This article describes the political, economic, and social trajectory of the Brazil colony until the 21st century. Here there is no intention to go into detail, only to highlight the important historical and economic facts for the reader to understand in the context of the time, the actions taken by the political and social actors that led to the socio-economic situation of today. The presentation of their economic cycles and the geopolitics adopted by the Portuguese, during almost four centuries of dominance, will put the appropriate resources for understanding the real conditions and context of the time for the current portrait of Brazil. Understanding what this dynamic was like and the role of its actors leads the reader to understand why Brazil remains a developing nation with serious social problems. The fact that, even in the 21st century, Brazil has not found its way to sustainable development has an intrepid relationship with its past and the behavior of its elites. The public deficit of 90% of GDP will lead Brazil to deal with rising interest rates and inflation in the medium term. These issues, plus the anticipation of the 2022 election debate, have led the country to consume its international reserves to maintain the exchange rate and take restrictive measures for its development. There will be no way out, without an adjustment in public accounts, with cuts of up to 20% of current spending and the decrease in the size of the Brazilian state and this is the approval of the National Congress. This same Congress is represented by a cold-hearted elite, whose goals are individual and not Republican. The Brazilian nation has not yet complied with the 21st century.


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INTRODUCTION

Understanding the economy of Brazil necessarily leads the reader the need to understand its past as a colony, empire, and years of political turbulence recorded in the 20th century. As a result of the maritime expansion of the 16th century, the discovery of Brazil is due to an accident on the way, since the Caravels of Cabral were going to the Indies, after spices and not necessarily wanting to find a new continent, as portrays Eduardo Bueno, “Cabral’s armada, anchored in front of Restelo, with its rigging creaking the long-awaited ballad of matches, was found by two divisions. The first, composed of five ships, two caravels, one flagship, and the flagship, from Calicut, India, with the mission of establishing commercial relations with Samorim and founding a factory” (1998, p. 22).

From its discovery, Brazil became a colony of exploitation and all its wealth ended up going to Europe, through Portugal. Its trees, Indians, gold, and precious stones, as well as all its surplus cycles of economic development, were used by the Portuguese to finance their wars, invasions, and their expansion saga around the world, during the 16th, 17th, and 18th centuries. Even the economic cycles recorded here, such as the sugarcane cycle, the gold, coffee, and rubber cycle, the latter in the twentieth century, did not bring an expected economic and social development to our country. Brazil entered the twentieth century as a rural and underdeveloped country, competing in poverty with its Latin American neighbors. Facts reported in the book “The Open Veins of Latin America”, written by Eduardo Galeano.

With the proclamation of the republic on November 15, 1889, Brazil came to have a republican and no longer imperialist Constitution and new political actors assumed the leading role of public administration. There was much to be done, but the conservative and still-consecutive elites of the time of the empire did not let political reforms go ahead, and Brazil was on the alternation between the governments represented by the State of Sao Paulo and Minas Gerais, the policy known as ”milk and coffee”. However, in 1930, Getúlio Vargas, who assumed power with a coup, and ruled until 1945, returned elected in 1950, when on August 24 of 1954, he shot himself in the chest, describing in his will: “I will leave life to enter history” (FAUSTO, 2006).

After World War II, Brazil aligned politically with the United States and Juscelino Kubitschek's government attracted investment to our country. He ruled the country between 1956 and 1961. But with Juscelino's departure and the resignation of J. Quadros (1961), which succeeded him in the federal government, the country again experienced political turbulence, which led to the military coup of 1964. Spending 20 years in power, the military left a country better than they found, socially and economically. The average growth in the 1970s was 7 to 8% of GDP, with the largest monetary and
infrastructure expansion (VELOSO, 2008). According to the IMF - International Monetary Fund, it was the country that grew the most in the world. However, this economic growth did not bring a more equitable income distribution.

With the departure of the military, the country went through a process of re-democratization, with the return of the free general election, causing a break with the previously installed model. In this context, the National Congress approved a new Constitution, the Citizen Constitution of 1988. With an ideological and statist bias, the new stone laws caused a delay for the country. What was then seen were many contradictions and widespread corruption throughout the national territory, which will be portrayed in the next chapters of this article.

FROM COLONIAL ECONOMY TO TWENTIETH CENTURY - CYCLES OF EXPLOITATION AND CONCENTRATION OF INCOME

To understand today, the reader needs to go through a historical contextualization of our country. Understanding the past means having the ability to read the current scenario without partisanship or partiality in the text. Brazil's history represents a legacy of its people with its immense territory, and how its economic development has always depended on external factors, and sometimes an international regency.

