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**WHEN DEVELOPMENT MEETS CULTURE: THE CONTRIBUTION OF CELSO
FURTADO IN THE 1970s**

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**UNIVERSIDADE FEDERAL DE MINAS GERAIS
FACULDADE DE CIÊNCIAS ECONÔMICAS
CENTRO DE DESENVOLVIMENTO E PLANEJAMENTO REGIONAL**

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RESUMO

O artigo explora o trabalho de Celso Furtado (1920-2004) nos anos 1970, quando o autor promove uma ambiciosa tentativa de redefinição do próprio campo do desenvolvimento econômico. A obra de Furtado tem vivido um momento de renovado interesse por parte de vários autores, em particular na área de história do pensamento econômico, o que qualifica o tipo de análise que o presente texto pretende desenvolver. O trabalho analisa como o autor desafia a incapacidade da teoria do desenvolvimento econômico em lidar com a realidade das economias subdesenvolvidas no final dos anos 1970 ao expandir o escopo de sua análise, atribuindo à cultura um papel central da dinâmica do desenvolvimento e do subdesenvolvimento. Esse movimento teórico acontece em um momento no qual a teoria do desenvolvimento começa a perder espaço na teoria econômica. Assim, ao contrário de seu conceito de subdesenvolvimento proposto no início dos anos 1950, a discussão relacionada à criatividade e dependência encontra um cenário intelectual adverso, mesmo que representando uma das contribuições mais originais do autor, como o texto busca apresentar.

Palavras-chave: Celso Furtado, subdesenvolvimento, criatividade, cultura.

ABSTRACT

The article assesses the work of Celso Furtado (1920-2004) in the 1970s, when the author promotes an ambitious attempt to redefine the field of development economics. Furtado's works have recently been revisited by several authors, including in the field of history of economic thought. The text is devoted to explore how the author challenges development theory's perceived failure to explain the reality of underdeveloped nations in the late 1970s by expanding the scope of analysis and giving culture a pivotal role in the dynamics of development and underdevelopment. This theoretical movement happens at the time in which development economics begins to drift out of the mainstream of economic theory. Hence, unlike the concept of underdevelopment introduced in the 1950s, the discussion of creativity and dependence encounters an adverse intellectual landscape, even though it represents one of the author's most original contributions.

Keywords: Celso Furtado, underdevelopment, creativity, culture.

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INTRODUCTION

Only a handful of authors in economics have engaged in such ambitious theoretical endeavor as the one that Celso Furtado undertook in the late 1970s. Even though the outcome of his effort could be considered limited in comparison with the original intent stated in the *Prefácio a Nova Economia Política* [Preface to a New Political Economy] from 1976, this book contains both a sharp criticism and an audacious project to reconstruct the conceptual framework of the economic science, or more specifically, an attempt to redefine the field of development economics.

Furtado, true to his methods, challenges development theory's perceived failure to explain the reality of underdeveloped nations in the late 1970s by expanding the scope of analysis and giving to culture a pivotal role in the dynamics of development and underdevelopment.

It is important to make clear from the outset that the concept of culture (as well as the one of creativity) for Furtado is necessarily broader than the restrict meaning of artistic creation. In his work, the concept is stated at the level of a system of values, beliefs, perceptions, etc., and this will be the perspective considered throughout.

The challenge that guided Furtado's work was to explain why countries formed as a result of the European economic expansion, with structures created exactly to support this expansion, and remained in a persistent state of economic backwardness (Furtado, 1997, vol.3, p.11). His initial answer to this problem was formulated in the 1950s in his theory of underdevelopment. In this period, Furtado introduced major contributions to the development economics theory, in particular through what became known as the historical-structural method. By analyzing the process of industrialization rich and poor nations, the author showed that rather than a stage, underdevelopment was in fact a condition that tended to reproduce itself through time. In doing so, Furtado distances himself from both Marxian analysis and the view that the process of economic growth proceeded in a series of well-defined stages. Furtado was also the first author to associate the persistence of underdevelopment with high degrees of income concentration both as cause and consequence of the dual economic structures that characterized these countries.

However, in the mid 1970s, it is possible to perceive a degree of redefinition of his original propositions. This new perspective is partially related to the growing discredit of development economics in general, and of Latin American structuralism in particular, as a theoretical background underpinning practical policy alternatives for overcoming underdevelopment. In addition, the field of development economics as a whole was challenged by the increasing influence of monetarism, particularly in Latin America, as well as by the criticism of the dependency theory.

The analysis of Furtado's effort to redefine his theoretical scope during the 1970s is the main objective of this paper. Furthermore, we argue that in terms of the author's contribution to development economics such effort is in nature similar to that undertaken in the early days of the field in the 1950s. Just as Furtado's historical-structural analytical method worked to broaden the horizons of the economic theory to enable a fuller understanding of the economic divide between developed and developing countries, in the 1970s the concepts of culture and creativity are introduced to expand the discipline's horizons, allowing for a broader view of the dynamics underdeveloped economies.

In the mid-1970s, Furtado faces the challenge of theorizing about social formations, finally producing an original interpretation of the process of economic development as a broad historical route of the process of diffusion of what he described as industrial civilization. In his analysis he was particularly interested in understanding the relationship between the overall process of accumulation and the realm of the values that govern social life, as well as their shifts in different societies over time.

In order to accomplish these objectives, a return to classical political economy was perceived as a requirement to allow for the reconstruction of the conceptual framework that economists work with. In addition, this reconstruction should be based on an overview of social structures historically identified (Mallorquin, 2005, pp.263-4). More specifically, the theoretical boundary he was trying to overcome was the essentially static nature of economic analysis. In his view, economic problems do not exist detached from the overall social context. Hence, economic reality is always immersed in a broader temporal dynamic. The inclusion of time as a variable that exists, in itself, independently of any content, is merely an illusory solution to the problem (Furtado, 1976, pp.10-1).

The articulation of economics with history, however, also brings additional challenges. In his perspective, the use of history as a complementary discipline to economics also fails in most of the cases because the simplified modeling of economics only poorly incorporates the historical reflection. Hence, an effective incorporation of history in economics would require an actual theoretical redefinition of the conceptual framework of economics.

However, the theoretical contribution planned by Furtado did not include re-forging the field of economics. The author equates the extent of his contribution as a mere “preface” of the work that still would need to be written. This is the ambition and scope of the book *Prefácio a Nova Economia Política* (1976). However, it is appropriate to point out, as does Mallorquin (2005), that even being heralded as a preface, there is effectively in this book a theoretical proposition, which in itself is a relevant contribution which helps us introducing different aspects of Furtado’s contribution to economic theory in general and to development economics in particular.

