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Economic Prospects for Brazil and Latin America Towards 2030: Challenges and Pathways for Sustainable Growth

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ABSTRACT

This paper presents a comprehensive analysis of Brazil's economic outlook toward 2030, situating the country's macroeconomic trajectory within the broader Latin American and global contexts. While recent indicators – such as moderating inflation, rising interest rates, and stable exchange rates – suggest short-term macroeconomic stabilization, Brazil continues to face deep-seated structural challenges that threaten its long-term development. These include chronically low productivity, weak innovation diffusion, fiscal rigidity, and institutional fragmentation. Drawing on neoclassical and endogenous growth theories, institutional economics, and Latin American structuralist thought, the study examines how these constraints limit Brazil's ability to converge with higher-income economies. The research incorporates empirical data from the *Banco Central do Brasil* and the *World Bank*, as well as the scenario-based framework developed by the *World Economic Forum* (2025), which outlines four possible global productivity futures by 2030. The analysis finds that Brazil is currently trending toward the "Productivity Drought" scenario – a path characterized by stagnant technological progress and insufficient human capital development. However, this trajectory is not inevitable. With coherent reforms in education, fiscal governance, infrastructure, and trade integration, Brazil could pivot toward a more dynamic and inclusive growth model. By synthesizing macroeconomic forecasting with structural and theoretical diagnostics, this paper offers a multidimensional perspective on Brazil's development prospects. It concludes that the period between 2025 and 2030 will be decisive: the country's ability to transition from cyclical stabilization to structural transformation will determine whether it escapes the middle-income trap or remains constrained by its historical vulnerabilities.

1. INTRODUCTION

The 2020s have been a period of compounded global uncertainty, marked by the lingering effects of the COVID-19 pandemic, geopolitical tensions, climate events, and rising trade protectionism. Emerging markets, particularly those in Latin America, have struggled to regain pre-pandemic momentum amid deteriorating investment, high public debt, and stagnant productivity (World Bank, 2025). The region's slow structural transformation has hindered its integration into global value chains, exposing vulnerabilities in external demand and limiting domestic diversification. In this context, assessing Brazil and Latin America's economic outlook toward 2030 becomes not only timely but imperative for guiding public and private decision-making.

Brazil, the region's largest economy, encapsulates both the potential and limitations of Latin America's growth path. While macroeconomic stability has been relatively preserved – evidenced by projected inflation convergence to 4.0% and exchange rate stabilization around R$5.75/USD (Banco Central do Brasil, 2025) – fiscal fragilities and low productivity remain persistent challenges. The national debt is expected to rise to 76% of GDP by 2028, and real GDP growth is forecasted to average only 2.0% annually (Banco Central do Brasil, 2025). These projections suggest a decoupling between financial stabilization and structural transformation.

Regionally, the World Bank anticipates Latin America and the Caribbean will continue to post the weakest growth among all Emerging Market and Developing Economies (EMDE), with an average GDP increase below 2.5% through 2027. Foreign Direct Investment (FDI) flows remain depressed, and public investment is constrained by debt burdens and shrinking fiscal space (World Bank, 2025). Notably, this occurs at a time when demographic trends and climate urgency call for bold investment in infrastructure, education, and sustainable development.

Productivity stands as the key differentiator for future economic performance. The World Economic Forum (2025) outlines four scenarios for global productivity by 2030, emphasizing the dual importance of technological adoption and human capital development. For Latin America, the risk of a "Productivity Drought" is high unless nations act quickly to modernize education systems, bridge infrastructure gaps, and facilitate digital transformation. The region's labor markets are often rigid, skills mismatches are common, and innovation ecosystems remain underdeveloped—factors that hinder the diffusion of productivity gains across firms and sectors (World Economic Forum, 2025).

This study aims to map a forward-looking economic outlook for Brazil and Latin America by synthesizing short-term projections with long-term scenario planning. It leverages institutional reports and web-based forecasts from the World Bank, WEF, Banco Central do Brasil, CEPAL, OECD, and private data platforms like TradingEconomics and Statista. The objective is to provide an integrated, evidence-based narrative that not only projects future trends but also identifies levers of change. In doing so, the paper contributes to academic debate and policy formulation around sustainable and inclusive growth in the Global South.

