DEVELOPMENT AND PROMOTION OF CITIZENSHIP IN BRAZIL: A POLITICAL ECONOMY APPROACH

DESENVOLVIMENTO E CONCRETIZAÇÃO DO DIREITO À CIDADANIA NO BRASIL À LUZ DA ECONOMIA POLÍTICA

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RESUMO: Este texto busca promover discussões acerca de Economia Política e Estudos Brasileiros. O enfoque adotado é desenvolvimentista (considerando o Brasil como parte de uma “estrutura Latino-Americana”). Busca-se a promoção de maiores debates sobre as citadas áreas de pesquisa. Um dos propósitos principais é o de oferecer uma base bibliográfica segura para futuros estudos. Começando a partir da definição de alguns “tipos de capitalismo”, o artigo promove discussões que oferecem material para uma análise ampla da (macro) economia brasileira e também para a formulação de políticas econômicas. Recomenda-se um enfoque mais liberal para a condução da economia, e, portanto, permitindo mudança de curso (buscando sair das estruturas tipicamente de baixo desempenho que tem caracterizado o Brasil dos últimos 15 anos).


ABSTRACT: This text promotes discussions about Political Economy and Brazilian Studies. The approach is that of Development Studies (considering an underlying Latin American framework), and also one which tries to offer information for greater academic debate in these areas. One of the main purposes is to offer bibliographical indications for further studies. Starting from some types of “capitalist organization”, the article promotes discussions in order to provide material for broad (macro) economic analyses and policy making. A more liberal approach to business is recommended as it is conducive for new reforms that may
redirect Brazilian economic structures, and, therefore, allow for change (out of the typical underperforming business structures we see for the last 15 years).


**SUMÁRIO**: Introduction. 1 Some classic types of capitalism. 2 Political economy, latin american, brazilian and development studies. 3 Socialism-marxism versus liberalism-globalism. 4 Macroeconomics of development. 5 The need for benchmarking and of economic history & geography. 6 Trying to produce some “pre-conclusions” (lessons to put into practice). Concluding remarks. Bibliography

**INTRODUCTION**

The purpose of the article involves: (a) providing study material for my students (including relevant bibliography), (b) putting some ideas on paper so as to consolidate some of my teaching experience and views, (c) providing some basis for further studies that may relate Political Economy with Legal Studies (a Law & Economics approach).

This Introduction is followed by a Background for Discussion. Some Classic Types of Capitalism are considered in order to improve the understanding of Political Economy, Latin American, Brazilian and Development Studies. The views of Socialism-Marxism versus Liberalism-globalism are then briefly presented. The following stage involves some ideas concerning Macroeconomics of Development. The Need of Benchmarking and of Economic History & Geography brings some new proposals to the practice of Political Economy. Trying to produce some Pre-conclusions is a section where some authors and topics are discussed in order to indicate that many economic ideas need to be put into practice. The text closes with some Concluding Remarks.

This text promotes discussions concerning Political Economy and Brazilian development. The approach is one which takes into account theories of: Business Studies (Economics and also Management Theories), Development Studies, Law & Economics, Latin American and also European Studies.

Ideas and discussions were developed mainly from teaching practice at degree level: for students of the Law and also Production Engineering Departments of UniFOA (since 2007). The environment of the cited institution of higher education (UniFOA) promoted
relevant exchange of ideas with many students and also with other lecturers (mainly lawyers and engineers).

The city where UniFOA is located (Volta Redonda, in Rio de Janeiro state) is particularly “inspiring” for discussions concerning political economy and development studies as it was one of the main landmarks of Brazilian industrial development: it was there that in 1941, during Getúlio Vargas’ government, “*Companhia Siderúrgica Nacional-CSN*” was created (the first Large-scale Metallurgical Plant of Brazil and a *State-Owned Enterprise – SOE*, up to 1993, when it was privatized). For information regarding Volta Redonda and CSN see: Gomes (1983), Veiga & Fonseca (1990), Tiezzi (2005), Bedê (2012),

Discussions will start by considering: (a) some “classic” types of capitalism, (b) some foundations for Latin American, Brazilian and Development studies, (c) the conflicting socialist-Marxist and liberal-global views of business and world economic structures, (d) macroeconomics of development, and the purpose will be to (e) try to arrive to some conclusions and recommendations.