This effort has as its core the economic theory of accumulation (and of social surplus), but also largely indicates the search for a global social theory. However, Furtado was at pains to stress that this broader theory should not be restricted to the pursuit of interdisciplinary studies. On the contrary, it meant the effective incorporation of a broader perspective to the horizon of economic analysis. It is with this idea in mind that Furtado starts off a deliberate movement of opening the field of economics to other social sciences, incorporating in this movement, with an original perspective, the theme of culture.

Culture, as perceived by Furtado, is the key element to understanding a specific issue of his concerned in the 1970s. This was the realization that the concrete results of capital accumulation and economic growth in the context of underdevelopment were unable to overcome the barriers created by the concentration of the income distribution. As a matter of fact, the process tended to reproduce dynamically the levels of income inequality. The explanation for this process presupposed the understanding of the modernization of consumption patterns dynamics and its association with the diffusion of what he termed industrial civilization. The role played by culture would appear here as a fundamental connection to understand the historical dynamics of economic systems. Hence, this is a turning point for Furtado’s line of argumentation on the most general theme of his work: the production and reproduction of development and underdevelopment.

Criatividade e Dependência, from 1978 (published in English as *Accumulation and Development* in 1983), can be considered as the main book of this period among Furtado's publications. The work contains both the core and the latter stage of his argumentation on the issues presented here. Throughout the book, the author carries out a wide investigation of different areas of social sciences and humanities, with the goal of broadening the analytical scope of economics in order to explain in depth the reproduction of underdevelopment (and of dependency¹) in the course of the worldwide expansion of the industrial civilization.

The paper is divided in three sections apart from this introduction and final considerations. The first section, addresses Furtado's intellectual trajectory, providing a glimpse of his intellectual formation and career, highlighting the particular connection of analytical work and public action throughout his life. In the following section, the focus is on the specific contribution of Furtado throughout the 1950s, at the time when he actually took part in the canon establishing of development economics area. Finally we come to the analysis of the *Accumulation and Development* ([1978] 1983) in section 3. Brief concluding remarks follow.

1. INTELLECTUAL TRAJECTORY²

Celso Furtado was born in the Northeast of Brazil on 26 July 1920. He moved to Rio de Janeiro in 1939, starting his studies at the University of Brazil in the following year. He was awarded a degree in Law in 1944 and at that time was already designated as a civil servant at the Administrative Department of Public Service (*Departamento Administrativo do Serviço Público – DASP*), which was an organization created to improve the quality of government bureaucracy.

Furtado began his academic training at a time when the teaching of economics was still incipient in Brazil (Iglésias, 1981, p.162). His first contact with economic analysis probably did not go further from generic references to the main debates in Brazil at that time. However, as can be seen from his texts published at that time,³ the contact with themes related to public administration, including planning strategies, played an important role in shaping his future interests in within the field of economics. In his own words, "it was both history and organization theory which led me to economics; both of them implied taking a comprehensive, macroeconomic view" (Furtado, [1973] 2000a, p.197).⁴

¹ A full discussion regarding the different interpretations of dependency in the literature is beyond the scope of this paper. For a primer on the subject, see Palma (2008).

² Furtado's three volume autobiographical works is the source of the information presented in this section, unless otherwise indicated (Furtado, 1997).

³ Furtado 1944, 1946a and 1946b. See also Silva 2010.

⁴ Furtado goes on to argue: "when I entered the University of Brazil, in Rio de Janeiro, the social sciences were only just beginning to be taught. I therefore opted for law, which led to careers in the public service. But then I switched from law to administration. It was then I discovered the works of contemporary American writers on the organization of public affairs and businesses. These studies led me to consider planning from a strictly technical standpoint. At this time we saw clearly that the rationality of management depended on the existence of planning. From then on, I regarded planning as a social technique of the first importance, capable of increasing the degree of rationality of the decisions governing complex social processes by preventing the setting in motion of cumulative and irreversible processes in undesirable directions. Thus the idea that man can take reasoned action to affect the course of history became rooted in my mind. It was both history and organization theory which led me to economics; both of them implied taking a comprehensive, macroeconomic view" (Furtado, 2000, p.197).

In 1946 moves to Paris to pursue further studies at the University of Paris (Sorbonne), where he was granted a scholarship for a doctorate program in economics. Although having written a thesis on the Brazilian colonial economy under the supervision of Maurice Byé, it is of particular importance for the reflection upon his intellectual trajectory to note that it was François Perroux who most impressed and influenced Furtado during this period (Boianovsky, 2008).

Furtado returns to Brazil in August 1948, resuming his functions at DASP and joining the economic staff of the *Fundação Getúlio Vargas* in Rio de Janeiro. Nevertheless, early in the following year, he moves to Santiago (Chile) to join the newly founded United Nations Economic Commission to Latin America (ECLA, or CEPAL in Spanish).

In 1950 Raúl Prebisch assumes the executive-secretariat of ECLA and nominates the thirty year-old Furtado as Director of its Development Division. It was a moment of great intellectual creativity, as well as of confidence in the directions that the line of argumentation was taking. It was during this period that, for example, Prebisch formulated some of his most original works, including what can be considered the keystone of Latin American structuralism, “Problemas teóricos y prácticos del crecimiento económico” [Theoretical and practical problems of economic growth], prepared for a conference in Mexico in 1951 and considered by Furtado the most complete account of what would be known as ECLA’s thought.⁵

Furtado’s plan was to reserve more time exclusively for theoretical reflection upon underdevelopment, having obtained authorization from Prebisch to visit some research centers in the U.S. in 1951. There he visited different universities and had contact with the work of de Vassili Leontieff, Walt Rostow, Melville Herskovits and Theodor Schultz, among others. This trip is, in fact, a fundamental moment to the understanding of Furtado’s theoretical trajectory (Furtado, 1997 vol.1, pp.191-201).⁶ The results of his reflections on development themes materialized in the following year, with the publication of the paper “Formação de capital e desenvolvimento econômico” [Capital formation and economic development] in the *Revista Brasileira de Economia*. The paper was then translated and published in the *International Economic Papers* and, some years later, in the well-known companion from Agarwala e Singh (1958).⁷

Furtado would remain formally linked with ECLA until 1958. Beyond the theoretical reflection undertaken during those years, he would also be in charge of several missions in many countries, such as Argentina, Mexico, Costa Rica, Venezuela, Equator and Peru, as well as Brazil. In fact, he settles in Rio de Janeiro between 1953 and 1955, where he would be the head of the joint group ECLA/BNDE (the Brazilian Development Bank), in charged of elaborating a support study and a development program for Brazil for the period of 1955-62.

⁵ cf. Prebisch, Raúl (1952). “Problemas teóricos y prácticos del crecimiento económico” / “Theoretical and practical problems of economic growth”. México, DF: CEPAL.

⁶ It is also likely that he also met Alexander Gerschenkron. For an analysis of this theme see Boianovsky (2010).

