

Structural Change in the Brazilian Economy: a structural decomposition analysis for the period 2000-2015

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The paper aims to analyze the features of the Brazilian structural change process in the period from 2000 to 2015. More specifically, we investigate the intensity and nature of the deindustrialization process in sub-periods of the whole period under consideration. We argue that the deindustrialization process is not as continuous, intense and diffuse as suggested by part of the interpretative literature that covers the period under analysis. In order to overcome some limitations of the indicators used by the later literature (the sectoral gross output, value-added and employment shares), we apply an I-O structural decomposition methodology to examine the contributions of the sources of structural change in the Brazilian economy. We utilize a series of I-O Matrices valued at constant prices constructed by the GIC-UFRJ for the period 2000-2015, based on partial information from the Brazilian SNA and I-O matrix official statistics. Moreover, in our analysis, we regroup the whole set of extractive and manufacturing sectors into four industry groups according to the classification proposed by the GIC-UFRJ: processed agricultural commodities, traditional industry, industrial commodities, and innovative industry. Such classification allows us to interpret some distinctive characteristics of the Brazilian productive structure since it captures specific features of the competition and technological flow patterns prevailing in the Brazilian economy in the period. The I-O structural decomposition analysis of the database described leads us to develop a different perspective in the debate about the Brazilian deindustrialization process. According to this perspective, such process is less intense and continuous than it is usually characterized in the literature. In particular, we show that it is significantly intense in the sub-period after the 2008 world crises and concentrated in the traditional and innovative industries groups.