL, 1841) The real effect of this revision was to weaken the role of the justice of the peace, by transferring all criminal competency from them to agents linked to the central government.(FAORO, 2001) It is important to note the relevance of this reform. As previously noted, the justice of the

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<sup>32</sup> In practice, in the initial years of Dom Pedro II's reign the Executive rule would be exercised by the adulthood Ministry.

<sup>33</sup> The judicial police was responsible to investigate crimes. Close to the current Brazilian civil police.

peace was a locally elective member of the judiciary, and the power given to him by the 1832 code was a clear transfer of power from the central government to the provinces, and this reform completely reverted this, not only it emptied the role of justice of the peace, but also transferred his most important duties to positions linked to the central government.

The reforms put in place by the Conservatives suffered a harsh opposition from the liberals, even resulting in the 1842 revolt captained by the former regent Diogo Feijó. But, it is interesting to note that some of these reforms dealt with situations that the liberals themselves had perceived as undesirable. For example, the same Feijó, while regent, complained about the decentralization of the judiciary created by the Additional Act:

*Bem que as assembleias provinciais possam sem dúvida alguma criar e suprimir os empregos administrativos provinciais e dar a cada um deles as atribuições que lhes parecem convenientes, releva observar quanto será nocivo a regular administração da justiça, e mesmo ao direito das partes, que elas alterem por qualquer maneira as atribuições que competem ás autoridades judiciárias, pelo transtorno e confusão que semelhante medida imprimiria no sistema judiciário, que deve ser uniforme em todo o Império.*<sup>34</sup> (DOLHNIKOFF, 2005, p. 131)

The conservative regress is completed with the re-creation of the State Council in 1841, a considerable departure from the 1834 Additional Act that expressively dissolved the former Council.(BRASIL, 1834, article 32)

The reforms advanced by the Conservatives from 1837 to 1842 entered in the Brazilian historiography as the "Regress"; these reforms sought to revert many of the decentralizing policies enacted by the liberals, therefore in some way it was a regress to the institutional setting in place before the liberal period. The impact of these reforms was such that Faoro (2001) states that the Reinterpretation Act reduced "to dust the conquests from April 7."

One interesting fact is that even though these changes were substantial, many of them had been defended before even by a liberal such as Feijó. Moreover, as Calmon (1947)<sup>35</sup> notes, the liberals considered these changes useful enough to not try to change them when in power from 1844 to 1848. From this perspective, Dolhnikoff (2005) tries

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<sup>34</sup> "Although provincial assemblies can undoubtedly create and suppress provincial administrative jobs and give each of them the assignments they deem appropriate, it is important to observe how harmful it will be to regulate the administration of justice, and even to the right of the parties that they alter in any way the attributions that are incumbent on the judicial authorities. For the disorder and confusion that such a measure would impose on the judicial system, which must be uniform throughout the Empire."

<sup>35</sup> p. 337

to argue that the Regress reforms were only peripheral, and the overall decentralization desired by the liberals survived. Even though the point is well made, it is hard to accept that the liberals would even raise arms and try a coup, as they did in 1842, as an answer to minor changes.<sup>36</sup> Moreover, at least fiscally, the centralization was undeniable. By 1856, 83% of the State revenue was concentrated in the federal government and just 14% in the provincial level.(CARVALHO, 1982, pg. 267) And from all the public employees, 69% were federal, while 24% were provincial.

### 2.5.3 The regential revolts and the "adulthood coup"

*[...] o governo das regências apenas tem [dado] à nação um único benefício, todavia o mais relevante; que é o de firmar nos corações brasileiros o amor da monarquia.* Marquês de Paranaguá (BASILE, 2010)

The regential period was plagued with regional revolts what reflected the lack of dominance of the central government over all the Empire, and the lack of ability of the regents and the members of government to deal with the provincial interests. Carvalho (1982) divides these revolts into two time periods. The first group encompasses the revolts that emerged from the abdication from 1831 to 1835, one year after the death of Dom Pedro. The second group encompasses a series of revolts that began in 1835 with some finishing only after years inside the Second Reign.<sup>37</sup>