⁷ Formação de capital e desenvolvimento econômico. *Revista Brasileira de Economia* (set. 1952). Rio de Janeiro, ano 6, 3, pp. 7-45. In English: Capital formation and economic development, in *International Economic Papers* (1954). Londres, nº 4. In Spanish: La formación de capital y el desarrollo económico, em *El Trimestre Económico* (jan-março 1953). México, v. XX, 1, pp. 88-121. As a book: *The Economics of Underdevelopment* (1958). A.N. Agarwala & S.P.Singh (org.), J. Viner, C. Furtado, P.A.Baran, W.W. Rostow, R. Nurkse, H.W. Singer et alii. New York: Galaxy/Oxford University Press.

In this period he also promoted the creation of the *Clube dos Economistas* (Economists Club) and the *Revista Econômica Brasileira* (The Brazilian Economic Journal), both in Rio de Janeiro. Those institutions congregated technicians and public officers involved in development matters in the federal government and contributed to create a common ideological ground for the group.

Bielschowsky (1995), discussing the position of Furtado in the context of the formative debates of the Brazilian economic thought, states that this author can be described as the most important name in what he called the development movement with a nationalist tendency. In his evaluation, the influence and scope of Furtado's work allowed imparted a degree of cohesion to the economic thought of a significant portion of government technicians engaged in the planning of Brazilian industrialization. In this sense, the theoretical reflection of the author throughout the 1950s was strongly associated with the practical appeal of transforming the Brazilian economy. Furtado actually exerts effective leadership among economists of his country and becomes a symbolic figure of the Brazilian hope in the development during the 1950s. (Bielschowsky, 1995, pp.132-4).

It is important to stress here that one of the most remarkable features of Furtado's intellectual trajectory is exactly his ability to combine intellectual creativity with the continuous effort of executive action. The analysis of the evolution of Furtado's thought necessarily has to pay attention to this issue. Throughout his career, but particularly in the 1950s and first half of next decade, it is clear a deliberate mixture of executive duties and academic reflection, combined with particular objective to offer basis for understanding and intervening in real issues. Furtado was fully aware of this daunting task, and reflected on it, saying: "Because I was thinking about real problems, economic research for me was always a means of preparing for action – my own or other people's. To understand the world better so as to influence it as much as possible meant that you must never lose sight of the ultimate objective" (Furtado, [1973] 2000a, p.199).

In 1956 he moves to Mexico City heading ECLA's local mission. However, in the following year, he takes a sabbatical leave for a period of study at King's College at the University of Cambridge. There he writes a book that would become his most widespread work in Brazil (now in its 34th edition with about 350 000 copies sold), with translations into nine different languages: *Formação econômica do Brasil* [Economic Formation of Brazil], published in 1959.

Furtado's trip to Cambridge was a result of an invitation from Nicholas Kaldor, who was his closest interlocutor at the university during this period. His activities included attending seminars on themes of economic development, working on his book and the academic debate with some distinguished figures such as Joan Robinson, James E. Meade, Richard Kahn, Piero Garegnani, Amartya Sen, besides Kaldor himself. As Furtado would later argue, this interaction with the first generation of Keynesian economists "was useful to vaccinate me against insidious forms of monetarism that sterilize the contemporaneous economic thought, emptying it from all social concern" (Furtado, 1997 vol.3, p. 222 and vol.1, pp.327-359 / see also Aguiar, 2009, pp. 13-4).

In 1958 Furtado returns to Brazil and formally resigns from ECLA to accept a position as director in the BNDE. Brazil going through a phase of intense political dynamism and President Juscelino Kubitschek chose him to head the Working Group on the Development of Northeast (GTDN in Portuguese), responsible for designing a development plan for the region. This effort results in the

foundation the Superintendence for the Development of the Northeast (SUDENE in Portuguese), having Furtado as his first head. His prominent trajectory in public life would also lead the Brazilian government to name him as the first head of the Ministry of Planning in 1962. There, he would devise a plan for economic development that had the immediate task of solving urgent problems faced then by the Brazilian economy, particularly the acceleration of inflation and the deterioration of foreign trade.

The unstable political landscape and the failure of the proposed plan effectively tackle the economic issues takes Furtado back to his work at SUDENE. However, his career would be abruptly interrupted in March 1964 as a consequence of the military coup that revoked his political rights for ten years. Furtado finds himself compelled to leave his country. Three prestigious U.S. universities – Yale, Harvard and Columbia – sent him invitations to teach, but his first stop will be again Santiago, Chile, attending an invitation of the Latin American Institute for Development Studies (ILPES in Spanish), which is an institution linked with ECLA. In September of the same year he moves to New Haven, U.S., as research director of the Center for Development Studies at Yale University. In 1965, he takes the chair of Professor of Economic Development at the Faculty of Law and Economics of the University of Paris (Sorbonne), which he would hold for the following twenty years.

Throughout the 1970s, in between occasional trips to countries in Africa, Asia and Latin America on missions of UN agencies, Furtado would be visiting professor at some major universities, increasing his international transit and deepening his academic reflection. What should first and foremost be highlighted in this period is probably his return to the University of Cambridge in 1973 as Simón Bolívar Professor in Latin American Studies, and as a Fellow of King's College. During the next academic year, Furtado prepared two working papers (Furtado, 1974a and 1973b) and formulated the original argument of one of his most ingenious books, *Criatividade e Dependência*, which would be published in 1978.

After the political amnesty in 1979, Furtado travels frequently to Brazil, increasing his involvement with national politics. However, it is only after the end of the military government that he would enjoy a more effective involvement. In 1985 he assumes the post of Ambassador of Brazil to the European Economic Community. From 1986-88 becomes Minister of Culture of the government of President José Sarney. In the following decade he would take part in different international commissions such as the World Commission on Culture and Development (UN / UNESCO). His intellectual work during these years was connected to different aspects previously debated in the course of his career as well as the writing of his memoirs. Furtado passed away in November 2004, at his home in Rio de Janeiro.

2. EARLY CONTRIBUTIONS TO DEVELOPMENT ECONOMICS

Throughout an extensive body of work from the early 1950s to the late 1960s, Furtado left an indelible mark in the early phases of the construction of a novel branch of the economic literature built to assess and alleviate the socio-economic problems associates with underdevelopment.

According to Boianovsky (2010), Furtado's contribution in the 1950s must be understood in a context of what as in fact a new branch of the economic theory. In a time of intellectual effervescence, Furtado joined Paul Rosenstein-Rodan, Arthur Lewis, Ragnar Nurkse, Albert Hirschman, Raul Prebisch, Alexander Gerschenkron, Walt Rostow Simon, Kuznets, Paul Baran, Paul Singer, amongst others, in shaping what was to become known as development economics.⁸ The many discussions and contributions from these authors were also at the core of the process of establishment of an international institutional framework composed of the UN, ECLAC, IMF, IRDB and IEA, which greatly influenced actual process of development throughout the world.

According to Bielschowsky (2007), Furtado's contribution to the Latin American structuralism, and to development economics by extension, can be divided in three groups. The first is the addition of a historical perspective to the analysis of development process in Latin America. (Furtado, 1959; 1969).

