

Some comments on “reconfiguring and redeeming the
role of the State in Brazil and Latin America”

Ricardo Bielschowsky
INCT/PPED Seminar
IE/UFRJ, December 2016

- a) The structuralist diagnosis on the persistence of underdevelopment and the lack of proper States and institutionalities to deal with it
- b) OK, more State is needed, but what for ? What are the national development projects ?
- A possible general development model for Latin America : social-developmentalism ?
 - The search for concrete models of development (valid to each LA country) : Is the Brazilian social-developmental project a good reference ?
 - Are current “resistance” battlegrounds in Brazil against neo-conservatory views common to all LA countries ?

a) Validity of Prebisch's/CEPAL's original structuralist theory of Latin America underdevelopment

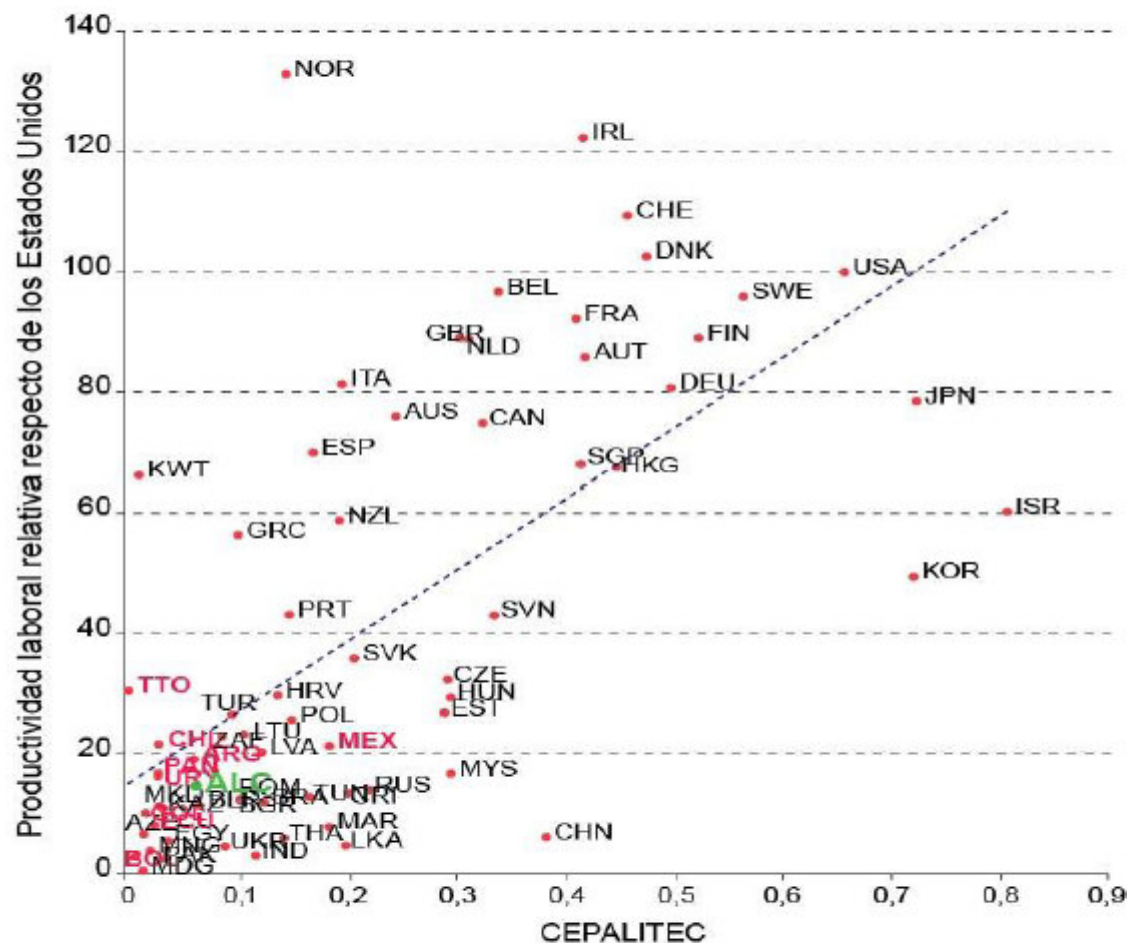
The three basic dimensions of the 1950s structuralist analysis of the region's backwardness are still valid today:

- ☐ Lack of diversity in production, and export specialization in primary goods;**
- ☐ Structural productive heterogeneity, abundant supply of labour and low wages (social heterogeneity as a consequence);**
- ☐ Institutionality (and State) not adequate deal with the first two dimensions of backwardness (to deal with capital accumulation, technical progress and, as in current neostructuralism, to deal with to social protection)**

Validity of the first element :Lack of diversity in production, and export specialization in primary goods;

Estructura productiva poco diversificada

MUNDO (ECONOMÍAS SELECCIONADAS): PRODUCTIVIDAD LABORAL RELATIVA RESPECTO DE LOS ESTADOS UNIDOS
E ÍNDICE DE INTENSIDAD TECNOLÓGICA, 2012



CEPALITEC es un promedio no ponderado de tres indicadores normalizados entre 0 y 1:

1. Las exportaciones de nivel tecnológico alto y medio, como porcentaje de las exportaciones totales
2. El número de patentes por millón de habitantes
3. Los gastos en investigación y desarrollo como porcentaje del PIB

Fuente: CEPAL, sobre la base de la Base de Datos Estadísticos de las Naciones Unidas sobre el Comercio de Productos Básicos (COMTRADE) y datos de la Oficina de Patentes y Marcas de los Estados Unidos (USPTO), la Organización de las Naciones Unidas para la Educación, la Ciencia y la Cultura (UNESCO), la Organización de Cooperación y Desarrollo Económicos (OCDE), la Red de Indicadores de Ciencia y Tecnología Iberoamericana e Interamericana (RICYT) y la CEPAL.



Trigésimo sexto
periodo de sesiones
de la CEPAL
Ciudad de México

Horizontes 2030: La igualdad en el centro del desarrollo sostenible
Alicia Bárcena