At the beginning of the colonial period, during the sixteenth century, Brazil was not considered valuable by the Portuguese crown. Although the acquired territory was immense, it did not bring the expected economic luck obtained by the Spaniards in their conquests in Peru and Mexico. The Brazilian territory was sparsely inhabited by nomadic Indians, about 4 million, and did not easily adapt to discipline and work in agriculture. However, this did not prevent the country from starting its economic immersion on the international stage in the 16th century, when the Portuguese began marketing Brazilian wood - Pau-brasil is a typical tree of the Atlantic Forest. The tree gained importance for the Portuguese due to its wood, which could be used in the construction of numerous objects, but mainly because the resin of the wood was used to produce dyeing fabrics.

The second and no longer important was the commercialization of Indians as slave labor for Europe. However, this did not work, the Indians could not stand the nearly 2-month journey across the Atlantic Ocean and India's traffic business did not last. In this act of expansion came the sugarcane cycle that lasted from the sixteenth to the eighteenth century, without a doubt the most consistent economic activity of Brazil Cologne. This culture was extremely important, as it stimulated the settlement of the colony and the occupation of its territory, which until then only bordered the coast.
When this second economic cycle goes into decline, coffee appears. The coffee cycle in Brazil began in 1727, the early 18th century when the first seedlings arrived in the country. For a long time, the product was planted for internal consumption. The culture in small proportions in the north of the country was expanding to the southeast when, at the end of the nineteenth century, it had its heyday, in the interior of the state of Sao Paulo, where it found a soil conducive to coffee and slave labor and some qualified Italian immigrants. The farms spread, export production grew, and we had the registration of new immigrants who came to work on the farms. Later, with free work and the beginning of mechanization, farmers diversified their activities, investing in trade and the consumer goods industry. The railway played an important role in this period, contributing to the logistics and development of the population in the interior of the country.

Sharing almost the same historical time with coffee, comes the gold cycle, it is the time when gold mining and export was the main economic activity in the colonial period. It began in the late 17th century when northeastern sugar exports fell due to competition from English and Dutch sugar production in the Caribbean. In addition to sugar cane and coffee, the gold cycle caused changes to the national occupation and brought new visitors to Colony.

The Brazilian elite and their real consumption needs began to form, which opposed Portugal's interests, which saw in Brazil only a place of exploitation and not industrial production. To ensure control over the extraction and shipment of gold, the Crown instituted several taxes and transferred in 1763, the capital of Brazil from Salvador to Rio de Janeiro. However, in the mid-18th century, Portugal was experiencing economic difficulties arising from its administrative management, focused on slave labor and the centralization of large colonial political power. During this period, the country was also under pressure from England, which, by industrializing itself, sought to consolidate its consumer market as well as its global hegemony. The market was looking for consumers with incomes, but the slave had no income or wages, which hindered England's Geopolitical Expansion Plan.

The rubber cycle began in the late 19th and early 20th centuries. During this period, Brazil was already independent of Portugal and began to write its own economic and political history. In this context, of almost 4 centuries of Portuguese rule, which can be described as 322 years as a colony and 67 years of the empire, without a plan of economic development and guarantees of the national territory, Brazil reached the twentieth century as a nation lagging behind its neighbors in South America, mainly Argentina, Venezuela, and Chile. Having several economic cycles, Brazilwood, sugar cane, coffee, gold, and rubber, the country arrived in the twentieth century as a banana republiquette, an expression created by the American writer William Sydney Porter, in the short story El Almirante, 1904, which referred to Latin American republics in a pejorative way. Therefore, there is
immense territory and a population without a definite identity (Darci Ribeiro, 1997), politically unstable and submissive to a rich nation.

The national economy was unable to retain the surplus generated by the economic cycles of recent centuries, so the nation is listed as one of the poorest in Latin America in the early twentieth century, despite all the wealth of its territory. It is a largely rural country, with a large part of its population living in the countryside; cities in the early twentieth century did not have much prominence in the political/geographical scenario (SALGADO, 1978).