The second is the idea that even the growing modern, urban sectors would face difficulties with absorbing the large contingents of population immigrating from backwards, largely agricultural, activities. Hence, the social-economics inequalities would tend of Latin America persist even with industrialization. In this sense, Furtado in reality develops an original concept of dualism, anticipating a discussion which would only appear years later. His of the dynamics of underdeveloped economies analysis goes beyond Arthur Lewis' model and shows the possibility of acceleration of urbanization rates with persistent unemployment as well as underemployment. (Furtado, 1961).

Furtado also breaks new ground by putting forward a concept of dependency underlying the relationship between developed and underdeveloped countries. Such concept is associated with the patterns of technological use and change in underdeveloped countries. In his view, the burgeoning modern sectors are projections of developed economies of underdeveloped countries which create a dual structure whose development depends on foreign – and ultimately inadequate – technology. This type of dependency also determines a series of problems related to the mismatch between new consumption patterns and the local productive structure.

The third major contribution is to be found in Furtado's works from the late 1960s and early 1970s. Deeply rooted in the analysis of the Brazilian case, Furtado advances the debate regarding the relationship between underdevelopment and income distribution (Furtado, 1966, 1968, 1972). The latter, by determining specific demand patterns, would tend to work as a straightjacket to growth and, ultimately, to development. The result of this multifaceted interrelation, ultimately, a sectoral composition of investments to enable foreign consumption patterns, which makes unemployment persistent and generates further socio-economic tensions.⁹

As will be seen later on, the interplay between transplanted technologies from developed countries, the permanence of income inequality and the ensuing waves of modernization of consumption patterns, are at the heart of Furtado's growing realization of the limits of the process of

⁸ Meier and Seers (1984), Meier (1987), Agarwala and Singh (1958).

⁹ Dobb (1965) notes that by introducing the importance of income distribution, Furtado established demand-side determinants to the process of accumulation, given that patterns of consumption of distinct income levels create specific demand structures that determine if development is to become a cumulative process. See also Bielschowsky (1995) for a discussion of Furtado's original contribution to the Brazilian economic thought.

industrialization in Latin America. This notion, we would argue, would ultimately lead the author to venture outside the economic literature in order to shed further light on the development/underdevelopment divide.

Development and underdevelopment

The author departs from a criticism of the standard economic theory and its failure to adequately understand the characteristics and processes underlying underdeveloped countries. In particular, Furtado points out that by focusing its analysis on distribution rather than on the production side of economics process, standard theory can dispense with a historical perspective.

At first, Furtado works with a concept of development similar to that found in other works from the pioneers of economic development, as well as to that from ECLA. Initially, development is equated with productivity gains associated with capital accumulation and the incorporation of new technologies of production. Hence, the process of development takes place through the combination of existing factors of production, given a technology, or through new technologies.

However, Furtado's historical-structural analytical method renders what would be an otherwise standard definition for the period a much richer view underdevelopment and of the process of development itself.¹⁰ Given that new production techniques are in reality introduced on pre-existing economic structures, the main task of development theory becomes the analysis of the impacts of the introduction of new methods of production, its repercussions in terms of productivity gains, distributive patterns and use of the social output.

Hence, beyond the apparent similarity of definitions, Furtado's emphasis on the process of capital accumulation has a clearer purpose. By studying in detail how industrialization processes took place, the author demonstrates that what was generally treated by the growing literature as a relatively homogenous process – a process which was commonly equated with development itself – was in and of itself the origin of the condition of underdevelopment. According to Boianovsky (2010), in doing so, Furtado differentiated the sources of growth in developed and in developing countries. Whereas in the latter output and productivity growth stemmed from physical capital accumulation, the formed technological progress was the main driver.

History and the genesis of the center-periphery system

Furtado then turns to historical analysis to explain how distinct economic structures arose from the expansion of capitalism after the Industrial Revolution. In his view, this process takes place in three phases. The first consists in the spillover of the new methods of production through Eastern Europe. The second phase sees such methods sprawling over colonies of temperate climate (New

¹⁰ According to Furtado, “[t]he problem in the abstract or historical nature of the method with which economists work is not independent, thus, from the problems that are of his concerns. (...) Each developing economy faces a series of problems which are specific to itself, even if several of them are common to other contemporaneous economies (Furtado, 1961, p.22).

Zealand, United States, Canada and Australia), fueled by international trade. In the third phase, and also following commerce routes, the technologies created by the industrial revolution gain space in relatively densely populated areas where a pre-capitalist – although instrumental to capitalist structures – had already developed.

This distinction is crucial to Furtado's concepts of development and underdevelopment, as the phases define the type and depth of the impact of the new production techniques on the local economy. More importantly, the phases also define the relationship between the productivity gains associated with the process of development and the process of technological change itself. The disconnection between the economic structure of country and the process of technology creation generates hybrid structures in which modern and backward methods of production co-exist.

According to Furtado, it is only in the Industrial Revolution that the process of development described by Lewis (1954) takes place. In its early stages, as new production techniques and forms of organization are created, growth is fuelled by the transference of labor from traditional to modern (capitalist) sectors. During this process, industrialization is accelerated by the typical mechanism of profit accumulation in the modern sectors, as the elastic supply of labor holds wages constant throughout the economy. As the supply of labor becomes inelastic, a qualitative change takes place in the process.

From this point onwards, the supply of labor acts as a constraint to growth, creating an imbalance between the necessity to produce capital goods and the capacity to absorb the produced capital goods. The tension becomes transparent as the rate of production of capital goods exceeds that of labor supply, which favors the increase of wages over profits. The temporary solution, which can be seen as a transition period, is to vent the excess production of capital goods to external markets. With time, the permanent solution is to reconcile the production of capital goods itself to the factor endowments. This is achieved as technological change in the capital goods moves towards labor-saving techniques and machines. Consequently, the economy's capital to labor ratio increases further, upending the downward trend of profits through sustained productivity gains.

What is important to retain from the process described by Furtado is that technology advances gradually. This, for all social conflict that may and has taken place, the process of technical change solves distributive pressures along the way.

The central tenet of Furtado's theory is that the process described above cannot be generalized and applied to underdeveloped countries. This is what is apparent in Rostow's (1952) stages of development and, to a certain extent, in Lewis' model of development with unlimited supply of labor.

According to Boianovsky (2010), Furtado's approach somewhat akin Gerschenkron's (1952) concept of relative backwardness. However, in Furtado's construction, the specificities of the late industrialization, i.e., the advance of modern production methods over archaic social, institutional and economic structures creates its own dynamics. Hence, contrary to Gerschenkron's advantages from economic backwardness, what follows from Furtado's chasm between development and underdevelopment, is that the latter is a condition rather than a stage. The economic and social imbalances inherent to underdevelopment are self-perpetuating.

