

The Theory and Practice of Development in Brazil: The State and Public Policies as Capital Reproduction Tools

Edemar Rotta

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Abstract

This paper analyzes the theory and practice of development in Brazil within two specific contexts of developmental approaches. The first is located in the 1930s to 1950s and reaches its apex with the Goals Plan. The second emerges when developmentalism once again takes hold as neoliberal ideas face a crisis, of which the major example is the Growth Acceleration Program (GAP). Upon reviewing the literature and documents, we found the state's proposed avenues of action, i.e. public policy, theoretical grounds, and concrete development-inducing actions. Classic developmentalism emerges from the crisis in the exporting agrarian model. It is based on positivist, nationalist, paperbacking, and industrialist ideas. From the Goals Plan, it received important input from ECLAC's structuralism, Keynes' ideas, and the theory of modernization.

Index terms— classic developmentalism; goals plan; new developmentalism; social-developmentalism; growth acceleration program.

1 Introduction

In complex societies and states, such as the ones prevailing in Latin America and specifically Brazil today, the process of setting public policies tends to be imbued by myriad interests and concrete historical backdrops, both domestically and abroad. The state has "relative autonomy," "its own operating sphere," albeit one that is sensitive to internal and external influences (SOUZA, 2006).

It is by following such dynamics of relationships that we intend to analyze two specific times in Brazil's history and when developmentalist ideas prevail. the 1930-1970 period, seen as the birth and implementation of developmentalism; and the period from the first decade of the 21st century, when a center-leftist government wins the Presidency of the Republic and remains in power for over three consecutive terms (13 and a half years), when something some authors have dubbed the "new developmentalism" was put in place.

This study is organized as follows: the first topic discusses developmentalism, its theoretical grounds and concrete government projects. The analysis homes in on the Goals Plan, seen as the apex of this "model."

The second item describes the rebirth of developmentalism, based on the crisis hounding neoliberal ideas and the emergence of the "new developmentalism" and "social-developmentalism," with special focus on the Growth Acceleration Program (GAP).

2 II. Classic Developmentalism and The Goals Plan

The beginnings of Brazil's developmentalist experience can be traced back to the first decades of the 20th century, especially from the "1930 Revolution." However, researchers in this field agree that it takes place in a more structured manner in the 1950s, and peaks at the time of the Goals Plan 1. The experience goes through ups and downs in the 1960s and 1970s, and faces its deeper crisis in the 1980s (BIELSCHOWSKY, 2011; CARNEIRO, 2012; FONSECA, 2014).

Developmentalism emerges during a time of crisis for the agrarian exporting model, the prevalent one in Brazil since the country's independence. The crisis was related to changes in the international backdrop (World War I, the 1929 crash, a crisis challenging liberal ideas, the emergence of socialism, and other factors) and national

scene (economic downturn, emergence of social and cultural movements, a political crisis, significant social and regional inequalities, land and income concentration, exploitation of workers, lack of urban infrastructure in the growing cities, workers' low productivity, complete absence of labor and social rights, the exporting agrarian industry's structural dependence), which brought to light how "structurally backwards" the country was and its need to find alternatives to overcome that situation (IANNI, 1994; ROTTA, 2007).

3 I

In a way, the "1930 Revolution" represented the construction of a new hegemony built on the alliance between the fledgling industrial bourgeoisie, urban middle classes, and rural elites displeased with the traditional "coffee and milk" politics. The period dubbed "Vargas Age" laid down the foundation on which to build the developmentalist proposal that was cemented in the administration of Juscelino Kubitschek de Oliveira (JK, 1956-61). Elected amidst the convoluted political process that followed Vargas' suicide, Juscelino Kubitschek worked to replace Getúlio's nationalism with developmentalism (DIAS, 1996; CARDOSO, 1977). His was a more substantial plan that appealed to the expanding national bourgeoisie as it propounded an alliance between the state, the national private sector, and the international capital to boost the country's industrialization process. More appealing for workers as it signaled more job opportunities and higher pay. More appealing even to the military, where some groups had been putting up fierce opposition to the government but then changed. In fact, it was a "top-down revolution" carried out based on wheeling and dealing by the elites that drew the population's support with a proposal which included some claims pursued by social and cultural movements but did not change the property and class structures in place since the colonial period (FERNANDES, 1975).

