

**BRAZIL and RUSSIA: THE DIVERGING
DEVELOPMENT PATHS?**

**BRASIL e RUSSIA: OS DIVERGENTES
CAMINHOS do DESENVOLVIMENTO?**

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FHC: o Brasil é uma Rússia Tropical.

- “Quero com isso ressaltar o fato de os dois países estarem inseridos de maneira singular no Ocidente, de constituírem uma espécie de Outro Ocidente.
- A imagem que de si projetam os povos russo e brasileiro foi construída ao longo de um diálogo duradouro, e por vezes tenso, com o pensamento ocidental...”
- “Se a Rússia teve de contemporizar a influência ocidental com o passado eslavo e um rico mosaico de contribuições orientais, no Brasil a matriz ibérica transigiu com as culturas indígenas, africanas e dos vários povos que lá aportaram no decorrer dos últimos séculos, entre os quais milhões de árabes, judeus e asiáticos.
- O processo de acomodação das idéias importadas com os padrões locais de organização social e econômica foi pleno de ambigüidades.”

Conclusão:

- “Em muitas dessas propostas, quiçá em todas, o Brasil e a Rússia podem caminhar juntos”.

(F.H. Cardoso, 14 de Janeiro de 2002, Universidade de Moscou)

Brazil and Russia: Common essential features of social-economic history

- - pertinence to the second echelon of the capitalist development
- - the external dependency
- - uneven development and the internal central-peripheral structure of economy and society
- - “conservative modernisation” as the compromise between modernity and traditionalism
- - the role of the state in industrialisation

Brazil and Russia: Common essential features of social-economic history

- - intentions to democratization in the late-1950s – the early 1960s and the counter-offensive of conservative forces (the events of 1964)
- - the attempts to change the existed model of development not changing its foundations and essence
- - modernisation trap and the crisis of statism
- - the neoliberal policy as the attempt of approach to new modernisation

Social actors of market fundamentalism

- **The former USSR/
Russia:**
 - - the ruling nomenklatura (cratocracy)
 - - actors of shadow economy
 - - self-employed people and independent entrepreneurs
- **Latin American countries**
 - - bourgeoisie affiliated with TNCs
 - - old but modified trade-agrarian oligarchy
 - financial and bond market agents
 - - self-employed and people of 'informal sector' of economy

“Index of Honesty” in Argentina, Brazil and Russia

2002

2005

2008

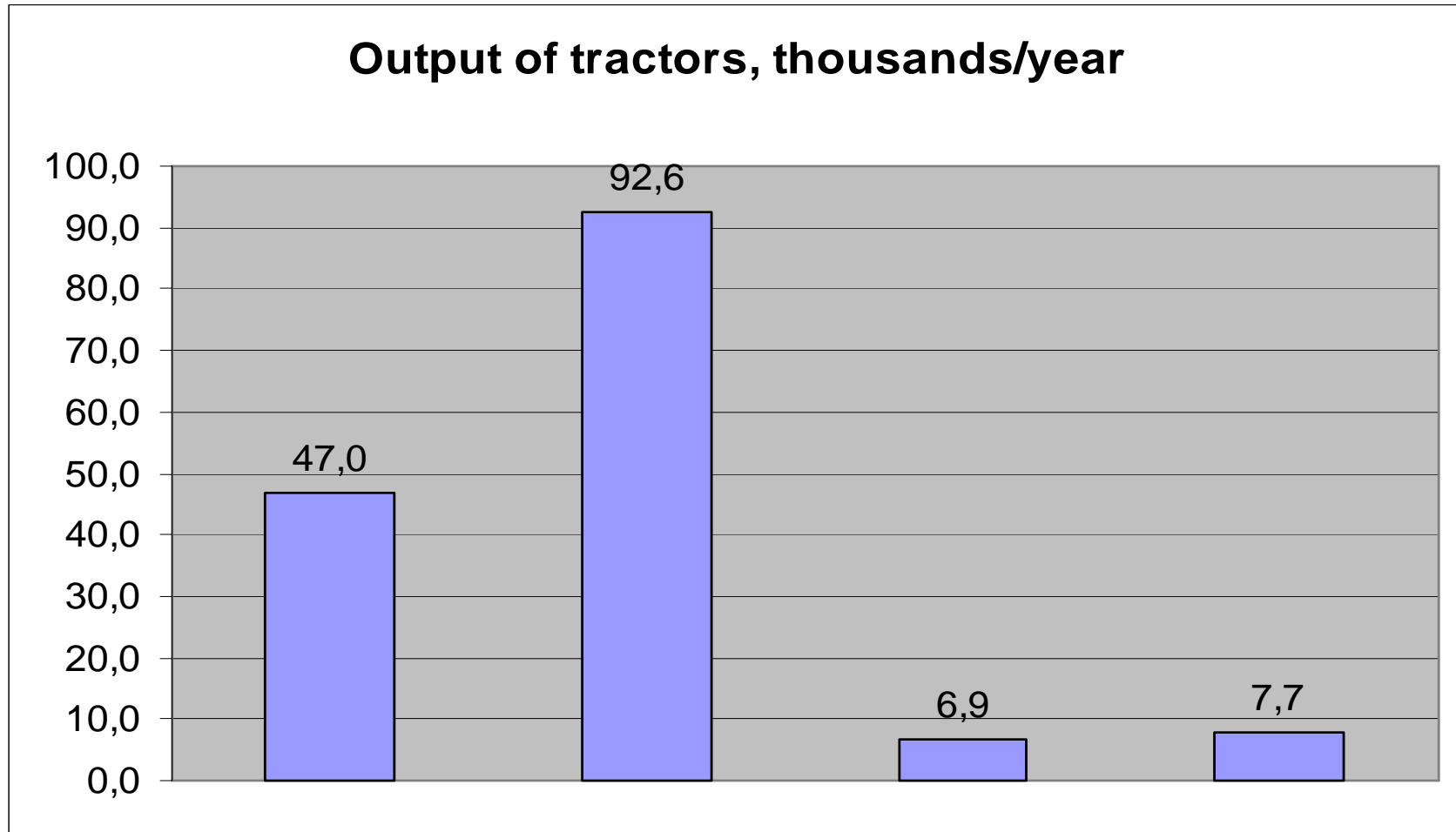
	Index	Position	N of countries	Index	Position	N of countries	Index	Position	N of countries
Argentina	2,8	70	102	2,8	97-102	159	2,9	109-114	180
Brazil	4,0	45-49	102	3,7	62-63	159	3,5	80-84	180
Russia	2,7	71-76	102	2,4	126-129	159	2,1	147-150	180

- Sources: Transparency International. Global Corruption Reports 2003, 2005, 2009

Dynamics of GDP (light blue lines) and GDP per capita (yellow lines) in Argentina, Brazil and Russia, 1990-2008, 1990=100 per cent

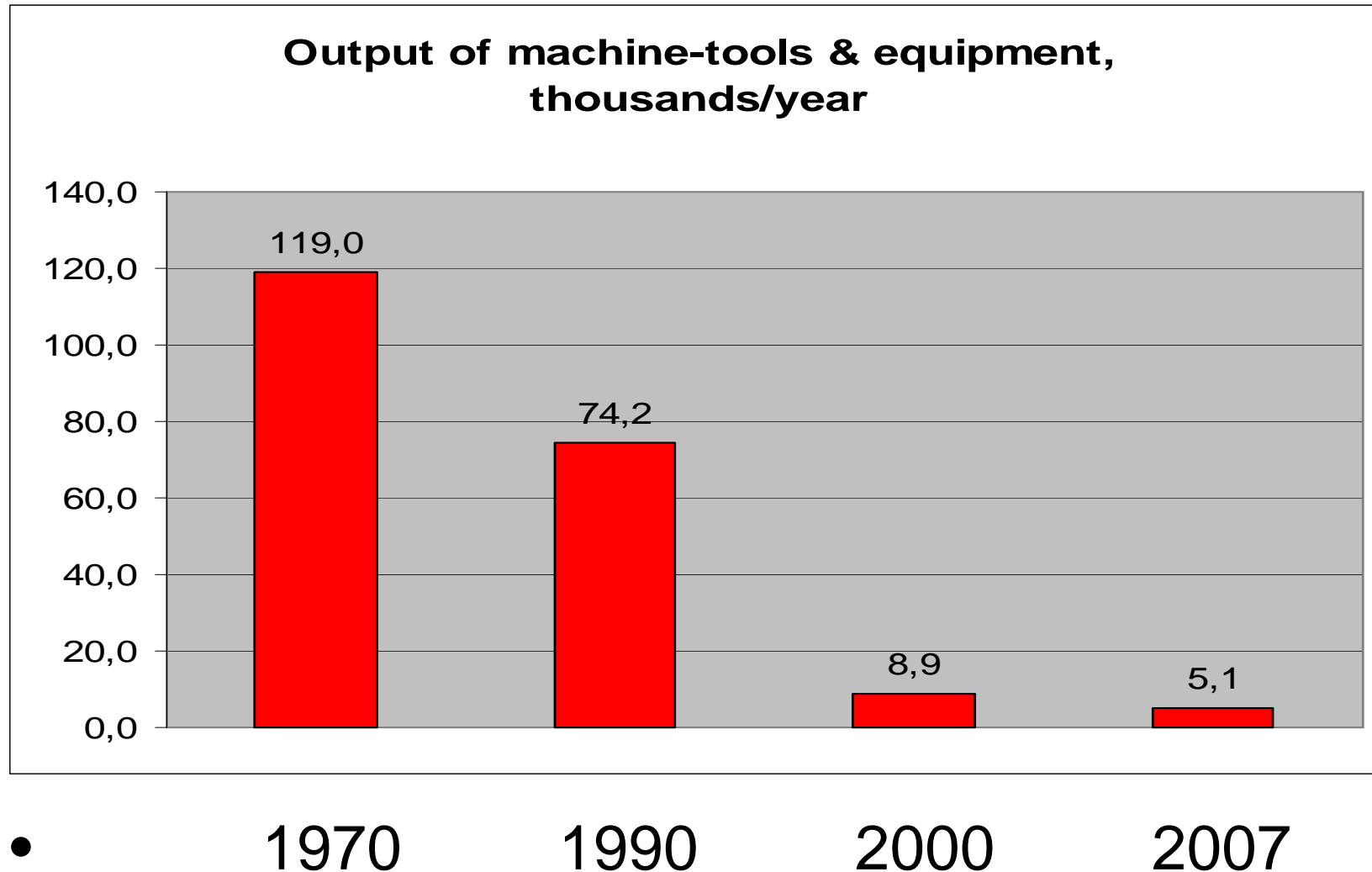
	1990	1992	1995	1997	2000	2002	2005	2007	2008
Argentina	100	119.8	133.0	150.5	149.7	129.0	167.1	197.0	210.4
	100	116.6	124.4	137.1	131.2	109.2	137.4	158.8	168.0
Brazil	100	100.7	116.4	123.4	129.7	134.2	148.0	162.7	172.3
	100	97.6	108.6	111.3	112.4	113.3	119.8	128.2	134.0
Russia	100	81.2	62.1	60.6	67.2	74.0	90.5	105.1	112.5
	100	81.3	62.6	61.1	68.1	75.7	94.0	109.8	117.9