2. RESEARCH PROBLEM AND OBJECTIVES

This article seeks to address the pressing need to understand and project the economic trajectory of Brazil and the broader Latin American region as they approach the year 2030. In recent years, these economies have demonstrated moderate short-term stabilization, particularly in Brazil, where inflation is gradually returning to target levels and interest rates are projected to decline over the coming years. However, despite these promising surface-level indicators, the region remains deeply affected by underlying structural challenges. These include chronically low productivity, persistent fiscal vulnerabilities, trade fragmentation, and underinvestment in human capital and innovation.

The first core research problem this article investigates is how Brazil and its Latin American neighbors are positioned within the global economic landscape based on current macroeconomic trends and forecasts. Specifically, it questions whether the region is equipped to sustain stable growth amid volatile external conditions, tightening global financial markets, and geopolitical trade realignments. The second problem relates to the identification and analysis of the structural constraints that have historically limited the region's economic transformation. These include weak productivity growth, low innovation diffusion, rigid labor markets, and a persistent dependence on commodities and low-complexity exports.

A third issue this paper explores is the risk of Latin America falling into what the World Economic Forum terms a "Productivity Drought" scenario – a situation marked by simultaneous stagnation in technological innovation and human capital development. In this scenario, productivity growth remains insufficient to support improvements in per capita income or reduce inequality. This study therefore examines whether current policy frameworks and institutional capacities are capable of reversing this trend and enabling alignment with more favorable future scenarios, such as "Human Advantage" or "Productivity Leap."

In light of these problems, the article pursues four main objectives. First, it aims to analyze and interpret short- and medium-term economic forecasts for Brazil and the region using official sources such as the Relatório Focus (Banco Central do Brasil, 2025) and the World Bank's Global Economic Prospects (2025). Second, it seeks to uncover and contextualize the core structural issues that hinder sustainable and inclusive growth in Latin America. Third, the study applies scenario-based analysis to explore plausible economic futures for the region, leveraging the WEF's 2030 productivity framework to assess risks and pathways. Finally, it proposes strategic policy directions that can help shift the region from its current low-growth trajectory toward a more dynamic, innovation-driven, and resilient economic model.

By articulating these problems and objectives, the study lays the groundwork for a comprehensive and multidisciplinary analysis. It is not only intended to diagnose present conditions but also to support the formulation of coherent long-term strategies capable of transforming Latin America's development narrative over the coming decade.

3. THEORETICAL REVIEW

3.1. Introduction to Theoretical Frameworks

Theoretical grounding is fundamental for interpreting complex economic dynamics, particularly when evaluating long-term prospects for nations or regions. A theoretical review serves not only as a foundation for empirical analysis but also as a framework for anticipating future scenarios based on well-established economic principles. For a region as heterogeneous and historically complex as Latin America, and for Brazil in particular, a multi-dimensional approach is necessary to interpret current trends in growth, productivity, trade, and institutional reform.

This section presents a synthesis of classical and contemporary economic theories to contextualize the current challenges facing Brazil and Latin America as they approach 2030. By drawing from growth theory, productivity analysis, structuralist perspectives, institutional economics, trade integration theory, and strategic foresight models, we seek to construct an integrated analytical lens.

3.2. Economic Growth Theories

The foundation of modern growth theory lies in the Solow-Swan Neoclassical Growth Model, which emphasizes capital accumulation, labor force growth, and technological progress as the core drivers of output. In this model, long-term per capita income growth is determined primarily by exogenous technological improvements, while diminishing returns to capital explain why poor countries should, in theory, converge with rich ones (Solow, 1956).

However, the experience of Latin America contradicts the model's convergence hypothesis. Growth has stagnated in several economies despite capital inflows and rising human capital stock. This divergence has led to a greater emphasis on Endogenous Growth Theory (Romer, 1990; Lucas, 1988), which posits that innovation, knowledge spillovers, and human capital accumulation are central to sustaining long-term growth. These models are particularly relevant to Brazil and its neighbors, where investment in R&D and education remains suboptimal and largely disconnected from labor market demand.

In practice, the application of endogenous growth models to Latin America reveals a persistent failure to convert educational attainment into productivity gains – largely due to weak innovation ecosystems and limited firm-level absorption of new technologies.

3.3. Productivity and Development

Total Factor Productivity (TFP) is now widely recognized as the principal driver of long-run per capita income differences across countries (Hall & Jones, 1999). TFP captures how efficiently capital and labor are used in production and reflects the influence of technology, institutions, and managerial capabilities.