Table 1 – Main Regential Revolts

<b>1831 - 1835</b>	<b>Period</b>	<b>Location</b>	<b>Main Actors</b>
Six rebellions	1831-32	Court	Army and urban pop.
Setembrada	1831	Recife	Army
Novembrada	1831	Recife	Army
Abrilada	1832	Pernambuco	Army
Cabanos	1832-35	Pernambuco\Alagoas	Small farmers, slaves, and natives
Carneirada	1834-35	Recife	Army
Malês' Revolt	1835	Salvador	Slaves
<b>1835 - 1842</b>	<b>Period</b>	<b>Location</b>	<b>Main Actors</b>
Cabanagem	1835-1840	Pará	elites; natives, slaves, and peasants
Farroupilha	1835	Rio Grand do Sul	landowners
Sabinada	1837-38	Salvador	Army and urban pop.
Balaiada	1838-41	Maranhão	landowners, peasants, and slaves
Liberal revolts	1842	Rio, São Paulo, MG	political elite

Adapted from Carvalho (1982)

<sup>36</sup> For a critical analysis of Dohlnikoff's position see the note 92 in Basile (2010).

<sup>37</sup> In 1, it is shown the main revolts of both periods. We are going to discuss just some of them.

For Carvalho, the revolts that emerged before the Additional Act erupted in the main province capitals and were mostly composed of low-ranked members of the Army and the urban population, and reflected a mix of urban anxieties. Salvador, Recife, and the Court were the main focus of revolts. We are not going to spend much time on these revolts, but at least two of them are worth further discussion: The Cabanada and the Revolt of Malês.

Following the abdication of Dom Pedro I erupted at Pernambuco the "Cabanada" or War of the Cabanos(1832 - 1835). The insurgency was formed by a heterogeneous group: small landowners, peasants, natives, slaves, and had the support of some restaurateurs politicians and claimed for the return of Dom Pedro I. The revolt survived for three years but with the death of Dom Pedro I in 1834, the movement lost power and in 1835 it was definitely defeated.(SCHWARCZ; STARLING, 2018) In 1835 erupted in Salvador the Revolt of the Malês. It was a slave revolt that was quickly controlled but evidenced a capability of mobilization between the slaves and freed people. This was seen as a prelude to a rebellion in the form of the Haitian revolution and lead to the approval of a strict law against slave revolts, but in some way, these fears were without basis and this was the only great slave revolt during the Imperial period.(CARVALHO, 1982, p. 251) The presence of the Army in different revolts explain why the National Guard, that was initially designed as a militia beyond the power of the monarch, became the main military tool for keeping the order.

Following the decentralizing reforms of the Additional Act, the revolts also became more decentralized, less urban, and with a higher death toll.<sup>38</sup> Some good examples of the change in nature is the *Cabanagem* that began as a struggle between the local elites in Pará, and ended by incorporating all the strata of society. And also the revolt of the ragamuffins, whose main members were landowners seeking economic favors. Some of these revolts would be controlled just in the 1940s, and one of the key elements that diminished the confidence in the regencies.

One example of the anti-regential sentiment existent in this period is the Sabina, that erupted in Bahia(1837 - 1838). This movement supported the installation of an independent republic in Bahia, but the independence would subsist only during the Regency. The official estimative is that 1258 rebels and 594 official soldiers died in this conflict.(SCHWARCZ; STARLING, 2018, pgs. 258-259) The year of 1835 saw the eruption of two major revolts, the "War of Cabanagem"(1835 - 1840) and the Ragamuffin War or *Guerra dos Farrapos*(1835 - 1845). The *Cabanagem* began as a struggle between monarchists and regionalists, but it became a social struggle between the elite at large, and the *cabanos*: native, blacks, and mestizos that lived at the *cabanás*<sup>39</sup>. The striking fact

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<sup>38</sup> Carvalho1982

<sup>39</sup> huts

about this revolt is the death toll associated with it. It is estimated that around 40% of province's population died in this conflict, approximately 35.000 people. (SCHWARCZ; STARLING, 2018, p. 252) (SKIDMORE, 1999, p. 45)

The Ragamuffin War(1835 - 1845) is the longest internal conflict in Brazilian history. It began in the Rio Grande do Sul and spread to Santa Catarina. Although it acquired a separatist tone with time, culminating in the declaration of the Piratini Republic in September 1836; at least some of the revolt's leaders initially were loyal to the future monarch.(SCHWARCZ; STARLING, 2018, 262) The initial motivation of the revolt was the amount of taxes that the farmers had to pay and the centralization imposed by 1824 charter. With Uruguayans' support, the insurgents could keep the fight for more time than usual. The conflict would finish only in 1845, five years into the Second Reign. Even though they lost military, politically the insurgents acquired many concessions from the central government, such as the general amnesty.<sup>40</sup>(CALMON, 1947, p. 350)