Furtado thus argues that economic theory must have a separate set of concepts to assess underdevelopment. As the process of dissemination of the productive methods of the Industrial Revolution reach its third phase described above, it creates a distinct landscape. The new modern activities, often associated with the pre-existent higher productivity export sectors, co-exist with a wide variety of low productivity activities.

In the third phase, as the waves of the industrial revolution reach former colonial areas, the initial stimulus to industrialization is given by foreign trade, which can set off development process without the necessity of previous accumulation of capital.

From this starting point, new combination of factors of production are possible given the import of new technologies and machinery. The resulting rise in income is concentrated in the trading sector, which, at the one hand, creates a rising amount of economic surplus which can be applied to further the process of accumulation, but, on the other hand, increases the level of income concentration.

The growth dynamics is thus unconventional in underdeveloped countries. In developed countries, which followed processes described in phases one and two above, productivity gains associated with capital accumulation results in a cumulative cycle of income, profits and wage (as demand increases) growth, which channel further resources to new investments.

In underdeveloped countries, given that the growing income tends to be concentrated in the hands of a few groups, wages remains stagnant and the process of capital accumulation subsides. Hence, the pace of development is connected to the functional division of income. Once more, the historical analysis of how industrialization starts and unfolds in each country is essential. According to Furtado, the investment theory inevitably depends upon the division of income between investment and consumption; it cannot be determined in abstract terms.

As Furtado would so clearly argue, “[t]he result has almost always been the formation of hybrid structures, part of which tended to behave as a capitalist system, and another to keep itself within the previous structure” (Furtado, 1961, p.180). The process of creation of such hybrid, dual economies, is associated with a specific international division of labor, which Prebisch (1950) defined as the center-periphery system. Rather than development proper, what takes place is a process of capital accumulation linked with the modernization of consumption patterns. The latter is requirement, given that the local production must find a market. In Furtado’s view, therein lies the main problem of development. The late industrialization is by definition carried out with imported production techniques which are essence inadequate to local factors of production. Such techniques were gradually generated as the process of capital accumulation originally took place, substituting progressively traditional structures by modern industrial activities.

For Furtado, this is a rather more complex process than what development economics depicted at the time. He would argue that:

A fundamental aspect often overlooked is the fact that peripheral countries were rapidly transformed into importers of new consumer goods which were the fruit of capital accumulation and technical progress in the central countries. This process of adopting new

patterns of consumption was bound to be a very uneven one as the additional surplus remained basically in the hands of a restricted minority (...). Generally speaking, the benefits of the increase in productivity were appropriated by a small minority, a fact which permitted a sharp increase in the income available for consumption of the privileged groups (Furtado, 1973b, p.3).

Given the process described above, Furtado defines a developed country as one in which the full employment of labor can be attained with full factor utilization. In this case, economic growth, and productivity gains alike, is not dissociable from the process of introduction of new production techniques. On the other hand, an underdeveloped economy is one in which factors are permanently under-employed. Even with full utilization of capital there is unemployment of labor. In this case, productivity gains stem from the transplantation of known technology and from the shift of labor from traditional to modern sectors. Inefficiency (low productivity) can either be a result of a mismatch between capital and labor, or, more commonly, from the relative lack of capital, given that technical coefficients tend to be rigid. Hence, the process of economic growth is associated with structural unemployment, which is characteristic of underdeveloped countries.

Furtado's concept of a dual economy is associated with the coexistence of capitalist and pre-capitalist methods of production as the context of underdevelopment. The concept implies the interdependence of modern and archaic, which works as to perpetuate the dual nature of the system, not to eliminate the backwards characteristics. According to the author, the concept can only be fully understood in a system of international relations which include the phenomenon of dependency. As the author would later explain in more detail:

When the system of international division of labour created by the Industrial Revolution emerged, certain countries specialized in activities where technical progress penetrated rapidly and other specialized either in activities where technical progress where technical progress was negligible, or in simple exploitation of non renewable natural resources. The fact that trade was profitable to both types of countries concealed the extremely uneven diffusion of technical progress. (...) The asymmetrical relations prevailing between these two types of economies are responsible for the perpetuation of underdevelopment (Furtado, 1974a, p. 7).

Accumulation dynamics at the periphery

It is also noteworthy that Furtado uses a concept of structural heterogeneity similar to that of ECLA. For the latter, the lasting coexistence of a small number of productive activities with a large number of low productivity sectors is a defining characteristic of peripheral countries. Furtado departs from the same definition, showing how such structures formed in Latin America's history. What is distinctive of Furtado's contribution to the development economics theory is that the structural heterogeneity associated with the productive structure, as described by Prebisch (1950) and others, is inextricably entangled with a high degree of social heterogeneity, whose economic expression is the steep levels of income concentration.

The social heterogeneity found in the periphery is instrumental in slowing down the process of development even as industrialization accelerates, being a key component of the dynamic reproduction of the peripheral condition.

As the economy's productivity and income levels rise, income concentration hinders the emergence of cumulative processes of growth. The reason is the equally high inequality of consumption patterns within the country, as a large proportion of the population is effectively marginalized from the market economy, whereas a minority mimics patterns of consumption similar to those from developed countries. Accordingly, the actual increase of the size of local market is lower than the potential given by the same rate of accumulation. Hence, the result is lower growth rates associated with persistent levels of socio-economic inequality.

To grasp the origins of underdevelopment and to comprehend the process of reproduction of its structure, it is necessary to focus simultaneously on the process of production (reallocation of resources producing an additional surplus and the appropriation of such surplus) and on the process of circulation (adoption of new patterns of consumption copied from countries at higher levels of capital accumulation, which in its turn generates cultural dependence (Furtado, 1973b, p.4).

Furtado's concept of social heterogeneity, together with the historical-structural analytical method, illustrated the author's intellectual process and contribution to development economics theory in the 1950s and 1960s. True to his criticism of standard economic literature, the author expands the theory's scope by searching for new perspectives which are without economic theory.

3. CREATIVITY AND DEPENDENCY

In *Accumulation and Development* ([1978] 1983), the author makes explicit the connections between the process of development proper and culture as part of a broader strategy of widening his view of the social context and its dynamics. From the point of view of Furtado's economic theory, these connections are logical extensions of the processes he carefully described in *Desenvolvimento e Subdesenvolvimento* [Development and Underdevelopment] from 1961. In particular, the objective is to explore the consequences of the process of industrialization at the periphery, which goes beyond the productive side. Hence, true to his criticism of economic theory, Furtado establishes important connections between the dynamics of the changes in production and the dynamics of changes, or lack thereof, in distribution.

It is in this context that the concept of dependency arises in throughout Furtado's body of work. Its duality stems, from the supply side, from the alien nature of the technology that is adopted in the process of industrialization at the periphery and the ulterior reliance on increasingly more expensive imports for further gains of productivity, at the one hand, and from the patterns of income distribution and the associated consumption patterns which ultimately enable, from the demand side.

