

**INSTITUTE OF APPLIED RESEARCH IN SUSTAINABLE ECONOMIC
DEVELOPMENT – IPADES**

BRAZILIAN ECONOMIC THOUGHT AND AGRICULTURE: 1930/1964

Francisco Barbosa
Associate President – IPADES

Brazil's economic formation was established from the agriculture with its two strong cycles: sugar and coffee. Its establishment was based on liberal economic ideology, as is consensus among historians. The international crisis of 1929 and the economic, political and social transformations that followed undermined the real base of his support. Were born thereafter, different conceptions of Brazilian development, and three chains: the neoliberal; the developmentalism; and the socialist.

In this new conjuncture the Brazilian economic thought settled in the period 1930/1964 gave emphasis to national development based on industrialization relegating agriculture to a secondary role. This wasn't random, by contrast, relied on empirical aspects of production, and the economic theory that guided the formulation of economic policies during this period.

The decades of 30, 40 and 50 of the last century are the basic period of Brazilian industrial system deployment, here not included the department of capital goods. It was a quick and deep division in the national work, through a process that introduced and disseminated, in significant portions of the production system in transformation, technical progress in the global economy, and that, in Brazil, was limited to foreign trade.

The technical progress was important to the fundamental concept of "Center-Periphery" theory, the Economic Commission for Latin America and the Caribbean (CEPAL, acronym Portuguese), a regional body of the United Nations, created in 1948 with the objective of elaborating studies and alternatives for the development of Latin American countries.

According to this concept, the international division of labor has, from the earliest stages of industrial capitalism, differentiated effects on central and peripheral economies, causing both move away terms of stage of development.

The theory part of the idea that the technical progress has developed unevenly in the aforementioned economies. Was faster in the central economies, in their industries, and, more importantly, raised simultaneously the productivity of all sectors of the economy, promoting a technical level more or less homogeneous in the whole extent of their production systems. On the outskirts, which had to meet the function center with food and low-priced raw materials, technical progress has only been introduced in the export sectors, which were true islands of high productivity, in strong contrast with the delay of the remainder of the production system. Take as an example the coffee economy that even shaken in the 1929 crisis, continued to be the flagship of the Brazilian economy in that period.

It's true, and without empirical demonstration against the time, predominantly primary economies, such as Brazil, suffered two congenital difficulties: a) the difficult capacity expansion in the volume of its exports, in proportion to the increased income of the countries buyers – emerging countries only increased this demand from the decade of 1990; b) cyclical instability of prices of their products, with the serious repercussions of every order that that entails.

In this period the countries with agricultural potential were those of temperate climate that for high productivity could overcome the congenital handicaps through the comparative advantages of agricultural production to lower actual costs.

That context had a strong influence on Brazilian economic thought, from this period, which became politically engaged in the discussion of the industrialization process. The key concept that drives became the developmentalism. This understood as an ideology of transformation of society that identifies the phenomenon of development to a process of industrialization, deriving from the increase in per capita income and the growth rate. The development was characterized particularly in Government of Juscelino Kubitschek (1956-1961), which was based on the following fundamental points: industrialization; planning, and investments in the State. These foundations were established for the various sectors of the economy by the goals we plan were the basis of conscious deployment policy of heavy industry in Brazil.

The economic thought of that period was the dominant idea that industrialization would enable the underdeveloped countries, mainly tropical, import more modern techniques of industrial sectors than in the case of specialization in agriculture, which according to formulators of this developmental policy was a little activity suitable to adaptation of techniques. In fact, different ecosystems technologies do not transfer. However, the technologies for tropical agriculture must and can be produced in your own environment, what Brazil proved from the late 1970.

Also favored the thesis indicating that industrial productive forces of industry develop more quickly than their rural counterparts, in virtue of this latest offering a more limited scope for the technical progress. It is true that the behavior of the rural producer, mainly in that period was more conservative than the industrial. Example was the plan for the modernization of agriculture proposed by the Plan of Targets of Juscelino Kubitschek Government, which in rural class resistance in accepting it, was put on standby by the Government.

In relation to the terms of trade for primary products increase productivity results primarily on lower prices, this is because agricultural production is an atomized segment, where he establishes an environment of perfect competition, which benefits consumers, and in this case the external consumers. Already for the manufactured goods the technical progress if translated mainly in higher rents, benefiting mainly producers, precisely because opposite condition not perfect competition of the production system.

The model to industrialize without diversifying and modernizing agriculture could not give the expected result for the development of the peripheral countries because in the classic process of industrialization, the demand patterns have developed *pari passu* with technological breakthroughs and with the expansion of wealth, so that the productive structure was able to accommodate and even anticipate changes in consumption structure of society, and more, the various productive sectors have expanded almost at the same time, causing no major discontinuity were generated in the productive structure of the economy.

For the peripheral countries, the industrialization phase begins with great difficulties, because it inherits an economic base that specializes in few export activities, with a low degree of diversification and complementarily with extremely reduced vertical inter sector. And also, because in addition to the low specialization, was low productivity of all sectors, except for the export. These deficiencies could not

be satisfactorily compensated by imports since these were insufficient to satisfy the ability to import required in such circumstances.

Although the Brazilian economic thought it wasn't conducive to modernization of agriculture had who feel differently, this was, for example, the position of Eugênio Gudin: "*industry is not synonymous with prosperity, as agriculture is not synonymous with poverty good farming or industry productivity is that are synonymous with prosperity*" (Gudin, 1959, p. 210).

In this aspect was that the State of São Paulo is the Brazilian context differed from the crisis of 1929, when he started to diversify its agriculture, and industrializing. To this end, featured a vision of modernization since 1887, when it was created the Instituto Agrônomo de Campinas (IAC). This initiative was extended with the following new institutions: Escola Prática de Agricultura de Piracicaba, 1901, transformed into Escola Superior de Agricultura (Esalq), 1931, pioneered the graduate of the University of São Paulo (USP), 1964; Zootechnical Station Central, 1905, transformed in Instituto de Zootecnia, 1970; Instituto Biológico, 1927; Forest Service, 1927, transformed into Forest Institute in 1970; Department of Botany, 1938, transformed into Institute of Botany, 1942; Instituto de Economia Agrícola, 1942; Institute of Food Technology, 1963.

This condition, at national level, only began to materialize in early 1970, with the First National Development Plan (I PND, acronym Portuguese), from 1972-74, which had among its priorities the development of technical and scientific research. So was created the Empresa Brasileira de Pesquisa Agropecuária (Embrapa), an institution that has given a new dynamism to the national agronomical research generating technologies that have enabled the Brazil if a large and respected explored world producer of agricultural commodities: soybeans, sugar, coffee, fruit juice, meat, pulp and paper, ethanol, among others. The Agronomy and tropical agriculture started to play with your *pari passu* congeners of temperate countries.

REFERENCE

GUDIN, E. **Inflação, importação e exportação, café e crédito, desenvolvimento e industrialização**. Rio de Janeiro: Agir Editora, 1959. 2ª ed. rev. e aum.