All the revolts of the period "disillusioned the exalted<sup>41</sup> " and reinforced the belief that monarchy had a key role in keeping the peace and unity of the territory.(CALMON, 1947, p. 327) This belief was also reinforced by the fact that some of the revolts had as a goal to keep autonomy, but just until the coronation of Dom Pedro II. Take as an example of this feeling, the words said by the senator José Bento on May 25, 1840: "*Sr. Presidente, na época presente, à vista das críticas circunstanciais em que está o país, todos olham para o monarca.*"<sup>42</sup>(CALMON, 1947, p. 327) It's under this mood and resenting the loss of power in 1837 that the liberals advance the idea of anticipating the coronation of Dom Pedro II. And given that the conservatives were also unable to put an end to the major revolts, they did not have many arguments against this idea. Therefore on July 23, 1840, three years before reaching 18 years old D. Pedro II was declared a legal adult and therefore able to rule.

As well noted in the Marquis of Paranaguá's discourse, the turmoils of the regential period were such that it reinforced the belief that the monarchy and a monarch were necessary for keeping Brazilian internal order and territorial integrity, and all this culminated in the coup that lead Dom Pedro II to the throne. The end of the Ragamuffin War in 1845 and the control of the liberal revolts of 1842 and 1845<sup>43</sup>, consolidated the monarchic institution. For the next decades, Brazil would live without major internal revolts, and the monarchy would be seen as the core source of this situation. Such a view is well summarized by Antônio Raiol:

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<sup>40</sup> For a in depth discussion on this war, see [Pesavento \(1985\)](#).

<sup>41</sup> Exalted were radical liberals with some desire for a republican government.

<sup>42</sup> Mr. President, at the present time, in view of the critical situations in which the country is, everyone looks at the monarch.

<sup>43</sup> The *Revolução Praieira* (1848- 1850) was a separatist and federalism revolt that erupted at Pernambuco in 1848.



How different [we Brazilians are] from other people who inhabit the same South American continent. When we rest, they fight. When we fraternize, they quarrel. A government monarchic, hereditary, is without doubt a true choice, which tames ambitions and because of stability forms a powerful element of order and prosperity.”(MAXWELL, 2003, p. 167)

The combination of the liberals institutional changes from early 1930s and the reforms from the conservative regress created the institutional organization of the second reign. The last act that completed the second Reign institutional landscape is the creation by Dom Pedro II, in 1847, of the Council of ministries and the role of president of the council. This council would be responsible for the Executive power, and the emperor would keep the Moderate Power. Because the president was appointed by the emperor and not by the legislative, this became known as *parlamentarismo às avessas* (Backward Parliamentarism).

## 2.6 Through the lens of the main framework

The role of core beliefs is to clarify the relationship between institutions and socioeconomic outcomes.<sup>44</sup> In particular, we are focusing on the core beliefs held by those capable of affecting institutions, the individuals and organizations members of the dominant network. From the early 1820s to the 1840s, the real question facing the dominant network was how to keep the integrity of Brazilian territory. The answer given by the political elite was that a constitutional monarchy was necessary to avoid balkanization and revolution.

The years analyzed in this chapter(1808 - 1847) represents a complete cycle of the framework. Initially, Brazil was in the "colonial autopilot"; even though Colonial Brazil was the main economic part of the Portuguese Empire at the beginning of the 19<sup>th</sup> century, its colonial status was not a problem for the Brazilian elite because Portugal sought to accommodate them inside the state organization. The arrival of the Crown in 1808 and the subsequent institutional reforms put in place by Dom João VI dismantled the old colonial system, creating an autonomous Brazil. Following this, in the place of the acceptance of the colonial status emerged a belief in an autonomous Brazil, but with links to Portugal. This notion institutionalized by the rise in status of Brazil to a kingdom and the creation of the United Kingdom of Portugal, Brazil and Algarves, in 1815.

But the eruption of the Porto Liberal Revolution in 1820 would be a shock to this new equilibrium. The anti-Brazilian stance adopted by the Portuguese Cortes and its attempt to revert Brazil to a colonial status made it impossible to maintain the belief in an autonomous Brazil but with links to Portugal. This created a *narrow* window of

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<sup>44</sup> Given the ever-present uncertainty in the world and the lack of perfect feedback, there is nothing that implies that these beliefs must be correct most of the time.

opportunity. It was narrow because after all the institutional reforms put in place by Dom João VI Brazil was *de facto* autonomous. And, as Brazilians did not desire a return to the old colonial status and Portugal had no way to impose its domination upon Brazil, Brazilian independence was a given. Therefore, the real question for the Brazilian political elite in the early 1820s was how to keep the vast and poorly integrated territory united.