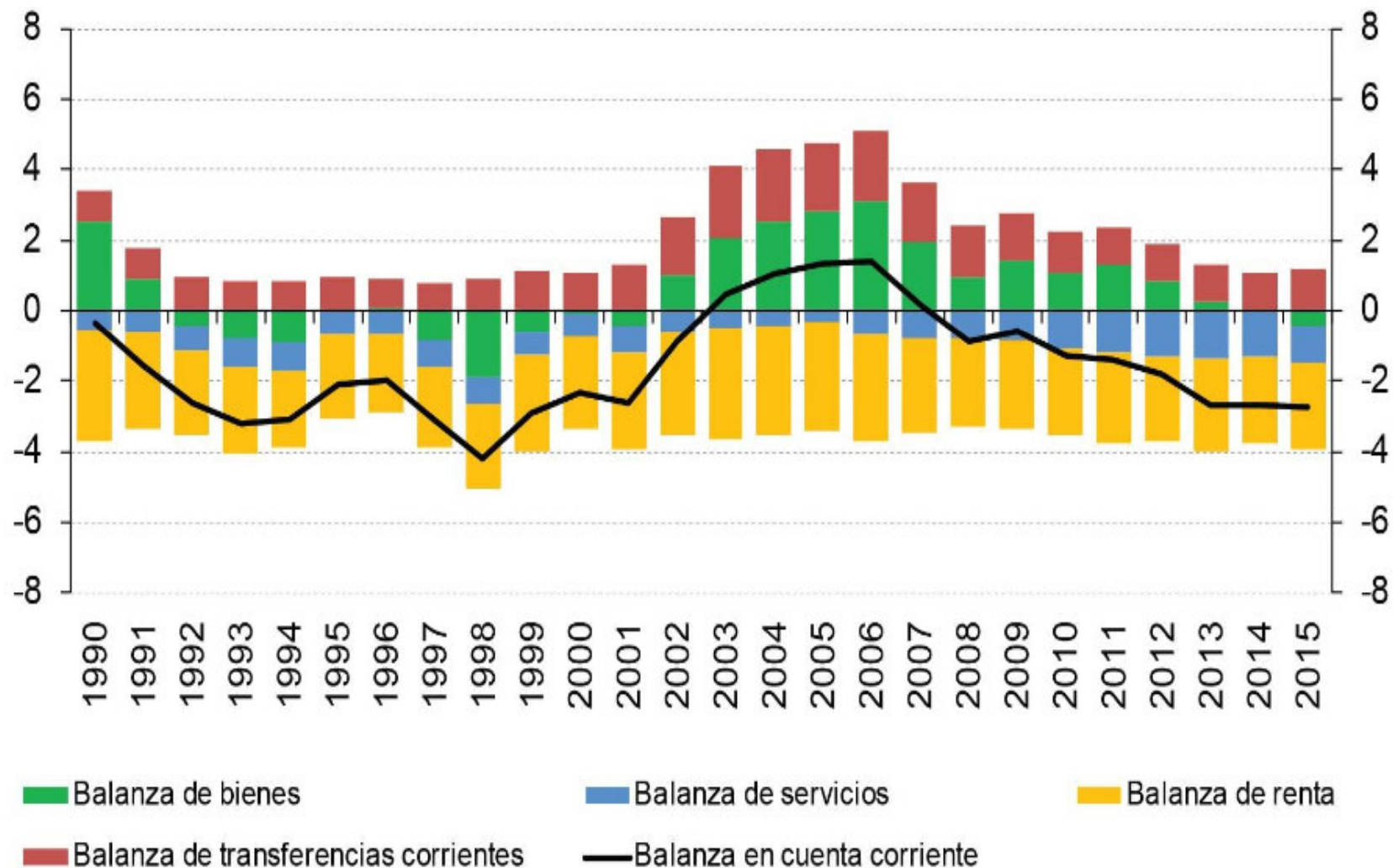


REPUBLICA UNIDA

Vulnerabilidad externa latente

AMÉRICA LATINA Y EL CARIBE: EVOLUCIÓN DE LA BALANZA EN CUENTA CORRIENTE Y SUS COMPONENTES, 1990-2015

(En porcentajes del PIB)

