Dear Doctor Billington, esteemed guests, fellow Brazilians, colleagues, friends:

It is with great emotion that I stand before you this evening. I feel honored, and humbled, to receive this most prestigious prize. I must confess to you that I also feel a bit nervous, perhaps overwhelmed. This may sound slightly ridiculous, coming from someone who was the president of Brazil for eight years, and who spent many decades lecturing at universities in the United States, France, Latin America and in my own country. But I insist that it is true.

My emotions can be explained partly by circumstance. English is my fourth language, one in which I am prone to making atrocious errors. In addition, since I gave my first university lecture at the tender age of twenty one, I have preferred to speak not from a script - but in a more improvised, informal fashion. This has always been the Brazilian way; anthropologists tell us that the indigenous people of Brazil's Tupinambá culture gathered every day at sundown to trade stories and gossip. A fine oral tradition, one that has endured. But I am afraid that the distinguished group of people gathered tonight, and the high standard set by the scholars who won this award before me, preclude me from being so daring as to speak extemporaneously.

Above all, though, I am deeply moved by one essential truth. I am deeply moved by how unexpected this honor was. I am the first Brazilian - and the first Latin American - to receive the Kluge Prize. This is a true privilege.

There was a time, not so long ago, when such an honor would have been difficult to imagine. I spent a portion of my academic career studying the relationship between the wealthy core of countries in Western Europe and North America and what was then known as the "periphery" - countries such as Brazil that were distant, economically and geographically. This division between rich and poor seemed immutable.

I remember when Jean-Paul Sartre and Simone de Beauvoir visited Sao Paulo in 1960. Brazil's intellectual community was so small during that era that, when Sartre was to be interviewed on live television, a spontaneous call went out to the audience for someone who could translate. A young professor volunteered. The young professor did not speak perfect French, and utterly failed to do justice to Sartre's message That young professor was me. Luckily, Sartre never discovered the ruse.

In any case, it didn't matter. At the time the intellectual community in Brazil was quite small and connected mainly to France. For us, the mere fact that an esteemed
philosopher from the "first world" would take the time to visit a peripheral country such as ours - that was sufficient. We were surprised and delighted.

Fifty years have passed. Brazil has changed enormously. So has the world. Brazil is now the world's number-six economy, bigger than Britain or Italy, and it is closing in on France. My country still suffers from a great many problems and injustices, but it has also become a leader in many areas. Indeed, the economic dynamism of the world has now come to depend on the former "periphery" - the BRICS countries: Brazil, Russia, India, China and South Africa. Meanwhile, what we once called the "core" is now mired in a seemingly eternal crisis, with an uncertain future. I must confess that most people from my generation never thought such an inversion of the global order would be possible.

In our days, by contrast, the universities of the so-called "emerging world" are growing and improving, producing ever-more leaders in research, innovation and business. Indeed, I am certain there will be many more scholars from emerging societies who will win the Kluge Prize. This shift of global power is surely one of the great defining events of our time.

How did this transformation occur? How did Brazil and other emerging countries overcome many of their problems, and give rise to a new order? How did a sociology professor born in Rio de Janeiro, into an impoverished and overwhelmingly illiterate country in the grip of a Great Depression, come to stand before you tonight - in these hallowed halls of the United States Congress?

I cannot attempt a comprehensive explanation here tonight. I hope you will forgive me if I focus instead on relating my own personal experiences, both as president and professor. I am entering my ninth decade of life, and I have found that the line between knowledge and memory becomes blurred. It also becomes more difficult for one to say something truly new. Yet I hope that, perhaps, by telling some of my own story, I might shine some light on the experiences of others, on the experiences of Brazil and other countries - on a broader, more important story. De te fabula narratur, as the ancient ones said.

Over the years, many wise people have spoken of the difficulties faced by those who attempt the dual vocations of politician and academic. Max Weber composed admirable essays about both conditions. In times of difficulty as president, when I needed to explain one political decision or another, I myself appealed to the well-established dichotomy between the ethics of responsibility - those of the public official - and the ethics of absolute, final values - those of the priest, prophet and professor. Some have said that reconciling this dichotomy requires a "pact with the devil." That has always struck me as an exaggeration. But my story is, in many ways, deeply rooted in those same choices between values and practice - between reason and emotion.