De-industrialisation of Russia

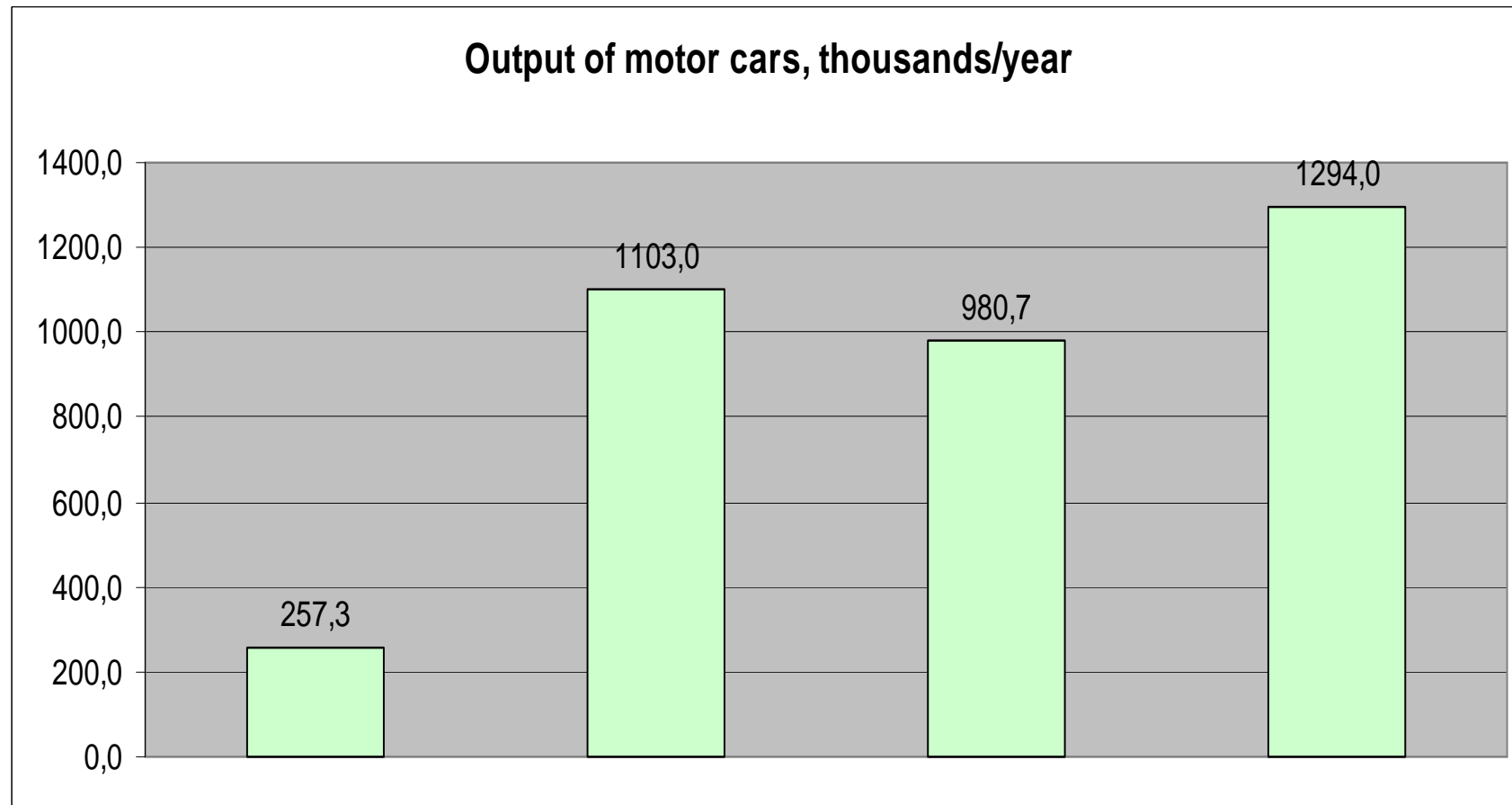


- 1970 1990 2000 2007

De-industrialisation of Russia



Change of the output profile-1



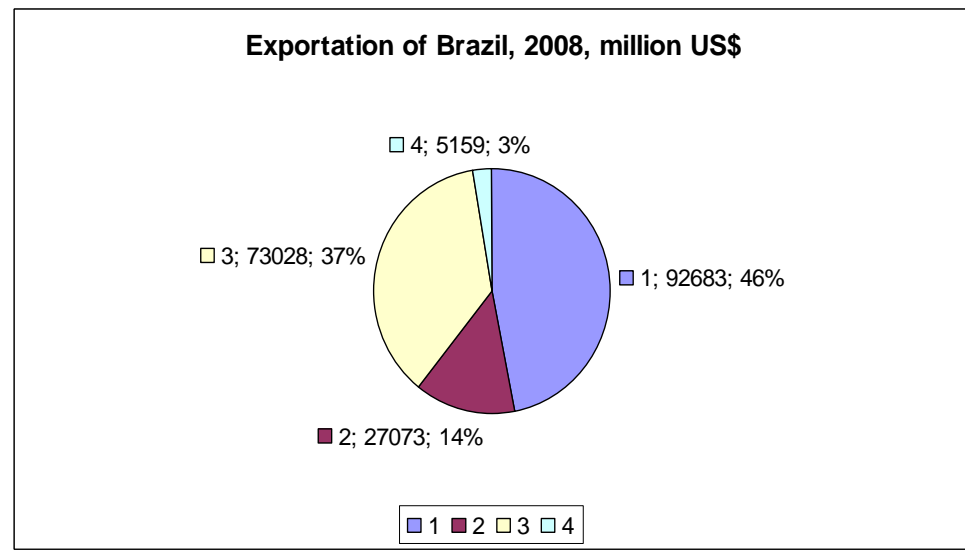
- 1970 1990 2000 2007

Change of the output profile-2, 1990=100 %

	1992	1995	1998	2001	2002	2003	2004	2005	2007
Industry as a whole	75,4	49,7	46,2	58,7	61,0	65,3	69,3	74,8	82,3
Petroleum industry	84,6	68,7	67,4	77,4	84,4	93,9	102,0	104,4	109,0
Gas industry	98,0	87,1	85,2	90,7	93,5	98,4	101,2	102,5	102,8
Ferrous metallurgy	78,0	59,2	53,9	71,2	73,3	79,8	83,8	89,7	100,5
Alimentary industry	76,4	53,1	49,6	65,9	70,5	74,1	77,1	82,2	93,3

- Calculated on: Russian Statistical Yearbook 2000, p. 302; 2004, p. 359; 2005, p.377, 2008, pp. 366-367, 389

