

THE BRAZILIAN ECONOMY



Economy, politics and policy issues • SEPTEMBER 2011 • vol. 3 • n° 9

A publication of the Getúlio Vargas Foundation



Can Brazil become a creative economy?

Today's economic success depends on ideas, not
crops or machinery; Brazil has some catching up to do.

Foreign Policy

Brazil's foreign policy:
Moving backwards?

Roundtable

Brazil's new industrial policy
frustrates expectations

Interviews

RIORDAN ROETT

"Rousseff is not powerful in
her own party, the PT [Workers
Party]; Lula is the PT."

ANTONIO DELFIM NETTO

"Financial innovations are not
bad; these were misused."

Seminar

Transforming public security
in the Americas



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The
**BRAZILIAN
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Economy, politics, and policy issues

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NEWS BRIEFS

4 Two more ministers leave the administration ... inflation target threatened ... economy down, consumption steady ... problems with high-speed rail ... fewer Brazilian soldiers for Haiti ... new industrial policy ... higher primary surplus ... lower benchmark interest rate.

FOREIGN POLICY

8 Brazil's foreign policy: Moving backwards?

The president started out with some reasonable new foreign policy initiatives but seems now to have left pragmatism behind and fallen back on the policies of the previous administration. João Augusto de Castro Neves analyzes the constraints on the president's foreign policy and the implications of Brazil's recent actions, in the UN Security Council and elsewhere.

ROUNDTABLE

12 Brazil's new industrial policy frustrates expectations

Economists of the Brazilian Institute of Economics explain their disappointment and skepticism about

the new industrial policy, questioning its short-term orientation and arguing that it is overly protective and insufficient to help Brazil recover its competitiveness. Claudio Accioli and Solange Monteiro report.

COVER STORY

20 Can Brazil become a creative economy?

Other countries have recognized that economic success today depends on ideas, not crops or machinery. Claudio Accioli, Kalinka Iaquinto, Solange Monteiro, and Thais Thimoteo describe what is happening at home and around the world, why Brazil is behind the curve, and what it might do to catch up.

INTERVIEWS

30 Caution: Pitfalls ahead for the Brazilian economy

Political scientist Riordan Roett discusses with Anne Grant the differences between the Lula and Rouseff administrations, concerns about Brazilian de-industrialization, Brazil's relationships with India, China's relations with other developing regions, the Belo Monte project,

and the interplay of politics and economics in Brazil.

34 Financial innovations not bad, just misused

Antônio Delfim Netto was Minister of Finance between 1967 and 1974 and architect of the "economic miracle" when Brazil grew at rates above 10% a year. In a later round of government service he negotiated debt relief with foreign creditors and the International Monetary Fund. Still witty, still quotable, Delfim Netto gives Claudio Accioli informed opinions on such subjects as the world economy and the Workers Party.

SEMINAR

39 Transforming public security in the Americas

Numerous polls within Latin America and the Caribbean have identified citizen safety as the number one public concern. Eva Silkwood Baker reports on government responses discussed at the 14th Annual Western Hemisphere Security Colloquium in Washington, DC, including Brazil's civil-military collaboration to regain control of the *favelas*.

“Transforming public security in the Americas”

Eva Silkwood Baker, *Institute for National Strategic Studies*

How can nations better secure the safety and wellbeing of their citizens against the depravities of organized criminal networks, within a democratic framework and the rule of law that preserves and protects basic human rights? A consortium of six U.S. and Canadian universities grappled with this question in May at the 14th Annual Western Hemisphere Security Colloquium in Washington, DC (see p. 41 for sponsors).

Colloquium organizers were seeking ideas on how to create positive momentum in combating organized criminal networks that pose grave and multidimensional threats to social development and regional stability. Numerous polls within Latin America and the Caribbean have identified citizen safety as the number one public concern. People surveyed also want to be involved in improving security in their own cities,

and they are asking their governments to enact more social-based responses that provide greater opportunities for economic advancement.

As one speaker noted, “The state is no longer the center of the [national] political universe — the city is becoming more and more important.” Therefore, governments need to adopt measures that empower individual citizens and communities to de-legitimize and defeat criminal groups. Sessions of the colloquium explored the details of successful initiatives, such as Rio de Janeiro’s civil-military collaboration to regain control of the favelas (slums), and joint activities by agencies on both sides of the borders the U.S. shares with Canada and Mexico. (Brazil and Colombia recently announced a similar collaboration around Brazil’s northwestern border to combat trafficking by Mexican drug cartels in drugs, people, and weapons.)

One speaker adapted the old adage

“all politics is local” to “all insecurity, all crime is local.” Attention to the community and the individual affected by crime is often lost in the macro-level planning of national governments. No criminal or criminal organization simply springs to life as national or international; it starts locally. Within the current frameworks to combat crime, often “the notion of community gets lost, citizens become statistics, and communities become operational zones.” Government policymakers should be asking how societal actors can work together to enhance public security and what governments and citizens can do together. The fact that national-level security assistance programs trickle down slowly is another reason why societies must adopt local-level measures. Several speakers observed that not only do citizens want to be more involved in providing for their own security, it is essential that they do so if the solutions are to be sustainable.

Major shift in Brazil

In Brazil, there has been a major shift in public policy for dealing with organized crime in Rio de Janeiro. According to Thomaz Costa of the National Defense University College of International Security Affairs, the goal is not to end organized crime by itself but to turn Rio into a safe city so the country can generate tourism, economic development, and growth as it hosts the 2014 World Cup and 2016 Olympics.

Until the late 1960s organized crime in

Rio was stable. It was mainly limited to illegal lotteries and contraband markets because of the country’s high taxes on luxury goods. But with the arrival of organizations trafficking in drugs (mainly cocaine) in the 1980s, crime in the city shot up. Recently the Brazilian government has begun to use specialized joint police and military forces to root out the drug trafficking gangs occupying Rio’s favelas. Pacification Police Units are helping the state government regain territorial control of areas once lost to lawlessness through a combination of law enforcement strategies and social components that are delivering a variety of government services to these historically marginalized communities. By reestablishing the state presence in these areas, giving social and economic development a central role, and rebuilding trust in police forces by prioritizing community relations, citizen security in Rio’s favelas is steadily increasing.

The colloquium discussed other case studies of national and international cooperation in the hemisphere, and speakers encouraged policymakers, many of whom were present, to pursue additional regional cooperation and capacity-building measures. These examples and shared experiences can be used to meet the challenges of public security and offer additional tools beyond traditional north-south security assistance programs, which are facing a resource-constrained environment in the U.S. and other nations throughout the Americas.

However, Rebecca Bill Chavez, associate professor at the U.S. Naval Academy, warned that it is important to pay adequate attention to the issue of human rights as countries like Brazil and Mexico combat organized crime in heavily populated urban areas. She stressed that if government authorities do not integrate public security and human rights into a single coherent agenda, the legitimacy of the democratic system will be at risk. Not only is the moral high ground lost if human rights

are violated, security forces cannot earn the community's trust and support. In practical terms, when human rights violations erode ties between citizens and security forces, security forces forfeit access to valuable intelligence. The community policing model provides deep lessons about fortifying the relationship between law enforcement officials and the community — daily interaction between police officers and citizens is crucial. This model becomes impossible, however, where police corruption is rampant. ▼

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Photo: CLAI.

The U.S. Under Secretary for Democracy and Global Affairs Maria Otero delivers an address on the United States' commitment to citizens' security.



Photo: CLAI.

CLAI Director Dr. James Ferrer welcomes participants and guests at the opening section of the colloquium.