Matthew M. Taylor, *Decadent Developmentalism: The Political Economy of Democratic Brazil*

Cambridge University Press, 2020, pp. xvii + 340

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There is a long-standing joke about Brazil's 'chicken flight' style of economic growth. The economy spreads its wings, takes a hop, is hopefully airborne for a moment, and then, disappointingly, crashes back to earth. Just as the country's economy seems finally ready to launch into the air, it nose-dives earthwards as the heavy weight of political and economic burdens drag it down. As old as the joke is, the puzzle among scholars and market practitioners remains: Why does Brazil's economy repeatedly seem to fall prey to the challenge of achieving robust and equity-enhancing growth?

Attempts to answer this crucial question have emerged from several points of the political and intellectual spectrum. Matthew Taylor's *Decadent Developmentalism: The Political Economy of Democratic Brazil*, however, offers a fresh perspective on the institutional roots of why Brazil has suffered to achieve significant economic growth since democracy returned to the country in 1985.

Taylor argues that Brazil is caught in a complex trap that he labels 'decadent developmentalism', whereby economic choices and political institutions reinforce each other in detrimental ways. In the language of the institutional complementarities literature that grounds his argument, Taylor argues that institutional strategies in one public policy domain are routinely shaped by the incentives emerging from other domains.

Three arguments come through clearly in this book: the ways by which institutional complementarities between political and economic domains constrain first-best policy choices by generating pressures toward the use of opaque economic policy tools; how the weak controls incentivised by the coalition-formation process undermine the effectiveness and coherence of policy-making; and how political pressures lead to compensatory policy-making that is ineffective but attempts to mask the worst deficiencies of the dysfunctional economic system.

Brazilian policy-makers have a myriad of incentives to use opaque fiscal instruments. As Taylor (p. 233) notes, most of these opaque tools are made possible by the infrastructure of the developmental state set up by the military, which lingers on into the present day. The successful fight against inflation over the past generation has been premised on encouraging ever greater fiscal responsibility at all levels of government. This has left precious little discretionary space for presidents to engage in the sort of politically effective spending programmes that might build coalitions or win them elections. One consequence is that politicians instead turn to the legacy institutions of the developmental state – such as the National Development Bank, state-owned commercial banks like the Banco do Brasil, and state-controlled

https://doi.org/10.1017/S0022216X23000512 Published online by Cambridge University Press

companies like oil-producer Petrobras – all of which offer a variety of useful but opaque tools that can be used to build political support. These tools include patronage appointments, subsidised credit, trade protections and a variety of tax incentive programmes whose fiscal impacts are not easily tracked. In the aggregate, such opaque tools greatly undermine the coherence of any economic strategy, whether it is of a broadly 'developmentalist' or 'neoliberal' bent. They make it, overall, very difficult to impose any strategic direction, even as the developmental apparatus consumes a considerable slice of the economic pie.

Presidents, furthermore, face very few incentives to impose any kind of control or reciprocity on firms that benefit from these policy-making tools. To the contrary, under presidents of both a more 'developmentalist' disposition (e.g., the Workers' Party presidents of the 2003–16 period) as well as presidents of a more 'neoliberal' bent (e.g., Collor de Mello, Cardoso, Temer), the federal government has engaged in huge economic development programmes that have achieved very little, at great expense. Taylor devotes a chapter to demonstrating how several massive government-led programmes have begun with ambitious goals and laudatory aims, only to slowly lose steam and any semblance of economic rationality as politics began to intervene. This includes programmes as diverse as the military regime's brainchild: the Zona Franca de Manaus (Free Economic Zone of Manaus, still in place today); the automotive policies in place from Collor de Mello through to Temer; ethanol incentives from the 1990s through to the 2010s; and Rousseff's massive Plano Brasil Maior (an innovation plan to increase industrial competitiveness).

Finally, Taylor describes how – partly in consequence of the ineffectiveness of policy-making – the democratic political system has simultaneously given with one hand and taken away with the other, in what he calls a 'flywheel' of compensatory policy-making. There are two flywheels of compensatory policy-making at work: one on social policy and the other on policy towards firms. Because of Brazil's fiscal pressures since the return to democracy, the country faces a tough choice between the public investment needed to grow and the funds available for redistribution. Brazil has chosen a semi-redistributive route, which essentially means that growth is an afterthought. There is a constant sleight of hand at work: although the federal government decided to structure a conditional cash transfer programme (e.g., Bolsa Família) and other social transfers to the poor, it simultaneously takes the money back through regressive taxation, social programmes and spending. Furthermore, ineffective government policies – including a nearly steady increase in taxation – lead to a high cost of doing business, widely referred to as 'Brazil cost'. Since firms' competitiveness is hurt by such costs, they demand compensatory policies, which governments are willing to provide in part because many of the instruments they can employ to meet firms' demands – e.g., tax breaks, tariffs, loans – are the fiscally opaque policies described earlier, while firms have traditionally paid handsomely for these privileges by dispensing campaign donations and off-the-table financing to politicians. The compensatory policy-making described by Taylor tends to be a self-fulfilling cycle that is not strategically driven, is ineffective at achieving any of its aims, and is very expensive.

Taylor (p. 259) notes that given the multiple complementarities across the political and economic domains, changes to political institutions are needed that can enhance the likelihood of strategic and effective economic policy. Until then, the incentives toward parochialism, oligopolistic firm structures and the continued use of the developmentalist toolkit are likely to continue to drag down any attempt to achieve a more satisfying economic take-off. Lastly, the book brings important theoretical and empirical contributions to not only those studying Brazil but, more broadly, those interested in the political economy of non-Western countries and the possibilities of reforms that would overcome long-standing hurdles to economic (and democratic) progress.

doi:10.1017/S0022216X23000512

Germán Vergara, *Fueling Mexico: Energy and Environment, 1850–1950*

Cambridge University Press, 2021, pp. xii + 322

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As the ongoing climate crisis spearheads global concerns, energy comes to the fore both as a potential solution and a means to explain how we have got to the present situation. Germán Vergara's insightful and well-documented *Fueling Mexico* showcases how the energy transition to fossil fuels has unfolded in Mexico, paying special attention to the intricate, co-constitutive relationship between energy regimes and human agency, as well as changing social behaviour. The book is chronologically structured, and is based on a central understanding of energy as flow – a solidly explored notion that knits together its five chapters and serves as the main conceptual grounding for Vergara's energy-centred timeline. Guided by this perspective, the author sheds light on critical historical junctures and events that are not often pointed out in mainstream accounts of Mexico's history, but that prove central to understanding the country's path towards fossil-fuel dependency. As much as his work complexifies a global history of fossil-fuel energy transition, it also evinces particularities of the Mexican case that challenge unidirectional narratives of changing energetic regimes – often reliant on cases restricted to the Global North.

Vergara relies on a fine-grained analysis of qualitative and quantitative data to structure his multicausal approach to change over time, emphasising both technical aspects, comparing energy systems and cultural practices. An important aspect of his vast selection of sources is that many of them are not national compilations. Instead, Vergara largely relies on regional data, which stretch from published primary sources to local quantitative assessments made by companies and local public