One of the main ideas of this article is to promote renewed discussions about Political Economy and Development Studies, and, also, to provide bibliographical indications for further studies. There is a great tradition of research and academic production in these areas within English speaking countries; particularly England and the United States (USA). These lines of research need more attention and consideration in Brazil.

The *Political Economy* contributions by Brazilian academics are heavily based on Marxists views. This text argues that there is a need for more liberal thinking regarding Political Economy, Development Studies and Economic Policy in Brazil.

1 SOME CLASSIC TYPES OF CAPITALISM


We may consider Brazil (at least from the 1930s and from Getúlio Vargas’ government), as a case of “*State-led capitalism*” or “*Government-led capitalism*” or “Crony
capitalism” (otherwise known as “statism”; a recent and well argued book concerning State Capitalism in Brazil was written by MUSACCHIO & LAZZARINI, 2015). With privatizations, from the 1990s onwards, mainly during Fernando Collor and Fernando Henrique Cardoso’s governments, the weight of the State has diminished (at least directly in terms of large State-Owned Enterprises or “SOEs”). Brazil is still heavily directed, notwithstanding, by government. There was a “transfer of economic power” from “State” (considering mainly the Federal sphere and some key and large SOEs), to “government”; to other spheres or entities such as Regulatory Agencies, pension funds, “local states” (i.e. federative units), and also municipalities. It is possible to argue today (benefiting from hindsight) that the only case of privatization with actual success was that of EMBRAER (the Aircraft manufacturing company from São José dos Campos city, in São Paulo state; founded in 1969 as a SOE and privatized in 1994).

Accepting the risk of being accused of certain “generalization”, it could be argued that the main SOE was never privatized: that being the case of PETROBRAS (the Oil “ex” giant; now immersed in corruption scandals and extremely devalued); and that the other important SOE, “Companhia Vale do Rio Doce” or “CVRD” (after privatization renamed as “Vale”), was never really properly privatized, as its ownership was transferred to pension funds controlled (even if indirectly) by central Government.

The case of Brazil is, therefore, that of a false privatization. Here again it is possible to accept some views about Brazil being a country of “smoke and mirrors” (a country of magic and delusion), mainly when matters are of economic-policy and development strategies. The policy is always to concentrate power in corrupt hands and the strategy is to suppress and exploit most of the national population (considering federal, state-federative units, and municipal levels).

When considering Brazilian History there is almost no “History of Development”, but many “Stories of Underdevelopment”.

Large private-owned corporations such as ODEBRECHT (among others), were, as we see nowadays, “captured” by government (through government officials and representatives), for decades, through illegal schemes. This fact is now largely informed by Brazilian media: TV, radio, newspapers and magazines. Even knowing that there are large privately-owned companies in Brazil, the fact that they were captured means that their businesses were (and in most cases still are), in practice, run by corrupt government agents “schemes”.

To reinforce the case concerning enormous concentration of power and economic activities in the hands of government, São Paulo state will be considered: the most important
and *dynamic* (if we can use this word!) “Brazilian Federal unit (*estado de São Paulo* = São Paulo state)” with respect to production, consumption, and Gross Domestic Product (GDP). Just in São Paulo state (at local level), there are many *Public Enterprises* (“Empresas Públicas”). For example: (1) “Companhia de Desenvolvimento Habitacional e Urbano” – CDHU [urban planning and housing], (2) “Companhia de Processamento de Dados de São Paulo” – PRODESP [data processing], (3) “Empresa Metropolitana de Transportes Urbanos de São Paulo” – EMTU [urban transportation], (4) “Instituto de Pesquisas Tecnológicas” – IPT [technological research], (5) “Imprensa Oficial do Estado de São Paulo” – IMESP [printing / official press], (6) “Companhia de Desenvolvimento Agrícola de São Paulo” – CODASP [agricultural development], (7) “Companhia Paulista de Obras e Serviços” – CPOS [construction and services], (8) “Empresa Metropolitana de Águas e Energia” – EMAE [water and energy], (9) “Companhia de Docas de São Sebastião” – CDSS [ports], (10) “Companhia Paulista de Eventos e Turismo” – CPET [tourism and events], (11) “Companhia Metropolitana de São Paulo” – CMSP/Metrô [underground], (12) “Companhia Ambiental do Estado de São Paulo” – CETESB [environment], (13) “Companhia de Saneamento Básico do Estado de São Paulo” – SABESP [sanitation], (14) “Desenvolvimento Rodoviário” – DERSA [motorways], (15) “Companhia Paulista de Trens Metropolitanos” – CPTM [trains / railways], (16) “Agência de Desenvolvimento Paulista” – Desenvolve – SP [Development Agency], (17) “Companhia Energética de São Paulo” – CESP [Energy]. ... (...) If we had more patience even more public companies can be found! ... This illustrates the so called *government concentration of power* (which includes diverse economic activities in Brazil).

