

## Leitmotif of a Country of Complexity: Profile of Celso Furtado

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### Introduction

Celso Furtado is one of those near-mythical figures who has managed to achieve the ideal for those concerned with problems of development: a career as a development theoretician and practitioner that has spanned the complementary paths of academia, government service, the international arena, and 'non-political politics'.

Furtado's life can be encapsulated under several headings in the context of the Brazilian *bildungsroman*: Celso Furtado as one of Brazil's (and indeed Latin America's) most highly regarded and prolific scholars; Celso Furtado the internationalist, working with the UN and travelling the Western Hemisphere; Celso Furtado as the champion of development in his native Northeast; and Celso Furtado in his hands-on attempt to put his theories into practice through working with the government. One of the most significant features of his work as a technocrat was with the Superintendency for the Development of the Northeast (SUDENE). This final aspect is not just a part of Furtado's story, however; it also constitutes a significant leitmotif for Brazil's contorted political economic trajectory.

### Furtado the theoretician

Along with Raúl Prebisch, Celso Furtado is seen as one of the creators of the highly influential structuralist school of economic development thought, which articulated the initial blueprint of the industrialization by invitation development strategy followed by many if not all Latin American states in the 1940s and 1950s. Joseph Love's review of Furtado's role as "the first, most original, and most prolific of the structural writers in Brazil," attributes Furtado with being the first to "specifically assert that development and underdevelopment were part of the same process of the expansion of the international capitalist economy" (1996, 153).

Furtado's academic career began inauspiciously enough when he entered the University of Brazil in Rio de Janeiro to study law at age 20. His earlier intellectual socialization was extremely broad and varied—as a child he had access to a wide collection of books, and attributes the three main influences on his intellectual development as positivism, Marxism and American sociology (which, he claims, tied the first two together) (Furtado 1973, 30). He eventually switched to administration, through which the study of organization sparked his interest in economics, though this was not yet taught in Brazil or, indeed, anywhere else in Latin America. At age 26 he went to the University of Paris, where he completed a doctorate in economics;

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his dissertation was on the Brazilian economy during the colonial era. He was Brazil's first economist.

Structuralism as a theory of development and underdevelopment emerged out of Furtado's academic work, and his practical experience in developmental activities; its inception can be dated to the early 1950s. Structuralism as constructed by Furtado, is based in the notion that underdevelopment is not a step on the road to development, but a permanent structural feature. The policy to address this proposed the state as a leading force in economic development, in lieu of market forces that did not function effectively in developing economies. The basis of Furtado's theorizing was his understanding of declining terms of trade for developing countries that specialized in and exported primary products (agriculture, minerals), vis-à-vis the ever-increasing terms of trade for the manufactured goods produced in industrialized countries. Ultimately, this could be seen as the root cause of Brazil's persistent inflation. The state, he proposed, was to take the lead by "programming" an expansive and highly coordinated interventionist strategy to remedy the underdevelopment endemic in continuing the status quo of exporting primary products and importing manufactures. The main feature of this strategy was to be an industrialization strategy that would meet consumers demands of imports, and eventually export their surplus, but also was to include other fiscal measures, such as some form of compulsory savings scheme (Love 1996, 159).

Furtado's attempts to put his theory into practice, as we shall see when we discuss SUDENE, took him from government bureaucracy to full time academia, when he went into exile in 1964, and returned to his French alma mater as a professor. From there he traveled the world as a visiting academic, including stays at the American University in Washington, DC, Cambridge University, and Columbia University. It was also during this time that he was the most prolific, writing most of his 12 books and many scholarly articles.

### *Furtado the Internationalist*

On his return to Brazil in 1948 having completed his doctoral studies in France, Furtado did a short stint at the Ministry of Finance, whence he went to Santiago, Chile, where he worked with the United Nations Economic Commission for Latin America (ECLA) for ten years. Raúl Prebisch arrived at ECLA in 1949, where they worked together on the notion of structuralism and its policy implications. With Santiago as his base, Furtado spent most of the decade of the 50s in Brazil, Mexico, and Venezuela. He returned to Brazil in 1958, but by 1964 was travelling the world again, though this time in exile as a result of the military *coup d'état*.

### *Furtado the Champion of the Northeast*

In 1981, Furtado wrote, "it is impossible to understand either Brazil or the Northeast without taking into account that the first synthesizes the contradictions of the second, to a dramatically higher degree" (13). Throughout Furtado's career, the Brazilian Northeast—the region of his birth and first 20 years of life—influenced the direction of his thinking and action. In a 1993 interview Furtado described his entire thinking on

Brazil and the Northeast as “a passion, a crisis of conscience, and of the greatest importance” (Mallorquín 1993, 183). In an earlier essay, Furtado attributed his conviction of a constantly self-renewing, violent and tyrannical world to his formative years in the hostile *sertão*—a semi-arid region prone to drought, and the home of Brazil’s poorest people—of Pombal, in the state of Paraíba (1973, 29).

### *Furtado the Technocrat, and SUDENE*

The Superintendency for Development in the Northeast (SUDENE) was a federal agency formed in 1959 (but did not become active until 1961 when the first funds were allocated) by the Brazilian Congress with a broad mandate to study and suggest policies for the development of the Northeast, and to see to their implementation (Roett 1972, 42). SUDENE was the brainchild of Celso Furtado, and he was its first director. SUDENE and Furtado were avidly supported by Presidents Kubitschek, Quadros, and Goulart.