Therefore, this ideological and interest-nurturing "arrangement" made it possible to set up a policy to protect the national manufacturing industry against foreign competition; muster resources which Brazilian business leaders lacked to create suitable infrastructure for industrial development; support the private sector's expansion via credit subsidies and tax incentives; create labor and social security legislation that drew workers from rural areas to urban centers; reorganize the agrarian structure by encouraging farmers to grow affordable food for urban workers and looking for new opportunities in the foreign market; bringing the country together around "a project of Nation" which did away with regional inequalities; make a host of investments in the heavy industry, paramount for driving a successful industrialization process; make the economy more diverse; develop modes of transportation; gradually incorporate the proletariat into society; strengthen a middle layer of property owners imbued with a patriotic sense of love for work and respect for the laws in force; and introduce new techniques capable of making work more productive. To put that policy in place, strategies were used which alternated coercion, consensus, and "controlled autonomy," the hallmarks of the "Vargas Age" (ROTTA, 2007). A deal struck between São Paulo and Minas Gerais oligarchs to allow them to take turns in appointing and supporting candidates running for President in the country during the Old Republic.

their mind as they believed economic development was important for national security.

Taking advantage of the public administration structure already in place and a political environment favorable to the consolidation of developmentalist programs, JK came up with a plan built on 30 goals. The Goals Plan was set up based on five essential areas: energy, transportation, food, heavy industry, and education. Each area was assigned a set of goals that broke down into specific projects to be carried out through the joint efforts of the government (in its various spheres and via state-run companies and institutions) and the (national and international) private sector. Energy (electricity, nuclear, coal, oil drilling and refining) was the area allotted the largest share (43.4%) of the funds made available, as it was found to be the major roadblock in the way of industrial development in the country. Next came transportation (new trains, railroad and road construction, road paving, port services and dredging, merchant marine, and air transport), assigned 29.6% of the investments, and heavy industries (steel, aluminum, cement, alkalis, paper plus another considered the "goal of goals," which was the construction of Brasília and the relocation of the federal capital. The plan was put together by a team coordinated by engineer Lucas Lopes (who was appointed Ministry of Finance in 1958) and economist Roberto Campos (Superintendent of BNDE, the Brazilian economic development bank), who drew from previous experiences in planning and diagnosing the country's social-economic situation, such as the Cooke Mission, the Abbink Mission, the Joint Brazil-United States Commission (CMBEU), the Joint BNDE-ECLAC Group, the SALTE Plan, and others (DIAS, 1996; LAFER, 2002). Homed in on industrialization, the Plan was meant to clear up the "domestic and foreign roadblocks" that hindered the country's development process (LAFER, 2002).

There is no unanimous description of the funds allocated to carry out the Goals Plan but the amounts are somewhat similar, ranging between 285 and 310 billion cruzeiros in 1956. Approximately 21% of that amount came from foreign investments. Updated to April 30, 2017, the funds amounted to BRL 146.6 billion (BRASIL, 1958; DIAS, 1996; LAFER, 2002). By looking at the investments made in terms of their GDP ratio, we find the Goals Plan "involved a volume of funds ranging between 7.6% of the GDP in 1958 and about 4.1% in 1961" (DIAS, 1996, p. 50), therefore considerably expanding the participation by the government and state-owned companies. Likewise, the Goals Plan helped increase the overall rate of investments in the economy, up from 18.4% of the GDP in 1955 to 22.4% in 1961 (DIAS, 1996, p.81). A detailed description of the goals can be found in Dias (1996) and Lafer (2002). and pulp, rubber, non-ferrous metals, shipbuilding, automobiles, mechanics, electrical supplies, and iron ore exports), at 20.4% of the estimated investments. These three areas concentrated

93.4% of the resources to be invested in 23 goals, which reveals the magnitude of a proposal focused on economic aspects and primarily responding to the industrial capital's interests (BRASIL, 1958; DIAS, 1996).

