

THE ROLE OF INDUSTRIAL SECTOR IN THE BRAZILIAN TERRITORIAL RECONFIGURATION: NEW EXPRESSIONS FOR XXI CENTURY NATIONAL DILEMMAS

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This article discusses the current pattern of territorial reconfiguration in the industrial sector, its current forms, and motivations to point out some of the most significant challenges of actual Brazilian regional experience. Regional deconcentration in industry sector is relatively recent in the country, occurring just in the 1970s and 1980s. It came at a time of expansion and diversification of its productive branches when the industry was a dynamic engine of the Brazilian economy. However, since the 1990s the scenario has changed: the regional deconcentration process has persisted at a slower pace but associated with a persistent decline of the industry's share in the national economy embedded in the context of a significant reduction in its intra-sectoral diversification.

Significant economic and regulatory transformations in the world economy since the 1990s – commonly understood by globalization – led to changes in the macroeconomic regime as well as in the Brazilian institutional environment, redefining itself into a deeper financial and commercial openness. In this new context, the national economy has faced fierce competition from external partners at a much more significant level. The industrial sector with relatively low structural competitiveness capacity in most of its branches began a long-time trajectory of low production growth, permanent declines in average productivity, and an increase in imported components in total production.

Even facing a debilitating framework established for the post-1990 period, the regional deconcentration of the sector has not been paralyzed. In fact, a notorious point of the recent period is that the industry's territory has been

expanding simultaneously with the loss of relevance of the industrial sector in the composition of national economy as whole. Since then, the territory became a crucial asset for the expansion of certain productive activities very present in the regions of lower level of development: those directly linked to the natural resource base and those intensive in relatively low labor costs.

One first aim is to investigate the industry's existing potential to lead regions to a higher level of sectoral differentiation, by increasing their added value, and regional per capita incomes. For that an analysis is focused on whether changes in the structure of its groups of activities are more in line with natural-resource specialization type or, on the contrary, if they are mostly in the direction of product differentiation, economies of scale and incorporation of technological innovation. In this sense, the ongoing regional industry deconcentration process expresses what types of locational preferences in the country?

In addition, it is explored the combination of macro and microregional territorial scales directly related to processes, forms, and characteristics of regional industry's location for the post-1990 deindustrialization. Public policies implemented by several federal governments are briefly investigated as possible sources of territorial reconfiguration. In particular, one tries to identify and discuss alternative vectors of regional policy applied to prevent or modify trends associated to deindustrialization and regressive specialization; or even to induce structural changes in regions with lower industrial tradition. By bringing up such policy instruments, it is suggested that further analysis needs to be made on perceived government's limitations.