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Celso Furtado: Culture and Creativity Matter

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Abstract: This article deals with the relationship between development, creativity, and culture. It is based on the works of Celso Furtado — a Brazilian economist, a member of ECLAC's first generation of scholars (along with Raul Prebisch), and a notable intellectual of sub-development and development in Brazil and Latin America. For Furtado, economic development is an endogenous social process that leads to human ingenuity and creativity. However, Furtado argued that creativity does not occur haphazardly. It is conditioned by cultural structures that can take two forms: material (means) or immaterial (ends). The former steers creativity toward serving material accumulation and consumption, while the latter guides it toward individuals' existential way of life. Furtado's central claim is that, in the "industrial civilization," such values as rationality and efficiency bring human creativity into the production process.

Keywords: Celso Furtado, creativity, culture, development

JEL Classifications Codes: B3, B5, O1, O2, O3

In the conventional approaches to economic development, creativity and culture are almost always left aside. For this reason, anthropologists and sociologist, alongside a small number of economists, began to gain prominence in analyzing such issues, which include ethical, moral, and religious values and attitudes, embraced by social groups and communities.[1] Celso Furtado (1978, 1984, 2012) and Amartya Sen (2002, 2005) are among the few economists who have connected — or endogenized — culture to economic development.

Since the 1950s, there have essentially been two broad groups of scholars who study these phenomena from opposing angles (see Szirmai 2005; Yousfi 2007). On one side is a school that considers culture as an autonomous and determinant system of the economic process. Max Weber (1930) stands out as an example of this so-called

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[1] A good picture of this situation is offered by Lawrence E. Harrison and Samuel P. Huntington (2000) book, *Culture Matters*.

"genuine" group of authors. On the other side is the group defending economic development as dominant camp in economics. This school of thought includes authors of the Marxist and structuralist traditions. There are two competing arguments among these scholars: (i) cultural relativism (or multiculturalism), on one hand, supported by authors like Amartya Sen (2005, 2006); and (ii) modernization theory (or universal culture), on the other, led by the likes of Talcott Parsons (1967) and Samuel P. Huntington (1968).

Celso Furtado highlighted creativity and culture as fundamental factors for development.[2] Two aspects set Furtado apart from other scholars. First, he considered culture a value system that can be dialectically defined (that could be determinant or determined): a function of the social (creative) process and the way in which this process relates to a cultural system. Second, he set himself apart from his structuralist, ECLAC-based colleagues for seeing creativity and culture as (i) endogenous elements to development and (ii) as an important part of the dependent relationship between peripheral (Latin American) and central nations (owners of the so-called "industrial civilization"). In this context, one fundamental point in Furtado's reflections is that the individual is not only the heir to a given culture, but he/she can also transform and improve it.

Our goal in this paper is to capture the analytical structure in Furtado's reflections about creativity and culture in connection to economic development. In order to do so, we divide the paper into two main sections, apart from the brief introduction and concluding remarks. In the first part, we deal with the connection between development, creativity, and culture. In the second part, we explore the relationship between state, creativity, and culture.

Development, Creativity, and Culture

Furtado adopted a critical stance on "industrial civilization" since, for him, it invariably submits intangible cultural values to material cultural values and activities — i.e., to capital accumulation and consumption diversification in an infinite perspective, thereby risking an individual's capacity to recognize himself/herself in his/her own universe. Furtado first formulated his critical approach in 1978, in *Criatividade e dependência na civilização industrial* (2008) (*Creativity and Dependence in Industrial Civilization*), returning to it in 1984, albeit in a fragmented manner, with *Cultura e desenvolvimento em época de crise* (1984) (*Culture and Development in Times of Crisis*). In 2012, after his death, Furtado's widow Rosa F. D'Aguiar Furtado organized and published a new book on Furtado's behalf, entitled *Ensaios sobre cultura e o Ministério da Cultura* (*Essays on Culture and the Ministry of Culture*). The book contains a series of reflections and essays Furtado produced in the 1980s and 1990s, including a speech he gave upon assuming the office of Brazil's Minister of Culture (1986–1988).