The goals (six in total) for the area of food (wheat growing, silos and warehouses, slaughterhouses and meat-packing plants, farming machinery, and fertilizers) were assigned 3.2% of the funds. These goals were widely dominated by clearly economic projects dedicated to modernizing agriculture and increasing production and storage capabilities. The education-oriented goal (technical personnel training and steering education towards development) was assigned 3.4% of the funds available and focused on projects through which the government would work on the three levels of education: primary, secondary, and higher. The main initiatives included expanding the supply of primary education, creating special classes, making the school year longer, building and equipping schools, training teachers, buying equipment, holding technical courses, granting scholarships to high school students in vocational programs, expanding the supply of engineering programs, having teachers work full-time, setting up graduate and specialization programs, reforming higher education, and opening 14 institutes of research, education, and development in the country's main cities and dedicated to the fields of chemistry, economics, farming technology, mechanics, electrotechnology, mining, metallurgy, farming mechanics, mathematics, physics, and geology (BRASIL, 1958; DIAS, 1996).

Beyond the 30 goals mentioned in the Plan, the goal of goals was to build Brasília and move the federal capital there. Such goal required nearly the same amount of funds put into the whole of the other 30, approximately 300 billion cruzeiros, in 1961 money (DIAS, 1996; LAFER, 2002). As a rule, Brasília carried a symbolic dimension and another ideological one, and summed up Juscelino's developmentalist project (COSTA e STEINKE, 2014). Symbolic in that it brought all Brazilians from all walks of life and ideologies together for a project of future capable of taking their minds off everyday economic and social problems and leading them to envisage a scene of modernization and development. Ideological, as it worked on the idea of picking up the power historically located on the coast and taking it inland, while bringing together and organizing the domestic market along with foreign capital, all under the industrial sector's economic control.

To ensure the Goals Plan was carried out, Juscelino took a series of steps in an effort to overcome the political issues posed by Congress and governmental red-tape. In Congress, he negotiated a center-left coalition (PSD, PTB, PSP), by appointing party members to his cabinet, capable of supporting the government and ensure its essential projects passed. Based on ample consensus, with varying theoretical and political origins, an important political base will be forged for the developmentalist project as a new pattern of capital accumulation is put in place" (RABELO, 2003, p. 47).

The rationale that steered the Goals Plan was consistent with the principles of the prevailing developmentalist ideology at the time: that the manufacturing industry's development irradiates its effects to other economic areas and would be capable of doing away with social and regional inequalities; that the government's action, guided by technical rationality criteria and enjoying some autonomy regarding the interests and values of the different groups and social classes, would be able to design and lead the national development project; that the know-how and techniques created by economic science would be enough to detect development needs and the means to achieve it, and that the capitalist society's hallmarks would be suitable for ensuring the project was viable (SILVA, 2000; FONSECA, 2014).

The various authors 4 It is also clear that the Plan was governed by a sector-based planning rationale. Although it comprised combined, inter-complementary actions between some sectors, it failed to move further toward long-term global development plans. There are not many goals for farming and animal husbandry (only some in the area of food) in the Plan, especially considering the weight of who have analyzed the results obtained by the Goals Plan agree that said results were widely positive regarding the absolute majority of goals. Many of them even exceeded the expectations. "In their vast majority and in that which the Goals Plan was designed to bring the economy to "mature" industrial capitalism, the goals achieved significant success" (RABELO, 2003, p. 50). The economic infrastructure essential for implementing and strengthening a wide variety of industries was created through the direct and/or indirect action by the government and its work along with national and international capital. However, the plan was not restricted to matters of infrastructure. It also addressed the production of intermediate goods and even capital goods by expanded the existing production capabilities or creating new ones. The Goals Plan and the set of steps taken by the JK administration to implement it turned the government into an "efficient instrument for increasing the accumulation of capital and making the transition to a new pattern of accumulation" (RABELO, 2003, p. 52).

Volume XX Issue V Version I this sector in the makeup of the country's Gross Domestic Product at the time. The Plan also underestimated the importance of food and education in the relationship with the other areas, something that can be seen from the amount of funds and specific actions outlined. The hard time the government had in conducting an ample tax reform compromised its ability to fund the actions laid out and made it choose to go the inflation route, which punished wage-earners but not the holders of capital.

The JK administration was the apex of a process that had started in 1930 and which created the essential bases for the self-determination of capital accumulation in Brazil. It consolidated the process which transformed the economic, technological, social, psycho-cultural, and political bases required for the implementation of capitalism in Brazil. Those transformations simultaneously retained both the general characteristics of any and all capitalist development and those specific traits typical of a capitalism establishing itself in the stage of monopoly capitalism and built on a colonial past (DRAIBE, 1985). On the one hand, the country's opening up to international capital,

either directly or associated to domestic capital, expanded the possibilities of investing in infrastructure and the production of consumer durables, thereby leading to economic growth. On the other hand, it was a clear option towards a dependent insertion in the international capitalist circuit (BRUM, 2003).

