
MACROECONOMIC POLICIES, CONVENTIONS, CRISIS AND RECOVERY IN THE BRAZILIAN ECONOMY, 2011-2018

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Résumé

After 2014, the Brazilian economy went into its worst recession ever, showing growth rates of -3.5% in 2015 and 2016. The recovery emerged in a sluggish way in 2017, when the growth rate was 1%. The growth rate will be close to 1,3% in 2018. In view of that, this paper aims to analyze the role of Brazil's fiscal, monetary and exchange rate policies from 2011 to 2017 for the Brazilian crisis, based on the Keynesian notion of conventions. The Post Keynesian theory defines conventions as creeds shared by groups of individuals who use them to ground their future expectations. The State, the largest social entity and responsible for economic policymaking, plays a major role in the development of social conventions. Given that, this article discusses the role of conventions in the formation of expectations, and shows how the adoption of fiscal, exchange rate and monetary policies from 2011 to 2017 brought conventions into disarray, grounding expectations that led entrepreneurs to hoard instead of investing. Two other factors that influenced the Brazilian growth performance in the period are considered in the analysis: the worsening of the external scenario and the so-called 'Lava Jato' lawsuit, which has been the biggest judicial operation against corruption and money laundering crimes in Brazil since when it began in 2014. This contribution adds to the relevant literature by offering an analysis that focus on the consequences of the State economic action, but spotlighting the role of conventions on it.

Mots-Clés: Conventions, Monetary Policy, Fiscal Policy, Exchange Rate Policy

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