1. Introduction

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It is well known that the benefits of Brazil's economic growth and development have been unevenly (some would say inequitably) distributed from a regional point of view. This is evident from the data in Table 1.1, where it will be noted that the Southeast of the country, with 42 percent of the population, produced 56 percent of the gross domestic product (GDP); whereas the Northeast, with 27.7 percent of the population, produced only 13 percent of the GDP.

There are many studies which have dealt with the phenomenon.[1] On occasion the central government has taken action to try explicitly to redress regional inequality: examples are the regional development

Table 1.1 Brazil: regional distribution of population and GDP

a. Brazil: regional population distribution

	1970	1996	2003	2006	2010
North	3.9	7.1	7.9	8.0	8.5
Northeast	30.3	28.5	27.8	27.6	27.7
Southeast	42.7	52.7	42.6	42.6	42.1
South	17.7	15.0	14.7	14.6	15.0
Center-West	5.4	6.7	7.0	7.2	6.7
Total	100.0	100.0	100.0	100.0	100.0

b. Brazil: regional distribution of GDP

	1970	1997	2003	2005	2008
North	2.2	4.4	5.0	5.0	5.1
Northeast	12.1	13.1	13.8	13.1	13.1
Southeast	65.0	58.6	55.2	56.5	56.0
South	17.4	17.7	18.6	16.3	16.6
Center-West	3.8	6.2	7.4	8.7	9.2
Total	100.0	100.0	100.0	100.0	100.0

Source: IBGE.

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institutions (such as SUDENE for the Northeast of Brazil), regional development banks, and special tax incentives for firms investing in poorer regions. However, specific policies which deal directly with regional inequalities have only been sporadic, and long periods have passed when the country had almost no explicit regional policies.

This does not mean that in periods of non-explicit regional policies the actions of the central government were neutral as regards regions. It is thus important in a country of such continental proportions as Brazil to get an idea of how the government's general economic policies have influenced the regional distribution of economic growth. This was the purpose of a conference which was held in Porto de Galinhas, Pernambuco, Brazil on 18–20 November 2010. Most papers presented were concerned directly or indirectly with the regional impact of various policies, and form the basis for this book.

André Villela (Chapter 2) goes back in history and examines the regional impact of Brazil's first systematic program of import substitutions in the 1950s, also known as the Targets Program of President Kubitschek, finding that the program aggravated already existing regional disparities.

Roberto Cavalcanti de Albuquerque (Chapter 3) developed a social inclusion index which he uses to measure the extent of a recent process of increased social inclusion and how it manifested itself among various regions. The study by Silveira-Neto and Azzoni (Chapter 4) shows that the largest recent decline of regional inequality in per capita income is due to social programs, which have a large impact on reducing poverty in poor regions. On the other hand, Márcia Azanha Ferraz Dias de Moraes et al. (Chapter 5), in their analysis of Brazilian labor policies, show that these did not necessarily lead to convergence of salaries or job creation between regions.

Amann and Baer (Chapter 6) concentrate on Brazil's privatization programs in the 1990s and early 2000s, and conclude that their bias was to favor the more developed regions, where state enterprises had been more prominent. Cavalcante and Uderman's survey (Chapter 7) of Brazil's science and technology location and policies also shows a regional concentration which does not seem to be redressed. Holanda and Magalhães (Chapter 8) examine the regional impact of foreign direct investment (FDI) and find that there is no strong regional policy towards FDI, and that there is a strong concentration of FDI in the Southeast and South of the country. Alexandre Rands Barros (Chapter 9) analyzes various Brazilian stabilization plans and finds that they had only a negligible impact on changes in regional distribution of economic activities.

Three chapters deal with specific agricultural aspects of Brazil's economy which have regional implications. Bacha (Chapter 10) is mainly concerned

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with the destruction of forests and the difficulties involved in regulating and controlling deforestation in various regions. Mueller (Chapter 11) concentrates on one of the frontier regions of Brazil, Mato Grosso, analyzing how market forces have shaped the use of the land. Martha et al. (Chapter 12) analyze Embrapa, the Brazilian government's agricultural research corporation, which has made a substantial contribution to the modernization of the country's agricultural sector, but in its early days had few explicit regional goals.

A final chapter by Trebat and Trebat (Chapter 13) deals with Rio de Janeiro, both city and state. Although the federal government never had a specific regional policy for the city or state, its programs have had, and are still having, an enormous impact.

The conference was a collaborative effort of the following institutions: the Federal University of Pernambuco, Datametrica, the University of São Paulo, the Lemann Institute for Brazilian Studies of the University of Illinois. Support was also received from the Banco do Nordeste and Embrapa.

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NOTE

1. Werner Baer (2008), *The Brazilian Economy: Growth and Development*, 6th edition, Boulder, CO: Lynne Rienner Publishers, Chapter 11.

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