The developmentalist economic project's viability required increasing workers' workload and adopting a policy to transfer income from society as a whole to the more dynamic sectors of the economy, which could lead the government to lose political support from a portion of the working population. To retain that population's support while making sure the economic project was not compromised, the government started using public social policies as tools to secure the implementation of the new way of life required by the economic model and to meet the needs stemming from the urbanization process (FEE, 1983).

It is plausible to say that the "social issue" was not a core concern of the JK administration given the Goals Plan was focused on economic aspects (COUTO, 2004). Upon reading the goals, we clearly see that social aspects were deemed to be complementary to or deriving from the economic goals. The prevailing view of development believed that economic growth would, in and of itself, bring widespread improvement to the population's living conditions.

Education was given a strategic role in JK's development project. It was tasked with meeting job training needs, especially regarding technology in high school and higher education programs, helping increase the population's average standard of schooling, and creating a mindset that would welcome the required modernization process. "Breaking with traditional concepts that imposed 'resistance to change' was seen as necessary for creating not only a new mindset but also new behaviors compatible with 'social progress'" (FEE, 1983, p. 214).

The economic growth achieved by the Goals Plan was neither able to reduce regional inequalities nor lead to overall improvements to the living conditions of the Brazilian population as a whole. In the latter stages of his administration, Juscelino's plan started drawing widespread criticism by the population, especially because of the loss in purchasing power of wages which were being corroded by inflation. From 1957 to 1961, the Brazilian GDP grew 7% a year, on average. The per capita income went up 3.8% a year, on average. In the previous ten years, the average annual rate had been 5.2% and 2.5%, respectively. Industrial production, which was at the core of the Goals Plan, grew 80% (in constant prices) between 1955 and 1961. The standouts were steelmakers (which grew 100% in the period), mechanical industries (125%), electrical and communication industries (380%), and transportation equipment industries (600%) (BRUM, 1993). In the period, economic activity was concentrated largely in the south and southeast. Taking up 18% of the country's surface and holding 61% of its population, in 1970 these regions accounted for 92% of the industrial output and 80% of the national income (BRUM, 1993). Likewise, trade between the regions deteriorates even further. The southeast takes a significant lead over the others, as it is home to the more dynamic sectors and those yielding greater capital accumulating power. Among the JK administration's officials, they believed it was possible to develop the country based on a single center, namely, São Paulo. From such center, in a ripple effect, development would progressively reach other areas and regions in the country (BRUM, 2003). "In 1960, over 40% of all Brazilians were poor, that is, they earned less than what they needed to meet their basic needs" (SINGER, 1998, p. 91). The annual inflation rate, which in 1957 was 7% a year, reached 24% in 1958, 39.5% in 1959, 30.5% in 1960, and 47.7% in 1961 (BRUM, 1993).

, and by political groups connected to the UDN party (National Democratic Union) accusing the government of encouraging corruption. The clashes drove different social classes and groups to get organized to defend their interests, which interests could not always be reconciled and politically mediated.

Volume XX Issue V Version I The 1960s was an exceptional period in that it clearly showed the conflicts between the various political-ideological positions. The military governments in power between 1964 and 1985 adopted an economic policy focused on two basic goals: economic stability and accelerated economic growth. Civilian experts renowned in the field of economics fostered across society and embodied in the fight for control over the government, an essential tool for any of these warring groups to secure their hegemony. The military coup was the way conservative forces found to get the ball back in their court and abort structural reforms that might have consolidated a social project meant to distribute income and reduce social and regional inequalities. The coup allowed conservative forces to take back control over the government and crushed the social organizations threatening their power. They quashed the political and civil rights of opposing leaders. Many of those leaders were thrown out of the country, while others were assassinated or never seen again. In the name of democracy and domestic order, the government set up a state of exception that ensured the interests of the international capital and its Brazilian allies were consolidated in the country (BRUM, 2003). To achieve the second goal, in 1970 the government began issuing national development plans (Planos Nacionais de Desenvolvimento -PNDs), albeit committed to the ideas of the conservative forces that backed the government, were tasked with carrying out the economic policy. To achieve the first goal, Castelo Branco launched the government's economic action program (Programa de Ação Econômica do Governo -PAEG, 1964-1966), which aimed at course-correcting the economy, reorganizing public finance, realigning the prices of public goods and services, restoring state-owned companies' ability to invest, renegotiating the foreign debt, increasing Brazil's share in worldwide trade, readjusting the balance of payments, rebuilding the country's reliability and credibility abroad, controlling inflation, and creating the conditions for economic growth to resume (BRUM, 2003). Bielschowsky (2011) lists 5 warring "schools of thought" that to a greater or lesser degree represented the interests at play in the different social classes and groups at the time: the "neoliberal right," the "socialist left," the "private sector developmentalism," the "non-nationalist public sector developmentalism," and the "nationalist public developmentalism." Such as Otávio