What Furtado describes is then a significantly more complex vicious cycle than those depicted by Kuznets (1958). The low rate of accumulation compatible with late industrialization is combined with persistent reliance on imports, lower rate of growth of employment and the need to emulate consumption patterns from developed countries. Hence, the supply and demand sides of the economic system are inextricably linked with the conformation of heterogeneous structures that also have inseparable social and economic characteristics.

In such cycle, structural unemployment and income concentration are both instrumental and consequential. Given this dynamic, Furtado argues:

Dependency should be understood firstly as a set of structural features that are determined by historical circumstances: the form of entry into the international division of labour system will engender backwardness in the development of productive forces; industrialization promoted by modernization programmes will reinforce trends towards the concentration of income; the need to import certain techniques will facilitate control of economic activities by transnational enterprises. (...) The struggle against dependency is no more than the effort of the peripheral countries to change this structure. Since technology is the key resource and since it is also monopolized by central countries, dependence can be said, first and foremost, to be technological (Furtado, [1978] 1983, p.7-8)

What is evident from the author's line of argumentation is that from a broader perspective, i.e., that of society as a whole, technological dependence means cultural dependence. Culture is a cumulative system from which chains of actions and reaction are initiated and have a potential to cause structural change. This process, in its turn, is what Furtado would call development proper. It is linked with two process of creativity. First, it has an essentially technical side, which the author also labels material culture, composed of instruments that increase the society's capacity to act. Secondly, there is the effective use of such instruments, or non-material culture, in the form of social organization, science, arts, philosophy, music, religion, morals, customs, and other forms of social heritage.

What the author would argue, is that creative processes, which are always associated with cultural changes, imply further changes that ripple thorough the material and non-material sides. However, it is changes in non-material culture that are usually linked with social conflicts. It should be no surprise to the reader that Furtado argues that the process of industrialization of the periphery does not warrant a process of development proper. This is because industrialization does not proceed to overcome technological dependence. On the contrary, it takes the shape of successive waves of both expansion and diversification of consumption patterns. This process is only viable because the imitative pattern observed in the technical side is replicated in the consumption front, i.e., material values are continuously absorbed by urban classes of the industrializing country.

Thus, instead of being a fundamentally creative process, as is the case in the center, capital accumulation at the periphery is forcefully an imitative process that has, simultaneously, technical and cultural facades. As a consequence, late industrialization of underdeveloped countries is associated with cultural dependency.

What can be seen from the point of view of Furtado's body of work in the late 1970s is the repetition of a pattern observed in the 1950s. Just as it seemed impossible for him to properly understand the divide between development and underdevelopment in the early years of development economics without referring back to the broader historical process of the worldwide expansion of the Industrial Revolution – and to the peculiar forms that assumed in the periphery of capitalism – in the 1970s it became impossible for Furtado to understand what he termed cultural dependence and creative processes under the straightjacket of economic theory. Hence, in *Accumulation and Development* ([1978] 1983), the author undertakes the daunting endeavor breaking the doors of economic theory open.

To understand the specific moment in which culture is included as a fundamental analytical concept it is incumbent upon us to distance ourselves from a general outline of the theoretical framework of Furtado's body of work and assess instead its intellectual history, investigating in more detail the 1960s and 1970s.

In a text written for the World Bank to the book *Pioneers in Development* (1987), Furtado makes an analytical reconstruction of his intellectual career in the field of development economics. The result was the identification of a linear path in which his original contributions to ECLA's structuralism in the 1950s lead progressively to dependency theory and the original formulations on the field of culture.

Such analysis may hold from Furtado's own perspective, in particular given that he remained faithful to his analytical method and devoted increasing amounts of effort to understand many of the issues which had been subject to his attention since the 1950s. However, from a broader point of view, that of Furtado's contribution to development economics, the path seems to be deprived of such degree of linearity. What we would argue is that, together with the development of previous ideas and concepts, the late 1970s also brings a considerable degree of theoretical reorientation of Furtado's work.

The view of Furtado's work in the 1970s as a process of search for new theoretical paths permits us not only to reassess the author's original route, but also to reflect on his contributions to economic theory in the second half of the twentieth century. From this perspective, the real constant in Furtado's intellectual path is not the sustained rate of progress of a set of ideas and concepts, but rather a permanent intellectual struggle with the narrow horizon of mainstream economics to encompass all the issues, as well as their interrelations, involved with underdevelopment and development proper.

According to Furtado's analytical reconstruction of his own contribution to development economics, the global picture derived from history, connected to the concept of system of productive forces has produced what would be called "structuralist" approach (which is not directly related to the French structuralist school). It is a perception that one cannot separate the study of economic phenomena from their historical context, which is particularly relevant to the understanding of heterogeneous economic systems (socially and technologically), as is the case of underdeveloped countries.

This is the story told by Furtado. In it, he puts himself in position of protagonist in the construction of dependency theory. However, strictly speaking, this is a theory that becomes popular

in the 1970s as a critique of the first generation of ECLA's structuralism. Furtado, addressing this issue in his 1987 autobiographical text, refers to his working paper written in Cambridge in 1973 (Furtado, 1973b) on the fundamental connection between underdevelopment and dependency, and states that "it was my studies on the dynamics of demand and modernization in the reproduction of underdevelopment who guided me to the idea of dependency, first cultural and then technological". (Furtado, 1997, vol.3, p.39)

Furtado had already advanced the importance of cultural factors for the process of development in previous works.¹¹ According to him, it was thanks to such a comprehensive approach that it was possible to further the understanding of the linkages between external and internal forms of social domination. The particular phenomenon of dependency, except what had developed during the period of colonial domination, had been initially expressed in cultural terms, through the transplantation of consumption patterns that could be adopted by due the surplus generated in the framework of static comparative advantages obtained in foreign trade. It was this dynamism of the modernized part of the consumption structure that projected the dependency in technological terms, inscribing it in the productive structure.

The adoption by elites in the periphery of consumption patterns and ways of living engendered by industrialization in the developed countries is correlated with the coexistence, in the underdeveloped world, of waves of advances in industrialization and increase in income inequality. Economic growth, thus, tended to rely progressively more on the capacity of classes that capture the collective surplus to force the majority to accept increasing levels of socio-economic inequality. Furtado's conclusion is sharp: only the political will could change this picture.

The effort of rational reconstruction of his intellectual career results in the articulation of the theoretical efforts of the decades of 1950's and 60's with that of the 1970's. What emerges is then an apparent form of cumulative work on a comprehensive theory of development and underdevelopment.