In the beginning, though, my choices were simple ones. Instead of choosing the established paths of law or letters, I went to study sociology at the University of Sao Paulo. In truth, I didn't really know what I would learn. I suspect my classmates didn't, either. We were studying to be sociologists I think we really wanted to be socialists. (PAUSE) But I was seventeen years old, and I wanted to change the world or, more modestly, I wanted to improve life in Brazil.

There were so many things that needed improvement. Brazil was still deeply rooted in its past, a country that had been both a colony and the seat of a European empire - a country that had imported ten times as many slaves as the United States, and did not abolish the abominable practice until 1888. As I began university, in the late 1940s, more than half of Brazil's population suffered from chronic malnutrition. A similar
number could not afford shoes. Only one in three children attended school. In vast rural areas, half the babies did not survive to see their first birthday. The average lifespan was just 46 years, versus 69 in the United States. It was a tremendously poor, unjust country.

I came from an upper-middle class family in Rio. My father was a general, as was my grandfather. Many of my ancestors had also served both the Empire and the Republic. When I was a child, Rio de Janeiro was still Brazil's capital, a place where the middle class clung to an insular life of small privileges. I remember taking gym classes on Copacabana Beach, and jogging up the verdant hills overlooking the city, still mostly free of favelas - the shantytowns that would soon become an indelible part of the landscape. Yet, by the time I went to university, Brazil had already begun its profound change. My desires, and my values, reflected this changing environment. The egalitarian impulse that Brazil received upon joining the Allied cause in the Second World War created a unique impetus for us to develop and democratize. Brazilian military who fought and died for democracy in Europe knew they could no longer defend an unequal dictatorship at home.

Inequality and under-development were my focus as I began my studies. Yet I must admit that some time passed before I saw the connection between my social and political concerns and the academic formation I was receiving. If Descartes - whose work was taught to us in French, by a professor from the Collège de France - could be assimilated quite easily, Kant, with his a priori principles, was more difficult to understand. In Durkheim "Les Règles de la Méthode Sociologique" I found the clarity Descartes advocated for. I was persistent, especially in my desire - even then - to find a link between academic practice and real-world action. I read Weber furiously - I saw in his "action with purpose," in his descriptions of the various forms of domination, or in his vision of charisma as the counterbalance to bureaucratic banality, the first flickers of the life that awaited me.

I read with passion Karl Mannheim's books on "Ideology and Utopia" and "Freedom, Power and Democratic Planning." The seduction of 'great theories' did not preclude me from looking for empirical community studies and the functionalist method prescribed by Parsons and Merton.

I was also influenced by authors dedicated to understanding the basis for social interactions, including their constituent moral or value dimensions. Great theoretical construction based on systemic or purely structural analysis, without the dynamics of human interaction, hide more than they reveal. In dialogue with Weber, Tonnis insisted that without human will no action is possible. People relate to each other either by sharing a common experience in community life or by entering into contractual relations in societal life. For Tönnies, community and society are basic forms of sociability.

Indeed, all of the theory we studied revolved around relatively simple questions: What are the forms and mechanisms that define the relationship between the individual and the social? What forms of social cohesion are generated? What are the structures in which these interactions take place? How to justify - and legitimize - the process by which outside decisions are imposed upon the individual?

Finally, it was Marx, and authors such as Tocqueville, Mannheim and Schumpeter, among other great thinkers of structural transformation, who consolidated my vision as a sociologist. Structures are basic to explain society but they are not enough to account for change. Without taking into account value-inspired human action we cannot explain the dynamic of historical process. Drinking from these multiple sources, I gradually forged what came to be called a 'historical-structural' approach. Structures provide the field of possibilities for human action but it is the will of individuals, groups and classes,
driven by values and ideologies, that create the opportunity for change.

That is why sociology is a human science. Or, if you prefer, as was said in the old times, a moral science.

This vision enabled me to link my academic training with my impulse to promote change and influence reality. These questions, these products of my academic instruction, were the foundation for everything that came later. And they gave me the tools that allowed many of us to the venture into the world and try, in our own small way, to chip away at that stubborn façade of Brazilian inequality, one small step at a time.