[2] A Brazilian economist (1920–2004) of the structuralist tradition, a key figure in the Economic Commission for Latin America' (ECLAC) classic school, and one of the most important figures in the study of Latin America's development and sub-development struggles.

In this collection, one finds a somewhat more pragmatic Celso Furtado, who is attentive to public policies aimed at promoting creativity and culture in Brazil.

Furtado's concerns with creativity and culture emerged after his time at the University of Cambridge (1974–1975), when he engaged in an intellectual effort over the "idea of a reconstruction of political economy" (Furtado 2014, 518).[3] During this period, he became aware of a gap in the economic theories of development regarding "cultural creativity." In addition, he was witnessing times in which the "industrial civilization" reached a concerning stage, with increasing global capital concentration and multinational companies dominating nation-states. For him, the autonomy of national economies — as well as that of individuals — was decreasing, and the "project" of economic development was not upholding its essential role in peripheral countries — that of satisfying peoples' basic needs. On the contrary, the status quo was actually inhibiting individual creativity and immaterial culture. Such position gained darker and more pessimistic tones when Furtado visited Brazil in the mid-1970s, where he observed high levels of social exclusion.[4]

Consequently, in his view, "political will" — the greatest symbol of human creativity — was being neutralized by the excessively consumerist tendency in western societies. This was in consequence of goods being increasingly diversified and refined, a tendency stimulated by a sort of economic theocracy, whose very essence was profit and capital accumulation. He was bothered by the narrowness in vision of many social sciences — especially economics — that prevented them from critically seeing and engaging with such disturbing phenomena (see Bosi 2008, 10).

For Furtado (1984, 2008), economic development is a social process of structural transformation. Since it results from human ingenuity, it has an endogenous nature that is visible in the moment when economic surplus is created. It emerges in the social division of labor as a consequence of technological innovation — which itself is a product of human creativity. Innovation is not simply an answer to a challenge, but "a manifestation of a [projected] possibility" (Furtado 1984, 106). As the process moves forward through accumulation, production, and consumption, it stimulates human capacity to recreate the social order as distributional conflicts arise from dividing the final product. Even though he did not give explicit treatment to the issue of freedom as Sen (1999) did, this element emerges in Furtado's work as a fundamental source of liberation of human energies, responsible for ruptures and discontinuities of the social development process.[5]

[3] It is worth pointing out that Furtado had already been in Cambridge in the 1950s, where he had had the opportunity to connect with the first generation of Keynesian students, including Richard Kahn, Joan Robinson, Nicholas Kaldor, and Piero Sraffa (Furtado 2014, 518). After this period in Cambridge, Furtado would go on to publish *O mito do desenvolvimento econômico* (1974), *Prefácio a Nova Economia Política* (1976), *Criatividade e dependência* (1978), *and Pequena introdução ao desenvolvimento* (1980).

[4] Furtado stayed in Brazil for six months in 1975 to teach a course on development at the Pontifical Catholic University of São Paulo (PUC-SP).

[5] It is interesting to note that, in this phase, the structure of his concept of development is more sophisticated than in previous works. In the initial period, his approach was more technical, and he did not incorporate notions of endogeneity, creativity, or culture.

Furtado unambiguously affirmed that the endogeneity of development comes from no other source than the act of social invention, a result of human intentionality. For him, the individual "is seen as a transformation factor, both in the social and ecological process in which he is inserted, as within himself" (Furtado 1984, 105). Through this process, individuals advance in their own development inasmuch as they are capable of transforming the context and reaching their own virtues. Furtado concluded by stating that "societies are considered developed to the degree in which an individual can fully be successful in satisfying its needs, manifesting its aspirations, and exercise its creative genius" (Furtado 1984, 105). In sum, for Furtado, humans are much more than simply a factor of production or "human capital." They are the inventors and reinventor of social process in themselves, taking advantage of their own learning capabilities.

Under these conditions, an individual acquires the creative capacity to generate economic surplus, aiming to serve and "enrich his universe of values," at which point "accumulation leads to the creation of values that are dispersed in important segments of the collectivity" (Furtado 1984, 107). Thus, Furtado admitted that humans needs (i) techniques and instruments — or *means* — to act at certain moments of the social process, while at others they need (ii) values (ethical, moral, and religious) — or *ends* — to help them better distribute the final product of their labor. The end values serve as a guide to cultivating a sense of social justice among people, so that, through politics, they can build social contracts.

