

Regis Bonelli: A factory of ideas

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TO STUDY THE ECONOMIC and industrial development of Brazil over the past 40 years, it is inevitable to consult the work of economist Regis Bonelli. With 46 years of academic activity and more than 125 works, including books, book chapters, articles, and theses, Bonelli, currently researcher at the Brazilian Institute of Economics (IBRE) and coordinator of the *IBRE Economic Outlook*, has been a privileged observer of Brazil's economic history and has been generous in sharing his observations.

Bonelli participated in the group that started the Institute of Applied Economic Research (IPEA) in the 1960s, with economists Albert Fishlow, Pedro Malan, Edmar Bacha, and Marcelo de Paiva Abreu. At the Catholic University of Rio de Janeiro in the early 1990s, Bonelli lectured and did research on income distribution and economic transition in Brazil, "More than being topics treated in isolation, these different dimensions combine to compose a historical and analytical framework of the Brazilian economy that is very rich and diverse," said IPEA's Paul Levy at the roundtable held in November in honor of Bonelli's 70th birthday.

One of Bonelli's most prominent works is "The Limits of the Possible: Notes on the Balance of Payments and Industry in the 70s," which he co-authored with Malan. Published in 1976 in the *Pesquisa e Planejamento Econômico Journal* published by IPEA, the article, which became required reading for college entrance exams, criticized the government strategy at the time, which culminated in Brazil's debt crisis in the 1980s. Malan, who with Bonelli studied both engineering at Catholic University and economics at the University of California, Berkeley, said that "He believes the quality of our understanding of risks and future opportunities depends on the quality of our understanding of the developments that have brought us to the current situation. And Bonelli has made an invaluable contribution to this understanding."

On the long list of his activities—including his service as executive director of the National Bank for Economic and Social Development and as general



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director of the Institute of Geography and Statistics—Bonelli recalls some favorite works, such as the 1988 *Debt and Deficits: Medium Term Projections*. "One of the merits of that study was to quantify public sector flows and stocks in the context of high inflation and confusion in public accounting," said Eustaquio Reis, co-author of the paper.

The turbulent decades that Bonelli observed, which included protectionist industrial policies, hyperinflation, a series of economic plans, and privatization of state-owned companies, have refined Bonelli's judgment but not shaken his optimism. "Brazil makes many mistakes by insisting on solutions that were used when the problems were different. The economy changes, the world changes, I have changed my opinions many times since I started my career, and governments do not have that flexibility," he said. "I think as growth resumes, industry will also take off. As for investment, we know that uncertainty and changes in regulation are the major obstacles."

Bonelli has persevered in exploring a theme that has directed him since the 1960s, when he earned his doctorate at Berkeley: Understand productivity better. That job is still to be done, he believes. "The origins of productivity are linked to investment and growth itself, but we know little about its causes. Productivity is also related to investment, and we still do not understand this nexus—what determines productivity and the role of innovation," he says. "We assume that productivity is exogenous, a given. But I believe there is a relationship between growth and productivity. Silvia Matos mentioned recently that productivity is procyclical. Because we do not really know why, we continue to say that it is exogenous. That's something that bothers me. We need to look into it."