



On Celso Furtado and the French influences found in his development economics

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Abstract

This inquiry seeks to establish the importance of Celso Furtado’s exposure to sets of ideas espoused especially by François Perroux, Maurice Byé, and Bertrand Nogaro; three thinkers lauded as exponents steeped in what can be identified as a distinctly French tradition in Economic Science. In the late 1940s when Furtado was a doctoral student at La Sorbonne in Paris, he studied under these three professors, and their ideas appear to have wielded profound influences over his in formation and later emergence as a major figure in development economics. Their influences appear initially in the focus and method employed in his doctoral dissertation. With his return to South America in 1949, we can find their influences in the emergence of his approach to Latin American Structuralism, and later with his long-term theoretical and policy interests focused upon what he identifies as “economic underdevelopment.”

Keywords Celso Furtado · Development economics · François Perroux · Maurice Byé · Bertrand Nogaro

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This inquiry focuses upon how ideas advanced by French thinkers—seen less so as individuals, but more so as members of a definable school of thought—appear to have profoundly influenced the intellectual formation of Celso Furtado (1920–2004). During the late 1940s Furtado was studying in Paris and there he would also research and write up his doctoral dissertation at La Sorbonne. Though Furtado came into contact with numerous notable scholars, I have selected out whom I have identified as *les trois professeurs français*, namely, François Perroux (1903–1987), Maurice Byé (1905–1968), and Bertrand Nogaro (1880–1950).

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1 Defining the Gap in the Extant Literature

Considering these three thinkers as individuals, but who could also be connected to an influential French, post-war school of thought, suggests that this inquiry goes well beyond contributions authored by Mauro Boianovsky (2015), Alain Alcouffe (2008) and James Cypher (2014).

In his article, “Between Lévi-Strauss and Braudel: Furtado and the Historical-Structural Method in Latin American Political Economy,” Boianovsky (2015) considers ways in which Furtado encountered French methodological influences which he would carry back to economists’ circles in Latin America. Boianovsky (2015, 14) notes that Furtado linked his understanding of “structure” back to Perroux and some others French thinkers outside of the field of economics, including the eminent anthropologist Claude Lévi-Strauss. However, Boianovsky neglects considering Nogaro’s influences, and then he limits his linking of Byé to Furtado, merely noting that Byé had served as Furtado’s dissertation advisor. Somewhat like Boianovsky, in his article “Furtado, Le Brésil et les Économistes Français: Influences Croisées,” Alain Alcouffe (2008, 13–16) links Furtado back with Perroux, while just mentioning the importance of Byé and altogether neglecting Nogaro’s influences. To degrees, this proves understandable; as Alcouffe focused mainly upon French economists who were visiting Brazil as invited professors, and Nogaro was not listed among them.

Author James Cypher registers as an active researcher, author and exponent of American Institutionalism. In his article “The Origins of Developmentalist Theory: The Empirically Based, Historically Contextualized Political Economy of Furtado,” Cypher (2014) presents a precise description of Furtado’s approach and preferred methods. Cypher purports that Furtado appears to adopt his approach and method from Perroux’s teachings. However, while considering Perroux’s influences, Cypher altogether fails to detail influences of other prominent French scholars—such as Byé and Nogaro.

What helps to further differentiate this inquiry from the authors and their papers cited above is that I shall advance the position that *les trois professeurs français*—namely, Perroux, Byé and Nogaro—are best understood as representatives and also exponents of a distinctly French tradition that could be found in France’s larger intellectual scene which spilled over into social sciences, including economics. Though Perroux, Byé and Nogaro could indeed be understood and approached as individuals and as autonomous, independent thinkers, what is advanced with this inquiry is how their approaches appear to generate a synergy that profoundly influenced Furtado’s formation as a development economist. After his stint in Paris that involved his studying and then writing up and defending his doctoral dissertation, Furtado would later contribute towards advancing theory and policymaking in South America across several decades of the post-war era, all of the while reflecting these base French influences from which he benefited during his time at La Sorbonne during the late 1940s.

Indubitably, Perroux should be considered one of the most prominent economists in all of France during the 1940s and 1950s. In addition, he educated,

trained and influenced a generation of young economists who studied under him. As one of Perroux's disciples, Byé served not only as Furtado's thesis advisor, but he also needs to be recognized as a pioneering researcher focused upon systemic imbalances in international trade. This area of research would emerge some years later as one of the key areas of inquiry undertaken by exponents of Latin American Structuralism—including Furtado. Finally, Nogaró could be noted as the main French thinker dealing with economic methodology at the time that Furtado was studying in Paris, and his influences are readily found in Furtado's appreciation for the historical research upon which his doctoral dissertation is based, as he dealt with the economic colonial history of Brazil across the sixteenth and seventeenth centuries.

2 The French Tradition and Its Approaches to Economic Science

As a doctoral student at La Sorbonne Furtado was introduced to the rich and diverse world of Economic Science that had emerged in France during the years between the two world wars, and that was being revived after the ending of the German occupation in August of 1944. French economist Marion Fourcade in her book *Economists and Society* (2009) considers in depth this historical epoch and the key thinkers that assist in its formation.