My first work as a sociologist was on that timeless Brazilian issue - race. This was the 1950s, and the official line was that Brazil was a racial democracy; that, despite our history of slavery, the country did not discriminate on the basis of skin color. It was true that there was no official segregation, as in the United States. But it was plainly obvious to everyone in Brazil that darker skin equaled greater poverty. The favelas that were appearing in Brazilian cities - on those verdant hills in Rio, and elsewhere - were dominated by people of African descent. These communities lacked even the most basic access to education, healthcare, or the broader economy. Thus, the myth of racial democracy was in fact quite pervasive. It masked reality and yet contradictory also expressed the aspiration to accede to more tolerant racial relations.

We set out to explode this myth. To do so, we needed empirical evidence. Guided by my mentor, the professor Florestan Fernandes, we ventured into poor neighborhoods in the southern state of Rio Grande do Sul - an area where slavery had not been as entrenched, and therefore the consequences would be easier to see. We must have been a strange sight - we were young white men asking pointed questions about how blacks and whites interacted in Brazil. The people we talked to were forthcoming but the data we collected was damning. There could be no doubt that the legacy of slavery continued to influence inequality in Brazil.

In my doctoral dissertation, "Capitalism and Slavery in Southern Brazil," I endeavored to study the historical structure of the intricate relationship between masters and slaves. In order to understand it, I took into account the general causes that determined it, that is to say, the functioning of mercantile capitalism at the global level. However, I also stressed that the relationship between masters and slaves could only be understood if they were, at the same time, included in the specific dynamics of the Brazilian colonial society, which was not a mere extension of the international productive system.

In ensuing years, the topics of my research would change. But the objectives never did: I wanted to understand what was happening in contemporary Brazil. I wanted to tear down myths and expose truths - on both "left" and "right.

One of these myths was the assumption of a potential alliance between progressive entrepreneurs and the working class to oppose the block made up by agrarian landowners and foreign interests. My research in the book Industrial entrepreneurs and economic development in Brazil demonstrated that this interpretation was a mere illusion.

In 1964 reacting against the call for land and other structural reforms most businessmen supported the military coup-d'état to stop the so-called populist subversion.

As part of the wave of repression I was forced to leave the country with my family. We moved to Santiago of Chile, then a haven of freedom in South America. These were times of political radicalization. The Cuban revolution at the height of the Cold War led...
to an extreme polarization between revolutionary movements and military repression.

Within this framework, a theory became fashionable to explain underdevelopment in Latin America. The so-called periphery was condemned to an eternal state of submission by the rich countries of the core. This theory held that only a total rupture - a global socialist revolution - would be capable of changing the capitalist order.

Working with my colleague Enzo Faletto, we wrote a book - "Dependency and Development in Latin America" - that described a far more complex and dynamic world. Starting with the economic analysis of Raul Prebisch and other thinkers of the Economic Commission for Latin America (ECLA), we realized that the periphery was far from being homogeneous and static. We underlined the historical formation of social classes, of the state as well as the different linkages with the world market. These differences paved the way for alternative forms of economic and social development contingent upon human agency. That is to say we were not condemned to permanent backwardness but challenged to find the appropriate ways to overcome structural barriers.

This seems evident today, but I can assure you it was considered heresy at the time. We were one of the first, in the late sixties, to talk about the internationalization of domestic markets. This process, in retrospect, was in the initial phase of what later became known as 'globalization.' It started in the seventies, extended to the financial market in the nineties, going much beyond the internationalization of domestic markets to encompass the global productive system. This force, and the ability of governments to properly harness it, would be absolutely critical in determining the rise of the BRICS countries, some years later.

After living abroad with my family from 1964 to 1968, working in Chile and teaching at the University of Paris I returned to Brazil in October 1968. At the time democratic pressures seemed to be opening space for some degrees of freedom. Illusion again. A coup by the military hardliners in December 1968 led to a re-imposition of torture and repression. I was stripped of my professorship and forced by the military into early retirement - at the age of only thirty-seven.

Many people, fearing for my personal safety, urged me to leave Brazil again. My decision on these very difficult days was to stay and resist, doing the utmost to preserve spaces for critical thinking. This decision was not without risks. My work was frequently censored. I had to endure long hours of questioning in one of the most notorious center of torture in São Paulo. Many friends and colleagues had to pay a much higher price.