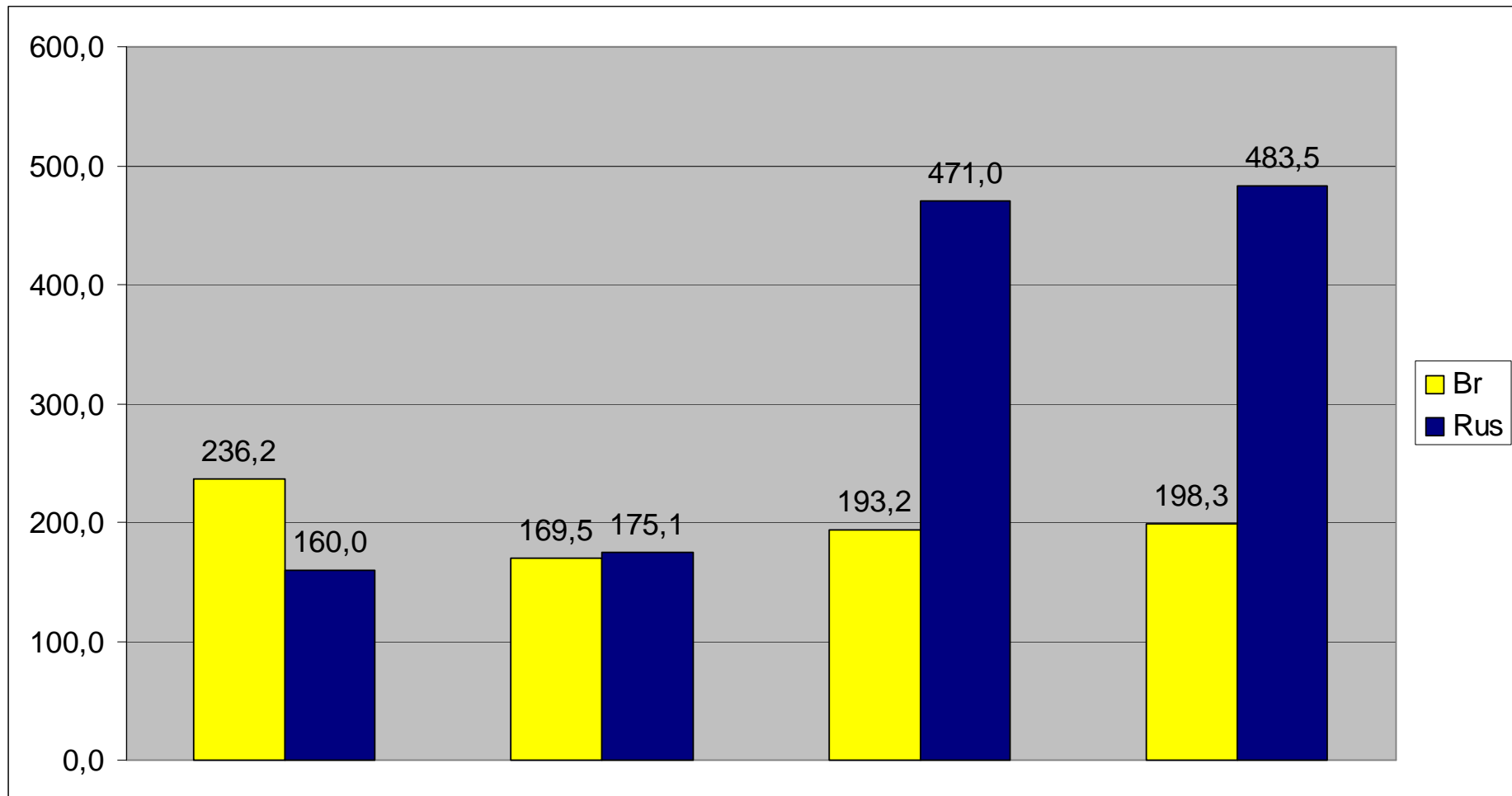
The Export of Russia and Brazil: Volume (million US\$) and Structure



- 1 – Manufaturados
- 2 – Semimanufaturados

- 3 - Básicos
- 4 – Operações especiais

The External Debt of Brazil and Russia, billion US\$, by the end of year



-

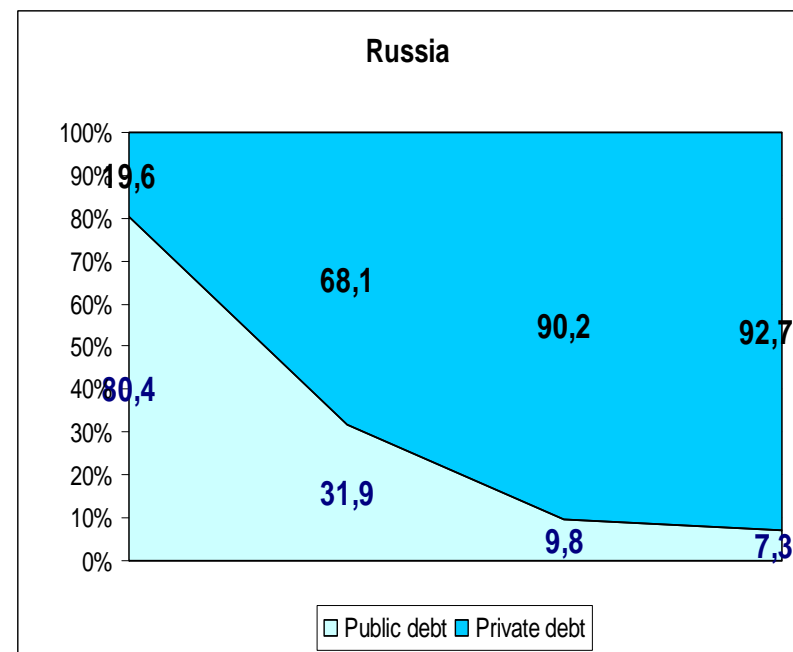
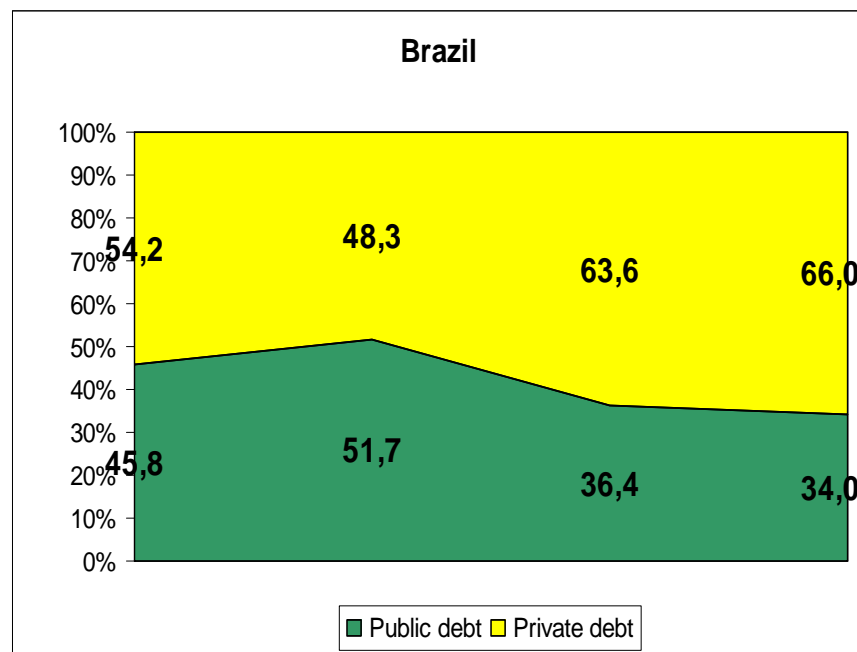
2000

2005

2007

2008

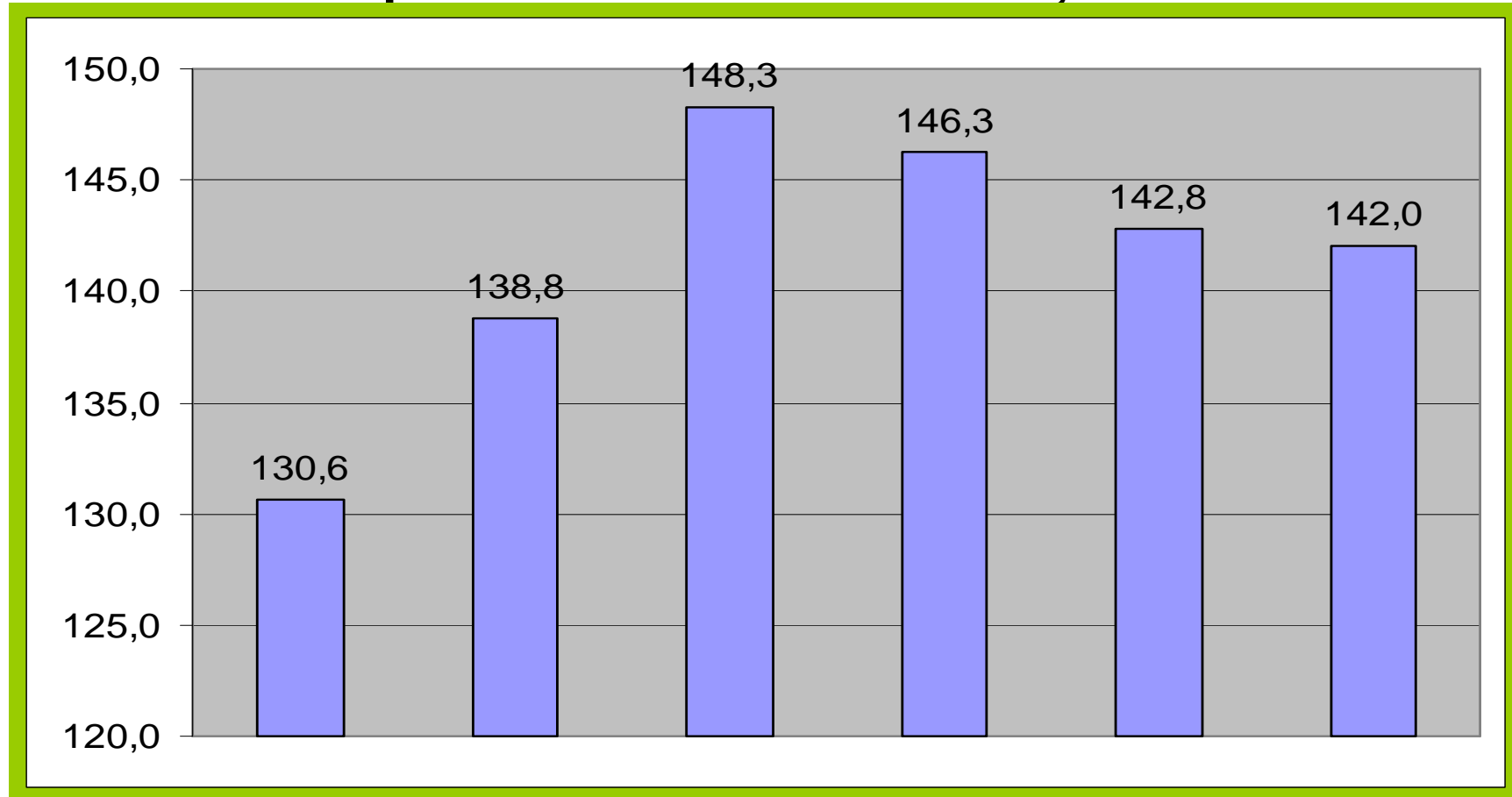
The share of public & private sectors in the external debt of Brazil and Russia, %%



• 2000 2005 2007 2008

2000 2005 2007 2008

Population of Russia, mln.