“Economic structuralism” should be recognized as stemming from a French tradition in Economic Science, with its emphasis upon a key assumption, namely, that economic activity in the “real” economy occurs in actual time and space. In short and in the main, “real” economic activity in the French structuralist tradition also places special emphases not only upon the production of manufactures, but also upon the production and movement of goods in international trade; with both activities prone towards generating data. Generated data can then be collected, organized along time series especially, and then considered. Employing powers associated with inductive reasoning particularly, the relevant data can then be systematized and interpreted; and in this manner applied to a rigorous scientific approach towards understanding and formulating policies for dealing with key variables affecting the performance of a real economy.

For heuristic purposes, this French approach can be further distinguished by contrasting it against the so-called “Anglo-Saxon” approach that is often associated with the term “Manchester School.” Author W. Stanley Jevons serves as an original exponent of this tradition; with his book *The Theory of Political Economy* [1871] introducing an approach to consumption based upon measures of utility that included introducing marginal utility as a novel category. Rather than emphasizing the importance of key activities—such as production and distribution—the Anglo-Saxon approach is both lionized and criticized for employing an a priori approach that is combined with abstract-deductive reasoning, placing great emphases upon variables affecting prices, fluctuations, and tendencies towards and away from an equilibrium—what could be considered by exponents of this distinctly French tradition as surface phenomena.

Already introduced above, Perroux, Byé and Nogaro can be singled out as three exponents of the economics taught at La Sorbonne during the late 1940s, and that proved especially influential in Furtado's education. In particular, it was these three *professeurs* that provided the foundational knowledge for what would later become legend as Furtado's authentic and enduring contribution to Development Economics that is rooted in his "historical-structural analytical method" and his concept of 'underdevelopment.' This French approach that influenced his thinking so profoundly registers as distinct when applied towards the study of economic activities organized into regional, national, and international systems. In addition, this approach reflecting this French tradition supported Furtado's understanding of the *duality* found in selected economic systems; expressed in the complementary roles played by contrasting productive structures operating at varying levels of labour productivity.

These three influential professors—with their respective strengths—support this inquiry's thesis, namely, that Furtado's conceptual, analytical and methodological approaches that he would take back to Latin America need to be understood as influenced by this particular branch of French economic thought articulated by exponents who were actively teaching and publishing their research in the immediate post-war era. Before highlighting the strengths of the French academic economists that proved so foundational in Furtado's intellectual and professional development, I would like to underline that—as a doctoral student in early post-war France—Furtado had identified and also emphasized what is noted above as distinctions between traditions of Anglo-Saxon economics and the French tradition. In his intellectual memoirs Furtado (1985, 75–76) writes:

Economics can be considered an 'English science' because the prevailing economic system in the modern world is an offshoot of the English tradition. Its developmental framework was the international division of labour. [...] France developed a relatively autonomous economics, marginalizing itself from the dominant [English] system. [...] By departing from the prevailing current of thought that irradiated from England, French economists could only follow the dominant forces of their own culture.

In addition, we could note that John Maynard Keynes recognized this pluralistic—and even eclectic—aspect of French economics. In the "Preface" to the first French edition of his seminal work *The General Theory of Employment, Interest and Money*, Lord Keynes (1982 [1936], 6) elaborates:

In France there has never been an orthodox tradition that controls so fiercely the contemporary opinion like in England [...] the French economists are eclectic; their theories are not rooted in a systematic conception.

Supporting Keynes's opinion, and as noted by Marion Fourcade, we cannot identify an integrated French school of thought represented in their French universities during the first half of the twentieth century. Fourcade (2009, 197) qualifies:

Home to many original currents of thought, including several brands of socialism, and important individual innovators, French universities nonetheless

failed to produce a distinctively “French school” of economic thought with a coherence comparable to its British and German counterparts.

However, if were to narrow down to a particular field within the Economics discipline, we could readily note that—as a national group—the French have produced independent, diverse and fruitful contributions to Development Economics particularly a field within Economic Science that is not only rich in theoretical perspectives, but also offers actual tools that can be applied towards policy formulation and implementation. During the early post-war years in France, economics followed a trajectory that had been established in the interwar years and was thusly characterized by a plurality of approaches.

When Furtado was studying in Paris in the late 1940s, independent groups of French economists were also exploring topics in economics through the lenses of other social sciences—like history and sociology—while also integrating in abstract formulations that could be dealt with mathematically. In this early part of the post-war era most of the new ideas within economics were still expressed in literary forms of thought. However, there did indeed emerge a small group of economists with orientations towards engineering, and members of this group advanced the formalizations of their ideas as logical-mathematical expressions. These pluralistic characteristics of French economic thought found during the late 1940s assisted in forming strands that proved integral to Furtado’s education as a doctoral candidate in Paris.

It could then be understood that the fertile intellectual environment in which Furtado learnt his discipline in the early post-war era offered an open arena for thinkers who were intent upon posing and debating contrasting ideas. While the dogmatic political economy group advocating *laissez-faire* economics had lost much of its pre-eminence by the turn of the twentieth century; nevertheless, its advocates remained influential into mid-century—at least in academic circles. Exponents of this tendency followed the English Marginalists in their introspective logic and orientation based upon a priori reasoning and employing an abstract-deductive methodology. Opposing this *laissez-faire* approach to economics, promoters of “sociological-economics” registered as the largest and most diverse group in France. As explained by André Marchal (1959, 99), followers of this persuasion would often rely upon “systemic and structural analysis,” seeking to identify the human actions behind economic phenomena through relying upon historical and sociological research.