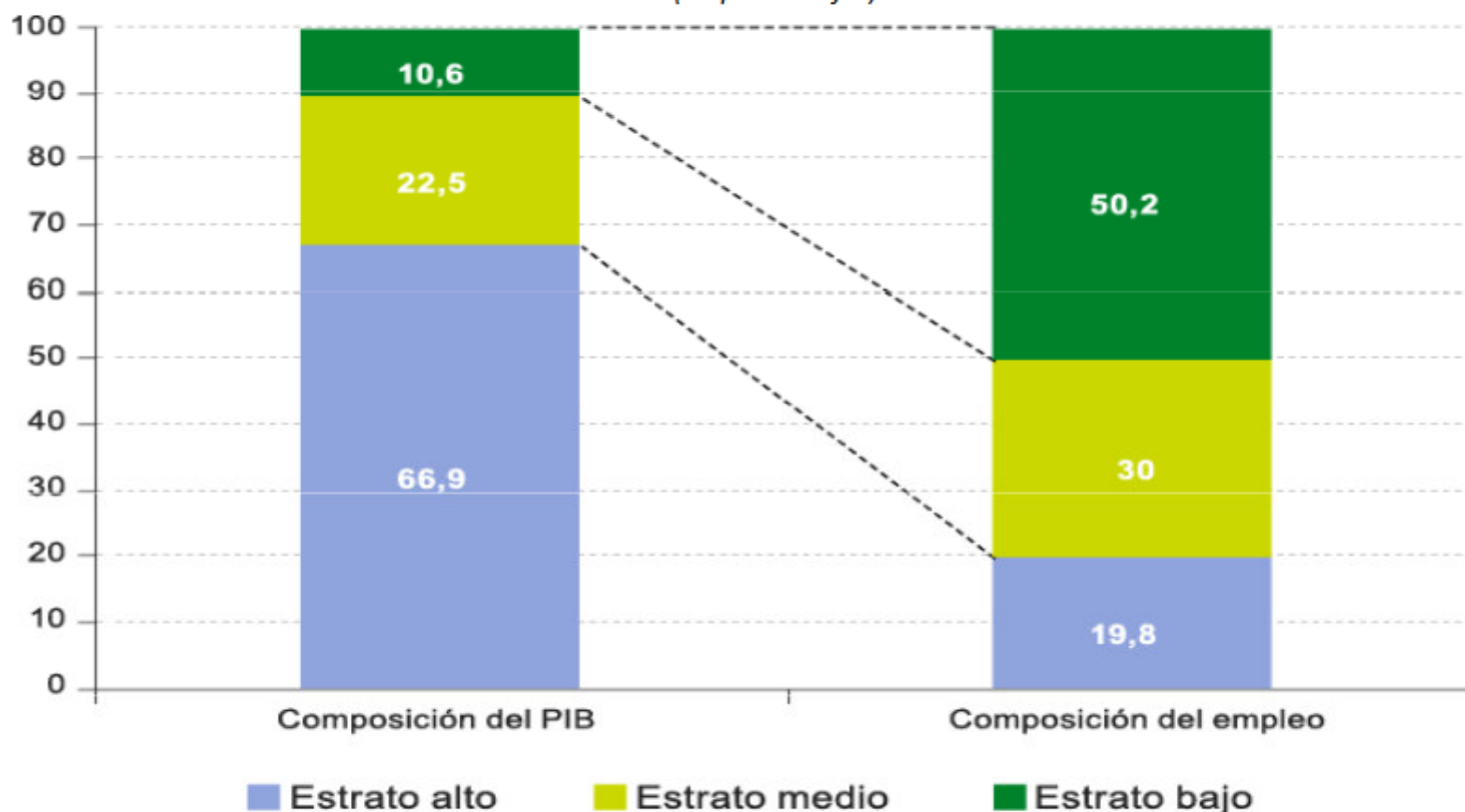


Fuente: CEPAL, sobre la base de cifras oficiales.

Structural heterogeneity

Estructura: el empleo se concentra en sectores de baja productividad y bajos salarios

AMÉRICA LATINA (18 PAÍSES): INDICADORES DE HETEROGENEIDAD ESTRUCTURAL, ALREDEDOR DE 2009
(En porcentajes)



Fuente: Comisión Económica para América Latina y el Caribe (CEPAL), sobre la base de R. Infante, "América Latina en el 'umbral del desarrollo'. Un ejercicio de convergencia productiva", Documento de trabajo, N° 14, Santiago de Chile, 2011, inédito.

Trigésimo cuarto período de sesiones de la CEPAL

San Salvador, 27 a 31 de agosto



NAIONES UNIDAS

CEPAL

INADEQUACIES OF STATES AND INSTITUTIONALITIES TO COPE WITH LOW PRODUCTIVE DIVERSITY AND STRUCTURAL HETEROGENEITY (TO COPE WITH LOW INVESTMENT, LOW TECHNICAL PROGRESS AND LACK OF SOCIAL PROTECTION).

