



Program: MPGI
Course: Brazilian Economy
Professor: Antonio Carlos Manfredini da C. Oliveira
Term: 2nd semester 2018

PRELIMINARY AND SUBJECT TO CHANGES

Brazilian economy presents a broad introduction to the main characteristics of the country.

It discusses some critical issues affecting Brazil and introduces structural problems in the context of institutions, economic and political dynamics. Changes in Brazilian social structure as well as issues concerning sustainability, globalization as well as opportunities and obstacles for businesses in Brazil are addressed.

Course Schedule (dd.mm)

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| | Backgro und readings | Livros para conhecer o Brasil 2 nd ed. collected and published by Ministerio das Relações Exteriores provides a broad and somewhat canonical set of titles, providing some interesting perspectives on Brazil. The texts span several centuries. Available from the course page. Not required but very enlightening. Available only in Portuguese. |
| 1. | 16:00hs to 18:50:hs | Introduction to the course Map of Brazil Comparative Brazil: population : GDP per capita : country size Long run trends: Brazil Personal notes Brazilian Economy: the deterioration The crash of a titan Cardoso, E. e V.K. Teles A brief history of Brazil's growth Discussion paper # 241 Hartford. T. The problem with facts Additional readings: Brazil: some broad characteristics and national agenda Thomas ch. 1 Matos, Silvia A desaceleração do crescimento brasileiro: causas externas ou domésticas? In CC ch. 1 Pinheiro, Armando Castelar e Fabio Giambiagi A necessidade de enfrentar os preconceitos in RM ch.. 2 Pinheiro , Armando Castelar e Fabio Giambiagi Sem clima para crescer: uma síntese dos argumentos in RM ch. 11 |



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| | | Groups for term essay should be informed by the third session (Oct 25) essay theme should be defined. (Please send the information to my email by the third session.) For each day of delay in providing the required information the student will have 5 percentage points subtracted from essay mark and presentation (group activities). |
| 2. | 16:00hs to 18:50:hs | Brazilian economic dynamics along time (in a nutshell) Baer ch 3 and 4 Coes ch 7 Additional readings: Alencastro Formação do Brasil BRs e bandeiras Delfim Netto Meio seculo de economia brasileira: desenvolvimento e restrição externa in EBC cap. 9 Reis, José Guilherme Reis e Andre Urani Uma visão abrangente das transformações recentes no Brasil in RB cap. 1 Deadline for group and essay theme definition |
| 3. | 16:00hs to 18:50:hs | Social fabric: demographics, inequality, ascending middle class, consumption-led growth and its limits Race in Brazil Bolsa familia Education in Brazil The poverty alert Frischtak, C. Demography, technology and all other things considered Additional readings: Thomas ch.2 Higher education business World Bank Becoming old in an older Brazil Barbosa Filho, F.H. et al. Transição demográfica, oferta de trabalho e crescimento econômico no Brasil in CC ch. 4 Pinheiro, Vinicius Carvalho Reforma da previdência uma perspectiva comparada in RB cap. 11 Paes de Barros, Ricardo e Mirela de Carvalho Desafios para a politica social brasileira in RB cap. 18 |
| 4. | 16:00hs to 18:50:hs | Sustainability and its challenges Biofuels in Brazil Deforestation in Brazil Tropical forests Dams in the Amazon The new rubber boomlet Comparing urban pollution: 2.5 micra Air quality |



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| | | <p style="text-align: center;">NO2</p> <p>High price of Olympic glory</p> <p>Additional readings:</p> <p>Thomas ch. 4 Viana, Virgilio M. Sustainable development in practice Environment and its legal protection</p> <p>Presentation: Brazilian perspective on environmental issues: issues and policies</p> |
| 5. | 16:00hs to 18:50hs | <p>Institutions, trade, productivity, FDI and doing business in Brazil</p> <p>Lula and Mephistopheles – Gall Anderson Crisis in Brazil Odebrecht, principles and values Moro Mani pulite (available in Portuguese) Rise and fall of Petrobras Brazil’s gargantuan corruption scandal goes global</p> <p>Effective taxes in Brazil EIU Investments in Brazil Note on privatization The gods that failed Brazil’s business Belindia New China, old challenges</p> <p>Additional readings: Productivity Thomas ch. 3 Institutions and governance Thomas ch 5 Bonelli R. e A.C. Pinheiro Auge e declínio da indústria no Brasil in CC ch. 8 Pereira, Lia B. V. and Livio Ribeiro A nova fase do modelo chinês e principais questões para o Brasil in CC ch. 10 Lisboa Schor Effects of trade liberalization Edwards Openness productivity and growth: what do we really know? McKinsey Global Institute O ambiente empresarial no Brasil Dec 2013 Odebrecht’s list</p> <p>Presentation: Corruption, politics, economics and business in Brazil</p> |
| 6. | 16:00hs to 18:50:hs | <p>Brazilian macroeconomic policy, financial and capital markets</p> <p>The return of an old enemy Are dire public finances hindering the central bank from tackling inflation? Case study: Itaú-Unibanco</p> <p>Additional readings: Ribeiro, Livio and Fernando Veloso Taxa de poupança e taxa de juros reais no Brasil: qual é o vínculo? In CC ch. 6 De Long Summers Fiscal policy in a depressed economy</p> |