Finally, in Furtado’s setting characterized by a plurality of ideas, we can identify an additional group focused upon microeconomics and applying abstract formulations to economic problems through relying upon logical and mathematical approaches, along with tools borrowed from what was emerging as the field of Econometrics. Members of this group were, by and large, engineers working as public administrators; that tended to remain disconnected from French academic circles. One Maurice Allais (1911–2010) can be singled out as a key exponent of this group’s tendencies, and as one who would rise to prominence and influence in French economic circles following the spreading of the Anglo-Saxon approach into France during the Cold War most notably during the decades of the 1960s and 1970s.

Into the late 1940s in France, economics was predominantly expressed in literary forms and based upon historical approaches. Indeed, there was a unified effort on the part of a number of economists seeking to integrate Economic Science into the realms of other social sciences, namely, to the sociology of Auguste Comte (1798–1857), and especially of Émile Durkheim (1858–1917) and his followers. Fourcade (2009, 198) explains that the boundaries “between economics and law, but also sociology and history” were indeed permeable.

Coauthors Jean Weiller and Bruno Carrier (1994) argue that the distinctive characteristic of the secular, French tradition in economics was rooted in its capacity to formulate viable alternatives to neoclassical economic theory. They describe this distinctive French trait as a “non-conformist” approach. Weiller and Carrier (1994, 16–17) go further, elucidating that French *non-conformist economics* divided the science into two different emphases; with one focused upon economics *stricto sensu*, or what in the English language we would refer to as “pure economics,” and another based upon socio-historical approaches. Within the French tradition one Léon Walras (1834–1910) and Swiss born Jean-Charles Léonard Simonde de Sismondi (1773–1842) could be associated with “pure economics.” The French socio-historical school and the research program carried out at *l'École des Annales*, on the other hand, was influenced by the sociological theories of Durkheim, Marcel Mauss (1873–1950) and François Simiand (1873–1935).

Weiller and Carrier (1994, 15) lament that by the late twentieth century the *longue* heterodox lineage of French economics—based upon a diversity of approaches and a plurality of thought—was indeed on the wane. During the last decades of the twentieth century, the “non-conformist” French economics tradition became marginalized and misleadingly associated with heterodox traditions, including utopian socialism, Marxism, and Keynesianism. Indeed, we can identify a failing to understand that their roots extended deeply into the *non-conformist* French tradition.

3 Perroux, Bye and Nogaro as Furtado's Principal Influences

Noted above as three of Furtado's most influential *professeurs*: Perroux; Byé and Nogaro were not only prominent in the French academic scene but were also appreciated as *non-conformist* economists, with their approaches steeped in this French tradition that emphasized the centrality of *real* economic activity occurring in actual time and space. Furtado mastered their lessons and would carry their knowledge back to South America, and also his home country of Brazil, employing this rich background for better understanding and also for proposing solutions for dealing with persistent and enduring economic challenges—with many stemming from the long era of colonialism—that were facing particular countries and regions within Latin and South America.

Alcouffe (2008, 1) highlights some French thinkers who are suggested to have influenced Furtado's doctoral dissertation. Following his lead, we can identify influences on Furtado stemming from Perroux's concept of “structure” and his theory of “dominant” economy. Then there is Byé's economic approach to international

relations. We could also add in Nogaro's emphasis upon the importance of methodological choices.

Of these three noted professors, Furtado was closest to Maurice Byé, who could also be identified as the scholar who originally encouraged Furtado to pursue his doctoral studies in Paris. During the timeframe that Furtado was in Paris studying at La Sorbonne, Byé served as his dissertation supervisor. During their close contacts when both were in Paris, Byé taught Furtado how to reason in terms of international economic structures.

During the months that Furtado was working on completing his dissertation Byé encouraged him to undertake research into external imbalances that were generating measurable effects on the post-war Brazilian economy. However, Furtado (1985, 58) backed away from Byé's lead, arguing that insufficient data on Brazil effectively thwarted his undertaking this sort of study. Instead, Furtado chose to research and write up an economic history that focused upon Brazil's colonial economy over a two-hundred-year span—stretching across the sixteenth and seventeenth centuries. Byé accepted Furtado's suggestion, but with the condition that at least one chapter would compare Brazil's sugar industry with sugar production in France's Antilles. Furtado (1985, 60) stresses that under Byé's tutelage he commenced with forming his understanding regarding how—as far back as the sixteenth century—international economic relations exerted effects upon the formation of Brazil's economic structures that would endure over subsequent centuries. Mastering Byé's approach to international economic structures, his deep understanding of the importance of global imbalances would later prove fundamental when Furtado needed to quickly assimilate Raúl Prebisch's focus upon and uses of a "centre-periphery" framework. When together in South America the two would rely upon a centre-periphery approach to account for imbalances in the international division of labour that Prebisch so assiduously introduced into development studies. Readily, we can designate Byé for having influenced Furtado to engage in comparing economics structures. In his 1959 publication, *Formação Econômica do Brasil* (1961 [1959]), Furtado considers at length differences exhibited by the North American colonies when compared against the French Antilles, and also how the Portuguese proceeded with the colonization of Brazil. Drawing from Byé, Furtado's appreciation and reliance upon a comparative approach appears to be carried into ECLA where comparative studies became a commonly practiced method. Another enduring influence that Byé appears to have exerted over Furtado's formation as a developmental economist with a global orientation shows up in Furtado's emphasis upon analysing economic structures especially with respect to international economic relations, all of the while paying close attention to disequilibria in international payments.