Gouveia de Bulhões, Roberto Campos, and Antônio Delfim Netto. PND I (1970-1974), PND II (1975-1979), and PND III (1980-1985). Economist Antônio Delfim Netto was appointed to carry out these plans.

. These plans were meant to create and ensure the conditions for fast economic growth, consolidate the capitalist system in the country, expand the Brazilian economy's integration into the international capitalist system, and turn Brazil into a world power. This accelerated economic growth project focused on expanding the country's industrial development, modernizing the agriculture, and creating a service sector capable of meeting other sectors' needs and integrating the country into the modern international capitalist economy (BRUM, 2003).

Implementing this project required substantial resources, especially capital and technology, which Brazil lacked both in terms of volume and sufficient quality (BRUM, 2003). The military governments went looking for such resources in two fronts: inside and outside Brazil. Inside the country, they sought to expand the government's tax collection system; encourage savings; strengthen and expand the stock market; set up a strict salary control system to take from workers and ensure the private appropriation of labor; use inflation as a tool to transfer income from workers to capital and kill any income distribution policies; resort to domestic public indebtedness by shuffling substantial production investment resources to financial speculation (BRUM, 2003).

Internationally, the government sourced capital and technology to carry out work in the economic infrastructure and heavy industry, and to expand and modernize industrial facilities and output. The funds 12 However, when the military took power in 1964, the government became even more selective and controlling of social policies. The state started working on specific sectors and expanding the "government's technocratic staff to respond to the needs of society and" (COUTO, 2004). The military regime pushed a "technical treatment" rationale to handle social issues and needs, i.e. social movements and claims were dismissed while governmental control mechanisms were strengthened. The regime dealt with social issues by combining repression, control, assistance, and came into Brazil as loans for the government and private sector companies, as direct investments in the expansion of multinational companies already operating in the country, to set up new foreign companies, for transnational groups to buy Brazilian companies, or yet for foreign companies to associate with domestic companies. With that, "the country became more intertwined with and financially dependent on the centers of international capitalism, and the international capital expanded its share in the Brazilian economy's more modern, more dynamic sectors" (BRUM, 2003, p. 331). All that consolidated the proposal of some peripheral development associated with and dependent on foreign countries, while domestically such development was elitist and income concentrating (BRUM, 2003; FURTADO, 1972). Volume XX Issue V Version I 6 (E)

Global Journal of Human Social Science -Year 2020 © 2020 Global Journals concession strategies, thereby using social planning to correct its economic plans (SPOSATI, 1998).

The Brazilian social policy in the military regime is a "conservative strategy" organized into "five structural traits found, along with their particularities, in each sector as well as the entirety of sectors which were the subject of the government's efforts in 1964-85": (1) regressive financing mechanisms, (2) centralized decision-making process, (3) the privatization of public spaces, (4) expanded coverage, and (5) reduced redistribution (FAGNANI, 1996, p. 60-61).

The mechanisms of this "conservative strategy" were made to work together in order to keep the population under the guard of the government's technical and bureaucratic bodies" (COUTO, 2004, p. 132), thereby disparaging the other parties and emphasizing that social issues should be handled technically and bureaucratically. The centralization excluded workers' representatives from policy management bodies and reorganized the social funds and assistance programs to keep them under federal control (SPOSATI, 1998).