In order to better understand “Brazilian capitalism”, other types of capitalism will be considered. These other types of capitalism force us think about different ways of understanding development and *development historical processes* (which may be different in scope and character and also diverse in their conditions).


a) “USA-style capitalism” or “wintelism”: focused on “Information and Communication Technologies” – “ICT”: computers, software, “apps”, the media, etc.

c) “United Nations-style capitalism” or “environmentalism”: using the concept of sustainability and environmental protection; something the UNO is dealing mainly with since the meetings carried out in Stockholm (1972) and Rio de Janeiro (1992) with its “Agenda 21”.

d) “German-style capitalism” or “stakeholdism”: promoted the inclusion idea through “stakeholder” structures; which implies greater social involvement and improved interaction between enterprises, governments (at all levels), professional bodies, labor unions, local communities, employees, and universities, etc.

e) “Brazilian-style capitalism” or “state-led-government-interventionist-corrupt”: characterized by huge state intervention and direction; *e.g.* through the BNDES (www.bndes.gov.br) or via subsidies, and also with government representative (illegal and corrupt) conduction.


Discussions concerning capitalism are important because Brazilians need to decide what type they would prefer to adopt: if the “statist” and normally corrupt one which conducted Brazil historically, if one of the successful types (*e.g.* American; Japanese, German), or if a new type can be “invented” and applied.

2 POLITICAL ECONOMY, LATIN AMERICAN, BRAZILIAN AND DEVELOPMENT STUDIES

The following indications are given in order to list some fundamental texts. This will provide material for greater clarity and for further research and selection of complementary material.

Concerning specifically the material for *Teaching Political Economy*, a basic bibliography includes: Drouin (2008), Fusfeld (2003), Heilbroner & Thurow (2001), Jackson
& Sorensen (2007), Guitton (1971); more recently (considering material available in Portuguese): Conway (2015), Mises (2015), Bastiat (2016), Meira-Penna (2016). Extra reading lists which change every semester are mainly composed of recent articles and news from influential periodicals (including non-academic periodicals).


Teaching **Political Economy** in Brazil should involve broad discussions about **Latin America** in order to contextualize **Brazilian Studies** in relation to regional forces (political, cultural, historical, economics). Once this is done, with its practical & theoretical implications, a broader view of **European, American and Western Studies** must also be taken into account so that the **Economic Theory & Thought** is properly applied to promote
Development Studies which may be useful to improve national and regional social-economic conditions.

3 SOCIALISM-MARXISM VERSUS LIBERALISM-GLOBALISM

The “socialist – Marxist view” is, considering the specific case of recent history in Brazil, one that needs to “take part and take advantage of other people’s properties and businesses” (adopting an approach where work ethics and greater involvement in production is not a serious concern) … (…) while the “liberal-globalist view” (here again dealing with today’s Brazilian case) is one that wants to “produce and conduct its own businesses” (adopting a lay approach of Max Weber’s work ethics), but with limited concern to social needs of the majority of the Brazilian population (with limited or no social conscience; lacking inclusive policies).