But with many other groups of civil society we managed to pursue a ten-year struggle to restore freedom and democracy to Brazil. We founded an independent think tank - CEBRAP - that became a kind of monastery in the Dark Ages keeping alive the flame of resistance.

I published one of the first books openly criticizing the authoritarian regime - "Authoritarianism and Democracy."

The dictatorship spoke of a "Brazilian miracle," but there was far less progress than met the eye. CEBRAP published a book called "Sao Paulo: Growth and Poverty." The book showed that during the years of the so-called miracle, 80 percent of Brazil's population suffered a decline in real income. This was a product of an authoritarian system that benefited only a small percentage of society. In such a system, no country can experience authentic progress.

This role I assumed of a public intellectual committed to democracy led me to engage in political life. I ran for the Senate in 1978 on behalf of the opposition party and was
elected as deputy senator from the state of São Paulo. In 1983 I became a full senator until my election as president. In 1988 I helped to form a new political party (PSDB).

Did this political engagement imply a "pact with the devil?" No, it did not. Did it imply a rejection of my principles, or the academic work I had done? Quite the contrary. The exercise of politics required an ability to clearly diagnose Brazil's problems, to understand the structures that were available to affect change, and to accurately gauge what was possible in our society. This was the work of a sociologist. In that sense, the academic and the politician - reason and emotion - they were not only complementary. They were both essential.

If there was ever a situation that demanded the skills of a sociologist, it may have been the chaos that confronted Brazil in the early and mid-1990s.

Ours was a country in crisis. While Brazil had recently returned to democracy, the transition had been difficult. Our first democratic president tragically passed away just before taking office; our second was impeached under a cloud of suspicion. Meanwhile, our economy was suffering the cumulative effects of years of mismanagement and growing inequality. Perhaps the clearest symptom was inflation - in 1993, it reached more than 2,500 percent. Brazil had seen seven different failed currencies in the last eight years. People were using words like "basketcase" and "pariah" to describe our country. This was perhaps the period when that regrettable saying by Stefan Zweig, about Brazil being the eternal country of the future, was heard most frequently.

I was then serving as foreign minister when President Itamar Franco called me late one night in New York and asked me to become finance minister. I recoiled in horror. I was not a trained economist, and I feared the position would be a political death sentence. I told Itamar that I was honored, but it would be better not make another change of finance minister which would have been the fourth in seven months. I went to sleep. The next morning, I began receiving phone calls from journalists, congratulating me on my new position - and asking me what would be my first decision as finance minister.

I knew we had to confront inflation, for political and moral reasons. The truth about inflation was that it damaged the poor the most - it left the majority of society unable to save, or invest, or plan, and thus it perpetuated inequality.

We decided to resolve the problem by introducing another new currency, called the "real." The plan itself was concocted by young economists who were brilliant in their financial engineering. My contribution had more to do with the way the plan was presented and in assuring the necessary political support in Congress and Society. Previous attempts to introduce new currencies depended upon surprise and secrecy to try and slow the inflationary spiral. They all failed. As a sociologist, I knew that in open societies, confidence is just as important as technical competence. Communication between leaders and society is just as critical as the quality of the policies being implemented. Consequently, I took great pains to explain our logic, and our plans, to the Brazilian public for months in advance before the real was launched. I truly believe that this transparency was the determining factor of our success.

Inflation would fall from above 2,500 percent in 1993 to just 5 percent by 1995. The effect on Brazilian society was instant and profound. People who were living in abject poverty could now retain the value of their money, and buy basic things like yogurt and chicken - others, of greater income, could now save to purchase TVs and cars for the first time. It was the very definition of a policy that would both create wealth and reduce inequality. That is why I was elected President in October 1994 by majority vote in the first round.
In my two consecutive mandates we took many other steps to make a more prosperous and equal Brazil. We implemented compensatory policies, to address inequalities, including racial, that I had documented so many years before. We implemented progressive policies on AIDS prevention and land distribution that would address the needs of the poorest members of society. We gave a firm impulse in universal education and health care. We sought to invigorate the economy by breaking monopolies and privatizing some state companies, without ever abdicating the state's necessary role as an economic agent, both in promoting development and in playing a direct role in some strategic areas, as petroleum and finances.