By recreating assistance programs, the military governments sought to obtain support for the regime, create new forms of mediation between the state and society, and make workers' organization apolitical. Those assistance programs did not turn to the populist techniques that had been used to handle Brazilian public social policy since the 1930s. Instead, they resorted to a new notion of the role of the state and the tools at its disposal. "By making use of planning as a social consensus technique and of technicians as experts on the needs and interests of the lower classes," the military governments turned such classes into the passive object of the "benefits" allegedly offered to them in anticipation of their needs (SPOSATI, 1998, p.49). At the same time, new fields of investment were opened up for business sectors that had specialized in providing services. These programs also preserved the conditions for capitalist accumulation through the generous aid of the state (SPOSATI, 1998).

The idea of rights as something given by the state, rulers, leaders, friends, or influential politicians is a tradition in the Brazilian social history (CARVALHO, 2002). The military made very good use of that tradition by centralizing the management of social funds and programs in the federal sphere and delegating the decisions to people they trusted. They used the media to build an image that keeping the "social order" was essential for the country's development and that those who spoke against such established order were "enemies of the country." They conveyed an image of the military as "defenders of the nation's interests," the "guardians of morality," and the "defenders of upstanding citizens' rights." The vast amount of subsidies given to economic activities helped consolidate the image that the government supported those who "worked to develop the nation" (ROTTA, 2007).

An analysis of the "authoritarian development from 1968 to 1980" says that, "despite the official rejection of a progress-oriented reform agenda, the military government kept several developmentalist elements in place and, instead of weakening the state's role, further increased its ability to intervene" (PRADO, 2011, p. 29). The proposals they implemented (fiscal reform, tax reform, financial system reform, and others) expanded the state's

intervention capabilities and led to significant economic growth. However, they did that while concentrating income and increasing the inequalities. Reactions against the government intensified as the economy's growth rates were going down and the government was no longer able to justify its proposal either domestically or abroad. "The crisis in the 1980s was not merely a situational crisis. It was a turning point where a growth model based on imports replacement had worn out" (PRADO, 2011, p.23).

In the 1980s, as the neoclassic economic theory and the neoliberal ideology became hegemonic, the industrialization project is ditched because it is deemed "unnecessary" for economic growth (BRESSER PEREIRA, 2016). In the 1990s, "the neoliberal reforms are adopted by all of capitalism's peripheral countries, except for East Asian countries and India. The new operative words become denationalization, privatization, and deregulation" (BRESSER PEREIRA, 2016, p. 151). Analyzing the neoliberal propositions is not within the scope of this study, which is focused on the developmentalist ideology. The next topic takes a look at the comeback of developmentalism following the crisis of the neoliberal proposition implemented in Brazil from the 1980s onwards.

III. The "New Developmentalism" and/ or "Social-Developmentalism": The Gap as Reference

The new developmentalism first comes into the scene in the early 2000s as a reaction to the "double populism," i.e. related to taxes and foreign exchange, deemed to be the basis for both the liberals' and the old developmentalists' failure to foster growth and stability (BRESSER PEREIRA, 2016). Comparing the "old" and the "new" developmentalism, Bresser Pereira (2016, p. 157) points out a few characteristics that set them apart. The "old developmentalism" belonged to preindustrialist countries. It focused on developing the industry and protecting national manufacturers. Its proposed basis is the imports replacement model and advocates for a growth policy based on savings or foreign indebtedness. The new developmentalism focuses on medium income countries which have already carried out their industrial and capitalist revolutions. It proposes equal competition conditions for Volume XX Issue V Version I industrial companies, mostly because exchange rates tend to be over-appreciated in the long run. It rejects the idea of growth based on savings and foreign indebtedness. It advocates a model based on exporting manufactured goods and backed by a competitive or industrial equilibrium exchange rate. It pursues a competitive international integration for developing countries, instead of a subordinated integration (BRESSER PEREIRA, 2016).

One can say the new developmentalist proposal is grounded on four essential notions: (1) there will be no strong market in the absence of a strong government; (2) there will be no sustained growth at high rates without these two institutions (government and market) being strengthened and without the proper macroeconomic policies in place; (3) strong market and government can only be built by a national development strategy; (4) achieving the goal of reducing social inequality is impossible without growth at continued high rates (SICSÚ, PAULA e MICHEL, 2007).

