

# KNOWLEDGE AT THE SERVICE OF DEVELOPMENT: AN EXPLANATION FOR THE BRAZILIAN STAGNATION

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*Brazil belongs to the select group of BRICS, along with Russia, India, China and South Africa. It is considered one of the countries with the greatest growth potential in the 21st century. Currently, the country faces the challenge of managing to transform knowledge into development. Only then Brazil will have chances to occupy a prominent place among the nations promoting social inclusion and sustainable development. Unlike international perception, analysis of recent data indicates that the Brazilian production of knowledge that is development-oriented has stagnated in recent decades. This article analyses some of the reasons commonly given to justify the situation in which Brazil stands. It presents an alternative explanation. It discusses some conclusions presented in a recent report on the approach between research and development, published by UNESCO. The discovery and recognition of the problem's existence may represent a first step towards overcoming this situation.*

**Key Words:** *Brazil, Innovation, Knowledge for Development, Entrepreneurship, Social Entrepreneurship, Knowledge Management*

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## INTRODUCTION

Contemporary society is experiencing a moment of paradigm shift. The factors that once generated wealth no longer have the same value today. Owning land, capital or labor no longer means having income, prestige and power. In the society in which we live, knowledge is the main factor of production. Countries that manage to put knowledge at the service of economic and social development will occupy a prominent role in this new century (Drucker, 1993). This is the biggest challenge that nations are facing.

The application for and the granting of a patent for a product or processes are considered to be one of the expressions of the transformation of knowledge into economic and social value (Crosby, 2000). The patent, in its classic formulation, is a public concession, granted by the State to the authors – whether a natural or a legal person – holders of the rights of creation and exploitation of an invention or utility model (Pavitt, 1988). Many of these patents can be transformed into products that could prolong life, reduce pain and prevent illness for thousands of people. Others create business opportunities that are able to promote the social inclusion

of currently marginalized populations. Novelty is one of the requirements for the national or international submission of a patent application, depending on where the companies plan to manufacture and market its products (Mansfield, 1986).

According to information available on the United States Patent and Trademark Office website, available in Annex I, Brazil registered 88 patents in 1998. In 2008, 133 patents were registered. That is, over 10 years, in absolute terms, the Brazilian production of patents has increased! In relative terms these data become unsettling. In 1998, Brazil presented the same number of patents as the ones registered by the Chinese. In 2004, this difference increased: Brazil submitted a quarter of the patents submitted by the Chinese. In 2009, Brazil managed to register a number of patents 16 times lower than the one in China! Regarding the Indian, this difference, although smaller, can be easily perceived. In 1996, the Brazilian production of patents surpassed the Indian production. In 2006, they submitted three times as many patents as Brazil. In 2009, this difference increased even more! Table 1 illustrates this evolution.