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| 7. | 16:00hs to 18:50:hs | <p>Presentation: Dutch disease in Brazil</p> <p>Natural resources and <i>comparative advantage</i> Case Study: EMBRAPA Case Study: JBS Case Study: BRF Libra oil field auction Bacha Fishlow recent commodity price boom and Latin American Growth: more than new bottles for an old wine? Whose oil in Brazil?</p> <p>Education and <i>competitive advantage</i> Case study: EMBRAER Latin America's Korean dream Hausmann In search of the chains that hold Brazil back</p> <p>Additional readings:</p> <p>Rodrik, D. Premature deindustrialization Rocha, D.P. et al A expansão da fronteira agropecuária e os limites da infra-estrutura in CC ch. 9 Afonso, J.R. et al. Dilemas do investimento público brasileiro: como salvar o futuro? In CC ch 7 Australia: The riches and challenges of commodities Farmland investment note</p> <p>Presentation: Middle income trap?</p> |
| 8. | 16:00hs to 18:50:hs | <p>Presentation: Bullish or bearish on Brazil?</p> <p>Pending reforms and the way ahead</p> <p>Bacha E. e Regis Bonelli Accounting for the rise and fall of post-WW-II Brazil's growth When giants slow down Brazil's enigma FHC on the future of Brazil Protests in Brazil The 50-year snooze Learning the lessons of stagnation Another big decline in GDP</p> <p>Additional readings:</p> <p>Dreaming with BRICs Goldman Sachs Bonelli, Regis Sobre o enigma do lento crescimento brasileiro in CC ch 3 CDPP Sob a luz do sol – uma agenda para o Brasil 09.08.2014 Carrasco, V. et al A década perdida: 2003-2012 PUC RJ Rodrik Grossman Getting interventions right Connecting Brazil to the world: a path to inclusive growth Thomas ch 6</p> |



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| | | Thomas ch.7 |
| | | Term Paper due |
| 9 | 16:00 hs to 18:50 hs | Final Exam In class, closed books |

Data sources on Brazil

www.ipeadata.gov.br

www.ibge.gov.br

www.worldbank.org

www.imf.org

Background readings (not required)

Abreu, Marcelo de Paiva et al. *A ordem do progresso Cem anos de Política republicana 1889-1989* Campus 1990

Fausto, Boris, *Historia do Brasil* Edusp 1994

Fishlow, Albert *Starting over: Brazil since 1985* Brookings Institution Press, 2011.

Faoro, R. *Os donos do poder* 2 vols. Editora Globo

Goldschmidt, Raymonhd N. *Brasil 1850-1984 Desenvolvimento financeiro sob um século de inflação* Harper and Row (1986)

Krugman, Paul *Pop internationalism* (on countries' competitiveness)

Lisboa, Marcos de B. Menezes Filho, Naércio (orgs) (2001) *Microeconomia e Sociedade no Brasil* FGV (2001) – technical papers covering economic and social problems in Brazil

Schleifer, A. and Vishny, Robert M. *The Grabbing Hand: Government Pathologies and their Cure*. Harvard University Press, 1998 chpts 4 and 9

Skidmore, T.E. (1998) *Uma história do Brasil*. Paz e Terra (also available in the English original).

Readings

Required readings and many of the suggested readings are available from the course reading package (in e-Class)



Baer, Werner, *The Brazilian Economy Growth and Development*. 4th ed. Praeger, 1995 (there is also a 5th edition available with 2 additional chapters on Real Plan and Banking privatization and restructuring)

Baer, Werner, *A Economia Brasileira*, Nobel, 1996.

Coes, Donald V., *Macroeconomic Crises, Policies, and Growth in Brazil 1964-90*. The World Bank, 1995.

Thomas, Vinod *From inside Brazil: development in a land of contrasts* World Bank Publications

World Bank *Doing Business in Brazil*

Suggested readings in book chapters

Bacha, E. e Schwartzman, S. *Brasil: a nova agenda social*, LTC, 2011 **NAS**

Bonelli, R. and Fernando Veloso *A crise de crescimento do Brasil* IBRE/Elsevier 2016 **CC**

Giambiagi, Fabio, José Guilherme Reis e André Urani (orgs.) *Reformas no Brasil: balanço e agenda* Nova Fronteira 2004 **RB**

Giambiagi et al (orgs.) *Economia Brasileira Contemporânea (1945-2004)* Campus Elsevier 2005 **EBC**

Pinheiro, Armando Castelar e Fabio Giambiagi *Rompendo o marasmo: a retomada do desenvolvimento no Brasil* Campus Elsevier 2006 **RM**

Assessment

- 20% presentation
- 35% term essay (groups of 5 students; exceptions only if required by arithmetic constraints, given the number of students enrolled in the course)
- 45% final exam