SUDENE was not Furtado’s first or only experience as a government technocrat. On his return to Brazil from ECLA, in 1958, Furtado became a director of the Brazilian National Development Bank (BNDE), with special responsibility for the Northeast. It was from this position that he convinced President Juscelino Kubitschek to establish a specialized agency for the Northeast, SUDENE. During Jânio Quadros’ brief presidential tenure his position was raised to cabinet status, and under President João Goulart Furtado was appointed extraordinary minister of planning, when he prepared a three-year orthodox anti-inflation plan, which was the subject of intense political controversy (Love 1996; Skidmore 1967).

From the very beginning SUDENE was embroiled in political struggle. Despite being convinced that “politicians are always ready for skulduggery of any kind” (Furtado 1973, 30), Furtado’s goals for SUDENE were expressly revolutionary. The Northeast at the time was a hotbed of political activity, a scenario which played itself out in typical Cold War era fashion, involving the regular cast of players: grassroots activists, Communist agitators, parochial Brazilian interests, and, of course, the United States of America viz the USAID.

The grassroots activists were led by Francisco Julião in the form of the Peasant Leagues. Born into the world of the Recife elite, he was one of the few lawyers to represent peasants in legal matters, in the course of which he became legal adviser to the Agricultural and Cattle Society of the Farmers of Pernambuco (Page 1972, 38). Arising almost spontaneously out of this Society, the Peasant Leagues multiplied rapidly throughout Pernambuco, and Julião became the chief spokesman and organizer (though he, in reality, was a member of the status quo they were in opposition to). The principal goal of the League was agrarian reform; Julião was also intent on instilling a political consciousness in his followers. Though their Communist links were more purported than real, their actions prompted Fidel Castro to consider the Northeast ripe for Revolution, and Julião to appear as ‘Castro II’ to the paranoid Americans.

The Communist agitators were represented by a group called the Urban Coalition, and led by Miguel Arraes. Arraes was an affirmed and expressed Communist, who was elected governor of Pernambuco in 1962. Arraes was an outright supporter of

SUDENE's progressive objectives, and in outspoken opposition to the USAID presence and role in the Northeast, and in SUDENE (Page 1972).

Also worth mentioning in the context of local revolutionary activism is the Basic Education Movement which was engaged in literacy programmes around the Northeast, initiated by the Catholic church, and involving increasingly radicalized middle class and elite youth. The main tool of instruction was a primer called *To Live is to Struggle*, which included teaching sentences such as "Is it just for people to live in hunger?" (Page 1972, 176).

The local provincial elite, as to be expected, were opposed to land reform and social change that would empower the peasants, and in turn, they feared, undercut their own power, hegemony and wealth. They were especially active in the period before SUDENE was properly established and running. Articulation of and action on fears of communist or other radical change seem to have been adequately taken up by the USAID mission, who appear to have played a significant role in the demise of SUDENE as an instrument for radical progressive change (Roett 1972; Page 1972).

The USAID found itself in Northeast Brazil as a manifestation of the Kennedy administration's Alliance for Progress. Its involvement in SUDENE was typical of the Alliance's *raison d'être* at the time: preclude the development of radical leftist politics and reform by direct financial and infrastructural developmental assistance in the developing world. The desperate poverty of the Northeast, and the existence of an organization such as SUDENE with its broad developmental mandate, was the ideal formula for testing the Alliance's objectives.

In all fairness, Furtado never claimed objectivity in his economic and political goals—perhaps a reflection of the esoteric combinations of Marxism and positivism in his ideological motivations. As such, his industrialization thesis for Brazil was not simply a step à la Walter Rostow's five stages. Furtado does not pretend otherwise:

My objective was to transform industrialization into an instrument of social development, of integration of the population, to change Brazilian society. I believed from the beginning that this was almost inevitable... there was no reason for it not to transform... the rupture of '64 interrupted that process... Brazilian economic policy became strictly an industrialization policy, intensifying the process of social exclusion. (Mallorquín 1993, 179)

He expressed these ideas openly in the heat of the crisis in an article in the influential American journal, *Foreign Affairs*, where he expressed sympathy for and understanding of the hold that Marxism had taken in the minds of Brazil's young people, and clearly advocated the need for "fast and effective change in the country's archaic agrarian structure" (Furtado 1963, 534).

SUDENE and the heat being generated in the Northeast were only part of Goulart's increasing leaning to the left, and the complex and contentious political conflict in Brazil which eventually resulted in the 1964 military coup. There is also the contention that the U.S. government, through the CIA, acted in coordination with civilians and military officers to plan the destabilization of the Goulart government (Moreira Alves 1985, 6). Page reports that 12 hours after Goulart was deposed by the military, and while Goulart was still in Brazil, American President Lyndon Johnson sent a message of congratulations to Ranieri Mazzilli on his "installation as President" (1972, 201).

## Celso Furtado as leitmotif?

The one constant of Brazilian politics is its ability to not realize progress. We can consider Celso Furtado as a representation of Brazil in all its complexity: a son of the poor Northeast, excelling on the world stage; a scholar with revolutionary ideas and good intentions, attempting to implement change backed by concrete and well thought out ideas, supported by progressive forces both from the ground and from some of the elite. But, despite the potential for significant and meaningful transformation, little real progress was realized, due to the combined forces of the chaotic nature of Brazilian politics, the zealous guarding of dominant elite interests, and the apparent involvement of a paranoid USA. This failure, ironically, served to perpetuate and reinforce Furtado's own original thesis that Brazil's underdevelopment was a structural problem: the glimmer of hope that Furtado saw in breaking into that system destined to keep Brazil, and especially the Northeast, in poverty, was snuffed out by the system itself.

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