INDUSTRIALIZATION

The period of Brazilian industrialization arose in times of crisis, when world capitalism, around 1873/1896, ended the competitive stage and began the monopoly stage of capitalism. According to João Manoel Cardoso de Mello, Brazil recorded its restricted economic growth in the 1930s. This period established the three departments in the economy, DI, IIC, and DIII – DI, capital consumption goods, IDI, capitalist consumer goods, and DIII, workers’ consumer goods. But because of its colonial past, and because it was a territory of exploitation and non-expansion, as the United States was, the country did not create an adequate distribution of wealth, domestic savings and did not form a nation with a culture to serve its citizens with educational training, as very little was invested in this area.

Wealthy families, in possession, sent their children to study abroad. With elites as an alternative to their needs, public managers had no interest in initiating an educational policy for all in the national territory. Some cities only had their schools and few Brazilians had access to the school. Families used their children for agriculture and housework, leaving school only to the children of elites made up of past economic cycles.

There was never been an interest on the part of elites in creating schools in the country that would lead people to learn to read and write. The work that existed at the time did not require his executioner to be able to read or write. The only skill required was to possess physical strength and knowhow to apply it. It was at the beginning of nineteenth century, with the change of the kingdom of Portugal and the arrival of the Royal Family to Brazil-Colony, that education and culture took a new impetus, with the emergence of cultural and scientific institutions, technical education and the first higher education courses, such as medicine in the states of Rio de Janeiro and Bahia. That is, after more than 300 years of its discovery, Brazil began writing its education by its own hands.
At the beginning of industrialization at the beginning of the Vargas Era (1930), the market became more selective and, with this, the need to train a more qualified workforce was created. Thus, we began to have stronger investments in basic, primary, and secondary education. However, higher education and technical schools only intensified from the 1960's on a full military basis (1964-1985). In this period, we recorded the creation of some federal universities and the private sector also began to invest in this segment, but still incipiently. We had growth in this area only at the end of the 20th century.

Brazil began a process of re-democratization from 1985, with the departure of military rule and the return of civilians to the command of the nation. This happened without bloodshed or armed conflict. What drove the military out of power was the uncontrolled inflation, the fiscal imbalance, the public debt reaching 60% of GDP, and external debt grew 32 times, from $3 billion in 1964 to $105 billion in 1985, mass unemployment and corruption in some government agencies (site, Audit, 2021). However, with the new rulers came to the interests of some groups for the power and control of public bodies, and the country began to record growth in the register of political parties, going from 2 to 33 in a short time. All with many ideologies, but little patriotism! Political parties in Brazil have "owners" and many are used for individual and unrepublican interests.

The re-democratization process brought together two impeachments: Fernando Collor de Melo (1992) and Dilma Rousseff (2016), as well as a workers’ party power project that spent 14 years ruling Brazil and created all public machinery (Malu Gaspar, 2021). With this, the country that grew the most and distributed revenue between the 1930s and 1980s fell into deep disgrace, with social and economic numbers that frightened all domestic and international investors to this day.

TODAY'S DAYS

The year 2020 will go into history as a large watershed. On the one hand, rich nations possess the technology and have created their respective remedies/vaccines, and on the other hand, poor nations that depend on technology and, in return, offer their natural resources, their territories, and cheap labor, and sometimes even their sovereignty.

In the midst of all this, came the covid-19 - a virus that emerged in 2019 in China's Wuhan city - that caused a pandemic, and nations recorded declines in their economic and income growth, as a result of falling people's consumption and the closure of several countries. The Covid-19 ended up showing the viscera of the deficient public health system of most nations and Brazil is among them.
In this scenario of fiscal mismatch, we entered 2021, without an approved budget and confusion around it, including the opening of a multitude of crimes of fiscal responsibility, by the federal government. The consequences soon appeared: the dollar rose, inflation returned, and future interest rates soared. If this scenario is maintained, the results are already known cuts in wages and retirements by more than 35%. It is no longer tolerable for the State to cost 40% of Gross Domestic Product, while on average in emerging countries this ratio ranges from 15% to 25%.

Brazil over the past two decades has barely grown. While other emerging nations recorded growth of 4% per year, we stuck in the same place, as a result of the size of the Brazilian public machine, political and legal instability. This low growth brings with it an increase in poverty and social inequalities. Thus, public borrowing with pandemic-facing packages, which reached R$700 billion, helped public debt reach 90% of GDP. In addition, the process of financing this debt, we all know, will offer more government bonds at a future interest rate above the average in recent years. We are 20% poorer and public revenue has been declining. The government itself has already pointed out to the market that we will have inflation and fiscal mismatch in the coming years.

