

# Political pacts and associated dependency in Brazil

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# The Problem

1. Brazil grew fast between 1950 and 1980 and slowly since then.
2. The general reason for that: Brazil ceased to have a national development strategy.
- 3 Two specific reasons
  - 1980s financial crisis + high inflation
  - 1990s high interest rate+overvalued currency
4. General reason: Brazil ceased to have a national development strategy.

Why? Is there any relation to dependency theory?



# Average growth rate of Brazil

ANOS	PIB per capita (%)
1950-1980	4,50%
1981-2012	0,98%
1991-2012	1,64%

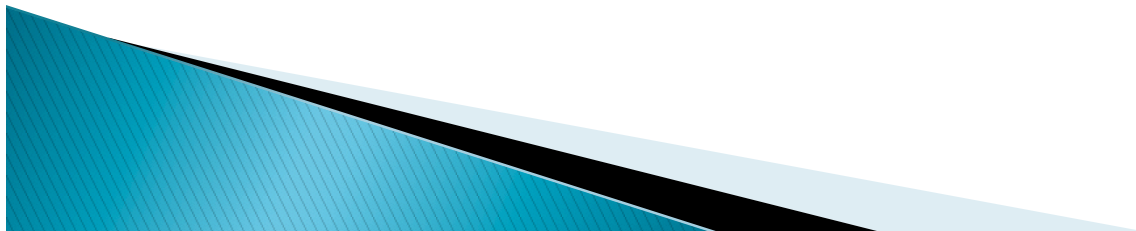
Source: Ipeadata. 2012 rate estimated.



# Why did Brazil cease to have a national development strategy? ? Is there any relation to dependency theory?

To respond we must look to

1. The political pacts or class coalitions that marked Brazilian growth since 1930.
2. What is the dependency interpretation.
3. The hegemony achieved by Associated Dependency from the 1970s to the 1990s.



# Polítical pacts in Brazil since 1930

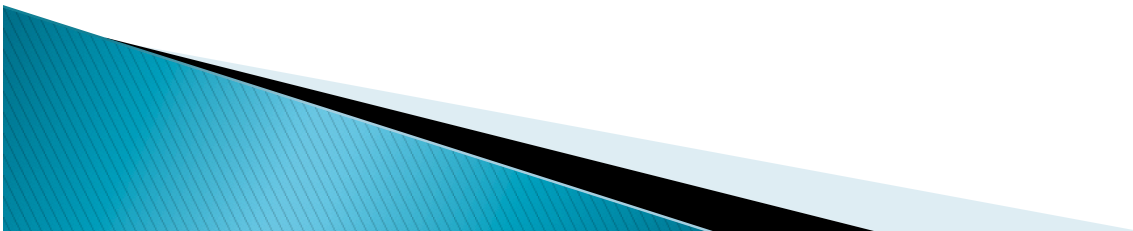
POLTICAL PACTS	ECONOMIC STRATEGY
National-Popular of 1930	Desenvolpmental: Import substitution
Authoritario-Modernizing of 1964	Desenvolpmental: Exporting manufactures
Democratic-Popular de 1977	(No defined strategy)
Liberal-Dependente de 1991	Liberal orthodoxy: Washington Consensus
National-Popular of 2006/11?	New Developmentalism?

# What is the dependency interpretation

It is not a reaffirmation of the imperialism of rich countries, but, in its “Associated” version, a negation.

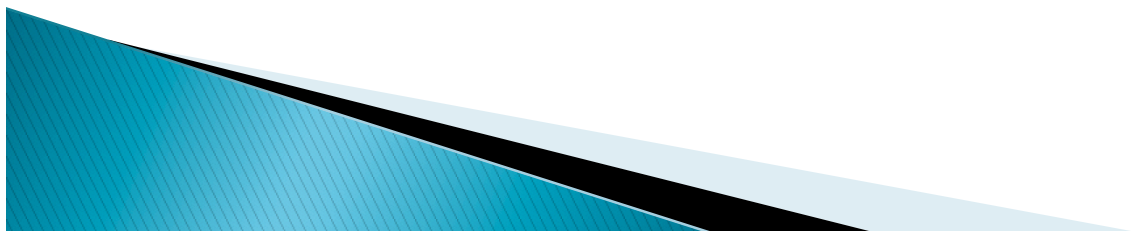
Three versions:

1. Super-exploration interpretation
2. Associated dependency interpretation
3. National-dependent interpretation



## Associated dependency is incompatible with national development strategy

- ▶ It ignores imperialism or conflicting interests.
- ▶ In the 1970s it contributed to the acceptance of the growth with foreign savings strategy that end up into the 1980s Great Debt Crisis.
- ▶ In the 1990s, it bowed to the Washington consensus and to the legitimation of high interest rates and overvalued currency.



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