Generally speaking, Furtado considered creativity as an intrinsically human capacity, ready to manifest itself in the face of need and challenges, as well as capable of being used in planning the creation of new possibilities. Creativity can emerge from both individual and social attitudes, and it is capable of producing new things, i.e., "exceptional works that enrich humanity's heritage ..., works that are immediately incorporated to the day-to-day living of certain communities" (Furtado 2008, 94). In other words, it can either serve to produce new economic surplus or build new cultures. It is important to highlight that the manifestation of creativity "does not occur erratically," with no reason (Furtado 2008, 113). Rather, there is a "matrix of creative activity" fed by two types of needs: (i) the "need for self-identification" and (ii) the "need to position oneself in the universe." The second need is related to philosophical reflections, mystical meditations, artistic inventions, basic scientific research, and others.

From one aspect, there is the fundamental matrix for human creativity, whereby a person finds the essence of his/her existence. From another, there is also a "structured space" that works by conditioning creative acts, and such space is built by culture. For Furtado (1984), culture is divided into two fields: the material and the immaterial. The first comes from the culture of production (knowledge and status of technology), and follows the logic of *means* which is the logic of an individual's material survival. The second derives from basic science, art, philosophy, religion, moral values, and traditions, and it follows the logic of *ends* which is the logic of an individual's own existence. The great question for Furtado is that, in the "industrial civilization" (under bourgeois hegemony), immaterial culture has been subjugated to

the logic of *means*, determined by rationality, efficiency, accumulation, as well as diversification and sophistication of consumption patterns. Such process is legitimized by the "ideology of progress," under which one can project a future vision of abundance and improvements for all, thereby being responsible for constructing social cohesion among existing social groups.

For Furtado, if the complete submission of immaterial culture to economic utilitarianism is a reality in the cradle of "industrial civilization," it is even more so in peripheral economies experimenting with late industrialization (especially in Latin America). In peripheral economies, the process of cultural submission was characterized by Furtado as being one of the faces of the peripheral countries' dependency on central economies. In addition to being financially and technologically dependent, peripheral societies began to lose their cultural identity and to follow a foreign cultural pattern. Such alienation resulted from the import-substitution industrialization process that relied on multinational corporations to produce durable consumer goods for local elites, imitating the consumption patterns of central economies.[6] A socio-cultural order has been erected to fulfill this logic.

In addition to the "ideology of progress" in peripheral countries, there is also the "ideology of development." Together, such ideas gave hope for a promising future in these economies. In Latin America, these ideologies reached their apex during military dictatorships through the "conservative modernization" project, known for the combination of accelerated market relations, diversification of consumption patterns, and social exclusion. It was not a coincidence that, during this time, Latin American societies developed closer ties with the "industrial civilization" and experienced the curtailment of their creative capacities by authoritarianism.

All these processes led to what Furtado called "the myth of economic development,"[7] a sort of development trap driven by growth at any cost, regardless of the destructive impact on lower social classes or on the peripheral countries' own environmental and cultural values. From Furtado's analytical scheme, one can deduce that the main piece in this trap was the cultural mimicry, responsible for the restriction of "cultural creativity" in Latin American economies. In this perspective, Furtado (1974) began to distrust the growth trajectories based on consumption patterns from developed, central countries. For him:

> [I]n terms of devastation of the physical world, the cost of this lifestyle is so high that all attempts to generalize it would inevitably lead to an entire civilizational collapse, putting at risk all possibilities of human survival. We thereby have definite proof that *economic development* — the idea that poor

[6] At this point, Furtado converges with Thorstein Veblen ([1899] 1983) on the idea of "conspicuous consumption."

[7] This concept, or conviction, was built by Futado in his 1974 work, *O mito do desenwolvimento* (*The Development Myth*).