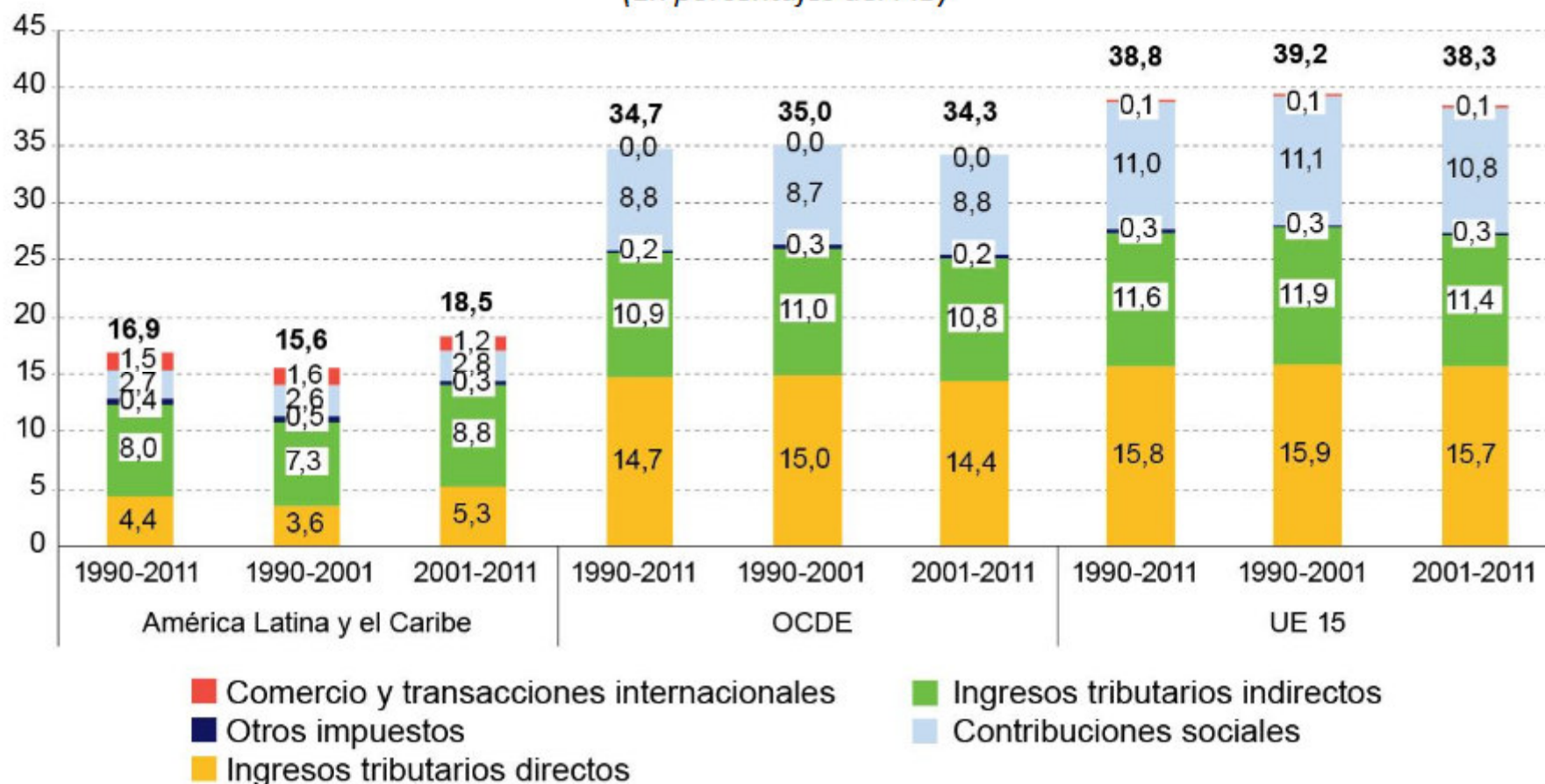
Some examples:

- Precariousness in the national system of innovation and in financing
- Inadequate composition of agents (lack of “global players”, multinational corporation controls the dynamic sectors but do little R&D locally, etc.)
- Low taxation and regressive tax systems

La región recauda poco y mal

COMPARACIÓN INTERNACIONAL DEL NIVEL Y LA ESTRUCTURA DE LA CARGA TRIBUTARIA, 1990-2011, 1990-2001 Y 2001-2011^a

(En porcentajes del PIB)



Fuente: Comisión Económica para América Latina y el Caribe (CEPAL), Organización de Cooperación y Desarrollo Económicos (OCDE) y Fondo Monetario Internacional (FMI).
^a En el promedio de América Latina la cobertura corresponde al gobierno central, excepto en la Argentina, el Brasil, Bolivia (Estado Plurinacional de), Chile y Costa Rica, caso en que corresponde al gobierno general.

