
Developmentalist financial policy after economic globalisation: Post-crisis public development banking and industrial policy in Brazil and South Africa

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Résumé

This paper investigates the balance of power between private finance and countervailing groups to explain variation in post-crisis developmental financial policies in Brazil and South Africa. Despite being faced with similar problems in combating recession and financing productive investment after the 2008 crisis, and a similar professed (centre-left) policy orientation by the ruling coalition, the two countries had very different policy responses. The PT government in Brazil scaled up its national development bank's activities to unprecedented levels, and went far beyond countercyclical crisis response to give it a strategic industrial policy role. In South Africa on the other hand, national development banks remained small in size, and continued to play a passive role under the Tripartite Alliance. While the private financial sector opposes expansion of national development banking due to the competitive threat it can pose to profits, the manufacturing sector and labor unions are in favor of a strong public presence in the financial sector to access subsidized finance and aid in job creation. Differences in public development banking activities in these two countries reflect differences in the balance of power between these groups, both in terms of their structural position in the economy, as well as their instrumental power to influence policymakers. The paper aims to provide insights into the viability of state interventionist policies in previously liberalized, open economies, in an era of globalization and capital mobility.

Mots-Clés: public banks, industrial policy, policy space

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