

A developmentalist United States?

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The newspaper *Valor* published this week a telling piece of information. In its June 13 edition it informed that “Obama intends to create a bank similar to the BNDES [*Brazilian Economic and Social Development Bank*]”. I could only find it funny. Would the United States be turning to the infamous developmentalism, after having flown for many years the flag for neoliberalism, and after having preached privatization, liberalization and general deregulation, in the name of an allegedly higher rationality justified by mathematical economic models?

	GDP 1980-2010 (Times)
Brazil	2.1
China	17.7
United States	1.7

Alex Ribeiro, the newspaper's Washington correspondent, informs that “the Obama administration places its bets on the creation of a sort of American BNDES to finance transportation, energy and sanitation projects”. This is good news. The great country is finally acknowledging the high price it is currently paying for having adopted the neoliberal credo. Whereas the United States invests only 2% of their GDP in infrastructure, China invests 8%. Whereas United States' GDP grew 1.7 times in the last 30 years, China's grew 17.7 times! I would not say that this huge difference in development is due exclusively to the American neoliberal economic policy. The United States is in a more advanced stage of development, and it is only natural to have a lower growth rate. But this is a very large difference, which can only be explained by policies and by economic reforms that mistakenly opposed the State to the market, whereas in China the two institutions were combined.

The neoliberals failed to understand that we do not live anymore in the nineteenth century “capitalists” capitalism, where the market was poorly regulated by the State and the growth rates were very low. We live in the “professionals” capitalism or in the knowledge society. We live in a time where the information technology revolution has increased the economic systems'

ability to plan and control, and made it possible for countries that take advantage of those new resources to have much higher growth rates. But to do this we must associate capitalists and professionals, market and State, competition and planning. And build a national development strategy in which the workers take part. This is not an easy combination, but the Fordism – the political coalition that characterized the United States between the beginning of the twentieth century and the 1970s – came close to this model, particularly during the New Deal.

Brazil, between 1930 and 1980, also had a significant growth, because it knew how to combine State and market. But in the 1970s it made the mistake of indiscriminately accepting foreign capital, became indebted, debilitated and, in the end, yielded to neoliberalism. In the last few years, however, Brazilians realized their mistake, and are trying to free themselves from the trap. The United States took longer to realize that a weak State does not generate a strong market. They needed the brutal financial crisis of 2008 to wake up. The regulation of the financial markets by the Dodd-Frank Act strengthened both the State and the market. Now, the possible creation of an American BNDES points to the same direction. It shows that the State is responsible for planning major investments and for contributing to their financing. And it points out that a competent and developmental State is an essential thing in order to have a lively and competitive market.