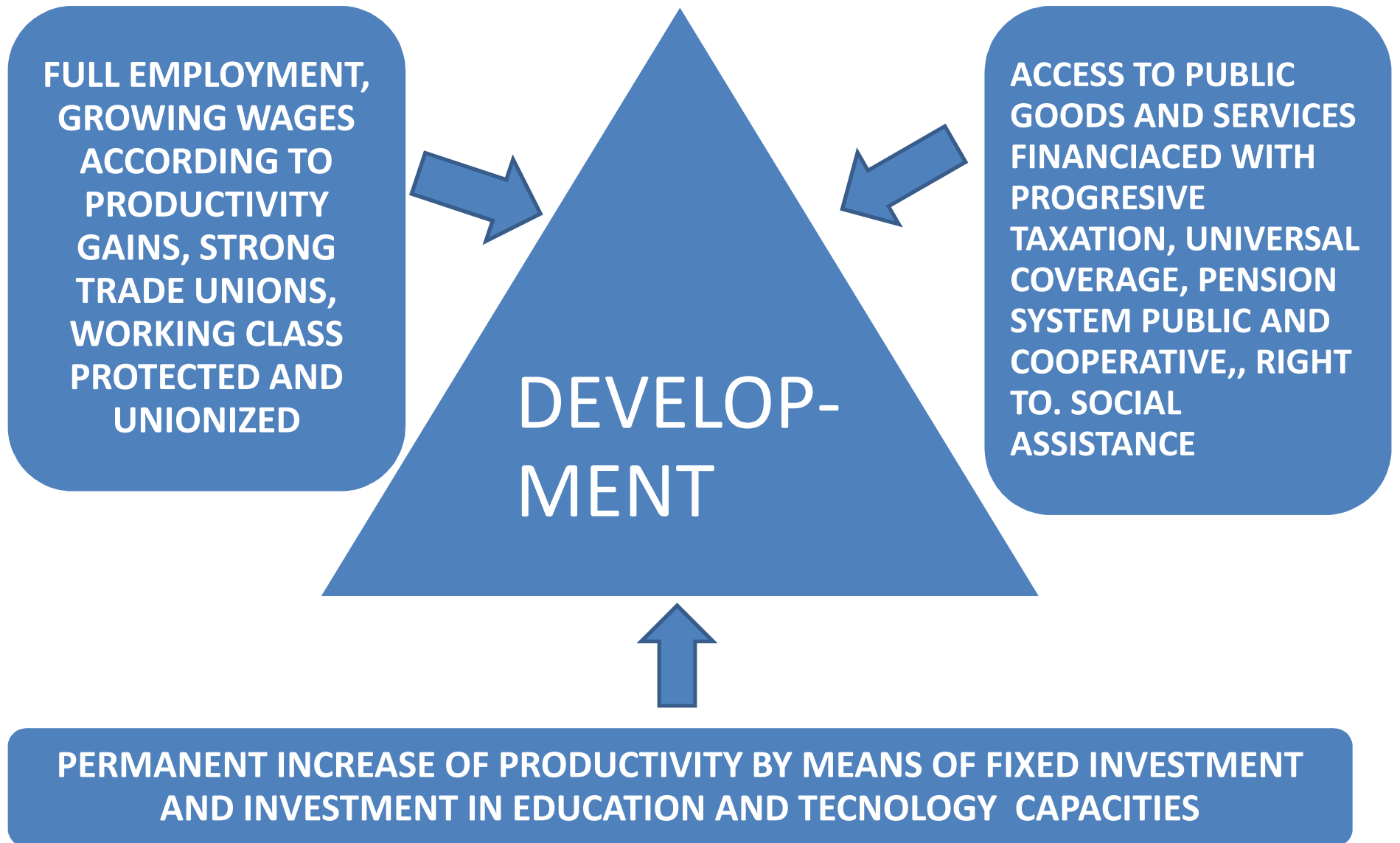


OK, we need more State. But we also need to discuss ... “what exactly for ?” For which national development model in each country ?

