

Title: NEOLIBERALISM AND THE INTERNATIONAL ECONOMIC CRISIS OF 2008-2009: THE BRAZILIAN AND FRENCH RESPONSE IN COMPARATIVE PERSPECTIVE

José Marcos Novelli (Federal University of São Carlos, campus Sorocaba, Brazil and Laboratoire Triangle, Lyon-France)

The gross domestic product (GDP) of France - in current prices in U.S. dollars - in 2003 was approximately \$ 1.8 trillion while the Brazilian GDP was around \$ 550 billion. In 2011, French GDP rose to about \$ 2.8 trillion while that of Brazil was approximately \$ 2.5 trillion. That is, in 2003, the French economy was three times bigger than the Brazilian one and now is approximately 10% higher. It is huge change and, as far as I can see, there is still no explanation for this phenomenon in comparative perspective.

Between one period and another, came the global economic crisis of 2008-2009. This scenario provides the backdrop for this paper, whose main object is the Brazilian and French response to this crisis. The reaction of each of the countries facing the crisis can help to understand the evolution of Brazilian and French GDP. If one takes the GDP percentage variation between 2009-2011 as an indicator, the result is favorable to Brazilian response: the change was negative in 2009 (-0.6%), but positive in 2010 (7.5%) and 2011 (2.7%). In the French case, the variation was also negative in 2009 (-3.0%) (most severe) and positive in 2010 (1.6%) and 2011 (1.7%).

The different responses to the crisis, however, cannot be understood without taking into account existing institutions, the prevailing economic ideas and policies adopted by Brazil and France in the years before the crisis arrived. Therefore, to understand the choice of measures

taken by senior management decision-making process related to public economic policy in each country, one must go back in time. The aim of this paper is investigate the role played by economic ideas and political-economic institutions in countries with different political and economic trajectories. Secondly, I would like to investigate whether the neo-developmentalism, which has been disputing and occupying more and more space in the arenas of decision-making of economic policy in Brazil is indeed developmental or whether it is a moderate version of neoliberalism. The hypothesis that illuminates the present paper argues that economic ideas have made a difference in the Brazilian case precisely because of the presence of neo-developmental economic thought during Lula's second term. But for the French case, the absence of a thought equivalent to the neo-developmental or neoliberal moderate - or even the presence of a more extreme version of neoliberalism - and the institutional constraints (such as the loss of monetary sovereignty) related to European integration explain the differences in the measures (response) taken and the results achieved by that country's economic policy.