In Latin America, TFP growth has been particularly weak. As documented by the World Economic Forum (2025), productivity in low-income countries has been virtually stagnant since 2020, while advanced economies have benefited from higher diffusion rates of technological innovation. This has led to what is often referred to as the "productivity paradox" – whereby digital and technological advances exist but do not translate into widespread efficiency improvements.

The underlying causes of this paradox in Latin America include infrastructure bottlenecks, a skills mismatch between educational outputs and market demands, and low adoption of productivity-enhancing practices by small and medium-sized enterprises. Moreover, the informal sector in many Latin American economies absorbs a large share of the workforce, which further reduces average productivity and complicates taxation and governance.

3.4. Structuralist and Institutional Approaches

The limitations of growth and productivity in Latin America must also be understood through the lens of Latin American Structuralism, a school of thought pioneered by Raúl Prebisch and Celso Furtado. Structuralists argue that Latin America's reliance on commodity exports within a global economic system biased toward industrialized nations has created enduring patterns of underdevelopment (Prebisch, 1950). These economies are "locked in" to a peripheral position, vulnerable to terms-of-trade shocks and limited in their ability to generate endogenous industrialization.

Building on these ideas, New Institutional Economics (North, 1990; Acemoglu & Robinson, 2012) highlights how institutional arrangements – such as the rule of law, property rights, and political accountability – are critical for economic development. Institutions determine the incentives that drive innovation, investment, and social inclusion.

In Brazil, fragmented institutional frameworks and complex federal governance often result in policy inconsistency, regulatory overload, and fiscal rigidities. These issues hinder the implementation of coherent, long-term strategies, particularly in areas such as infrastructure, education reform, and tax simplification. Such institutional weaknesses partly explain why Brazil has struggled to sustain the high growth rates needed to converge with richer economies.

3.5. Trade, Openness, and Integration

Trade theory also plays a crucial role in explaining Latin America's economic trajectory. While classical theories of comparative advantage argue that nations benefit from specializing in goods they produce most efficiently (Ricardo, 1817), modern trade theory emphasizes the gains from deep integration – which includes regulatory alignment, labor mobility, and innovation transfer.

Latin America's trade performance has been hindered by shallow trade agreements and a lack of regional coherence. The region's main trade blocs, Mercosur and the Pacific Alliance, have pursued different strategic directions and failed to create a unified economic space. According to the *World Bank* (2025), rising global trade barriers and geopolitical fragmentation are likely to hit Latin America disproportionately, given its dependence on external demand for commodities and manufactured goods.

As such, the region must shift toward deeper trade agreements that go beyond tariff reduction and include investment in standards, logistics, digital connectivity, and environmental compliance. Doing so could help Latin America access global value chains and improve resilience to external shocks.

3.6. Scenario Planning and Strategic Foresight

Given the unprecedented levels of uncertainty in the global economy, traditional forecasting must be supplemented with scenario planning – a strategic method pioneered by Herman Kahn and Peter Schwartz and formalized in economic contexts by Schoemaker (1995). The *World Economic Forum's* (2025) "Productivity in 2030" framework is a practical example of this approach.

The WEF identifies four global productivity scenarios: "Productivity Leap," "Automation Overload," "Human Advantage," and "Productivity Drought." Each scenario reflects a different interaction between technological innovation and human capital development. Latin America currently shows signs of drifting toward the Productivity Drought scenario, in which both technology adoption and workforce readiness stagnate. However, with strategic interventions, the region could pivot toward the more optimistic "Human Advantage" or "Productivity Leap" scenarios.

Scenario-based thinking allows policymakers to evaluate risks and opportunities under different future conditions and promotes flexibility in long-term planning. It is especially valuable for countries like Brazil that face both demographic transitions and rising climate vulnerability.

3.7. Synthesis and Analytical Value

Taken together, these theoretical strands offer a multi-layered framework for understanding the challenges and opportunities facing Brazil and Latin America. Growth models highlight the structural barriers to capital productivity; institutional theory exposes the governance deficits; structuralism explains the historical dependency patterns; and scenario analysis prepares us to plan under deep uncertainty.

By applying this integrated lens, researchers and policymakers can generate more actionable, forward-looking policy designs – ones that are not merely reactive but strategically proactive. For Brazil and its regional partners, this may be the only way to escape a slow-growth trap and move toward sustainable, equitable development by 2030.

