

Brazil's Lula Makes Case for State Intervention

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Brazil's President Luiz Inácio Lula da Silva said today that some regions of the country require State intervention to develop their economies. In Lula's opinion, the Brazilian government should make investments, even when there is no immediate financial return.

"In some areas the State intervenes, even though it knows it will not be profitable right away from the economic standpoint. The State must allocate funds until it can become profitable."

The President participated this morning in a meeting of the Economic and Social Development Council to discuss the National Policy of Regional Development.

According to the President, private enterprise will only take an interest in investing in the country's poorest regions when they offer financial returns.

"No businessman will spend money if there is no skilled labor force, no facility in shipping goods, and no nearby market for his product."

For the President, State resources should be used for projects that stimulate partnerships and benefit the entire population.

"I am convinced that money without a project produces neither development nor job creation. With these studies done by the Ministry of National Integration, it becomes much easier to identify the areas in which we have to execute projects to provide a certain degree of equality to the development of Brazil," he affirmed.

Lula considered "irrational" the fight among states in the South and Southeast over resources meant for the development of the poorest regions of the country.

"The truth is that the South and the Southeast of the country have, for various reasons, already enjoyed every comparative advantage to become what they are today.

"These regions possess the best roads, the best universities, the best professionals, more investment in science and technology, and more facility in shipping goods," he affirmed.

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