Another clear example of Byé's influence on Furtado relates to his use of the concept of 'large multiterritorial firms'—what at a later date would commonly be referred to as multinational companies. Indeed, Byé registers as a pioneer in understanding challenges that multinational enterprises could exert on the economic performances of national economies. Byé (1956) acknowledge these super-enterprises for their relative size, planning capability and conditions to dodge the market's so-called "invisible hand" while opting for intertemporal output and price discrimination strategies. In addition, Byé (1957) argued that because large extracting multinationals had adequate funds

to finance their own activities, then their capacity to generate foreign direct investment associated with their economic weight and strategies could undermine and even defeat a national developmental strategy as these oversized firms could generate large distortions in the balance of payments accounts of a given country. Byé (1957, 269) asserts that these ideas were first presented as a research paper in August of 1957 in Brazil's Rio de Janeiro. The paper was titled: "The Role of Capital in Economic Development" (Byé 1961, 110–138) and the conference at which this paper was delivered was titled: "Economic Development for Latin America." Running from 12–28 August, the meeting was organised by the International Economic Association. The list of participants attending the conference included Albert Hirschman, Ragnar Nurske, Celso Furtado, as well as some others notable names (Ellis 1961, vii–viii).

Byé's arguments and assertions regarding multinational firms would latter resurface and appear reformulated in Furtado's *The Myth of Economic Development* (2020 [1974]). In Chapter 3 titled: "Large Companies in New Center-Periphery Relations," Furtado (2020 [1974], 28–48) stresses his argument that large multinational firms were partially responsible for the failure of Latin America's import-industrialization strategy. He expressed the opinion that multinational corporations could indeed generate significant economic imbalances, thereby affecting a nation's balance of payments and promoting income concentration, as examples. Furtado further emphasized that these forces associated with multinationals could undermine carefully formulated national economic strategies that were aimed at leading underdeveloped nations on the track for achieving economic development.

Leaving Byé for now and reconsidering Perroux's influences, with his dissertation research exploring and clarifying Brazil's formation as a colonial nation state, Furtado focused upon the emergence of economic structures that would engender challenges associated with underdevelopment. For Furtado, this phenomenon of "underdevelopment" is described in the Portuguese language as *subdesenvolvimento econômico*, and can be viewed as rooted in differing degrees of heterogeneity that could be found in production structures, and that involved the coexistence of differing levels of labour productivity within an economic system. As an example, heterogeneous production structures could readily be found in the proximate juxtaposition of sugar plantations running along the Brazil's Atlantic coast. Relatively high productivity associated with the production and export of sugar products contrasts with comparatively low level of productivity associated with subsistence production taking place in the adjacent interior in what got designated as the *Sertão Nordestino* (see Rama and Hall, 2019). It is important to consider that the notion of "dominance" that can be found by contrasting economic structures, registers as a principle that Furtado learned during his stint in Paris and in particular through his classes with Perroux.

4 Perroux's Additional Influences on Furtado

In the eyes of many, François Perroux was recognized by his peers as one of the star economists of interwar and post-war France. His contributions to economics ranged from fields of spatial economics to economic development and growth. In addition,

Perroux proved legend for his solid background in *pure* economics, for he had the advantage of having studied under one Etienne Antonelli (1879–1971), a scholar identified as one of Leon Walras' very best students. On top of all this, Perroux had undertaken a portion of his formal education in economics when he was in Vienna, where he studied under Joseph Schumpeter. Though at that time still a rising star, had Schumpeter established his reputation as a creative thinker early on in his career with the publication of *The Theory of Economic Development* (1935 [1911]). At the height of his career in France, Perroux founded and served as the director of the *l'Institut de science économiques appliquées* [Institute for Applied Economic Sciences] from 1943 until his death in 1987. As a necessary note, from 1973 onwards this institute's name was changed to the "Institute for Applied Mathematical and Economic Sciences" and was also known by its French acronym as "ISMEA."

Co-authors Weiller and Carrier (1994, 95–97) teach us that Perroux also aimed his intellectual efforts towards advancing applied economics through formulating reality-based economic theories; thereby establishing himself in the eyes of his contemporaries as carrying on a distinct tradition in economics. In addition, Perroux was heralded as an earnest supporter of a mathematical-oriented theory. Running along an altogether different track, Perroux is also recognized as amongst the first to introduce Lord Keynes' ideas to economists in France.

In a lecture delivered in Paris in 1994, Furtado (1995) juxtaposed influences that Perroux wielded over his scientific development to those of Raúl Prebisch, his colleague at the Economic Commission for Latin America (ECLA). In his remarks, Furtado expressed that Perroux's influences on his thinking came earlier and ran deeper. Furtado (1983 [1967], 82; 1979, 221–222; 2014 [1985], 72) often referred to and even relied upon Perroux's definitions of economic phenomena. This list includes economic structures; innovations making use of the concept of growth poles; economic domination; macro-decisions; and inter-territorial unity.

