ABSTRACT

In this research, a general proposition that Brazil can enhance its productivity by taking advantage of the knowledge gained through the experiences of other countries was made.

To verify the validity of this proposition, the author investigated three different groups of countries: G7, EU 11, and BRICS, to accomplish two main objectives:

1) From a deep literature review of the main productivity drivers of the countries chosen, from 1990 to 2019 (30 years), the author selected a list of productivity drivers to serve as lessons to Brazil's policymakers.

2) Based on an affinity diagram, and a Pareto selection of the main productivity drivers found, the author hypothesized about which drivers should be paid close attention regarding Brazil's economy so that Brazil's economy could be compared to a benchmark economy.

To accomplish the second goal, it was necessary to select a benchmark economy, which had performed better than the others in terms of productivity growth, to compare with Brazil. For this purpose, economies were measured based on total factor productivity (TFP) performance during the last 28 years—from 1990 to 2017. Poland emerged as the benchmark.

Analysis of variance (ANOVA) was used to select the best performing economy to be the benchmark. Correlational studies were conducted, allowing the conclusion that in Brazil a) Labor productivity is not correlated with total factor productivity, as is expected; b) misallocation of capital had a strong negative influence on TFP; c) trade openness policies are inefficient in Brazil; d) the corruption causes serious distortion of markets, behaviors, laws, and rules; e) there is a lack of effective policies to stimulate research and development (R&D) investments; and f) poor resource management—human, technical, and financial—compromised the TFP growth in the last three decades.