Even at a risk of misusing Edmar Bacha’s term “Belíndia” (BACHA, 2012; KLINTOWITZ, 2014. p. 311-315), terminology created in 1974, it is possible to say that these views in Brazil (“socialist” and “liberal”; “Marxist” and “Global”) are producers of this perverse structure where a very limited portion of the Brazilian population (between 15% and 20%) live a “Belgium-style” life and most (between 80% and 85%) have an “Indian-style” life. This may sound as a choking stance for some readers, but the “BELINDIA” tale is the best way to describe today, at the beginning of the 21st century, how things really work at a country level in Brazil.

It is clear, when analyzing the world as a whole, that countries adopting more liberal views and practices will see more development; while countries adopting more socialist views and practices will underperform (socially, economically, technologically, etc.). This is very clear when analyzing the types of capitalism (as above mentioned): the main reason to explain the good performance of the United States of America (USA), Japan and also Germany (and of countries which are “good performers” such as South Korea, England, Canada, Australia and The Netherlands) – is directly related to their liberal and global approach to business and capitalism.

A good explanation, therefore, for economic backwardness and underperformance is the adoption of “leftist views” (e.g. socialism, communism, “statism”, interventionism, labor-unionism, structuralism, “bolivarianism” and “cepalism”). With “cepalism” the views are those related to “Comisión Económica para America Latina y el Caribe / Economic
Commission for Latin America and the Caribbean” (CEPAL-ECLAC). Most African, Latin American and poor Asian countries fall into one of the many underperforming categories.

It is also appropriate here to remind the reader of bad-performing models probably more related to “rightist views” (considering “isms” such as): “imfism”, “worldbankism”, “uno-ism” (in allusion to the International Monetary Fund-IMF, The World Bank, and United Nations Organization-UNO), as well as the evil structures of Nazism, Fascism, … or the older (problematic) structures of colonialism, “slaverism”, imperialism, feudalism, mercantilism (for information concerning many of these “isms” read: CROW, THORPE et al, 1988; HUNT, 1989; ELKAN, 1995).

One very difficult “ism” to discuss is that of Keynesianism. There are liberal (“temporary”) views (those of John Keynes himself = “original-Keynesianism”), and of the “neo-Keynesians” (e.g. Joseph Stiglitz and Paul Krugman; they consider that government must be concerned with access to information and allow for greater transparency regarding economic data, statistics and information about firms and the economy in general); and “more to the left” views such as those of the “post-Keynesians” (e.g. Nicholas Kaldor and Michal Kalecki; this is the most interventionist school among Keynesians, as they consider that government and government policy should direct people and society). There are also the “new-Keynesians” (e.g. James Tobin, N. G. Mankiw and David Romer); the “new-Keynesians” are concerned with the micro-economical foundations of macro-economics, and they are the least interventionists (when comparing to other Keynesian “schools”). Keynesianism and its diverse interpretations comprehend very complex subject matters (KEYNES - KALECKI, 1978; BYMS & STONE-Jr., 1992; STIGLITZ, 1993; AMADO & MOLLO, 2003; KRUGMAN, 2006; MERCED, 2012; RAIM, 2015).

What is really important to conclude is that the economy needs to be well managed; and ideas and practices concerning administrative (managerial, governance) efficiency usually derive from productive and commercial enterprises (and not from State or government). The paradigms for good performance should be those considered in texts such as: Blaug (1992), Clegg, Hardy & Nord (1996), Rothman (2001), HSM Management (2001), Witzel (2005), Booz-Allen-Hamilton (2006), Business Week (2008).
4 MACROECONOMICS OF DEVELOPMENT

The focus today is not that of development or Marxist studies. The issues considered useful to promote economic development are nowadays related to macroeconomic theory, institutional economics and managerial practices.

Importance should be given to: (1) resource allocation, (2) output distribution, and (3) effects of this allocation and distribution. The desire is to produce aggregate views of economic performance. Aggregate studies may be conducted through researching government expenditure (“G”), investments (“I”; mainly private), and also family consumption (“C”).

Considering the non-possibility to perform experimentation in Economics (something possible in pure sciences such as Physics and Chemistry), Economics makes use of abstractions based on comparisons (Lane & Ersson, 1997). From this method (of comparisons; which involve benchmarking), the objective is to establish general relations, eliminating secondary aspects and occasional obstacles to economic improvement. The synthesis obtained from this methodological procedure results in the formulation of macroeconomic theories. These will make possible socio-political analyses regarding economic phenomena and, therefore, bring material to help with economic policy making.