My beloved late wife Ruth, an accomplished academic in her own right, established a program called "Comunidade Solidária," which broke with the traditional patronage of social programs. The focus passed from merely satisfying necessities to strengthening people and communities.

The Plano Real, the opening of the economy and the policies to reduce poverty and inequality were pursued by successive governments, under different political parties, expressing a growing consensus around a common ground.

Along the way, inevitably we made mistakes. Yet all these steps, in conjunction, allowed Brazil to take advantage of that positive force that we had begun to perceive in the 1960s. The collapse of the Berlin Wall had accelerated globalization, and given rise to an unprecedented wave of wealth creation throughout the world. By stabilizing the economy, establishing a political consensus behind responsible policymaking, and addressing the needs of our poorest, we were able to ensure that Brazil fully harnessed that titanic force.

Looking at the world today, the challenges and problems facing all of us are in many ways familiar to me. In several countries, including some in the former "core," deep inequality has paralyzed progress. Other countries still face the tyranny of a tiny elite that refuses to let go of power, and continues to dominate wealth and privilege.

Experience has taught me to be optimistic. Brazil's example shows that even a country deemed "hopeless" can reverse its fortune quickly. Plus, there are new structures and tools available to us for social change that are more far-reaching, and more immediate, than the ones I first studied at the University of Sao Paulo some six decades ago. In some respects, there has been a re-encounter with concepts such as humanity and community.

Social structures, social classes and national states by themselves no longer account for the diversity of actors engaged with global problem and challenges affecting the whole of mankind. As outlined by Alain Touraine, global social movements of an incredible variety express a point of view of humanity.

New forms of identity and community are being recreated without necessarily implying a face to face relationship. The positive role of social media such as Facebook and Twitter in marshaling social change and causing a rupture in existing social structures, in cases such as the Arab Spring, has been well documented, among others, by Manuel Castells. It's as if we need to rediscover the dialectic between the thinking of Rousseau and Montesquieu in order to allow for a future synthesis, or at least an accommodation between the institutional order and spontaneous movements.

I don't know what will come of this relationship in the future, but it's clear that some of the old concepts are now insufficient to understand today's world.

Yet, that doesn't mean we should turn our backs on the classic lessons or methods of
the social sciences. Far from it. This group of distinguished people gathered here tonight is a celebration of the great and important role that the humanities can play in our modern world - in politics, academics, and human thought more broadly.

I hope that people will look at the Brazilian experience and realize the importance of tolerance and diversity. I mentioned earlier that the notion of a 'racial democracy' was both a myth and the expression of a genuine desire for this to be true. Today, thanks to the compensatory social policies and the pressure toward greater democratization, combined with the lack of big cultural divides, there is a growing trend toward the acceptance of differences and even tolerance of conflicts. This attitude, strongly criticized in the past as proof of a permanent political conciliation among the elites, now takes a much more positive meaning.

I believe that the current power shift underway means the Western world, in order to assure its continued influence and legitimacy, must become more accepting and inclusive of other countries' cultures. Brazil's story shows how a diverse country can become part of the modern world. The globalization of the economy, and the acceptance of the market as the regulating force in many aspects of life, cannot become a straitjacket. There will always be room for cultural alternatives, for national morals and behaviors that will keep things from becoming flat and boring in this world. Hopefully Brazil, with its unique creativity and imagination, can be an active agent in the construction of a political and economic order which allows not only for increases in GDP - but in the happiness of countries. Perhaps I have played my small part in furthering this debate.

As for me, I continue to remain active, focusing not on day-to-day Brazilian politics, which I abandoned upon leaving the presidency - but on international issues such as democratic global governance, the restructuring of the financial order, and international drug policy. I have lost many loved ones in recent years, among them dear Ruth. This has been difficult; it reminds us that time is passing, and that soon nothing will be left to judge us but history. Yet I continue to try to do my small part, still relying upon those reserves of reason and emotion.

Standing before you tonight, perhaps that dichotomy is a bit out of balance. As I said at the beginning of my remarks, it is emotion that I feel most acutely at this moment. I feel truly overwhelmed - overwhelmed by gratitude - gratitude to my country, gratitude to this institution, and gratitude to all of you for making tonight possible. Thank you for this great honor. Thank you so very much.