The origins of social-developmentalism are found to have already been included in Lula's government plan in his run for office in 2002. However, the proposal takes hold in President Lula's second term because "the backlash against implementing the model took a while to be handled, but his social and political bases pushed it forward" (BASTOS, 2012, p. 795). Singer (2012) says that the Lula administration's decision to keep on following the agenda put in place by the previous President, Fernando Henrique Cardoso, was a political and ideological one which resulted from a shift within the system 13, a program to "reduce poverty and uphold order" (p. 68). At the same time the government kept the macroeconomic tripod standing on the ground of neoliberal policy, and even taking it further, which pleased the holders of capital, it started running a set of policies that benefitted the poorest population 14 13 Considering his experience in previous electoral runs and the Brazilian political tradition, Lula decides to choose a business leader linked to the Liberal Party to be his running mate and to release his "letter to the Brazilian people." With that, he pointed out to national and international business leaders he would be pursuing a moderate course of action and upholding the principles of the macroeconomic policy then in place. 14 A group Paul Singer (1981) called sub-proletariat. A fraction of the working class living mostly in northeastern and northern states which were ruled by conservative parties tied to local oligarchs.

, such as the Family Allowance Program, the minimum wage increase policy, expanded access to credit, pensions paid to the elderly and people with a disability, the Light for All Program, the construction of cisterns in the semi-arid region of the northeast, encouraging solidarity economy, expanding the National Family Farming Enhancement Program, and others. These strategies allowed for stability to be maintained while the domestic market expanded. All that led to a reduction in poverty from 2004, when the economy started growing again and employment was on the rise. "Marcelo Néri called that 'Lula's Real': in 1993-95, the ratio of people below the extreme poverty line dropped 18.4%, while in 2003-05 it fell 19.18%" (SINGER, p. 40).

It was from his second term on (2007 to 2010) that the social-developmental ideas became hegemonic among the government's top officials and the main public federal institutions in charge of planning and enforcing public policies. "In Lula's second term, there was a combination of income distribution and expanded investment" (BIELSCHOWSK, 2011, p. Social-developmentalism homes in on income redistribution as it brings back the historic structuralist tradition of Raúl Prebisch's and Celso Furtado's developmentalism (FONSECA, 2014). The key idea is to "define social matters as the axis of development" (CARNEIRO, 2012, p. 773), which represents an inversion of priorities between the ideas of the old and the new developmentalism, as according to both the core aspect is the development of production forces. To characterize the proposal's core issue, Carneiro resorts to the writings by Bielschowsky (2001) where he says "the growth strategy could be summed up in terms of expanding

and generalizing mass consumption” (CARNEIRO, 2012, p. 774). “Expanding mass consumption founded on income redistribution would be the primary dynamic factor” (CARNEIRO, 2012, p. 774).

In the case of social policy, they say the government needs to act to overcome a structural problem typical of developing countries with regards to the “eligibility process blockage” 15 Reference is made to Celso Furtado’s thoughts about Amartya Sen’s approach, in the sense of helping eliminate the “original wants” (access to land, housing, quality education, and others), which create a vicious circle that reproduces poverty down the generations (MERCADANTE OLIVA, 2010, p. 18). , which market mechanisms and economic growth are unable to freely solve. The government needs to create a consistent set of social policies and programs capable of enabling people to become productive members of society and allowing income distribution and social inclusion. The state also needs to take action to eradicate poverty, distribute and redistribute income, and make the domestic market more dynamic, in addition to taking steps toward securing a share of the international market for the country by pursuing new opportunities and thereby helping reduce the differences between nations (MERCADANTE OLIVA, 2010).

The GAP was an economic and social development program gradually built 16 once its aggregating axes got defined, that is, priority areas regarding planning and investments, as well as programs to meet society’s and the market’s needs in order to overcome the major hurdles in the way of the country’s development. Each of the programs got added a set of initiatives 17 The information contained in Chart 01 shows significant sums invested in the various priority areas, ultimately doubling public investments and substantially increasing private ones when compared to periods prior to the launch of the GAP (BRASIL, 2010, 2014). Singer (2012, p. 86) mentions that the federal government nearly doubled the investment in relation to the GDP, from 0.4% between 2003 and 2005 to 0.7% between 2006 and 2008. He also points out that the overall investment went up from 15.9% of the GDP in 2005 to 19% in 2008. defined by the ministries and demanded by the other agents of the federation, by society, and by the market. Many of those initiatives had the responsibilities for their planning, funding, and running shared by the different players involved or even transferred to the private sector. That made the program even harder to monitor and assess, which provided ample fodder for its critics. Its programs, projects and initiatives were organized based on three aggregating axes: logistical infrastructure, energy infrastructure, and social and urban infrastructure (BRASIL, 2007). 16 As previously mentioned, unlike previous plans such as the Goals Plan, the GAP did not follow a pre-designed matrix. It was gradually put together based on an initial matrix which kept being complemented by the ministries’ priorities and society’s and the market’s needs. 17 The GAP balance sheets between 2007 and December 2016 list over 40,000 initiatives being carried out.