Of special interest is that Perroux's concept of "structure"—along with his theory of "dominant economy"—played a foundational role in Furtado's orientation as an economist. As a side note, Perroux's (1948) theory of *dominant economy* can be considered an extension of Schumpeter's (1934 [1911]) "dynamic theory of innovation"; what sought to factor in and fuse non-economic elements such as "force, power and constraints" with active economic agents. In Furtado's view relations between economic agents could be viewed as structured by varying degrees of power. His understanding of an economic agent encompassed units from the micro to the macro levels. For Perroux, agents could appear as atomized individuals, socio-economic groups of individuals, firms, sectors, and even nation-states. Economic agents were seen to operate in environments in which symmetry in the distribution of power would never be achieved. Relatedly, economic exchanges and decisions were suggested to take place under asymmetrical power relations between agents. Moreover, what could be characterized and identified as *asymmetrical* relations are thought to lead to less-than-desirable market solutions, effectively challenging hoped-for outcomes associated with general equilibrium theory. Both Perroux and Furtado shared the view that varying degrees of power amongst economic agents would—in the end—ultimately determine the economic allocation of resources and the levels of activities.

Perroux's concepts of *asymmetry* and *irreversibility* would later prove central to Furtado's understanding of how economies of selected nations could indeed become "underdeveloped", and also why it proved so difficult for a region or nation to shift from underdevelopment to a successful, sustained development. For Furtado (1961, [1959]), economic decisions—such as promoting policies for specializing in selected commodities—could indeed engender irreversible effects on an economic structure, rendering a region or nation-state permanently *underdeveloped* according to some fundamental formulation.

What Furtado also gained from studying under Perroux are key features associated with "economic structure." Indeed, the meaning of *economic structure* remains broad and could be applied in different ways. However, in one of his contributions to the literature, Furtado (1983 [1967], 82–83) presents a clear definition of *structure* borrowed directly from Perroux (1939), citing that: "[structures are] proportions and relationships that characterize and locate an economic unit in time and space." When considering Furtado's thinking, a *structure* can be understood within this context as the indicators and parameters that assist in numerically defining a real economy existing and functioning in time and space.

To Perroux the concept of structure also proved fundamental for connecting pure economics to historical realities based upon in-depth research into a given economy. From sets of general economic laws, the researcher would then be able to narrow down to specific times and locations in physical space. Perroux understood that national economies exhibited differing types of structures, and this could be explained by historical research: as each economy was suggested to develop at a distinct pace, while also displaying specific characteristics.

For Perroux, economic systems could be thought of as containing two key structures. One structure relates to the physical and demographic conditions. These are considered as endowments that change slowly over time. Another structure registers as economic activities and considers such categories as unemployment, manufacturing output, per capita productivity, and exports. Activities within this structure are thought to generate indicators that tend to change constantly and also relatively quickly. In this sense Perroux's definition of *structure* encompasses a national economy's broad possibilities, offering insights not only into the material standard of a nation, but also the prospects for cyclical influences. In Perroux's understanding these economic dimensions could be captured in a set of ratios drawn from economic indices.

Completing his doctoral studies in Paris and after having absorbed what I perceive as the best of Perroux's influences, Furtado continually relied upon the concept of *structure*. For use in economic analyses Furtado employed this term to considering real, physical dimensions for medium and long run analyses of a given sector, and the various ratios of economic indices for measuring cyclical changes over a relatively shorter run. However, Furtado also referred to social structures in his efforts to capture sociological aspects. For example, in his *Dialética do Desenvolvimento* [Dialectics of Development] (1964a) Furtado explores residual societal traits that could slow down and serve in the resistance of economic advance.

French scholar Xavier Ragot has sought to compare some of the divergent uses of the term "structure" found in the economic literature in France as well as

in Latin America. Ragot (2003, 102–110) points out that we could indeed identify two different forms of “economic structuralism” in France. One form could be identified and found within the tradition of “pure” economics in the tradition started by Léon Walras, noted above as an important influence on François Perroux. This Walrasian approach is suggested to employ a structural epistemological stance that assumes perfect correspondence between theory and reality. Ragot (2003, 103) writes about this structural Walrasian approach:

[T]hey assume from mathematical abstract objects to reality in a kind of radical Platonism, which claims scientificity in the identification of mathematical objects and structures directly in reality.

Yet another form of French economic structuralism can be linked to what is categorised as the (French) Regulation School. Weiller and Carrier (1994, 132–136) teach us that this latter form of economic structuralism should be considered an offshoot that emerged within a group of economists that was influenced by Perroux’s (1977) presentation to the *Collège de France*. Other influences are argued to be drawn from *l’École des Annales*. Ragot offers a contrasting opinion, explaining that this Regulation School could be thought of as rooted in an altogether different structuralist current. As one of the founders of this persuasion, Michel Aglietta (1997 [1976]), presents this form of economic structuralism as “a global alternative to [Walras’] general equilibrium theory.” The critique of the form of structuralism associated with “pure” economics cites that it tends to be too abstract, while eschewing sociological interplays that could indeed influence economic activities as well as outcomes.

What tends to bring together the Regulation School and Latin American Structuralism is the search for an alternative to Walras’ pure structural approach expressed in his theory of general equilibrium. Here we need to stress that that distinct methodology employed with Latin American Structuralism relies upon empirical and historical observations for the formulation of theories that can account for the concrete reality. Offering a dissenting and challenging opinion, Ragot (2003, 115–116) notes that Latin American Structuralism relies upon “structure” in less precise terms than French “regulationists”. The Latin American economists has devoted less attention to the meaning and significance of “structure”.