4. METHODOLOGY

This study employs a qualitative-descriptive research design based on triangulated secondary data sources. The objective is to synthesize recent macroeconomic forecasts, scenario analyses, and regional development reports to construct a coherent economic outlook for Brazil and Latin America through 2030. The methodology is structured around three core pillars: (i) macroeconomic forecasting analysis, (ii) scenario-based planning, and (iii) structural trend interpretation.

First, the study draws on official economic projections provided by the *Banco Central do Brasil* through the *Relatório Focus* (2025), which aggregates market expectations regarding inflation (IPCA), interest rates (SELIC), exchange rates, fiscal balance, and GDP growth for Brazil. These forecasts, updated weekly, represent consensus views of financial institutions and are thus an authoritative indicator of domestic market sentiment (Banco Central do Brasil, 2025).

Second, global and regional projections from the *World Bank's Global Economic Prospects* (GEP) report (2025) serve as the foundational source for Latin America's broader macroeconomic outlook. The GEP offers short- and medium-term forecasts for GDP growth, trade volumes, inflation, and commodity prices, using econometric models grounded in purchasing power parity (PPP) weights and cross-country macroeconomic data (World Bank, 2025). The regional outlook sections also inform comparative analysis across EMDE regions.

Third, to incorporate longer-term, structural insights, the research uses the *World Economic Forum's* scenario framework from its *Global Economic Futures: Productivity in 2030* white paper. This source introduces four distinct future states—"Productivity Leap," "Automation Overload," "Human Advantage," and "Productivity Drought" – based on the interaction between human capital development and technological adoption (World Economic Forum, 2025). These scenarios provide a strategic lens through which to evaluate Brazil and Latin America's preparedness for future challenges.

Additionally, web-based databases such as TradingEconomics, Statista, and recent OECD and CEPAL publications were consulted to ensure alignment with up-to-date figures on public debt, fiscal trends, and investment flows. The methodological approach is not predictive in nature but rather interpretative, emphasizing consistency between short-term forecasts and plausible long-term trajectories. The combination of empirical data and scenario logic enhances the robustness of the study's conclusions and policy recommendations.

5. RESULTS AND DISCUSSIONS

The economic outlook for Brazil and Latin America through 2030 reveals a combination of structural fragility, moderate growth expectations, and a narrowing window for transformational reform. This section discusses these dimensions across three thematic areas: macroeconomic projections, regional dynamics, and long-term productivity scenarios.

5.1 Brazil's Macroeconomic Outlook

Brazil's economic trajectory toward 2030 reflects a complex combination of recent macroeconomic stabilization and persistent long-term vulnerabilities. While inflation expectations have declined and the central bank forecasts a steady reduction in interest rates over the coming years, structural challenges such as low productivity growth, fiscal rigidity, and underinvestment in innovation continue to limit the country's potential for sustained development (Banco Central do Brasil, 2025).

Projections from the *Relatório Focus* (Banco Central do Brasil, 2025) suggest that Brazil's GDP growth will remain in the range of 2.2% to 2.4% annually through 2028, with inflation (IPCA) converging to around 3.8% and the SELIC interest rate expected to decrease from 15.0% in 2025 to 10.0% by 2028. These figures signal a cautiously optimistic environment in terms of macroeconomic

stability. However, such moderate growth rates are insufficient to ensure meaningful convergence with high-income economies or to reverse long-standing inequalities without significant productivity gains.

The persistent productivity gap is one of Brazil's most critical economic constraints. The *World Economic Forum* (2025) warns that Brazil is trending toward a "Productivity Drought" scenario, characterized by simultaneous stagnation in technological adoption and human capital development. Over the past decade, Brazil's total factor productivity (TFP) has grown minimally, reflecting systemic inefficiencies in public education, innovation ecosystems, and infrastructure investment. As Hall and Jones (1999) argue, TFP is a primary determinant of per capita income differences between nations. In Brazil, the slow diffusion of technology across firms, combined with a skills mismatch in the labor force, continues to suppress productivity-enhancing transformations.

