This paper aims to describe a current Brazilian industrial policy – the Productive Development Policy (PDP) – formulation and management process. Suzigan and Furtado (2010) demonstrated that the main cause of Brazilian industrial policy failures has been the absence of an efficient management system, all their well-targeted intents notwithstanding. Therefore, understanding the current Brazilian industrial policy process becomes relevant, inasmuch as Brazil is now undergoing a PDP review process. To address the proposed inquiry, the main variables that should be contained in an efficient management system were identified. They are: clear, transparent goals; public-private interaction; international benchmarking; institutions charged with each action; leadership; skilled labor; follow-up indicators and constant policy review and renovation. (Abreu, 2006; Amsden, 1989, 2001; Kupfer, 2004; Lall, 2003, Rodrik, 2004; Suzigan & Furtado, 2010). The methodology employed was a single case study that can be applied when the study object is a contemporary, complex phenomenon. Content analysis was applied to analyze text materials obtained from different sources; that is, primary data collected from in-depth interviews with government officials in charge of the PDP formulation and management and secondary data extracted from policy follow-up and disclosing reports. Analysis unveiled advances and flaws in the PDP management system. These advances are present in goal transparency and clarity; in the construction of an indicator system resting upon business experience; in the existence of international benchmarking to inspire some PDP actions; in the determination of well-defined measurements with their respective charges while crafting the policy; and in the renovation and adjustments present in the policy. However, the management system contains a few critical points, since public-private interaction is almost exclusively restricted to trade associations that do not necessarily act according to business interests – important to ensure that all parties involved are aligned towards the country’s economic development. Besides, a shortage of skilled labor exists in government offices, mainly as required for the assessment of new technologies and strategic industries. Finally, the policy lacks high-level leadership to support and prompt PDP to be a constant government priority.

Keywords: Industrial policy, International competitiveness, Public management, Brazil

INTRODUCTION

This paper seeks to describe how the current Brazilian industrial policy (IP) – the Productive Development Policy (PDP) – was developed. The main motivation were the arguments submitted by Suzigan and Furtado (2010), who demonstrated that, as of the 80s, the lack of an efficient management system has been the main reason for Brazilian IP failure, albeit often times well-formulated. In this context, investigating the current IP management system becomes relevant such that eventual problems may be addressed, moreover in a scenario where the continuance of PDP by the incumbent federal administration is under discussion.

An industrial policy is an ensemble of actions whose purpose is to influence the production structure of a country, seeking to leverage its long-term economic development (Ferraz, Paula, & Kupfer, 2002; Pack & Saggi, 2006; Rodrik, 2004; Suzigan &