- a) A possible general reference for Latin America : social-developmentalism ?
- b) The search for concrete models of development (adapted to each LA country) : Is the Brazilian social-developmental project a good reference ?
- c) Are current “resistance” battlegrounds in Brazil against neo-conservatory views common to all LA countries ?

a) Social-developmentalism ?

THE THREE AXES OF SOCIAL-DESENVOLVIMENTALISM (SIMILARITIES WITH EUROPEAN CLASSIC WELFARE STATE NOT A COINCIDENCE)



Is Brazilian social-developmental model
is a good approach to think about
redeeming and redefining the role of the
state in other Latin American countries ?
How to adapt it to other country
specificities?

Idealized social-developmental strategy in the 2003-2014 period (as in Lula and Dilma's government documents): SOCIAL, MACROECONOMIC AND PRODUCTIVE AREAS		Did it work? (2003-14)	
		Achievements	Errors, Insuficiencies
SOCIAL : fullfilment of citizenship rights, poverty elimination, improvements in income distribution			
MACROECONOMIC: Harmonizing price stability , growth and income improvements			
<u>PRODUCTIVE (A)</u> <u>Enhancing the three existing growth fronts (investment Fronts) :</u>	Investment in resource intensive activities”		
	Investment in economic and social infrastructure		
	Investment in mass production and consumption;		
<u>PRODUCTIVE (B) :</u> <u>“Powering the three investment fronts with</u>	Investment in domestic manufacturing sector		
	Education, C&T, innovation		

Battlegrounds in anti-neoliberal
resistance in the Brazilian case
(similar to other LA cases ?)

MAIN ISSUES UNDER DISPUTE

ISSUES	CONSERVATIVE FIELD “Neoliberal”	PROGRESIVE FIELD
Social Policies (education, health, housing, etc.)	At best, some focalization on poors. Emphasis in privatization of social services	Universal policies, with quality and gratuity (Social welfare)
Tax reform	In Brazil : freezing of real value of expenditures (PEC)	Emphasis in progressive taxation (on dividends, large fortunes, etc.)
Reform in the pension system	Emergencial, with fiscal objectives, challenge to dismissal of automatic link to minimum wage	Gradual, and according to 1988 Constitution
Trade-unions, wagews	Preferably weak trade-unions, wage according to market forces	StronG trade-unions, acti ve minimum wage policy
Macroeconomic policies(Monetary fiscal, exchange rate)	Preference for “orthodoxy” and Central Bank autonomy, recession regarded as “disciplinary” to labor market	Preference for “heterodoxy”, variations in regard to fiscal policies

MAIN ISSUES UNDER DISPUTE

ISSUES	CONSERVATIVE FIELD “Neoliberal”	PROGRESSIVE FIELD
Development model	Emphasis in resource allocation by market forces	State support to reindustrialization, infrastructure and exports
Export model and market liberalization in service industries	Yes, in favor of USA and EU; Mercosul revised; export-led model	Growth led by domestic market, export efforts, equilibrium between BRICS and USA/EU, strengthening of Mercosul
Industrial policies (state intervention in fixed and R&D investment)	Preference for public-private partnerships, horizontal C&T policies only	Support to investment in general, especially in infrastructure and manufacturing sector, horizontal and vertical industrial and C&T policies
Privatization	Petrobras and state-owned banks	No
Foreign capital	Yes, without constraints	Cautioun with access to land and services

MAIN ISSUES UNDER DISPUTE

ISSUES	CONSERVATIVE FIELD "Neoliberal"	PROGRESIVE FIELD
Other main issues: regional and teerritory development, Environment sustainability,, etc.	?	?
DEMOCRACY	? !	? !

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