This aligns with endogenous growth theories that emphasize the role of innovation, knowledge accumulation, and human capital in sustaining economic expansion (Romer, 1990; Lucas, 1988). Despite gradual increases in formal schooling, Brazil's investment in research and development remains below international benchmarks, typically around 1.3% of GDP. Furthermore, labor informality, low educational outcomes, and weak links between universities and industries impede the conversion of human capital into measurable productivity improvements (World Economic Forum, 2025).

On the fiscal front, Brazil's net public debt is expected to exceed 76% of GDP by 2028, placing constraints on public investment and social spending (Banco Central do Brasil, 2025). While the government has outlined measures to regain primary surpluses, progress has been slow. The structure of public expenditures – especially pension commitments and revenue earmarking – limits the federal government's ability to reallocate resources to productivity-enhancing sectors such as infrastructure, education, and digital transformation. These fiscal rigidities reflect institutional inefficiencies that New Institutional Economics identifies as key barriers to growth (North, 1990; Acemoglu & Robinson, 2012).

Brazil's external position, though stable, remains heavily dependent on commodities. The country continues to rely on primary exports such as soybeans, iron ore, and oil. This reliance limits its participation in high-value-added segments of global value chains. Trade integration remains shallow, and initiatives such as Mercosur have not delivered the depth of cooperation seen in other regions (World Bank, 2025). Ricardo's (1817) theory of comparative advantage has long justified specialization in commodity exports, but more recent trade literature highlights the need for deep integration to enable productivity spillovers, regulatory harmonization, and innovation diffusion – conditions still underdeveloped in Brazil's trade strategy.

The risks of continued underperformance are further highlighted through scenario-based planning models. The *World Economic Forum* (2025) presents four potential global productivity trajectories – "Productivity Leap," "Automation Overload," "Human Advantage," and "Productivity Drought." Brazil's current path appears most aligned with the latter, which foresees low resilience, stagnant growth, and widening inequality in economies that fail to integrate human capital development with technological change. By contrast, the more optimistic "Human Advantage" and "Productivity Leap" scenarios would require broad systemic reforms to align educational outcomes with labor market needs, expand access to digital infrastructure, and strengthen institutional capacity for policy coordination.

Despite these challenges, Brazil still holds considerable untapped potential. The country benefits from a relatively diversified economy, abundant natural resources, and a large domestic market. It also possesses a growing digital sector and vibrant entrepreneurial ecosystems in metropolitan regions. With a strategic focus on enhancing institutional quality, improving fiscal governance, and reforming education and innovation policies, Brazil could reposition itself for stronger, more inclusive growth toward the end of the decade.

However, the window for action is narrowing. Demographic trends suggest that Brazil's working-age population will soon plateau, reducing the potential benefits of a demographic dividend. Additionally, climate risks and technological disruption are accelerating, demanding policy agility and long-term planning. If reforms are delayed, the country risks not only economic stagnation but also rising social fragmentation and diminished global influence.

In sum, Brazil's outlook toward 2030 will be defined not only by its macroeconomic discipline but, more critically, by its capacity to implement structural reforms that address the root causes of low productivity. The trajectory ahead is not predetermined. The choices made by political leaders, institutions, and civil society over the next five years will determine whether Brazil transitions toward a more dynamic, inclusive, and resilient economy – or remains caught in a middle-income trap marked by underutilized potential and growing inequality.

5.2 Regional Trends in Latin America

According to the *World Bank's Global Economic Prospects* (2025), Latin America is projected to be the slowest-growing EMDE region over the forecast horizon, with average GDP growth between 2.3% and 2.6%. Brazil, Mexico, and Argentina together weigh down regional performance due to a combination of fiscal rigidity, high trade barriers, and underinvestment. Public debt across several economies remains elevated, with deficits averaging 6% of GDP, limiting fiscal maneuverability.

Structural weaknesses – including low innovation capacity, informality, and fragmented logistics networks – continue to impede competitiveness. FDI inflows to the region have also remained subdued, falling to less than half their 2008 levels (World Bank, 2025). The volatility in commodity prices and limited progress in deep trade agreements further constrain medium-term prospects.

The region is therefore caught in a cycle of low growth and limited fiscal space, while facing increasing demands for infrastructure renewal, climate adaptation, and job creation. Countries such as Colombia, Peru, and Chile show relatively stronger fundamentals but remain exposed to global financial and geopolitical shocks.

