

State capacities as Challenge for Public Policy

Renato R. Boschi
Professor (IESP/UERJ)
Coordinator of INCT / PPED



Introduction

- The concept of state capacities appears in the literature of political science from 1970's on;
- Criticism of absence of the state in functionalist approaches of political system;
- Authors such as Peter Evans ("Bringing the State Back In" 1985) and Charles Tilly bring the state back to the political scene;
- In contrast to the above approaches, Brazilian approaches such as the "patrimonialism" and "economic history" emphasize role of the state
- Importance of recovery of the notion of state capacity for understanding and analyzing the modalities of state intervention in the framework of public policies

- Emphasis on the role of the state and the return of a “developmental” perspective”;
- Social inclusion policies and the establishment of a growth model based on the domestic market in the 2000s;
- Systemic financial crisis of 2008 and reconfiguration of the countries in the international system;
- Which state capacities are defined as strategic for development from a Brazilian point of view;
- The aim of this article is to analyze and define certain State capabilities in the development of a new public agenda

State capacities: endogenous dimensions

- In the history of capitalism, cases of successful development are scarce and concentrated in the North Atlantic axis (US, Europe) and the East Asian economies (Japan and Korea);
- The importance of institutional change in the dynamics of interaction between strategic actors for development;
- Comparative institutional advantages relate to the benefits that an appropriate institutional framework provides for the consolidation of a dynamic of development;
- A country may have advantage in one area and institutional weaknesses in another

- The notion of state capacity refers mainly to the skills to set goals and be able to fulfill them;
- The capacities refer first to the political and bureaucratic dimension :
 - (1) policy development;
 - (2) implementation and monitoring;
 - (3) coordination between the various segments and ongoing initiatives at a given moment of time
 - (4) consultation mechanisms and public/private joint;

- **State capabilities and strategic policies around a development project :**
- (1) **innovation** as the ability to generate and expand the use of technology (United States, Germany, Japan, Newly industrializing Countries - NICs - Asian, Singapore, Korea etc.);
- (2) **industrial policies** and change / diversification of the productive structure;
- (3) **infrastructure**, essential for establishing economic growth objectives, productivity and social improvement;
- (4) **forms of social protection** as the basis for economic development

- (5) **dimension of sustainability**, which must take into account civil society organizations (such as indigenous movements, affected by dams and environmental movements);



Political coalitions and the definition of a development project

- New developmentalism: coalitions of support and state resumed as the key actor for generating a dynamic development;
- Analysis of the state apparatus as a set of structures, actors and procedures in the context of the capitalist mode of production;
- Development is only possible with the existence of leaders who establish a "historical bloc" that is efficient not only in forming a development agenda, but also in blocking potential oppositions of strategic actors with alternative proposals;
- Strong emphasis on social inclusion programs with distributive implications;
- Development model based on the expansion of the internal market

- Long-term impacts of systemic financial crisis of 2008 are felt:
- (1) endogenization the crisis and adoption of orthodox fiscal adjustment measures;
- (2) risk of reversal of social gains of the 2000s;
- (3) resilience of neoliberalism and role rentier financial capital
- (4) fracture in the developmental coalition based on class consensus;
- How to form a new coalition in support of a development project?

- On the subject of coalitions :
- **(1) dynamics of inclusion / exclusion of interest in the formation of support coalitions;**
- importance of an inclusive social pact
- **(2) the importance of democratic political and electoral institutions and arenas of participation and consultation of different stakeholders;**
- democratic institutions imply offset transaction costs, however, with legitimações gains;
- Relations between political institutions and economic and social development

Conclusions: State capacities, institutions and relations between internal and external aspects of Development

- Importance of resuming VoC literature that analyzes complementarities at the level of firms only : need to consider patterns of interaction of strategic actors in different production systems;
- *Catching up* strategies are linked to the size of the productive systems and the institutional environment in which economic actors and firms operate;
- Endogenous processes have an impact from the standpoint of external changes in the relative position of countries;
- Central role of the state coordination;
- Importance of how state elites located in prominent positions conceive strategies for the country in the medium term

- Need to identify the major axes of ongoing policies, capable to chart a new course;
- Socio-economic development as a dynamic diversification of the productive structure, innovation and national control over the economy;
- Strategies should encourage job creation, income distribution and social inclusion;
- Development involves both internal processes and changes in the relative power of the countries in the international sphere;
- Higher levels of development and changes in relative position require state capacity



IESP.UERJ
Instituto de Estudos Sociais e Políticos

THANK YOU!

