

## From Brazil to Mexico

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***It is not worth it to be the North's darling. What did Brazil gain from occupying this position?***

Last November *The Economist* published a special report exalting Mexico. Thanks to a better growth rate than that of Brazil in the last two years and to a policy even more favorable to the interests of the North than ours, Mexico became its new “darling” – a role that until recently was occupied by Brazil.

In the 2000s, Brazil was considered “the best of the BRICs”, because it was the one that best served the interests of the North, despite presenting a growth rate that corresponded to less than a third of China's, to half of India's, and to less than a third of Russia's. Now Brazil passed the torch to Mexico.

It was with this background in mind that I arrived in Mexico. And what do I read in the newspaper *Reforma* (Feb.16)? Right in the front page I am already informed that “Crime dominates the Southern border”. According to the chambers of commerce of 30 cities, the organized crime took control of the Southern border. This is the newspaper's headline, because this is the latest news. It is well known that Northern Mexico, at the border of the United States, was taken over by the drug cartel, but now it is the South that falls in the same tragedy.

Still in the front page, I am informed that “Canada fears Mexico”. According to a report presented to the Royal Military College, Canada will stop considering terrorism its chief threat and will concentrate on the challenges that Mexico (and the drug cartel) represents to Canada.

Finally, still in the same issue I read that in the last 20 years tropical diseases, also called “poverty woes”, increased by 20% in the Southeast of the country, according to the Mexican Academy of Dermatology.

But Mexico is now growing, its new international harbingers say. It is true that, after 20 years of low growth since it joined the North Atlantic Treaty, much lower than Brazil's (which was modest), in the last two years the country grew by 3.5% per annum on average. But what was the price paid by this still meager growth? The price of stagnant real wages in the same 20 years and much higher levels of poverty, which make Mexican economy competitive despite an appreciated exchange rate.

It is not worth it to be the North's darling. What did Brazil gain from occupying this position? More investments from multinational companies, some will say.

Of course, but will those investments be so interesting for the country? Won't the corresponding capital inflows be a cause of the exchange rate appreciation? And isn't this the reason why lucrative investment opportunities declined and businessmen began to invest less, so that foreign savings replaced domestic savings rather than added to it, and what really increased was consumption and the remittances of dividends?

It is a good thing that Brazil is no longer the object of the North's desire. Perhaps this means that our economic policies better serve the national interest, that our dependence is decreasing, that here we are trying to build a nation, something that already does not seem to be true for the beautiful and formerly proud Mexico.