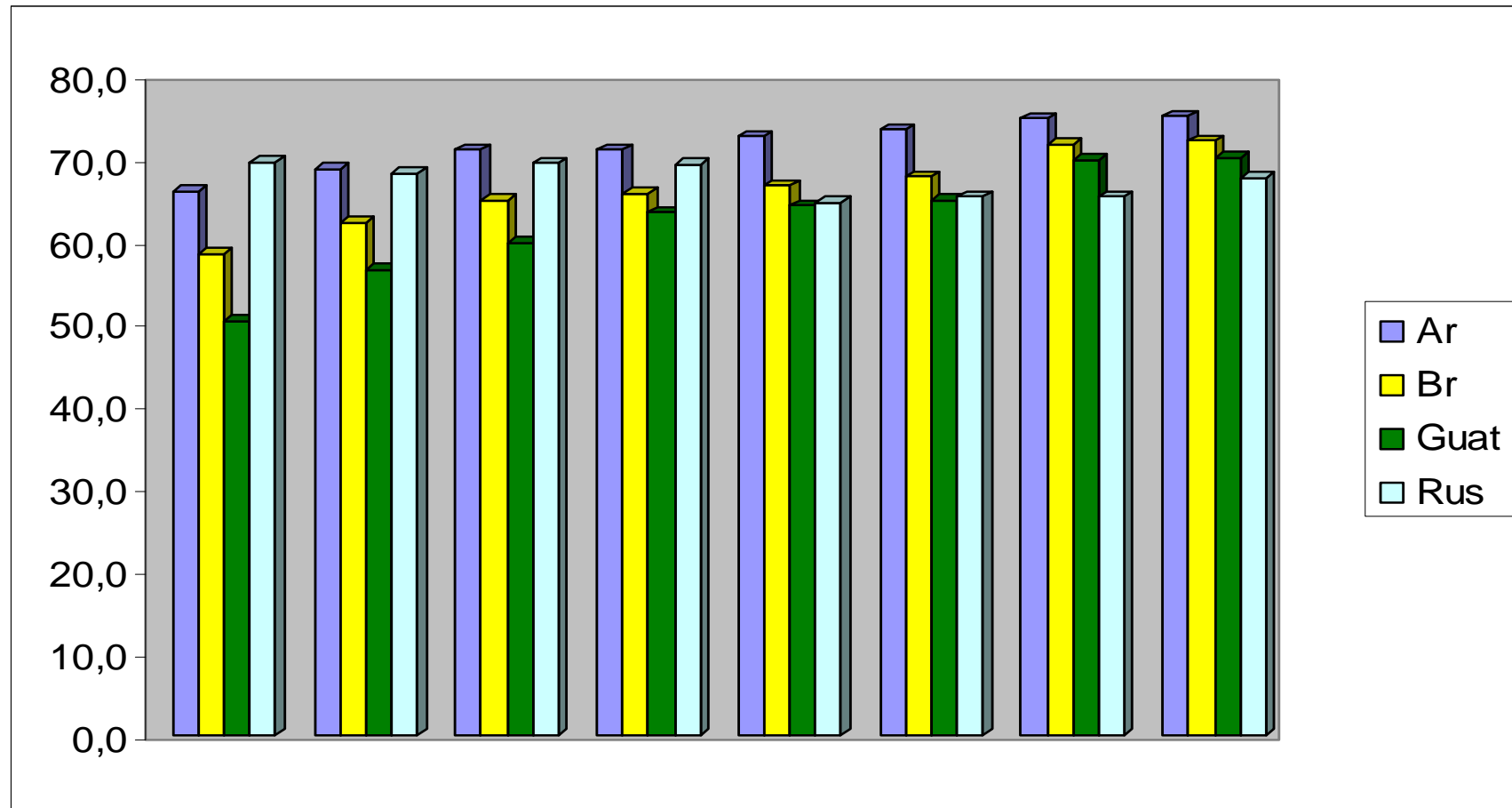


- **1970** **1980** **1990** **2000** **2005** **2007**
- Source: Russian Statistical Yearbook 2008, p.31

Life expectancy at birth, 1965-2006/07, years

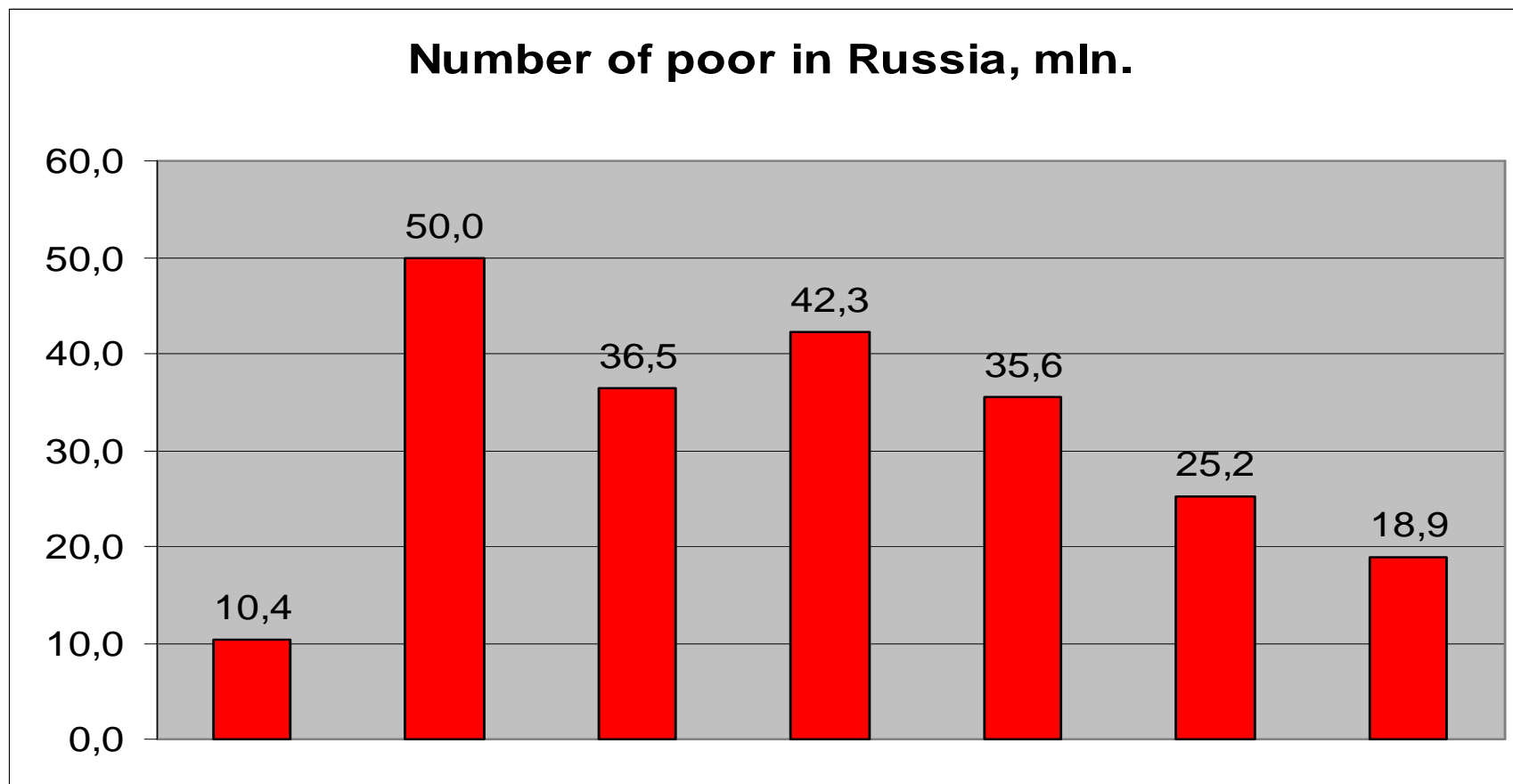
	1965-66	1975-76	1985-86	1990	1995	2000	2005	2006-07
Argentina	66,0	68,7	71,0	71,0	72,6	73,4	74,8	75,0
Brazil	58,4	62,2	64,9	65,6	66,6	67,7	71,7	72,0
Guatemala	50,1	56,4	59,7	63,4	64,2	64,8	69,7	70,0
Russia	69,5	68,1	69,3	69,2	64,6	65,3	65,3	67,5

Life expectancy at birth, 1965-2006/07, years



- **1965-66 1975-76 1985-86 1990 1995 2000 2005 2006-07**
- Sources: CEPAL, Anuarios Estadísticos., Panorama Social; UNDP, Human Development Reports; Russian Statistical Yearbook 2008.