The detailed analysis of Furtado's autobiographical writings provides evidence of another interpretation of this route. A key moment to be explored is precisely the period between April and September 1964 in which Furtado stayed in Santiago (Chile) linked with ILPES (Latin American Institute for Development Studies). On his return to Chile, Furtado organized a weekly seminar with the intent of reevaluating ECLA's legacy. Based on the shared concern regarding the loss of dynamism of the Latin American economies, particularly those who had made progress on the path of industrialization, this seminar would be responsible for launching some of the themes and critical bases of what would become known as dependency theory.¹² Furtado groups two sections of his memoirs on this period under the titles "New reading of ECLA's texts" and "From cultural to technological dependence".

Undoubtedly, there are in this and in other texts of Furtado enough elements to be clear about its importance for shaping the concept of dependency as well as the singularity of his analysis on the

¹¹ This point is also made by Rodriguez (2009, p. 442, n.11). In *Dialética do Desenvolvimento* (1964) [Dialectic of Development], the second chapter is titled "The economic development in the process of cultural change".

¹² The seminar series started in July, 1964, and was attended by Cristóbal Lara, Eric Calagno, Fernando Henrique Cardoso, Ricardo Cibotti, Norberto González, Benjamin Hopenhayn, Carlos Matus, Gonzalo Martiner, José Medina Echevarría, Julio Melnick, Luis Ratinoff, Osvaldo Sunkel, Pedro Vuscovic e Francisco Weffort (Furtado, 1997, vol.3, p.65).

issue of technological dependence. However, it seems also clear that the terms on which it could be expressed as a process of cultural dependence, as well as its connection with the concept of creativity in a specific historical dynamic, are issues that would only gain final form several years later. Nevertheless, he clearly suggests in his autobiography an effort to stress his leading position in the early debates on the subject, as well as his appreciation that there was an open exchange of ideas at that venue, with no one reserving certain ideas to their personal work:

For the very first time were meeting a group of economists and sociologists to discuss the issue of development/underdevelopment taking as reference a series of theoretical texts elaborated in Latin America itself, collated them with the real experience of many of us. The experience was far from an academic seminar, because nobody was making personal games, marking cards, preserving their supposedly original ideas for personal publications (Furtado, 1997, vol.3, p.65).

The intellectual core of Furtado's work between 1964, when he was cut off from the Brazilian public life, and the beginning of 1970's, was in fact effectively connected with the development of that same theoretical core that he worked in the 1950s, albeit at increasing levels of sophistication.¹³ Suffice to say that his main book in this period is exactly his most solid one on economic analysis: *Teoria e política do desenvolvimento econômico* [Theory and policy of economic development] (1967), which has, at least in its first edition, a direct connection with *Desenvolvimento e Subdesenvolvimento* [Development and Underdevelopment] from 1961. Even though it is was as a more elaborated work, *Teoria e política do desenvolvimento econômico* repeats and reproduces portions of *Desenvolvimento e Subdesenvolvimento*, without advancing any content related to the question of cultural dependency. The subsequent editions of the book in the 1980s, however, would already incorporate those new ideas.¹⁴

According to Szmrecsányi (2005), we can say that are three books of economic analysis (taken in the Schumpeterian sense) written by Furtado, which helps us to demarcate the different stages of his career. They are: *Desenvolvimento e subdesenvolvimento* (1961), *Teoria e política do desenvolvimento econômico* (1967) and *Pequena introdução ao desenvolvimento – um enfoque interdisciplinar* [Short introduction to development – an interdisciplinary approach] (1980). The *Teoria e política do desenvolvimento econômico* (1967) reassesses the core of *Desenvolvimento e subdesenvolvimento* (1961), with deepened theoretical acuity and maturity, but without expanding its the scope. By its time, the *Pequena introdução ao desenvolvimento – um enfoque interdisciplinar* (1980), which would be revised in its 3rd edition and then published under the title of *Introdução ao desenvolvimento: enfoque histórico-estrutural* [Introduction to development: historical-structural approach] (2000b), connects all those theoretical fronts opened at different times in his work in the same analytical perspective. Then, finally, the cultural perspective assumes the foreground, as we can read in Furtado's presentation to the third edition of the book:

¹³ These books are: *Análise do "modelo" brasileiro* (1972); *Formação econômica da América Latina* (1969); *Um projeto para o Brasil* (1968); *Teoria e política do desenvolvimento econômico* (1967); *Subdesenvolvimento e estagnação na América Latina* (1966); *Dialética do desenvolvimento* (1964).

¹⁴ For a more in depth discussion of the differences between these books see Szmrecsányi, 2005.

The idea of development is at the center of the worldview that prevails in our time. It is founded in the process of cultural invention that lets you see the man as a transforming agent in the world. Give it as obvious that this man interacts with the environment in an effort to accomplish their potential. On the basis of the reflection on this theme is implicit a general theory of man, a philosophical anthropology. The failure of this theory often responds by the sliding to the economic and sociological reductionism. [...] The study of development has, therefore, as a central theme the cultural creativity and social morphogenesis, a theme that remains largely untouched. (Furtado, 2000b, p.7)

Another particular autobiographical text, but one from 1973,¹⁵ helps in to understand Furtado's view on these issues before they had assumed a definitive form in his books. Furtado, in the 1970s, had clearly perceived the limits of his theoretical framework and the necessity of making a bolder move in order to widen the analytical scope of economics. However, he could not say exactly how yet. In spite of this, he insists that his activity as professor allowed searching for answers to these questions. He faces the future with anticipation and confidence, assuming the mission of pushing forward with his hypotheses, in times that already revealed the narrowing of the discursive field of economics. His own words on it are revealing.

The military coup d'état in Brazil, in 1964, deprived me of my political rights and made it practically impossible for me to continue to work in my country, changing the course of my life. Having participated indirectly and directly for 15 years in the elaboration of policies, I am now convinced that our main weakness lies in the inadequacy of our theoretical analyses and our key ideas. As from the standpoint of a dependent subsystem it is very difficult to get a view of the system as a whole, one tends to follow the line of least resistance – that is to say, of ideological imitation. Alongside my teaching activities I continued to seek answers to the riddles of underdevelopment, from time to time putting forward new hypotheses around some questions: (...) The theory of growth that blossomed immediately after World War II became a conventional dynamization of macroeconomics models, following Keynesian or neoclassical lines, but inquiry into the reasons for backwardness is meaningful only in terms of the historical context, which demands a different theoretical approach. I believe that because of its nature, underdevelopment could not be explained by growth theories (Furtado, [1973] 2000a, pp.200-1).

Furtado's second spell at the University of Cambridge is symbolic of this theoretical turning point. The University of Cambridge occupies an important place in the author's intellectual path. As mentioned above, it was there, during the 1950s, the key moment of the formulation of his historical structural analytical method, with the conception of *Formação Econômica do Brasil*.