It is useful to remember that Macroeconomics studies aggregate effects of Microeconomic decisions. The “macro” view takes into account matters such as National Income, Gross Domestic Product (GDP), Employment and Unemployment, Balance of Payment (where the “unit” of analysis is usually one specific country). This “unit of analysis” may also be a collection of countries (as is the case with many European countries belonging to the “Eurozone” – countries using the Euro as a monetary system).

It is important to consider that a good and effective macroeconomic policy will take into account a specific country and also regional and global structures and arrangements. When dealing with the case of Brazil it can be said that macroeconomic performance does not have a good track record and was (historically) badly accommodated into regional (e.g. MERCOSUL) and global structures (global economy and commerce). Brazil’s fiscal and monetary policies were, in general, not efficient to promote Brazilian development.

Not only monetary and fiscal policies have performed badly in Brazil (historically speaking), but it is possible to argue that bad performance is also the main Brazilian characteristic regarding commerce, prices, production, exchange rates, savings, consumption, salary levels, total investments and also employment (and quality of employment – which is usually low).
Development (and Underdevelopment) considers undertaking a process of economic growth (with GDP enhancement), and then promoting transformations in society which enable to transform poorer societies into richer societies (Furtado, 1954; Agarwala & Singh, 1958; Sunkel, 1977; Colman & Nixson, 1994). The interpretation in most cases, considering the development process (and government policies in Latin America), is predominantly to promote GDP growth in the hope that GDP per capita will improve. This does not happen due to growing inequality and many structural unsolved problems (this becomes obvious when analyzing Human Development Indexes – HDI for Latin American countries in general).

One of the most basic things which any economy must consider for its public policies – the possibilities and balance between primary, secondary and tertiary sectors (mainly agriculture, industry and services) – is never taken seriously.

Economic development (considering macroeconomic policies) may also focus its efforts on the reduction of poverty levels, reduction of unemployment and inequality, improvement of food availability (and social health standards), environmental protection and economic aid, and even matters such as wars and conflicts (Jackson, 1994; Elkan, 1995). Such views consider as relevant policy the pursuit of “basic needs”: nutrition, housing, water supply, sanitation, public health and education (for all society). Basic Needs also includes social and individual safety (e.g. requiring good legislation and effective police services).

5 THE NEED FOR BENCHMARKING AND OF ECONOMIC HISTORY & GEOGRAPHY

In order to find a “path to success” for Brazil (Hegenberg & Loques, 2016: 9), it is essential to have (or to create) a competitive economic environment with high productivity. Understanding is required of how markets work (considering global competitive viability). When analyzing the Brazilian case, it can be said that there is only one company which may be useful as a reference for good practice. This benchmark reference is EMBRAER (see EMBRAER, 2016). This air manufacturing company must therefore be used for basic information regarding matters of competition, competitiveness, productive efficiency, globalization and Supply Chain Management (SCM), access to capital markets, access to international markets (and other issues of management, legal implications, project management, design and engineering).

Brazil has no major “purely private sector” multinational. The only Brazilian enterprise which may be termed as a multinational is EMBRAER (a company that started as a
Countries such as South Korea have large and globally important multinationals (e.g.: SAMSUNG, LG, Hyundai, Kia). Japan has many: Toyota, Sony, Nissan, Honda, Yamaha, etc. The Americans (the USA) are the most innovative; for example: IBM, Microsoft, Apple, Intel, Hewlett-Packard (HP), Google, AT&T, General Electric (GE), Ford Motors, General Motors (GM), Boeing, Kellogg, Coca-Cola, McDonald’s, Wal-Mart, Procter & Gamble (PG), Avon (see Rothman, 2001).

Knowledge of World History concerning Economic Geography, Economic History, Business (Managerial / Entrepreneurial) History, Innovation History (including Science & Technology and Research & Development), are extremely relevant for Brazilians to be better organized in order to carry out their own businesses and innovations. There is limited tradition when it comes to comparisons between local (Brazilian) and “external” (global / international) corporations. A benchmarking tradition must start immediately.