> people could one day enjoy the current lifestyle of the rich — is simply unattainable. (Furtado 2014, 521, emphasis original)[8]

State, Creativity, and Culture

Today, there is a certain degree of clarity regarding when and how the state should intervene in economic matters. However, it is not the case in the realms of creativity and culture. There are essentially two elements that hinder a precise definition of the state's role in these areas. The first refers to the complexity caused by ideological idiosyncrasies, while the second to the vagueness over "pricing" cultural products, whether tangible or intangible.

The complexity of these challenges is explainable, as creativity and culture are bearers of symbols and traditions. Thus, political groups can use them as tools for creating alienation and achieving social domination. This is an issue that was studied largely by the Marxist and Gramscian traditions, as well as by the Frankfurt school, in an effort to expose the ideological domination exerted by ruling classes and cultural industries. Still, despite the efforts of economists, such as William J. Baumol and William G. Bowen (1965), to generate parameters for cultural policies, pricing cultural goods and services, as well as the contents of cultural processes, remains a big challenge. This difficulty has intensified with the increasing use of digital technologies as means of cultural production and diffusion.

Despite the difficulties, there is a consensus on the goals to be reached and topics to be dealt with by public policy regarding creativity and culture, whether fulfilling economic gaps left by deindustrialization in developed countries or leveraging growth and job creation in developing countries. Many governments have been implementing strategies aiming at the development of creative and cultural industries. Such policies have received intellectual and political support from international organizations, such as the United Nations, the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the United Nations Conference on Trade and Development (UNCTAD). The central focus of these policies has been cultural identity and heritage, as well as the production of cultural products.

Furtado's reflections on the relationship between development, creativity, and culture foreshadowed recent initiatives in these areas, while also being more critical of them. Instead of straightforwardly endorsing the production of goods, Furtado's public policy proposals are directed toward promoting conditions and generating sources of creativity and culture. His proposals also treat cultural policies as part of a set of social policies within the context of a dependent society, characterized by income and wealth concentration and lacking access to cultural values. In his words,

[8] At the time when Furtado wrote *O mito do desenvolvimento*, he had access to the report *The Limits of Growth*, based on The Club of Rome's *Project on the Predicament of Mankind* (see Meadows et al. 1972). This information was confirmed through personal communication with Rosa F. D'Aguiar Furtado.

"what we call cultural policy is nothing more than an unfolding and deepening of social policy" (Furtado 2012a, 63).

In such a scenario, the state must not be at the service of any specific group, such as the so-called cultivated elites. It should be the "instrument of people who are free" (Furtado 2012c, 95). However, Furtado (2012b, 103) also believed that, for a cultural policy to take place, it is necessary that "active citizenship [*cidadania*] be supported by a climate of freedom, without which the most noble forms of creation will be suffocated." Besides freedom, Furtado considered it important that society's economic surplus be channeled toward satisfying three groups of necessities: (i) basic (food, clothing, etc.); (ii) instinctive (conviviality, communication, etc.); and (iii) human-specific (world and self-knowledge, religious feelings, aesthetic feelings, etc.). There seems to be no doubt for Furtado that this last group of necessities — fueled by freedom — occupies a privileged position in the development process because it is society's spiritual camp: "that which enriches men's lives in all its manifestations" (Furtado 2012c, 92).

As Brazil's Minister of Culture, Furtado tried to focus on elements that could endogenously stimulate the promotion of sources of creativity and reinvigorate genuine cultural values. This could be achieve through the following means: (i) preserving cultural heritage and memory; (ii) stimulating people's creativity; (iii) defending cultural identity; (iv) democratizing access to cultural values; and (v) preserving popular creative forces. For Furtado, between growth and active citizenship, culture provides the element of utopia.

Concluding Remarks

Furtado's reflections from the late 1970s and early 1980s, even if not yet well-known, have helped reinvigorate the study of development and sub-development. Faithful to the historical-structural line of thought of the classic ECLAC school, he established a fruitful dialogue with such sciences as anthropology, sociology, and philosophy to push the knowledge frontier in the field of economic development. With remarkable intellectual autonomy, he expanded this field by bringing in the lost link of "cultural creativity" that has both political and environmental relevance today. As an economist, he did it critically and courageously, challenging the ideological status quo of progress and development as the flagships of "industrial civilization."

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