In his return in the 1970s, a new moment of intellectual ferment would come, starting a sequence of original works: *O mito do desenvolvimento econômico* (1974b), *Prefácio a nova*

¹⁵ This autobiographical text was originally published as: Furtado, C. 1973a. However, the references here are from the English translation: Furtado, C. [1973] 2000a.

economia política (1976), *Criatividade e dependência na civilização industrial* (1978) e *Pequena introdução ao desenvolvimento – um enfoque interdisciplinar* (1980). In Cambridge, Furtado lectured a course on development which “was in reality an exposition of ideas elaborated in the previous decade, which allowed me to insist on the specificity of underdevelopment and the need to depart from a global view of international relations and of the process of propagation of technological progress” (Furtado, 1997, vol.3, p.222). The discussions carried out during the course would not be, however, the centerpiece of his work during this time: “the essential of my time I dedicated to participate in seminars related to themes which interested me, to discuss with colleagues the idea of a reconstruction of the political economy, to rearrange my own ideas, to squeeze my mind to decipher enigmas that had been pursuing me for some time” (Furtado, 1997, vol.3, p.223). Furtado’s objective was to “elaborate a language common to the distinct branches of social sciences that was able to comprehend development as the realization of human potential” (Furtado, 1997, vol.3, p.224).

Criatividade e dependência na civilização industrial (1978) would be the culmination of this effort. Furtado’s intentions are clear in the preface, as a form warning to the reader:

The pages which follow are intended to be an academic anti-book. The problems are too broad to fit into the test-tubes of the social sciences – though this does not prevent them from appearing in more solemn tomes under guises suited to individual taste. The connecting thread is the author’s perplexity in the face of the shadowy world surrounding the tiny clearings in which the social sciences are conducted. It was this perplexity that led me to approach the same problem from a number of different problems. If the subject matter is imprecise and the methods inadequate, how can we hope to follow a straight path? (Furtado, [1978] 1983, p.iv)

The book contains eight chapters. The first, “Power and space in a global economy”, enunciates how the process of expansion of the world economy in the third quarter of the twentieth century brings new questions to the industrial civilization. These questions are largely created by the progressive shift of the coordinating power from the international economic relations of the nation states to large transnational enterprises (Furtado, [1978] 1983, p.23). The chapter also introduces a few examples of how the interrelation of forces between the nation states exacerbate the alarming distances between developed and underdeveloped countries in terms of labor productivity and pressures on the workforce.

Chapters two and three (The emergence and spread of industrial civilization: 1 and 2), according to Bosi (2008, p. 13) in the most recent edition of the book, form the book’s backbone. Bosi recommends a different reading strategy of joining these two chapters with chapter seven (A retrospective view). In these three chapters, Furtado analyses, from a historical and structural perspective, the long run process which results in industrial capitalism and European bourgeois hegemony. Undoubtedly, therein lies the nucleus of Furtado’s idea of industrial civilization. In addition, the text reveals how the diffusion of this type of society is not only the continuation of the same process which led to the industrialization of the Occident, given that in some cases the process resulted from the reactive behavior of countries which saw their sovereignty or dominant geographical position threatened.

In chapter four, Furtado elaborates with a high degree of sophistication how, in underdeveloped countries, the idea of progress gave place to that of development. He also confronts addresses the problem of how the industrialization in the context of dependency would not only constitute a historical stage of a process that would lead the underdeveloped economies to a process of development, but would not warrant any evidence that the same process would lead to stable social structures. In particular, it is flagrant that the main example of such process, even though there is no direct explicit reference, was the Brazilian case. Instead of stability, Furtado describes a scenario of increasing social heterogeneity, with reflexes on urban marginalization and political instability, which would open space to “preventive” authoritarianism. In this context, Furtado unveils ideological traps which were particularly pertinent to his country at the time:

Thus, authoritarianism is less an instrument designed to foster rapid accumulation than a repressive weapon to be used against the social forces which dependent industrialization has failed to channel in constructive form. Since development is an expression of the capacity to create original solutions to the specific problems of a society, authoritarianism frustrates true development by blocking the social processes that foster creativity (Furtado, [1978] 1983, p.81).

From the fifth chapter onwards, Furtado’s discourse opens itself to a reflection on the future and the possibilities to transform the current reality. The key word becomes then creativity and the argument threads its way into the next chapter (Dependence in a unified world), in which interrelation between cultural dependence and technological dependence is made clear.

After the exercise of retrospective analysis carried out in the seventh chapter, Furtado concludes the book with the chapter “In search of a global view”, in which amidst a philosophical investigation driven by the question of human freedom, he sees a myriad of possibilities of resistance to the oppression imposed by the planetary expansion of the industrial civilization. These possibilities take the form of social forms of organization as well as of political activism that are themselves the most authentic manifestations of creativity. The chapter is the most unrestrained one in an already unconventional book. As Bosi points out, Furtado kept himself faithful to “the task of writing an academic anti-book”. In the final pages, it “takes flight towards a horizon of a thought which dialogues with several philosophical, aesthetic and political strands, having as a common thread a single value, the creation of a society in which potentialities of an individual and of its peers are continuously elevated” (Bosi, 2008, p.30).

The implications of this intellectual journey to the center of Furtado’s analytical formulations to economic theory and to development economics are many. Several of his subsequent text, for instance the *Pequena introdução ao desenvolvimento – um enfoque interdisciplinar* (1980), make explicit many of the connections between development and creativity in economic terms. However, it is not difficult to understand why a work which is overtly different from a book of economic theory limited repercussion amongst economists and has remained as one of the less known and studied of Furtado’s works.

FINAL REMARKS

The objective of this paper was to reassess one of Celso Furtado's least known works *Criatividade e Dependência* (1978). Our main argument was that, despite the relative limited attention drawn to the book, in terms of the extent of the contribution to development economics Furtado's effort is in nature similar to that undertaken in the 1950s. In the dawn of development economics, Furtado's historical-structural analysis expanded the scope of the economic theory, enabling the author to show how the divide, as well as the continuous reproduction, between development and underdevelopment was in itself a product of the expansion of the Industrial Revolution. In the 1970s, as development economics as a discipline began its downfall from mainstream economics, the author carried out a second charge against what he perceived to be the narrow boundaries of economic theory to fully encompass the dynamics of development. Widening the horizons of the debate, Furtado introduces culture and creativity as defining concepts of development proper and of waves of modernization of consumption patterns associated with capital accumulation at the periphery.

Furtado's reconstruction of his intellectual trajectory is a fundamental source of the investigation carried out here. In autobiographical texts, written in different periods, it is possible to follow his position of doubt and uncertainty regarding certain theoretical aspects of his interpretation of development and underdevelopment to the endeavor of reconstructing his intellectual work in a linear fashion.

The line of argumentation supported here follows from a close examination of Furtado's path through the field of development economics, together with an analysis of the sequence of his contributions to the field since the 1950s. Special attention was paid to the two periods that he spent in Cambridge as defining moments of his theoretical choices throughout his career. The combination of the analysis of his ideas since the 1950s with the consideration of his complete autobiographical works enabled the understanding of the specific moment in which culture is included as a fundamental analytical concept in his work.

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