In the view of Ragot the Regulation School falls in the middle, that is, between the Walrasian approach of “pure” economics and the inductive approach of Latin American Structuralism. In short, the view advanced by Ragot (2003, 116–117) appears based upon the idea that the Regulation School considers roles played by the historical importance of social structures in the formation of economic systems. As another influential member of the Regulation School, Robert Boyer offers specific definitions and explanations regarding the meaning of “structure” and its influence on economic behaviour. To Ragot’s argument, I would add that the methodology at the core of the Regulation School very closely resembles Furtado’s approach, although he falls short in clearly formulating his own ideas regarding the meaning of structures.

5 Additional Influences on Furtado

Of Furtado's three influential *professeurs*, Nogaro registers not only as the most senior, but also as the scholar who wielded decisive influences over Furtado's method for theorizing in development economics. Sadly, Nogaro's influences on Furtado have tended to remain neglected and hence underappreciated. What we can note herein is that through drawing from his writings and interviews, Furtado (1985, 73; 1996, 71) held Nogaro in "highest" esteem, especially for his ethics and principles that underlined his scientific and professional sensibilities. In Paris, Nogaro benefited from his reputation as a prestigious university professor, exerting far-reaching influences over at least a generation of economists finishing their educations in the early years of the post-war era. Nogaro's insights into the importance of methodology in Economic Science had been published back in 1939, then revised and augmented in 1949. His ideas advanced in *La méthode de l'économie politique* appear to have been adopted by a number of "non-conformist" economists. André Marchal (1959) emphasises this point in his book, *La Pensée Économique en France depuis 1945*. Serving as a leader for the French non-conformists, Nogaro established himself as a harsh critic of the Anglo-Saxon brand of economics, which to Nogaro, registered as closer to "scholastic dogma" than to a modern and pure science.

In the view of Nogaro (1939, 17), the task of an economist is "to research the human act behind the economic phenomena [...] and to establish cause-effect relations." According to Nogaro (1939, 23), political economy needed to be understood as "a science about man living in society, and for that it necessarily called for historical research [...] in order to verify ... [an economist's] hypothesis." Nogaro (1939, 84) would argue that differently from historians—with no particular obligations to focus upon cause and effect in analyses—economists needed to rely heavily upon history in order to find evidence for causal relations affecting economic phenomena. Verified facts and statistics drawn from historical research, in combination with reality-based reasoning, could unveil human behaviour and its conditioning factors. Nogaro strongly advocated relying upon statistics, and that statistics—in combination with the power found in mathematics—should go hand-in-hand. Though an advocate for the use of mathematics, Nogaro, however, strongly opposed what he referred to as the unnecessary *mathematisation* of economic problems. To him, economic systems responded to the behaviour of economic groups and economic structures—and not abstract laws touted as having universal applicability and as argued, for example, by the linguistic branch of French structuralism. As an exponent of French sensibilities, Nogaro considered it faulty practice to formulate a priori statements, or to formulate hypotheses based upon purely abstract economic notions. For Nogaro, the very idea of "self-clearing" markets leading towards equilibrium seemed preposterous.

Nogaro also observed key differences in methods found in the French approaches to economics versus the Anglo-Saxon tradition. Nogaro (1939, 99) notes that a peculiarity of the British school of economics can be associated with the presence of philosopher-economists, such as Adam Smith, as well as logicians like John Stuart Mill, W. Stanley Jevons and John Neville Keynes. In France—and

similar to his counterparts in Germany—Nogaro (1939, 2) remained an advocate for patiently contributing towards a positive science based upon accurate knowledge of real economic activity that could be drawn out from skilfully researched and carefully compiled data supported by historical facts.

In his doctoral dissertation entitled *L'Économie coloniale brésilienne (XVI et XVII siècles): Éléments d'histoire économique appliqués* [The Colonial Economy of Brazil in the sixteenth and seventeenth centuries: Elements of Applied Economic History], Furtado (1948) opens up several topics that would later reappear after he was established back home in South America, gaining his reputation as a mover and shaker in policy formulation as well as an original theorist expanding the field of Economic Development. After the publication of his dissertation Furtado displayed a predilection for presenting his new ideas in essay format and based upon synthetic narratives of economic history that took to considering and analysing economic and social structures. Through a close examination of the bibliographical references relied upon in Furtado's dissertation defended in 1948, it becomes evident that much of his research focused upon adjacent social sciences; especially History, Sociology and Anthropology. His main references were well known to Brazilian and Portuguese social scientists, as well as to a broader collection of renowned European thinkers. These included authors such as: Brazilians Gilberto Freyre, Roberto Simonsen and Caio Prado Jr.; the Portuguese author António Sérgio; and Belgium's Henri Pirenne. Furtado was already familiar with some of these Brazilian references as he proved himself a vigorous reader already in his adolescent years, making use of his family's well-stocked library, and devoting hours towards reading broadly while growing up in the sertão of Brazil's Northeast (see Rama and Hall, 2019, 664). It appears that Furtado came into contact with the writings of other influential writers during his years of studying law in Rio de Janeiro. This would include Roberto Simonsen and (again) Caio Prado Jr.. It could be noted that while in Paris Furtado (1985, 59) evokes the importance of one Paulo Emílio Sales Gomes, a Brazilian historian working at the time at *Musée de l'Homme* when Paul Rivet served as this museum's director. Sales Gomes is noted to have guided Furtado through the large collection of prominent Brazilian authors, with their books housed within the library of the *Musée de l'Homme*. Rosa d'Aguiar (2014, 23), Furtado's widow, recalls some additional influences from professors he studied under while attending classes in Paris at Science Po. These would include Jean Baby, Auguste Cornu, Jean-Jacques Chevallier, Charles Morazé and Jacques Rueff.