The comeback of developmentalism in the early 21st century follows the crisis of economic and social policies implemented based on neoliberal ideas that proved themselves inefficient in terms of coming up with long-lasting proposals for economic growth, job creation, income guarantee, and overcoming social and regional inequalities. This comeback prominently features new developmentalism and socialdevelopmentalism. The former focuses on the economy and claims that only a strong government and market, along with proper macroeconomic policy, will be able to put in place a national project capable of making the necessary structural changes, keep the economy sustainably growing at high rates, and allowing for wealth to be disseminated through all population brackets. The latter sees social issues as the driver of development, which is carried out by the government’s incisive action towards regulating the market, handling investments, and implementing fiscal and tax policies in order to activate a virtuous circle of growth and allow for the implementation of a consistent set of social policies and programs oriented to protection, promotion, and infrastructure, thereby enabling people to become productive members of society and leading to income distribution and social inclusion. ^{1 2 3 4}

¹The name it is widely referred to by the literature and the population. Nevertheless, there are some historic documents referring to it as the “Goals Program” (LAFER, 2002).

²See Dias (1996), Lessa (1982), Lafer (2002), Rabelo (2003), and others. The Theory and Practice of Development in Brazil: The State and Public Policies as Capital Reproduction Tools

³The Theory and Practice of Development in Brazil: The State and Public Policies as Capital Reproduction Tools

⁴The Brazilian gross foreign debt soared from USD 3.5 billion in 1965 to USD 91 billion in 1984 (BRUM, 2003, p. 331). The Theory and Practice of Development in Brazil: The State and Public Policies as Capital Reproduction Tools

.1 Source: BRASIL (2010, 2014 and 2016). Data organized by the authors

We see that investments in social and urban initiatives, which include policies and programs dedicated to development with social inclusion and better living standards for the population, rank first in the three periods analyzed. In terms of economic and social indicators, the results obtained by the country, especially while GAP 1 and 2 were in place, are directly associated with the public policies implemented by the Brazilian government (CALIXTRE, BIANCARELI e CINTRA, 2014). Through the GAP, the Brazilian government brought the state back as a decisive agent in the development agenda and, along with the market, devised a set of complex hybrid relationships that still require further studies and analyses.

PAC also gets heavy, recurring criticism both for its macroeconomic grounds, which do not break away from neoliberal principles (SANTOS et al, 2010), and its concept, priority programs, investments made, and results obtained (RODRIGUES e SALVADOR, 2011). The GAP emerged as a promise of the state's return to the role of driving economic growth in a planned manner. However, despite the developmentalist propaganda, it has proved to be a spot program with limited resources, budgetary spending way below the amount planned, highly ineffectual in terms of multiplying private investments in the economy, and lending itself to uphold the current economic policy that sides with capital (RODRIGUES and SALVADOR, 2011). The tax cuts and institutional steps taken by the GAP have ended up contributing to the indirect appropriation of public funds which should have been used to finance social policies, especially education and social security.

.2 IV.

.3 Final Considerations

The Goals Plan represented the golden age of classic developmentalism as it made it possible to implement a project identified with the developmentalist ideology prevailing at the time and which advised it was necessary to modernize the country's production activities, social relationships, and institutions as these were essential factors for inserting Brazil into the dynamics of the modern capitalist nations. The JK administration's dogged efforts to ensure a consistent political hegemony capable of implementing measures to foster industrial development, modernize the production infrastructure, integrate the country's various regions into a national economy, and bring the national and international capital together allowed Brazil to take significant steps to transition from an exporting agrarian economy to an urban-industrial economy inserted, in a dependent and associated manner, in the circuit of international capitalism.

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