

Promoting sustainable development and innovation: the experience of the Brazilian development bank

Session 1.1 SDGs, innovation and globalization

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Importance of the experience and the accumulated knowledge during the last 20 years by RedeSist, BNDES and in Brazil in terms of understanding and promoting national, regional and local production and innovation systems and sustainable development.

The two papers prepared for this conference and training course (Lastres et al., 2016) discuss how the BNDES

- has changed its name and engaged in learning processes;
- has created new areas, departments and committees; and
- has developed new instruments and forms of implementing policies for innovation, sustainability and regional and territorial development

One of the papers also addresses how BNDES - together with the other four government banks in Brazil - were instrumental in implementing counter-cyclical measures, in response to the international crisis that began in 2008, providing loans when private financial institutions withheld their credit.

The proposed debate in this session is to address questions deriving from this experience that could be summarized by the following:

What obstacles still prevail and hinder more positive operations in terms of the promotion of cohesive, inclusive and sustainable development?

How can the BNDES advance and refine its role?

Main lessons learned

- need to overcome the imitative, mimetic syndromes in the use of analytical and policy concepts and methodologies
- alert to the use of concepts, indicators and models that
 - dissociate social and economic development
 - are not neutral and end up reaching only a limited group of those most visible and financially sound agents, activities and regions of the country

Foreign experiences, concepts and models should broaden our knowledge and not limit our intelligence

- significant part of the negative results of the innovation and LIPs policies implemented derive from **de-contextualization** and to the **requirements of financial sustainability** of projects and proponents

- 1 - Reductionism and de-contextualization of research and policy models lead to serious negative consequences
 - in the analytical dimension, a failure to perceive and understand local and national conditions,
 - an enormous percentage of our economic, work and knowledge activities remain invisible and excluded ("below the radar") both in terms of the research and the policy agenda
 - in the policy dimension, the lack of effectiveness and - adding up to the massive exclusion of important activities, agents and territories - a trend to submit local conditions to inappropriate models and to blame/punish them not to conform to these models

2 - the role of macro-economic, political, institutional and financial context in conforming “malignant regimes”, which far from being neutral, directly impact government and private planning and investment strategies.

These so-called “implicit policies” are capable of annulling specific and explicit innovation and other development policies

The objective to grant financial sustainability - accordingly with the rules imposed from the 1990s - contributes to hindering the support to the poorest regions, agents and activities

Overcome the restrictions of traditional policy concepts, models and indicators based on **comparisons and imitation**, which

1. usually lead to direct, non-critical and non-contextualized incorporation of policies, seriously contributing to reinforce inequalities
2. focus on the intensity in the use of materials and energy
 - GDP versus GDH
3. lead to **competition**, which - besides inducing disputes among countries, regions and their blocs - reinforces the tendency of **stimulating the use of "spurious competitive advantages"**,
 - based on low wages and other work conditions; and intensive use of non-renewable resources within very short-term perspectives

- Need to overcome
 - short-termism, fragmentation and decontextualization of analytical and policy models
 - cognitive injustice, invisibilities and misunderstandings and to devise new forms of mobilizing and integrated development
- Importance of de-mythifying the usual separation of economic, social, regional, political and environmental development
- Need to consider that the quest for financial sustainability - and the priority to the implementation of macroeconomic adjustment programs
 - do not comprise and cannot compromise the quest for sustainable development

Importance of:

- Intensify **cooperation and coordination** among key institutions investigating and promoting innovation and inclusive and sustainable development
- Reinforce the collaborative research and policy agenda on innovation for:
 - infrastructure; poverty reduction; production inclusion; food, health, housing, energy, cultural and other essential services; regional, territorial and urban development, local innovation and production systems
 - innovative and contextualized financing policies and tools
- Advance the building of original, new, common and adequate information and knowledge on long-term development

- Opportunities to surpass usual traps and limitations and to contextualize research efforts and policy activities and to advance in devising new and diverse forms of understanding and mobilizing development
- Opportunities brought by a new development pattern based on **collaboration** and on the implementation of solutions for global problems such as **inequality and sustainability**
 - from the production and innovation spheres to the institutional frameworks
- Advance in building and implementing a new and proper research and policy agenda on LICs; local and national production and innovation systems; and development

Opportunities (and urgent need) to choose and use concepts, indicators and policy models that:

- Recognize and mobilize local potentialities and capabilities particularly in the least developed areas
- Associate economic and social development
 - breaking invisibilities and exclusions
 - helping to cut down inequalities instead of reinforcing them
- Emphasize the capacity to acquire and use all sort of knowledge - formal, informal, traditional, scientific etc. - and of promoting their integration
- Are really capable of addressing and promoting development within a contextualized and collective vision of future

Crisis and pressures for a new production regime

- Geo-political and economic structuring
- Urgent requirement for new policies that put in the center the objective to foster deep-rooted, knowledge intensive, inclusive, cohesive and **sustainable development**, based on a long term perspective

Significant opportunities for research and policy agendas based on the development and use of **advanced and adequate** analytical and policy **concepts, indicators, methodologies and models**

- **role of policy-makers, professors and researchers**
- role of Indialics, RedeSist, BRICS, Globelics and related networks' research activities, conferences and academies



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