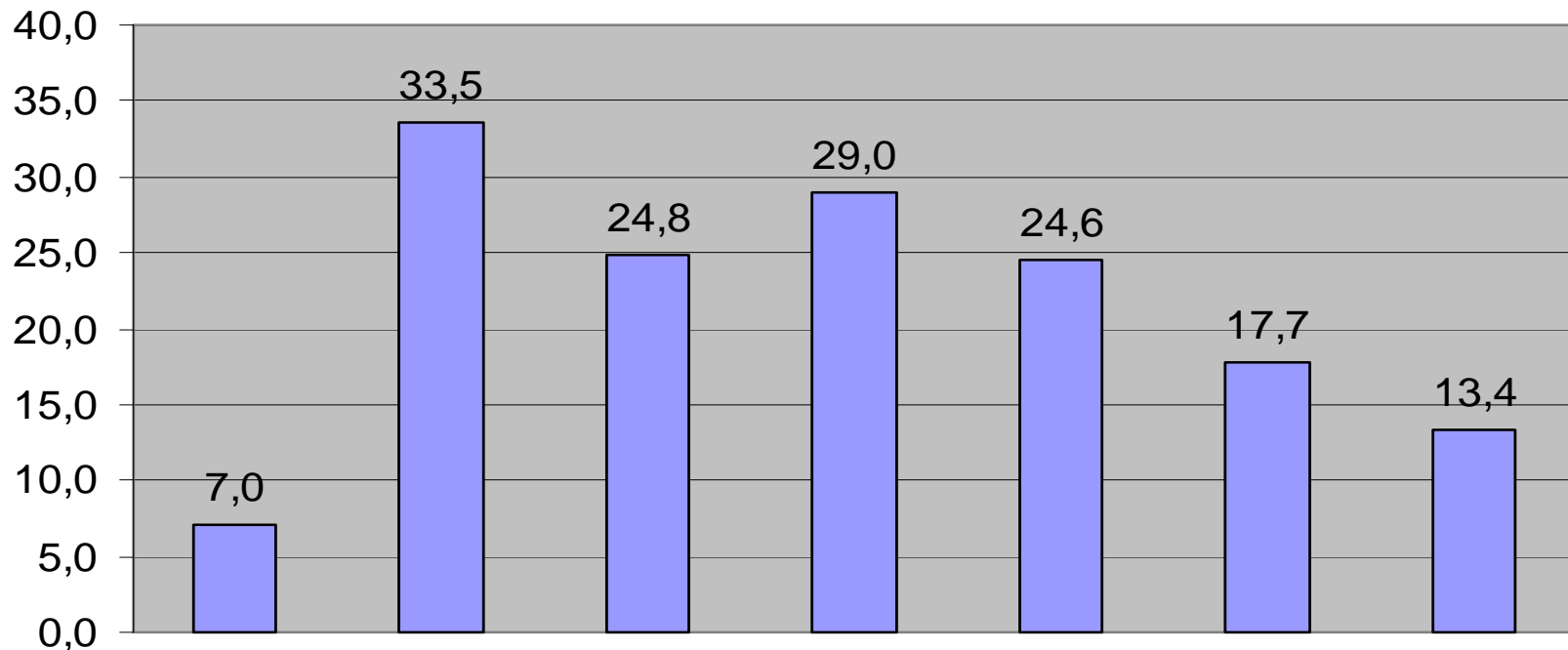
Poverty in Russia, 1990-2007



- 1990 1992 1995 2000 2002 2005 2007
- Source: Russian Statistical Yearbook 2008, p. 189

Poverty in Russia, 1990-2007

The rate of poverty (the share of poor in the total population, %%)



-

1990

1992

1995

2000

2002

2005

2007

The share of households' expenditures for food purchasing (without alcoholic beverages) in the total current expenditures, 1997-2007, by deciles

Deciles	1997			2000			2007				
	A	B	C	A	B	C	A	B	C	D	E
I	68,8	15,6	53,2	65,4	14,4	51,0	55,0	9,5	45,5	1981,0	165,4
II	66,1	15,1	51,0	63,5	13,5	50,0	51,8	8,3	43,5	2811,2	234,3
III	64,5	14,9	49,6	61,9	13,0	48,9	49,6	7,8	41,8	3427,3	285,6
IV	62,9	14,6	48,3	60,6	12,1	48,5	47,1	7,2	39,9	4049,5	337,5
V	60,8	13,6	47,2	57,9	10,9	47,0	44,5	6,7	37,8	4723,6	393,6
VI	57,9	12,2	45,7	55,0	9,9	45,1	41,3	5,5	35,8	5738,1	478,2
VII	52,6	11,0	41,6	50,1	8,6	41,5	35,4	4,5	30,9	7138,4	594,9
VIII	49,3	10,1	39,2	46,8	7,2	39,6	31,1	3,6	27,5	8863,3	738,6
IX	47,6	10,2	37,4	43,4	6,5	36,9	29,9	3,1	26,8	11079,6	923,3
X	39,3	12,4	26,9	35,5	5,4	30,1	21,4	2,1	19,3	18613,7	1551,1

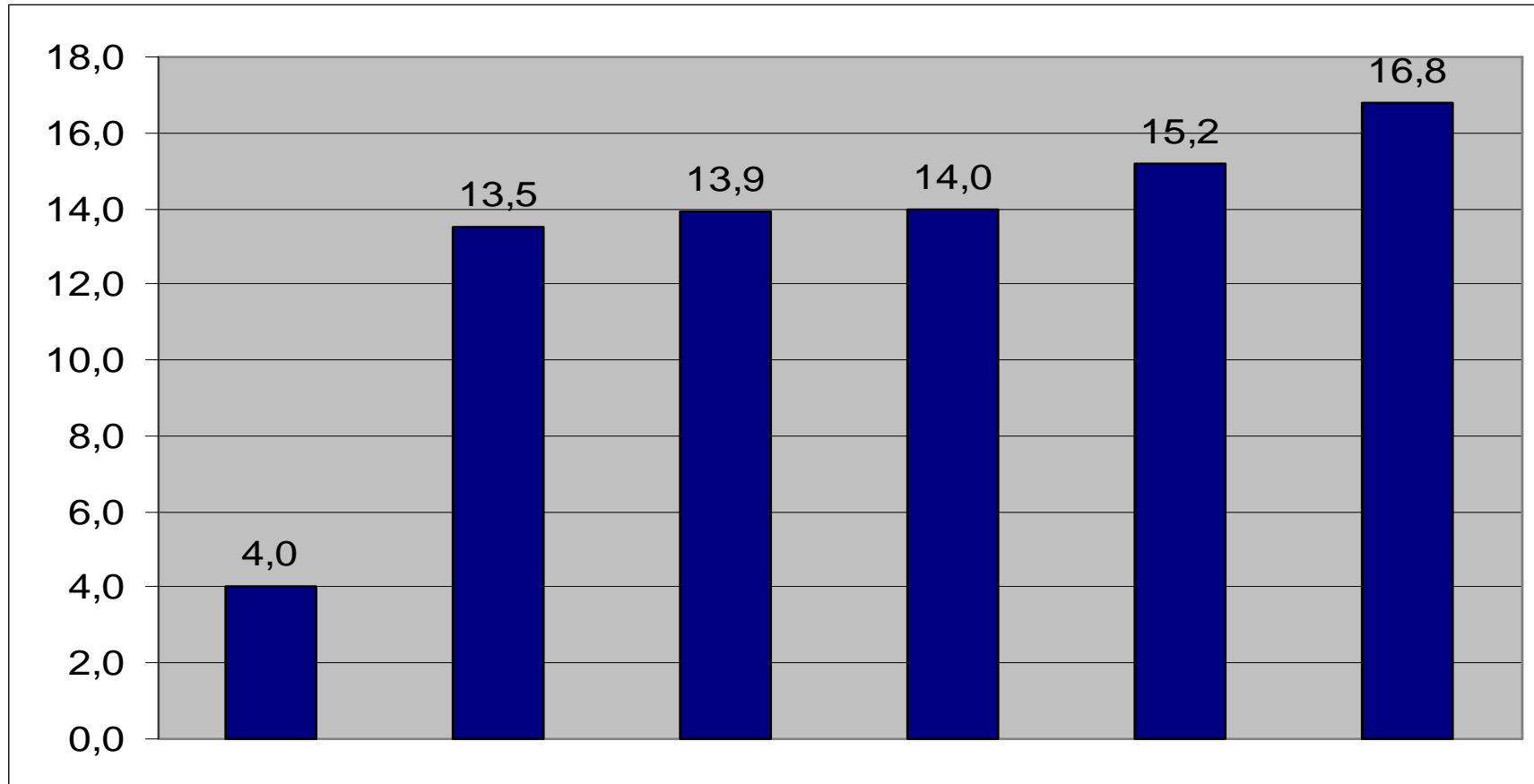
- Column A - all expenditures for food as percentage of the total current expenditures for ultimate consumption, B - supply of food in the natural form (yields of the kitchen-gardens, gifts from the countryside relatives, etc.) as percentage of the total current expenditures for ultimate consumption, C – expenditures in monetary form for food purchasing as percentage of the total current expenditures, i.e. $C=A-B$.
- Column D – the average expenditure per capita (for the given decile of households), Russian roubles per month, at current prices, E – the same magnitude expressed in Brazilian reais, at the exchange ratio.