Of the influences noted above, I would like to return towards emphasizing that Furtado's dissertation mainly reflects the key influences associated with his studying at La Sorbonne under *les trois professeurs français*, namely Perroux, Byé and Nogaro, thinkers who have also been noted as “non-conformist” economists. We can readily find their influences. First off, Furtado's approach displays a slant that offers clear indications of his commitment to a multidisciplinary approach for analysing economic phenomena. In considering his dissertation, we can identify key concepts that—with time—would register as Furtado's distinct scientific trademarks that clearly associate him with this French non-conformist tradition in Economic Science. This includes his analyses of structures—economic and social—and how

secular price movements could not only affect commodity cycles, but also engender the emergence of structures forming within an economy.

The notion of a “dynamic centre”—that was emphasized by *Professeur* Perroux—serves as a key concept in Furtado’s theory of underdevelopment, that I can note already appears implicitly in his doctoral dissertation as “economic axis” or “centre of gravity of economic activity” (Furtado 1948, 158–160). For Furtado, *dynamic centre* is what promotes economic growth for a national economy. He goes further to explain that for underdeveloped economies the *dynamic centre* emerges through the demand for commodities stemming from fully industrialized economies. For the long span of Brazil’s economic history, international markets for key export commodities served as this dynamic centre. Key exports included sugarcane’s downstream derivatives of *cachaça* (Brazilian rum) and blackstrap molasses, along with gold and coffee.

Interesting to note is that with the collapse of prices and international markets initiated by the 1929 Wall Street crash, policy-makers in Brazil, especially those associated with the long reigning government of Getúlio Vargas—and his presidency that spanned from the second half of the Depression Decade until the end of the Second World War—endeavoured to implement programs that allowed for Brazil’s domestic market to serve as the “dynamic centre or factor.” Furtado (1961 [1959], 217) notes one response to the slack demand characteristic of the depression years is that government purchases of coffee supplies were undertaken in order to sustain prices through curbing supplies of coffee entering international markets. Furtado (1961 [1959], 195) argues that the implementation of such policies were rendered possible by pressures exerted from one especially powerful interest group, namely, Brazil’s coffee growers. Furtado (1985, 411) termed these actions as a “Keynesian approach” towards sustaining domestic activity, that later led towards an import substitution strategy for increasing demand for domestic manufactures.

Without using the precise words of “centre-periphery” in his doctoral dissertation, Furtado had already identified imbalances and subordinated relations between New World colonies—like Brazil—and Old-World European powers such as France, Spain, the Netherlands, Portugal, and Britain. In the case of Brazil, these imbalances and subordinated relations were rendered explicit by the “Colonial Pact” that was active during the ninety-five years stretching from 1545 to 1650. It was this Colonial Pact that gave the Portuguese Crown monopoly rights for exploring and exploiting natural resources, and for trading in commodities such as brazil-wood and downstream sugar products. This Colonial Pact, as well as some other colonial institutional legacies and privileges, involved the restricting of social groups. The Pact and these restrictions, according to Furtado (1964b [1961], 128–134), are what would later burden an underdeveloped economy—like Brazil’s—with enduring socio-economic structures that thwarted and thus served to impede economic advancement.

The colonial history of Brazil and other Latin American countries provides a rich source for investigations and analyses that run along fundamentally different lines from what other economists promoted as “pure” theory. We can identify that the first principle of Furtado (1985, 115) involved understanding the reasons that could explain, namely, why would a resource-rich country—such as Brazil—lag behind its Latin American neighbours in generating per capita output for

its population? Throughout his career Furtado (1987, 205) expanded his object of study while also seeking to identify causal relations. While Furtado failed in finding plausible explanations from mainstream economics, he appears to have formulated his thinking into a Brazilian version of a French *non-conformist economist*. Indeed, Furtado took to considering alternative methods and concepts without abandoning standard statistical methods and applications of analytical tools associated with Economic Science during his day.

What can be noted regarding Furtado's approach to economic methodology—that also reflects influences of his three French *professeurs*—is that he never submitted to the “universal” application of an economic theory. In the view of Furtado, underdeveloped economic structures presented anomalies and particularities that required looking back to the very origins of political economy. In thinking along these lines, Furtado rescued the concept of “social surplus” that could be traced back to François Quesnay and his famed *Tableau Économique* that was published in various editions in France during the 1760s. Drawing from Quesnay, Furtado viewed the category and concepts associated with *social surplus* as key for unlocking particular traits characteristic in the economic formation of underdeveloped economies. As Furtado (1987, 206) stresses: “a return to the concept of the social surplus introduced by the Physiocrats in the mid-eighteenth century was my point of departure in looking at economic development in its historical context.”

With his return to South America in 1949 he commenced with advancing his dual and dichotomized understanding of “development-underdevelopment.” In the view of Furtado, *developed* economies are those in which economic growth originates from applications of technological innovation to labour concentrated in industries. In contrast, what Furtado defines as *underdeveloped* economies display hybrid economic structures in which international trade works as the main channel generating economic growth. In these cases industrial activities are less prevalent and technological innovation essentially missing.