If such a tradition is not practiced, Brazil will continue to have problems regarding its closed and excessively state-led (and government-oriented) markets. One recent example regarding excessive government control of the Economy involves the “Manguinhos Petroleum Refining” (Manguinhos, 2016). “Manguinhos” is the only private refinery of Brazil. As such it is victim of cartelization conducted by SINDICOM (Sindicom, 2016); and it is also a victim of the “quasi-monopoly” conducted by PETROBRAS, as this (state-led) oil company controls more than 96% of the oil refining sector in Brazil.

The oil sector in Brazil is emblematic to understand “statism” and the huge state intervention in economic activities (that in most developed countries are performed by the private sector). This example (“Manguinhos”) shows a huge lack of concern with free market ideas and private enterprises economic participation in the Brazilian Economy.

Benchmarking activities are needed in Brazil. Brazilians need to compare their taxes, interest rates, companies, government, etc. with other taxes, rates, companies, government, etc. elsewhere (practicing international comparison). This can be put into practice by studying international data available through the United Nations (UNO; which includes CEPAL-ECLAC), the International Monetary Fund (IMF), the World Bank, OECD-OCDE, and International Finance Corporation (IFC), etc.

Understanding Brazil by comparing its characteristics, indicators, procedures, etc. with other countries (and private companies from other countries) is fundamental. When using available information (e.g.) in “Doing Business 2008” (2008; www.doingbusiness.org), it is seen that: (a) there were 121 countries better than Brazil in doing business (page 6); (b) in Brazil it would take 152 days to open a company, while in Australia it would take only 2 days
(p. 11); (c) property regulation in Brazil are subject to 14 procedures, while in Norway or Sweden there is only one (p. 26); (d) in Brazil it takes 2600 hours per year to coordinate tax payments, while in the United Arab Emirates (UAE) only 12 hours are required (p. 41). Brazilians (individuals, companies, government, everyone) need to compare all aspects of their lives and businesses.

6 TRYING TO PRODUCE SOME “PRE-CONCLUSIONS” (LESSONS TO PUT INTO PRACTICE)

As considered by Giambiagi, Reis, Urani (2004, p. v; quotations): “Brazil is an unfinished work” (Jeans Glüsing, Der Spiegel correspondent to Brazil) and “Brazil does not have problems, just delayed solutions” (Luís da Câmara Cascudo: 1898-1986).

My impressions are that social theory and political theory in Brazil are either not present at all ... or that they are as underdeveloped as most members of society. I usually say as an anecdote, considering England as an example, that we may find in England hooligans, skin-heads, drunken people, lazy types, underperformers, “village idiots”, Luddites, maniacs, etc. (as in most European countries), but they represent around 5% of society. In the case of Brazil 5% are those with some commitment and possibility for development (as the greater part of population, yes 95%, is composed to alienated types). Brazil will need at least 40 or 50 years to tackle this huge problem – and the “solution, never considered seriously – is Education” (IOSCHPE, 2016).

In order to propose further research, it is useful to indicate that economic and business studies must be undertaken by considering the development of Brazilian mentality (searching for more liberal, pro-active and entrepreneurial views of life and of society; with focus on “history of ideas” incorporating new knowledge and new principles and also new instruments for economic analyses). Certainly historical, economical, sociological, political, geographical, and other studies are relevant and very important, but we may argue that they could be undertaken under a “Business and Development” umbrella, in order to produce interdisciplinary research with real impact on individual and collective action which could promote development and improve Human Development (always with the HDI indicators in mind and as basis for further action and policies). Interesting lines of research could be (e.g.): neo-institutionalism and neo-utilitarianism.

Some lessons Brazilians need to put into practice (e.g.): From Adam Smith (1723-1790): (a) labor as a source of value (including improving the conditions of “division of...
labor” & “productivity”), (b) functions and size of the State, which must be of limited proportions when compared to private enterprises (and a State that promote taxation which do not penalize economic activities). David Ricardo (1772-1823): teachings concerning use of technical capital (technology), taxation and international commerce & comparative advantages. Thomas Malthus (1766-1834): lessons regarding assistance to the poor (and their perverse effects). Jean-Baptiste Say (1767-1832): his ideas regarding the “entrepreneurial drive” which are always relevant as he reminds us about properly examining and assuring adequate reunion of “factors of production” (labor, resources, capital). Léon Walras (1834-1910): ideas of “economic equilibrium”, “utility-value” (marginal utility and marginalism), and promotion of competitive markets (goods & services; labor; monetary & financial). Joseph Schumpeter (1883-1950): views about innovation and economic cycles. Milton Friedman (1912-2006): ideas concerning economic freedom & capitalism, monetary & price policy, public finance & unemployment.