The national ratio “wages/poverty line”, 1996-2007

	1996-2000		2002-2004		2006-2007	
	ratio	year	ratio	year	ratio	year
Argentina	5,1	1999	3,7	2002	4,7	2006
Brazil	4,3	1996	3,6	2004	4,1	2007
Chile	5,4	1998	5,5	2003	5,4	2006
Mexico	3,3	1998	3,5	2002	3,6	2006
Bolivia	4,0	1999	3,2	2004	3,8	2007
Honduras	1,8	1997	2,5	2003	2,7	2007
Paraguay	3,1	1999	2,5	2004	2,6	2007
Russia	2,1	2000	2,5	2002	3,6	2007

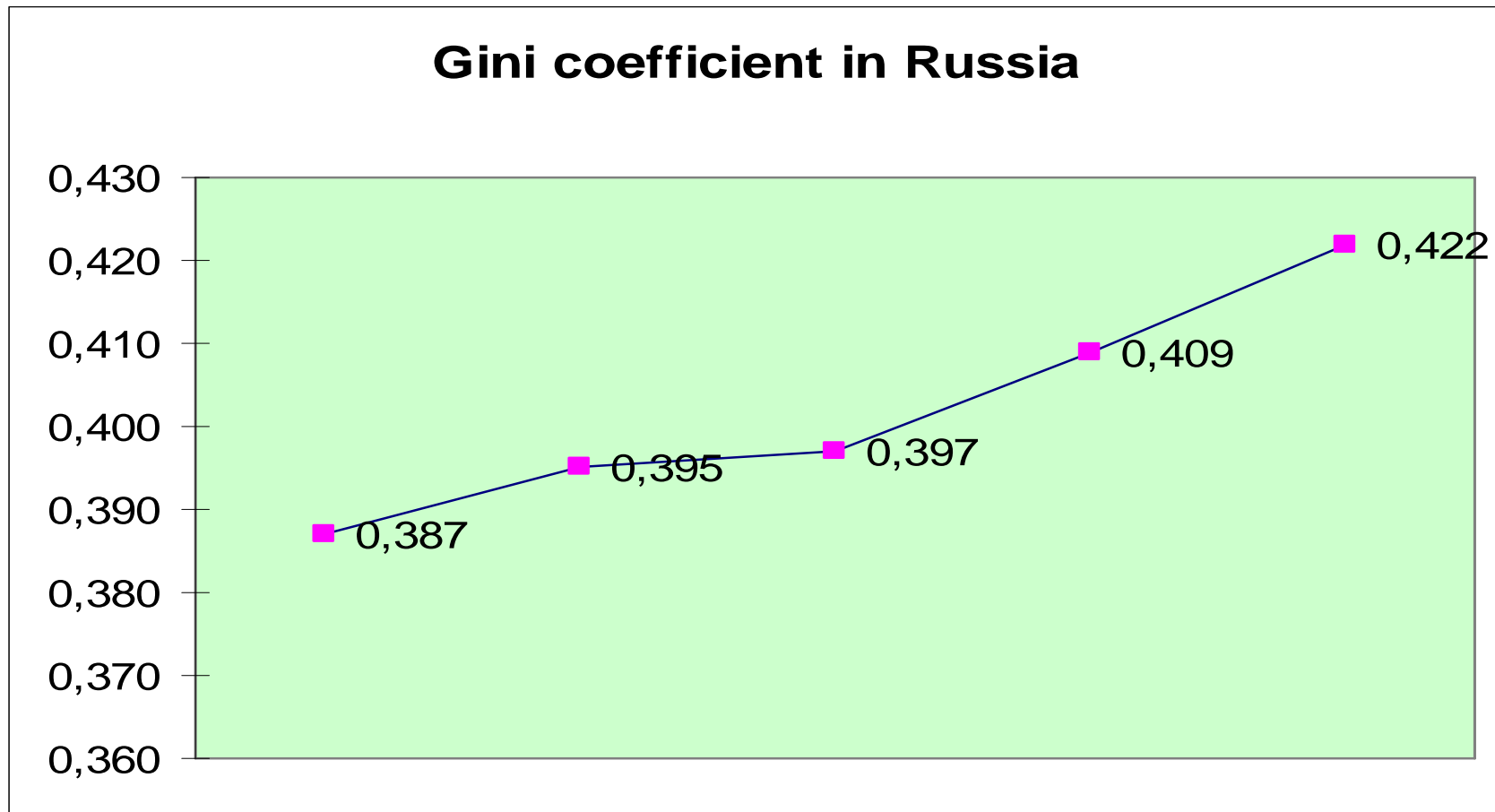
- Sources: CEPAL, Panorama Social... 2008, Anexo estadístico, cuadro 21; Russian Statistical Yearbook 2008.

The social-economic differentiation in Russia: deciles coefficient



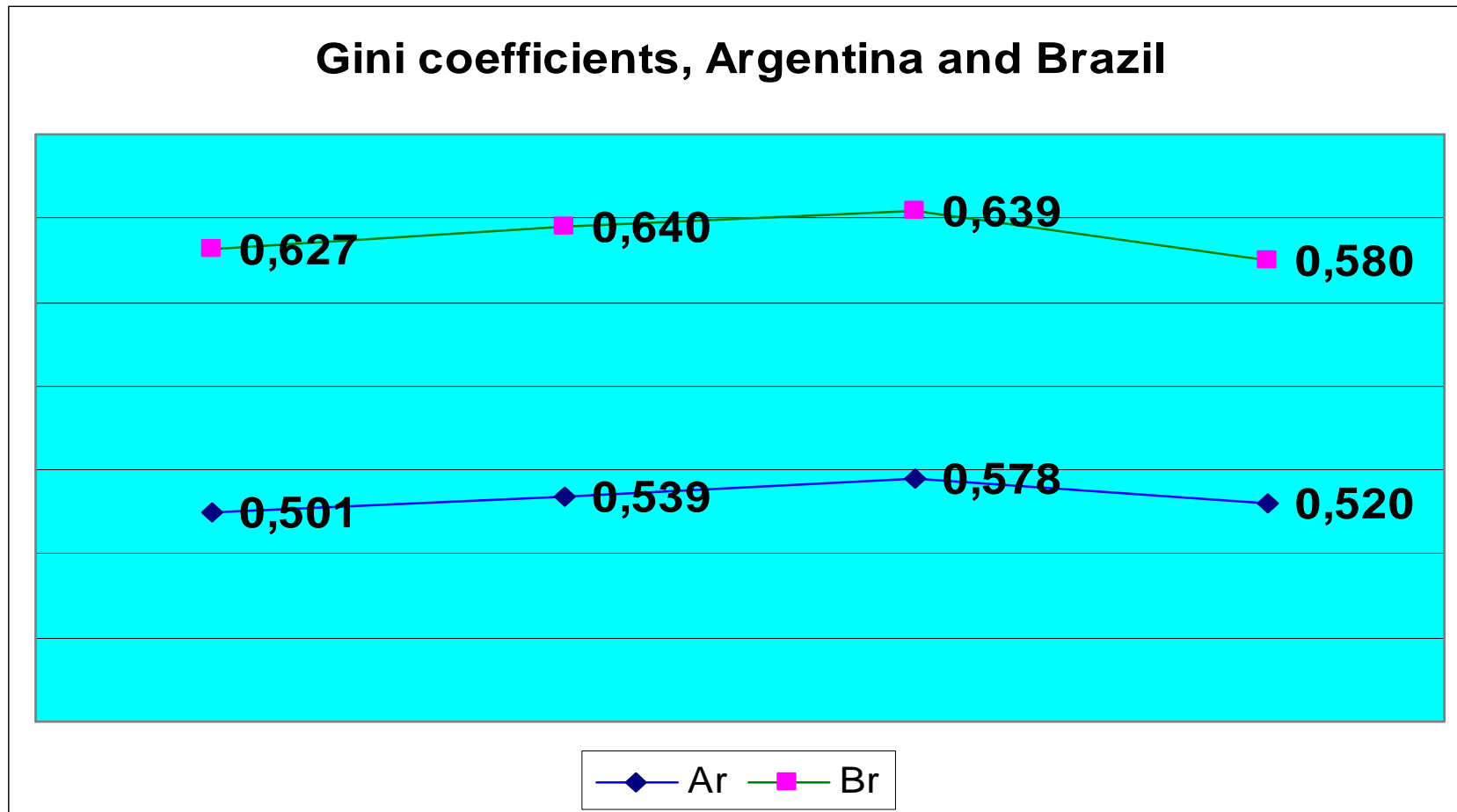
- **1990** **1995** **2000** **2002** **2005** **2007**
- Source: Russian Statistical Yearbook 2008, p.186

