not claim that the regime is democratic. He acknowledges that "participatory governance can exist outside a liberal democratic framework" (176). A timely reminder.

Julio F. Carrión
University of Delaware

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Lena Lavinas, *The Takeover of Social Policy by Financialization: The Brazilian Paradox*. New York: Palgrave Macmillan, 2017. Illustrations, appendixes, tables, figures, bibliography, index, 240 pp.; hardcover $139.99, ebook $109.

The election of Luiz Inácio Lula da Silva as president in 2003 initiated the 13-year period during which the leftist Workers' Party (PT) stayed in power in Brazil. While the party is often praised for its achievements in terms of reducing poverty and inequality, little attention has been paid to other social policy initiatives, in particular social security, education, and health policies. *The Takeover of Social Policy by Financialization*, written by Brazilian economist Lena Lavinas, offers an examination of the "social-developmentalist" model adopted by the PT between 2003 and 2015 and its consequences for social and economic development in the country.

Lavinas borrows the term *social-developmentalism* from a group of Brazilian scholars to refer to the strategy the PT adopted to overcome the country's social and economic underdevelopment in the early 2000s. The term itself is not new; as she notes, variants of developmentalism have been part of the Brazilian economic policy repertoire at least since the 1960s. The latest version considers mass consumption the driving force behind development. Real increases in the minimum wage, the expansion of employment, and the rise of public spending would stimulate consumption, bringing investment, introducing innovations, and boosting productivity. Social-developmentalism was particularly appealing to policymakers in a country with still-alarming levels of inequality. Lavinas has several notes on this account throughout the book, such as the model's implication that "there would be redistribution without redistributive conflict" (2).

Implementing this strategy entailed, first and foremost, expanding consumer credit. From 2003 on, the PT administration developed new financial mechanisms to reduce risks for lenders, with a special focus on consigned credit. This policy had a twofold effect: not only did it enhance the scope and scale of credit markets, but it also curbed financial exclusion (33). Lavinas presents empirical evidence that contradicts previous scholarship by suggesting that growth during the PT years cannot be solely attributed to real increases in wages; she finds that consumer credit was as relevant as wage earnings (36). Interestingly, she reports that in the more recent period of this economic cycle (2012–15), the expansion of consumer credit caused the intensification of household debt, hurting growth (as measured by retail sales). Another interesting note on the contradictions of the PT's strategy can be found on pages 86–87: while the ownership of durable goods (cellphones, color TV, and refrigerators) became almost universal across income deciles, no such trend can be observed in terms of access to treated water, trash collection, and adequate sewage systems.

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The author is a harsh critic of the way social policy was used in the social-developmentalist strategy; she argues that it was taken as a mechanism to further secure consumer credit (as opposed to providing public goods and services). She analyzes the Brazilian case as part of a broader set of transformations that occurred in Western social protection systems during the postwar era. Her focus is on how financialization has changed the once virtuous relationship between economic and social policy: instead of contributing to preventing risks and stabilizing the economic cycle against uncertainties, social policy has become a key tool in the promotion and consolidation of any regime of capital accumulation (10).

Lavinas reports the underfinancing of the Unified Health System (SUS) during the PT years as the result of several budgetary alterations and tax waivers for individuals and corporations that spent money on private health care (134). Privatization was deepened: health care companies started offering plans with narrower coverage at lower rates. Through the acquisition of these plans, she argues, Brazil took another step in the transition into a mass consumer society (137).

In order to expand access to higher education, the PT instituted the University for All program (PROUNI) to offer full and partial scholarships at private universities for low-income students graduating from public schools. The participating private institutions became exempt from corporate income tax and several contributory taxes financing social security (148). The Student Financing Fund (FIES) was also modified. A combination of interest rate cuts, extension of the repayment period, and elimination of the requirement of guarantors for borrowers expanded the program to the growing middle sectors of the population ("the new middle class," 83). As a result of these programs, the financial sector gained a heavy presence in higher education (148).

In fact, social security revenues in general were curtailed. The 1988 Constitution instituted the Brazilian social security system (comprising health care, pensions, welfare schemes, and unemployment insurance), determining that it would be funded by compulsory social insurance contributions and indirect social contributions levied on profits and earnings. While the former grew progressively during the PT years, the latter was volatile. This happened because of the PT's choice of industrial policy to stimulate productions and exports. The government conceded tax breaks for key industrial sectors, cutting taxes designed to finance social policy, such as COFINS, PIS-PASEP, and CSLL. Adopted on a smaller scale during the Lula administration, tax incentives targeted the striking number of 56 industrial sectors by the end of Dilma Rousseff's administration (114).

Because Lavinas writes from a heterodox perspective, her criticism of social developmentalism has special importance. The book reveals that the PT failed to convince academics on both sides of the spectrum of the value of its past social and economic policies. The negative correlation between consumer credit and economic growth she reports is an interesting addition to the debate about the party's legacy. However, her contention at times seems more ideological than grounded on empirical evidence. For example, her argument that the controls and conditionalities of the cash transfer program Bolsa Família "have no constitutional basis" and "weaken

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the right to assistance" (130) is built on one of the many views in a dispute about how the program should be designed, and not on its effectiveness. Another example is the lack of empirical evidence about the effects of financialization on the quality of higher education. Lavinas considers the use of private educational credit a bad policy in itself, without touching on other possible consequences beyond default rates. By taking issue with the process of financialization per se and not fully addressing the question of its impact for broader policy outputs, the book falls short of answering why the emergence of a mass consumer society was unable to lift the country out of underdevelopment.

*The Takeover of Social Policy by Financialization* does not explicitly discuss or propose an alternative strategy to the PT's social developmentalism. Lavinas misses the opportunity to engage with a broader debate in economics; namely, the nonexistence of a left-oriented program that promotes growth and social inclusion in the context of capitalism and globalization (see, for instance, recent work by the economist Dani Rodrik, "The Abdication of the Left," *Project Syndicate*, July 11, 2016.). Variants of developmentalism (such as the ISI strategy) have been unsustainable in the long term in Brazil. The innovative and relatively successful policies that have been implemented, such as the Bolsa Família, were not developed by the PT but borrowed from market-oriented approaches. The question of the left's role in facilitating development and equality still stands—particularly in developing countries with high levels of inequality, such as Brazil.

Beatriz Rey
Syracuse University

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Trevor Alleyne, Inci Ötker, Uma Ramakrishnan, and Krishnan Srinivasan, eds., *Unleashing Growth and Strengthening Resilience in the Caribbean*. Washington, DC: International Monetary Fund, 2017. Tables, figures, index, 378 pp.; paperback $25.

Despite the title "the Caribbean," this book deals nearly exclusively with the 12 independent English-speaking members of CARICOM and Suriname, representing 13 percent of the region's population. The editors divide its 15 chapters and 31 authors (virtually all IMF researchers) into 9 "tourist-intensive" states: Antigua/Barbuda, The Bahamas, Barbados, Dominica, Grenada, Jamaica, St. Kitts/Nevis, St. Lucia, St. Vincent/Grenadines, and 4 "commodity exporters": Belize, Guyana, Suriname, and Trinidad/Tobago. Only occasional reference is made to Central America, Panama, and the Dominican Republic.

As distinct from the IMF's historical emphasis on crisis intervention, with its much-disliked recommendations for "structural reforms" of the belt-tightening type, this volume ventures into several new areas of urgent contemporary concern in the region. Under the general rubric of "structural impediments to growth," these are convincingly discussed under five headings.

The first discussion is climate change and natural disasters (chap. 5). At a time when the President and his administration in the United States are characterizing

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