At this moment, the mandarins<sup>45</sup> of the Empire exercised the key leadership role in the institutional making of the new country. Their core belief was that just a constitutional monarchy with autonomy to the provinces could keep the integrity of the territory. Given that a monarchy presupposes a king, they built the independence process around the image of the prince regent. Even though the choice for the monarchy was unanimous, how liberal<sup>46</sup> the monarchy should be was a point in dispute. The Constitutional Assembly of 1823 could be a constitutional moment that would institutionalize the dominant network's liberal beliefs. But the demise of the constitutional assembly by Dom Pedro and the imposition of a Constitution meant the interruption of the constitutional moment, and Pedro I's repeated anti-liberal actions were a stress test for the belief in a constitutional and liberal monarchy. But the dynamic that led to his resignation in 1831 is an example of how deep ran the belief in a liberal political order. Pedro's resignation could be seen as a window of opportunity for a move towards republicanism, but given the lack of any organized republican movement in Brazil and the dominant network's belief, this was instead the beginning of a period of institutional and belief deepening around the idea of a united Brazil with a liberal constitutional monarchy.

The regential period is usually divided into two periods, the liberal years (1831 - 1837) and the conservative regress(1837 - 1842<sup>47</sup>). The liberal period was a period of decentralizing reforms when the liberal part of the dominant network had the opportunity to institutionalize much of their belief, culminating with the 1834 Additional Act. But, one of the key insights of our guiding framework is that any institutional reform must generate the expected outcomes for going through a "deepening process" when these new rules really take roots in the society. But the liberal reforms did not bring forth the expected outcomes. Instead of order and justice, the decentralization created local struggles and regional revolts.

The outcomes were so distant from the expected that the Moderate liberals that guided the reform process could not keep themselves as a coherent group anymore, and subdivided into Liberals and Conservatives, the latter also composed by the Caramurus.

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<sup>45</sup> Here we are following [Pang e Seckinger \(1972\)](#) that use this term to refer to Brazilian magistrate. This is the political elite studied by [\(CARVALHO, 1982\)](#).

<sup>46</sup> It is important to have clear what is this *liberalism*. This is not the classical liberalism of individual liberties. Its main political flag is provincial autonomy, without mention to social questions.

<sup>47</sup> The Regency ends in 1840 with the declaration of the adulthood. But in the first years, the central government is directed by the *comitê da maioridade*, that after some months in liberal hands goes to the conservatives.

As an answer to these failures emerged the conservative Regress. They sought to reinforce the power of the central government and the role of the monarch. Even though they were not capable of putting an end to the ongoing Ragamuffin War, their reforms created the basis of the Empire and went through a deepening process. The creation of the role of president of the ministry in 1847 and the centralization of the National Guard in 1850 are examples of institutional deepening process because they reinforced the initial reforms advanced during the Conservative Regress.

The revolts from the regential period and the incapability of liberals and conservatives of controlling them reinforced the belief that a monarch was necessary for keeping the order and internal cohesion and culminated in the declaration of Dom Pedro II adulthood in 1840.<sup>48</sup> Therefore, the Regress and the 1840 coup created the institutional basis of the Brazilian Empire. The end of the Ragamuffin War (*Guerra dos Farrapos*) in 1845 and the control of the liberal revolts of 1842 and 1848 were more steps towards the acceptance of the order created in the last decade, i.e., moments of belief deepening. The Empire of Brazil would be a constitutional monarchy, with autonomy to the provinces but a strong central power. In this new autopilot, Brazilian political system would be "Backward Parliamentarism", Brazil would be a constitutional monarchy, but with a king that not only reigns but also governs.

As [Alston \(2017\)](#) notes, beliefs are multidimensional, having a political, economic, and social facet. In our analysis, we focused on the change in political beliefs and its institutional implications because there was little change in the other facets. Brazilian independence and the posterior process of institutional making and reform did not affect the socioeconomic status quo. Brazil continued to be an exporter of raw goods, the main source of labor power were the slaves, access to education was restricted to the elite, and big landowners had considerable local power with the majority of the population excluded from any real political exercise. The changes that happened in this period were restricted to the overall political organization of the nation, not in access to political power itself.