The social-economic differentiation in Russia: Gini coefficient



- 1995 2000 2002 2005 2007
- Source: Russian Statistical Yearbook 2008, p. 186

The social-economic differentiation in Argentina and Brazil: Gini coefficients



- 1990
- 1998/99
- 2002
- 2006/07
- Source: CEPAL. Panorama Social 2008, p.98

“Gazprom”: Exceeding *le Château des Versailles*



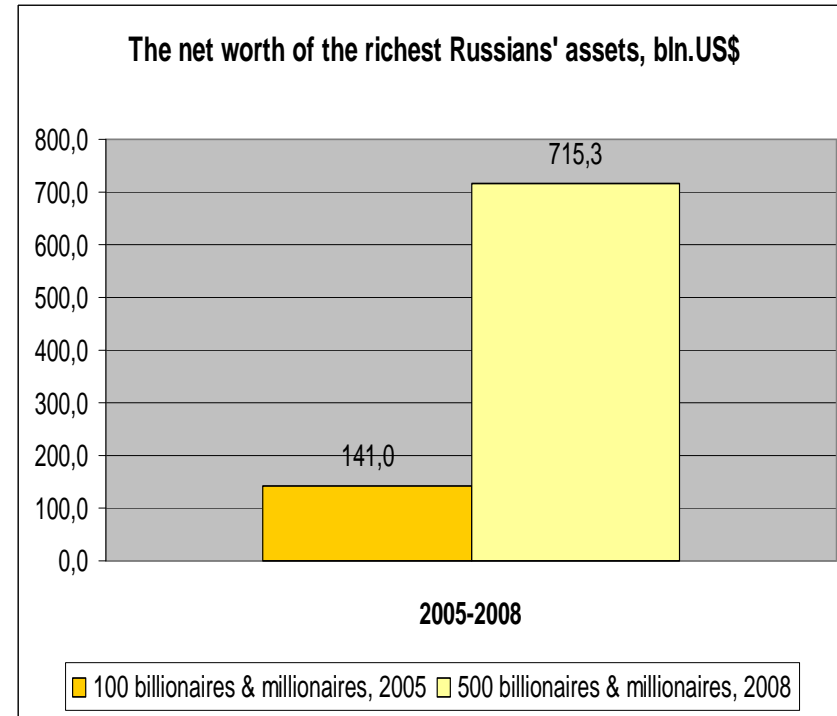
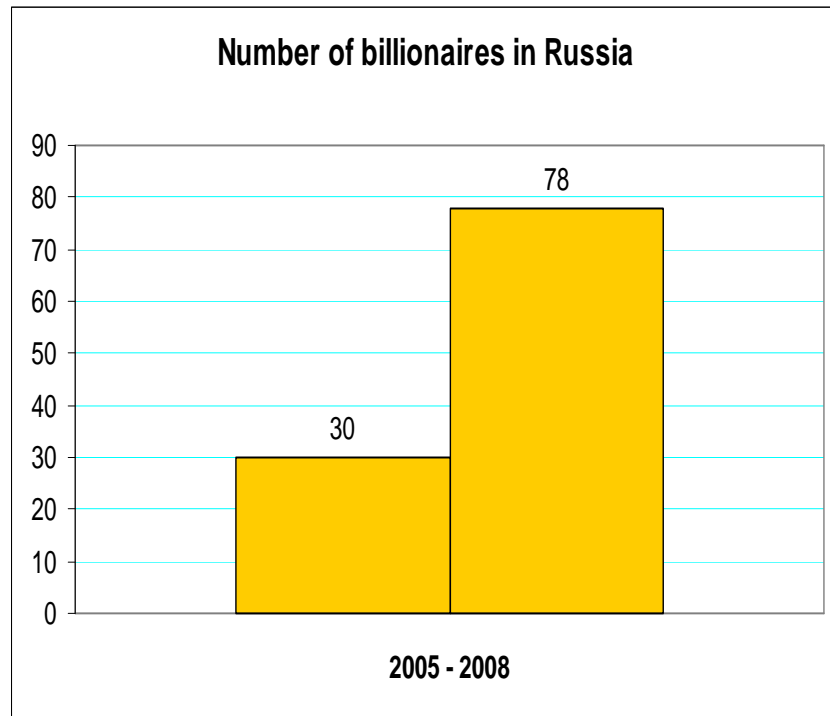
The new yacht of Abramovich



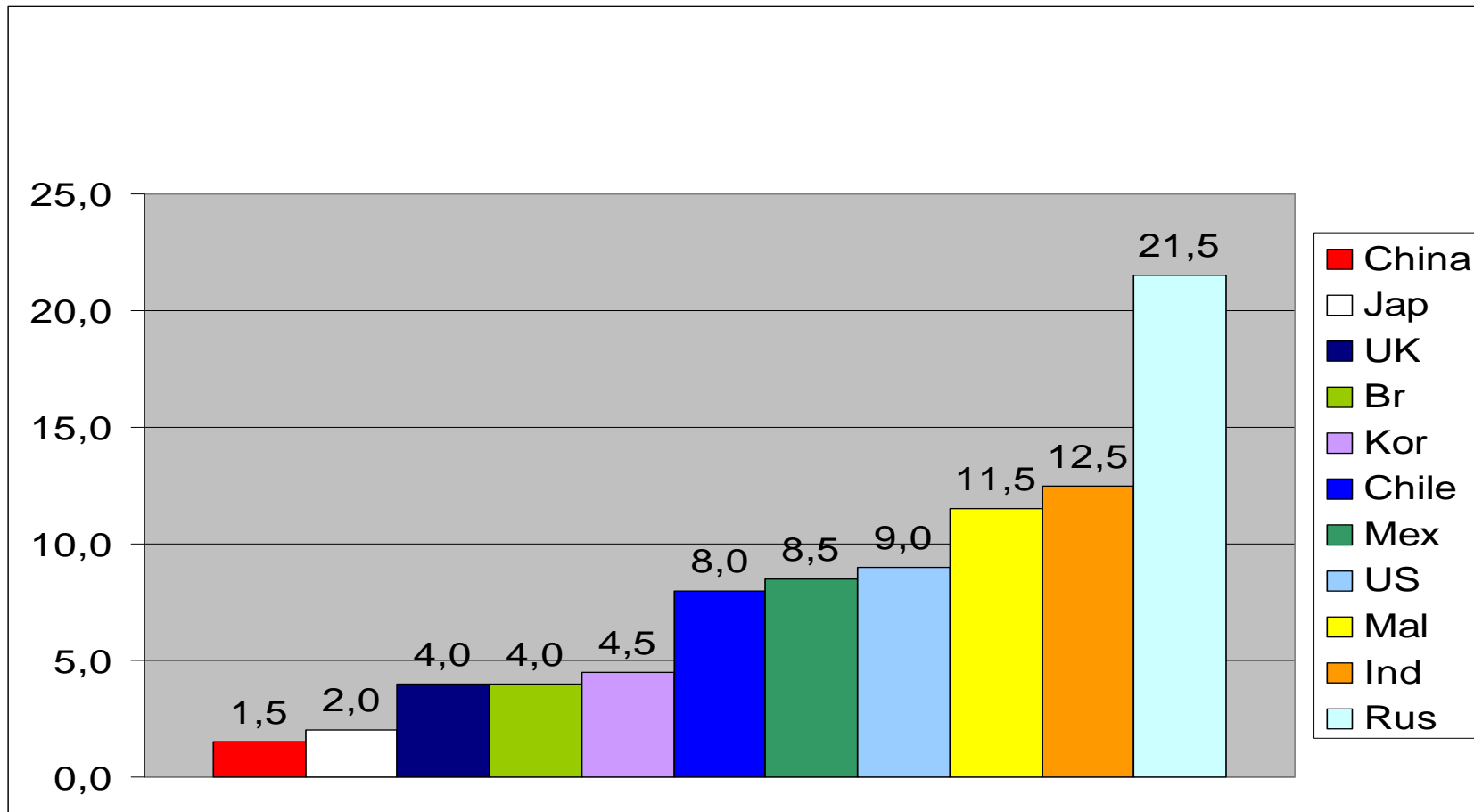
The new yacht of Abramovich

- - length: 170 m
- - helicopter deck
- - the system of anti-radiation defence (for the case of nuclear war)
- - submarines' convoy
- - the total costs of this "toy" – 340 mln. €