The anticipation of electoral debates for 2020 and 2021 placed an inevitable agenda among the actors in charge of this process who are politicians and entrepreneurs. Everyone wants a share of this government's public budget, which already spends everything it raises, reaching 40% of GDP. These actors never wanted to solve the country's problems. They always act on the effects and never on their causes. The state is bigger than the country, and to maintain this caste of privileged, the people, become poorer every year. Public service in Brazil is bad and expensive. The government wants to do everything and does nothing right. Public spending increased more than 3 times since 1990, in all three areas, against departure, the people, the payer of this tax, is at 50% without basic sanitation, while 30% of Brazilians do not have piped water (IBGE, 2020). All this is the result of a swollen and dead state, without leaving aside endemic corruption installed in all municipal, state, and federal spheres (Malu Gaspar, 2021). The country's 106th place in the Corruption Perception Index (CPI), which represents the worst outcome since 2012. The Brazilian score was the same as in 2018, with 35 points, the worst score in the historical series, according to the Transparency International source (2021).

The country has no financial conditions to attract international investors and even domestic investors are fleeing our currency and betting against the Royal. Our currency went from an exchange rate of R$ 3.90 in 2018 to R$ 5.7 this year and may fall further, according to financial analysts. The Central Bank operates at the basic interest rate (Selic) and growth depends on this rate and the institutional political scenario. As for the rate, it should remain at 5% by 2022, while political issues
remain uncertain. Some Deputies call for the dismissal of the government, for them, the main objective will always be the conquest of power, the social conditions of the people, and the country are relegated to the background in their intentions.

Now, the country has an explosive combination: rising interest rates, inflation, and unemployment reaching 14 million peases: economically active population. The government's expansive monetary policy may bring some encouragement to this scenario, but in the medium and long term, price increases will be inexorable. The fall in GDP by 2020 was 4.1% and by this year the projection will be growth from 2.5% to 3% of GDP, if we consider the fall of 4.1%, we remain negative at 1.1% of GDP. Moreover, if trade and services remain closed in states and municipalities before the end of the year, these figures will be even more negative.

FINAL CONSIDERATIONS

Given Brazil's economic cycles and all territorial expansion in the period between the 16th and 19th centuries, it is clear that there was no interest in any of the Portuguese in taking advantage of an economically sustainable territory here in South America. Brazil was used as a shipyard for the exploitation of natural resources. It was forbidden until the existence of manufacturing industry on Brazilian soil, by all of this orchestrated by a ragged and backward European elite.

In the advent of the republic, as early as the late nineteenth century, the elites who seeded power did not have much interest in structurally changing the country, and even with a new constitution, that of 1891, the people did not feel great changes in their daily lives. Only the representatives changed the misery that was still felt in the shoes of those who built this country.

Thus, we enter the twentieth century, with many challenges and few economic resources to take advantage of the country. But in the 1930s, breaking with the "coffee with milk" policy established by the states of Minas Gerais and Sao Paulo, a nationalist government emerged, Getúlio Vargas, which positioned Brazil on the international scene, with the creation of many national industries: Petrobras, Vale do Rio Doce, Companhia Siderúrgica Nacional, Sao Francisco Valley Hydroelectric Power Plant, National Engine, among others. After spending more than 19 years in power in two moments, he left the government in 1954 in a tragic way, and the country again recorded political turmoil, culminating in the 1964 military coup.

Brazil was the country that grew the most between 1930 and 1980, the Brazilian economy grew at one of the highest rates in the world, on average 6% per annum, so it ceased to be a
predominantly rural and agricultural country to become urban and with its production concentrated in industry and the services sector. Although there has been a large accumulation of capital in this period, there has been no increase in wages or a distribution of income to workers, who mostly still receive up to 2 minimum wages per month, according to IBGE, 2020.

Analyzing current data from the Brazilian economy, interest rates are perceived to continue to rise, as well as inflation and unemployment, closely monitored by the public deficit, which is already at 90% of GDP. In 2022, with the advent of elections to the presidency of the republic, we will have several candidates, all presented many solutions to the problems pointed out here in a structural and administrative order. Without changing the Constitution of 88, thus liberating the new ruler to promote structural reforms, the country will not reach developed economies and we will remain eternally underdeveloped. What in this author's opinion, and for all that has been valued in this article, that is an explicit will of the political, trade union, business, and ecclesiastical elites of this rich country to keep Brazil the way it is, but without yet having a serious nation of principles.

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