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<sup>48</sup> We do not ignore that this was a movement mainly orchestrated by the liberals, resenting the loss of power. But it is accepted in the historiography that the regential revolts reinforced the perception that the monarch's presence was necessary for stabilization

# Conclusion

From 1808 to 1848, Brazil went from being a colony to being an independent and stable monarchy. When you consider the balkanization that Spanish America went through and the fact that the new Latin American countries that were created always chose a republican government, the Brazilian path was really unusual.<sup>49</sup> Using the framework developed by [Alston et al. \(2016\)](#) we analyzed this period trying to understand how Portuguese America was capable of going through independence keeping the integrity of territory and why Brazil became a monarchy and not a republic as the other American countries.

Following the framework, we emphasized the co-evolution between institutions and beliefs and the role of leadership in directing the institutional choice in a moment of transition from being a colonial territory to an independent country. But, we also had to go beyond the framework by inserting the role of external relations for a better understanding of the period.

The role of leading Brazil through the independence process was exercised by the magistrates, whom we called the mandarins of the empire. They shared the goal of keeping Brazil's integrity and the common belief that only a monarchic regime would be capable of achieving this. Even though the first reign did not generate the expected political outcomes, the quasi-republican experiment of the Regential period was so frustrating that it reinforced the belief in the need of a monarch for stabilizing the new country and keeping its unity.

Even though the mandarins had a role of leadership, they could not govern alone because the big landowners and slaveholders were the economic basis of the new country and had much power at the provincial level. This explains some of the choices made by mandarins, such as the resistance against British pressure for ending the Atlantic slave trade and the posterior long life of slavery in Brazil. The reading was that any movement in this direction could weaken the support of the big farmers to the monarchy and this would mean not the end of the monarchy but also the end of the territorial integrity.

One point where we had to go beyond the original framework was the introduction of the external relation, because to consider the role of ascendancy that Great Britain had over Portugal and Brazil is key for understanding many of the key events of the period. Without British pressure it is far from certain that the Portuguese Royal family would have made the transatlantic migration and put in motion a chain of events that led to

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<sup>49</sup> There were two experiments with a monarchic government in Mexico. One between 1821-1823 and other between 1863-1867. Neither became a stable government.

the end of Brazilian colonial status, its elevation to Kingdom, and a consequent change in the elites' beliefs that paved the path to Independence.

[Alston et al. \(2018\)](#) urges the application of the framework in different case studies for creating a better understanding of institutional evolution and refining the framework. We tried to answer this calling by applying the framework to Brazilian history. Even though it was a good guide, it was necessary to augment it with the role played by the international great power of the period. As [Tamayo \(2014\)](#) had to make the same augmentation, it seems to be a signal that it is not possible to analyze the institutional evolution of developing countries without considering the role played by the big international forces of the moment.

As seen in the literature review, our main framework considers three institutional axes, political, social, and economic. We focused on the political axis because the other went through minor changes throughout this period. The elite's focus was in stabilizing the new nation and creating a governmental structure capable of keeping united the huge territory. But there were no efforts or desire in making a fairer society. In reality, much of the efforts concerning the stabilization of new country were related in keeping in place the status quo present before the Independence. Nothing exemplified this better than the resistance to the British pressure for putting an end to the Slave Trade. In economic terms, there were no major changes either. Given the treaties signed with Great Britain and the social structure of the society, the Brazilian economy continued to be export-led and based on slavery.

Even though there was the presence of recurrent elections, they were mostly dictated by the local landlords with the major part of population being just spectators and a manipulated mass, or nor participating at all given the slavery condition. In sum, even though Brazil became independent most of its population still were captives. Captives due to slavery or captives due to dependence on the landlords, but captives anyway. The political regime changed, but the economic and social aspects of the society went through this period of institutional making and innovation without suffering any major changes at all.

The last paragraph gives rise to the following question: Did Brazil really go through a critical transition in the moment of independence? The answer is ambiguous. For the members of the dominant network, it was indeed the consolidation of a critical transition that began in 1808. The economic elite, landowners and slaveholders, were for exporting to foreign countries and could import from countries different from Portugal. The political elite could now guide, or at least influence considerably Brazil's institutional path. But, for the majority of the population, it is hard to believe that they experimented any considerable change. In some way, the policies that enabled the mandarins of the empire to achieve their objective of keeping the country united, were also responsible for keeping

the population from benefiting from the new political order.

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