

Inflation, growth and development: how neoclassical macroeconomics prevents the development.

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Abstract

The use of anti-inflationary Orthodox policies has prevented adoption of both growth strategies development. The neoclassical theoretical is the basis to keep the State out of the administration of the movement of capital by not allowing the utilization of monetary or fiscal expansionary policies, as well as strategic exchange-rate policy. This approach is shrouded in an ideology based on hypothetical rational behavior, in a maximizer agent and quantity theory of money, in a world of walrasian equilibrium, modernized concepts for "rational expectations" to transform the inflationary fear in ideology against public intervention

The problem of inflation has a political and ideological importance hidden by a false technical approach based on neoclassical economics. This approach, having become the justification for the installation of neoliberal policies, is back to strengthen the basis of Orthodox conservatism. Tie to a certain ideology the debate and prevents development policies or economic growth. Prevents development strategies since it denies any economic policy that seeks to control the movement of capital even if these policies are made to avoid capital destruction.

In Brazil this orthodoxy continues its pressure. The justification is the inflationary risk and their theoretical basis "inflation targeting". The appeal to an "inflationary fear" justifies the maintenance of Orthodox neoclassical-ideology. Avoid economic growth policies. Radicalizes himself when we talk about development, given prevents the distribution of income via wages and public policies. The orthodoxy unconditionally defends a public surplus in order to avoid inflation and monetary impact on the ground of shaping rational expectations of agents.

Inflation is something extremely complicated. Analyses of the issue suggest that the variation of prices in countries like Brazil are much more linked to the foreign exchange policy and external factors, as well as to the power of the large multinational oligopolies in their competition strategies. Point inflation as something that has trivial causes like simple demand excess, wasteful spending of the Government's fault, as well as high consumer spending that would not have known how to save, is a way to avoid seeing the problem in its complexity.

The anti-inflation package is based on a tripod that seems to have more efficiency in maintaining a useful theoretical status to certain interests than to development. The "inflation targeting" policy based on a package of credibility for influence the psychological behavior of the agents are in your bedding. Inside the package appear independent Central Bank, fiscal balance and flexible exchange rates. Friedman would be proud of where their students reached (Lucas and Sargent): managed to prevent definitely economic policies by completing the Kuhniano puzzle (Kuhn, 2006), founding the metaphysical principles of rational expectations, structured in a scenario in which any State policy action is bad for the economy. This text aims to develop the substantive issue that appears as a theoretical clash within the economic science. It is a clash that occurs in national and international scope.

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