Researching Political Economy nowadays in Brazil will bring us to think about reforms. Many reforms are needed in order to enable the conditions for development. Among these reforms one can list: 1. Fiscal: With proper control of budgetary conditions and re-evaluation of the collection of money from taxes and implications for resource allocation (government spending and functions). 2 Monetary & Banking: Reducing interest rates (and keeping them low in the long term), as to promote a stable environment for businesses. 3. Currency and Exchange Rates: Favoring levels which may bring better conditions for exportation from Brazil. 4 Taxation: Which, taken seriously, will drastically reduce government and government spending (by promoting a lighter, more active and more effective business environment). 5 Territorial & Infrastructural: Improving knowledge and quality of the use of land and of physical resources (geographical, geological, agronomy), logistics, transportation, airports, ports, railways, motorways, water-ways, electricity generation & transmission, refineries & ducts, and telecommunications.

Another important change is to bring about a new mentality (a new History of Ideas) regarding work. Historically most Brazilians always had a tendency to rely on the public sector (municipal, local-state, federal) and the “State” (SOEs, Public Enterprises, Government jobs, Ministries, Regulatory Agencies, and many other State “bodies”) for their careers (this is very well summarized by Mendes, 2015). They expect to get rich (and many do; at the expense of poverty of most).

“In the United States [and this happens in every developed nation] a person does not work in a public career to get rich. If they do so, they will be put in prison. You have to be out
of the public sector to get rich. This should also happen in Brazil (Eric Cantor, In: Sakate, 2016, p. 15).

CONCLUDING REMARKS

It is obvious that many changes are needed in order to promote development. In this text many proposals were cited (either directly or indirectly). What is needed, however, considering changes that are fundamental (structural), and in need of a long-term view, are the following major reforms:

Regarding Education, involves educating large sectors of society in order to have a number of individuals who could promote a different path for the country. This implies having at least 60% of the population with some talent (at least a technical qualification or a general secondary education) who may be put to work (employment), in an innovative environment (which may enhance entrepreneurial skills), and have the intelligence to find good solutions for Brazil’s numerous problems.

Regarding Politics, requires reducing the size and functions of the State in Brazil. Reducing government spending, reducing the number of political parties, reducing members in government (senators, deputies, ministers, political personnel), reducing government “bodies” at federal, local-state and municipal levels.

With respect to Labor, will require more flexibility, less government intervention, reduced levels of taxation on work (with money going to inefficient government; when it should go to workers and businesses). Reconsider payment conditions (with an improved minimum salary).

Considering National Insurance Contributions & Pension Funds, this sector is badly conducted in Brazil. New rules have to be implemented in order to make the system more effective in the long term and be more honest (avoiding huge inequities which are part of Brazilian tradition to protect certain privileged sectors and allow most to suffer in poverty and die with no assistance).

When the matter is Environmental Protection, pollution of all sorts is the norm in Brazil (water, soil, air, etc.). Lack of basic sanitation is damaging to the environment and to the health of the population. Deforestation and degradation are standard actions in most regions of Brazil. Care with the environment is purely false marketing. The concepts of sustainable development are words with extremely limited meaning.
Real citizenship, therefore, requires: (a) not only as a democratic right (written in the Constitution but not effectively put in practice in the real world), (b) not only as a social manifestation (walking the streets shouting “words of wisdom”); etc. … Real citizenship will be possible only when these matters (listed above) are properly dealt with. Citizenship here is seen also as improving the Human Development Index (HDI) and improving social indicators (better standards for living, education, work, sanitation, housing, etc.) for most Brazilians (for, at least, 90% of population.). Citizenship today is restricted to around 20% of the population. This will have to change or we will have a new story (for a new stage) of underdevelopment.

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