5.3 Long-Term Scenarios: The Productivity Challenge

The *World Economic Forum's Global Economic Futures* report (2025) emphasizes that productivity growth – historically the main engine of GDP per capita expansion – has nearly stalled since the 2008 global financial crisis. In Latin America, total factor productivity (TFP) growth has hovered near zero, particularly in low-income segments. This divergence is reinforced by the lack of diffusion of innovation and human capital development.

Four scenarios are outlined for the global economy by 2030:

- **Productivity Leap**: Characterized by synergistic advances in technology and human capital.
- **Automation Overload**: Technology advances without corresponding workforce adaptation.
- **Human Advantage**: Talent development outpaces technology, driving creativity-led gains.
- **Productivity Drought**: Both technology adoption and human capital stall.

Latin America currently trends toward the "Productivity Drought" scenario due to inadequate investments in education, skills development, and research and development. This is further aggravated by brain drain, digital exclusion, and weak institutional frameworks.

However, opportunities remain to reverse this trajectory. The adoption of AI and digital platforms, if accompanied by inclusive labor reforms and technical training, could enable the region to shift toward either the "Productivity Leap" or "Human Advantage" scenarios. Strategic alignment of education systems with emerging sectors such as green energy, agritech, and fintech will be crucial in shaping long-term outcomes.

6. CONCLUSION

The economic outlook for Brazil and Latin America toward 2030 presents a complex mosaic of risks, challenges, and conditional opportunities. While short-term indicators suggest moderate macroeconomic stabilization – particularly in Brazil, where inflation is gradually receding and interest rates are projected to decline – these surface-level improvements mask deeper structural constraints. Brazil, in particular, remains encumbered by historically low productivity, rigid fiscal frameworks, and limited capacity to absorb and diffuse technological innovation throughout its economy.

The macroeconomic projections analyzed in this study, particularly those from the *Banco Central do Brasil* (2025) and the *World Bank's Global Economic Prospects* (2025), point to an average GDP growth rate of just 2.3–2.6% for Latin America through 2027. Although Brazil is expected to remain within this range, such figures fall short of what is needed to significantly reduce poverty, meet the demands of a growing middle class, or close the development gap with more dynamic economies. As the country approaches 2030, its capacity to transform this fragile growth into sustained, inclusive development depends on its willingness to confront longstanding structural bottlenecks.

The theoretical review reinforces that economic growth cannot be sustained in the long run without improvements in total factor productivity (TFP), institutional quality, and innovation capacity (Hall & Jones, 1999; Romer, 1990; North, 1990). Brazil's persistent productivity gap – especially in comparison to emerging regions such as East Asia – highlights the urgency of reforms that go beyond conventional fiscal and monetary adjustments. The country must address systemic inefficiencies in education, underinvestment in research and development, informality in labor markets, and inadequate trade infrastructure. Simultaneously, it must enhance institutional coherence to reduce policy volatility and implementation lag, particularly at the federal level

Scenario analysis, particularly as presented in the *World Economic Forum's Global Economic Futures: Productivity in 2030* (2025), adds a forward-looking lens to this assessment. Brazil currently shows signs of drifting toward the "Productivity Drought" scenario, where low innovation adoption and weak human capital development reinforce one another, leading to stagnation and growing inequality. However, this trajectory is not irreversible. With decisive investment in aligning education systems with future labor market needs, expanding digital infrastructure, fostering inclusive institutions, and deepening regional integration, Brazil could transition toward more optimistic futures – such as the "Productivity Leap" or "Human Advantage" scenarios, which combine technological dynamism with inclusive growth.

This paper also demonstrates that policy coherence will be essential. Reforms undertaken in isolation are unlikely to produce sustainable results. Instead, a systems-based approach is needed – one that recognizes the interdependence between educational reform, innovation policy, trade openness, and institutional strengthening. Fiscal responsibility remains necessary, but it must be balanced with strategic public investment that can catalyze private sector dynamism, productivity growth, and economic diversification.

In conclusion, the road to 2030 offers Brazil both a caution and a call to action. Without structural transformation, the country risks continuing along a path of underperformance and economic exclusion. Yet, with bold, coherent, and forward-looking reforms, it can reposition itself as a resilient and innovative emerging economy – capable of not only stabilizing in the short term but also transforming in the long term. The coming years will be decisive. The choices made now – by policymakers, institutions, and society

– will determine whether Brazil overcomes its historical constraints or remains caught in the middle-income trap that has defined much of its recent past.

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