The richest people in Russia

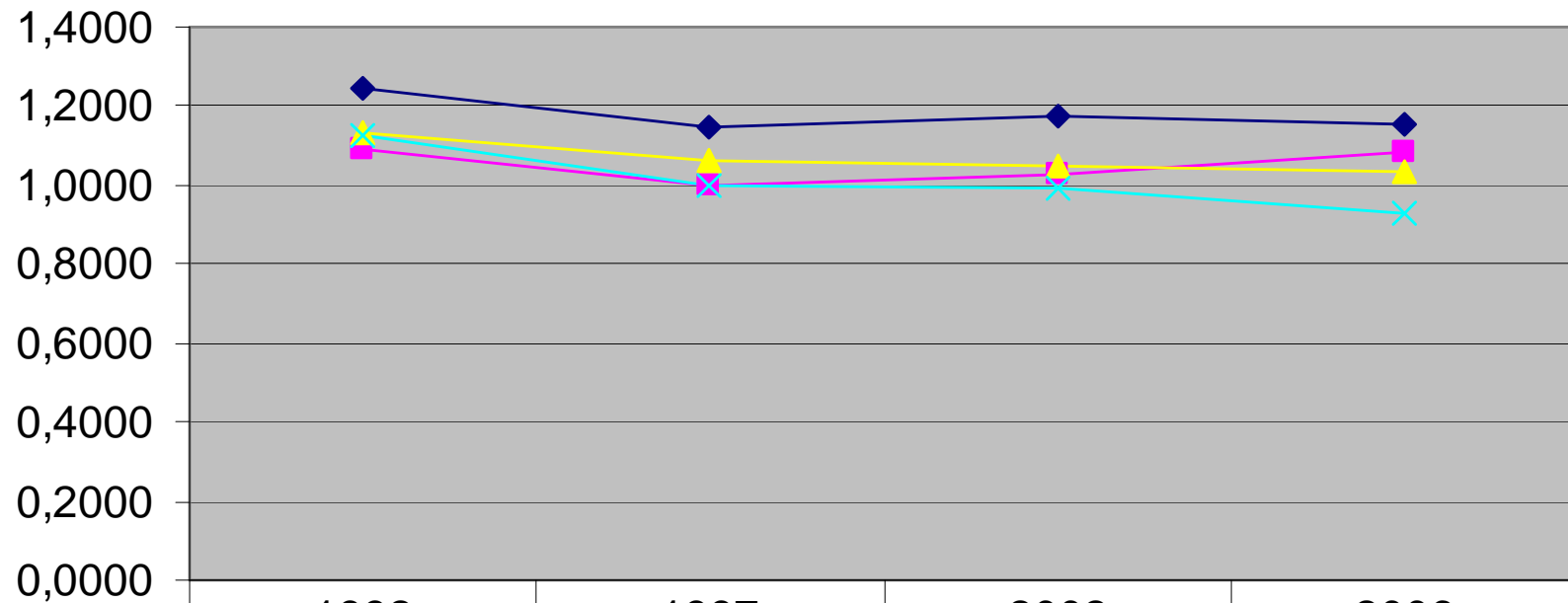


Ratio of Net Worth of Billionaires to GDP, 2007, by country



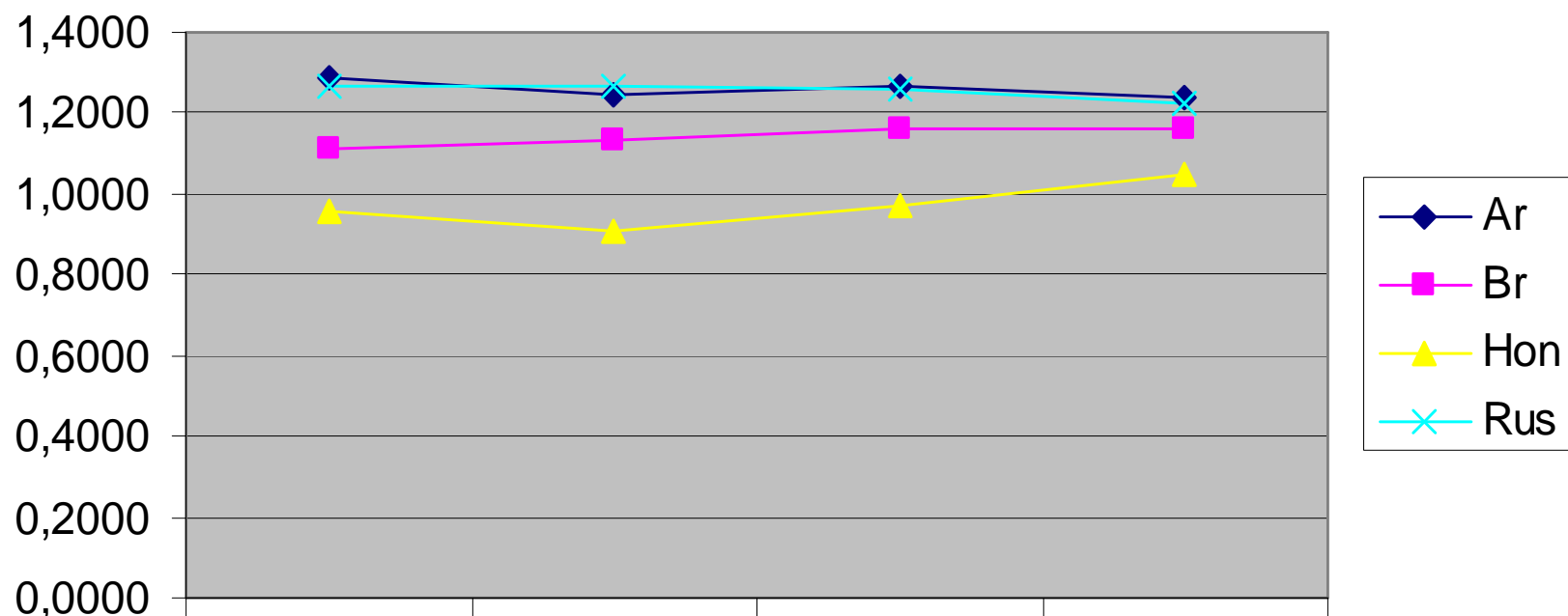
- Sources: No Growth without Equity: Inequality, Interests, and Competition in Mexico. Ed. by S. Levy and M. Walton. World Bank/ Palgrave, 2009, pp.116-117; Forbes; World Bank data.

The ratio of life expectancy index to its average magnitude in the world



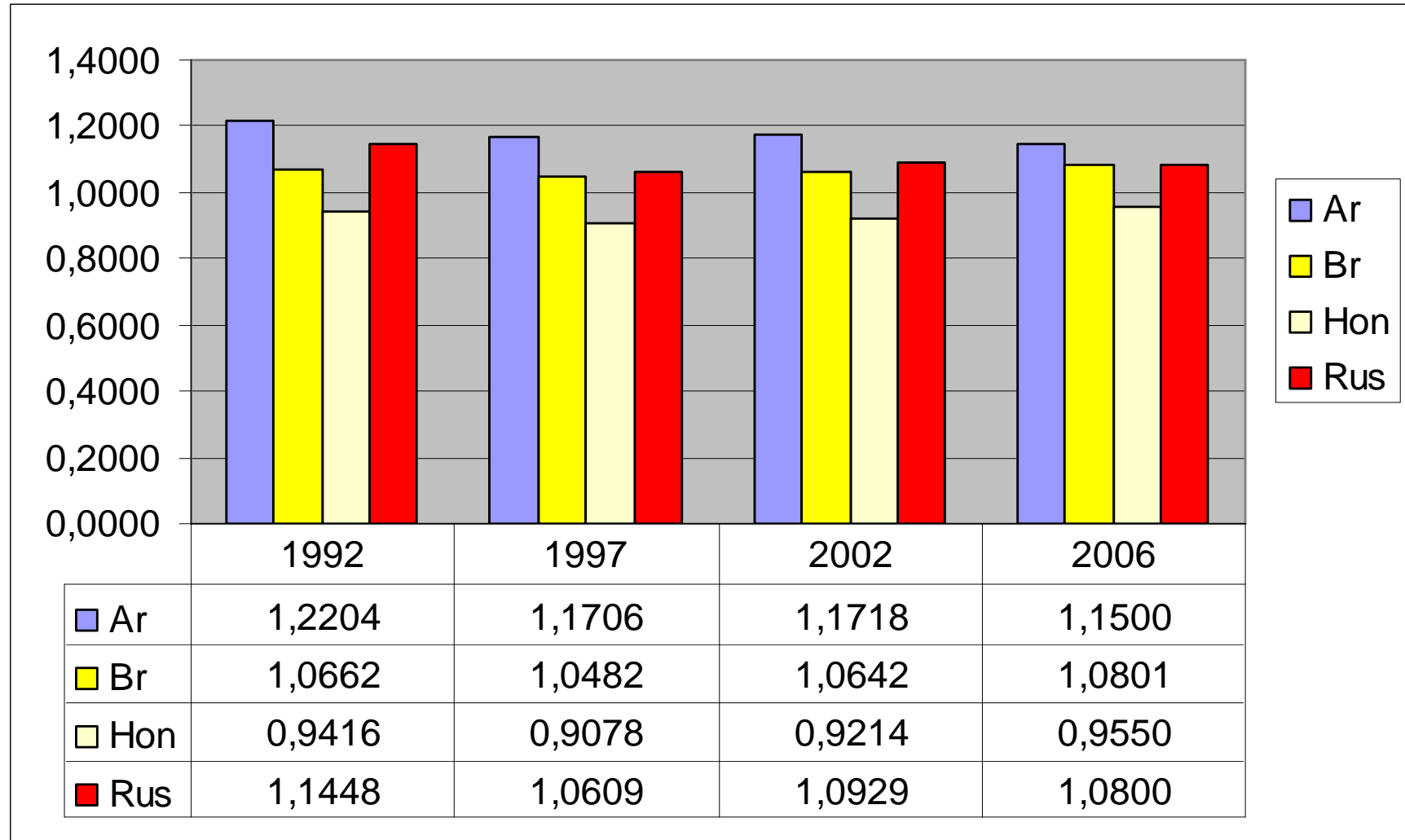
	1992	1997	2002	2006
◆ Ar	1,2460	1,1487	1,1719	1,1547
■ Br	1,0926	1,0024	1,0263	1,0854
▲ Hon	1,1296	1,0647	1,0454	1,0323
× Rus	1,1270	0,9976	0,9953	0,9284

The ratio of education index to its average magnitude in the world



	1992	1997	2002	2006
◆ Ar	1,2895	1,2420	1,2632	1,2394
■ Br	1,1133	1,1324	1,1614	1,1634
▲ Hon	0,9543	0,9105	0,9737	1,0481
× Rus	1,2686	1,2639	1,2596	1,2267

The ratio of HDI to its average magnitude in the world



The ratio of HDI in Brazil and Russia to its average magnitude in the world

Trends of HDI, Brazil and Russia