In *Formação Econômica do Brasil*, what is considered his *opus magnum*, Furtado (1961 [1959], 5–6) opens this book affirming that colonial settlement on the South American continent was rendered possible by Portuguese policies that supported the “... beginning of the agricultural utilization of Brazilian lands,” configuring the first successful case of “experimental development” in the tropics. Stated more obliquely, the Portuguese colonization of Brazil was, from its onset, a business enterprise focused upon sugar production. As early as the end of the sixteenth century, Brazil emerged as the world's first successful experiment based upon large-scale agricultural business enterprises in the tropics. Benefiting from first-entrant advantage and stretching these early advantages for most of a full century, investors benefited from monopoly-power over sugar production and trade in the array of downstream sugar products shipped onto international markets. Related to this, Furtado points towards the emergence, formation and roles played by non-competitive market firms throughout the history of Western capitalism. Following his French intellectual influences, he focuses his analyses on the deep and enduring structural effects on Brazil's economic formation stemming from the monopolies created under Portugal's Colonial Pact.

In addition, Furtado (1961 [1959], 8) points out that while the Portuguese specialized in and had fully mastered the technical challenges associated with tropical agricultural production, Dutch investors proved vital for the expansion of the Brazil's sugar industry. While Dutch banks financed production facilities in Brazil—including the purchase and transport of slaves—Dutch businesses were also responsible for carrying out the refining of sugarcane into *cachaça*, blackstrap molasses as well as other forms of crude sugar, that could then be further processed and distributed across markets in Europe.

Furtado emphasizes that the foundations upon which the economy and society of Brazil formed, were influenced by well-crafted, state-led policies that helped to establish agricultural enterprises based upon expansive latifundia holdings. Worked with the brawn of indigenous and African slave labour, these holding benefited from foreign financing and distribution, giving rise to a monopoly over world trade in sugar that endured over a long span of time. Such involved a combination of specialized and advanced technical production phases, international banking, and institutions promoting trade and distribution. However, the problem emerged that Brazil's business enterprises formed a segregated socio-economic structure. Consequently, in Furtado's understanding, the Brazilian economy was formed as a *hybrid structure* of advanced and highly profitable business enterprises built on top of an autochthonous and backward structure of production.

6 Contributions to Latin American Structuralism

In studying towards his doctoral degree in the early post-war era at La Sorbonne in Paris, it has been argued that Celso Furtado benefited from studying under *les trois professeurs français*; noted as thinkers revered as principal exponents of a distinctly French, non-conformist school. More specifically, this inquiry has elaborated upon the importance of François Perroux in advancing Furtado's understanding of development economics; Maurice Byé's insights into the important dimensions of international trade. Added to Perroux and Byé's influences on Furtado, this inquiry has also considered and documented ways in which Bertrand Nogaro's thinking on methodology influenced Furtado.

Furtado completed his formal education in a Continental and French tradition that emphasized the importance of real economic activity taking place in actual time and space. With distinct interpretations taught by Perroux, Byé and Nogaro—Furtado returned to South America in 1948. This was the year that—as a project connected to the recently founded United Nations—ECLA got started in Santiago de Chile. Furtado's employment there could be considered his first job as a professional after completing his doctoral degree in Economics. During his eight years serving at ECLA in Santiago, Furtado dutifully contributed towards research and analysis, as well as theorizing and policy formulation that contributed towards what has come to be known as “Latin American Structuralism” (LAS). However, it would register as wholly incorrect to emphasize that LAS should be viewed as the “brain-child” of Furtado. *Au contraire*, at ECLA in Santiago of Chile Furtado was integrated into a research groups directed by Raúl Prebisch. For more than 25 years prior to 1949;

that is since the 1921 publication of “Anotaciones sobre nuestro medio circulante” (Notes on our circulation of money), Prebisch had applied a centre-periphery concept to economic analysis. In several publications published over a span of more than forty years, Prebisch had been relying upon the framework characteristic of centre-periphery that can be traced backwards to Johan Heinrich von Thünen’s book, *Der Isolierte Staat (The Isolated State)* [1826]. With assistance of hindsight, ideas advanced by Thünen and some others can be connected with a “Continental Tradition” in economics. What stands out as interesting is that while Furtado acquired his background in this thought tradition when in Paris, Prebisch acquired his background in the Continental tradition of Economics while studying and learning from those bringing in and also carrying on the tradition in Argentina. His rootedness in what could be defined as the Continental tradition in Economics is developed at length, in the article “Raúl Prebisch and the Evolving Uses of Centre-Periphery in Economic Analysis” (see Rama and Hall, 2021).

7 Tracing French Influences at the Economic Commission for Latin America?

It proves difficult to precisely determine which ideas emphasized above—that Furtado learned from *les trois professeurs français*—found their way into ECLA, and which then helped to form what we could think of as the tradition of Latin American Structuralism. However, what can be noted with some confidence is that the principal contributions to the field of economic development generated by this first generation of colleagues working at ECLA includes what is coined as: (a) the “Prebisch-Singer Hypothesis” as a set of assumptions positing over time a deterioration in terms of trade for commodity producing nations relative to those specialized in manufactures, including technologies; (b) Furtado’s underdevelopment model of hybrid economies; (c) “a historical-structural method of analysis” and (d) a Structuralist Theory of inflation advanced by Furtado (1954), Juan Noyola Vázquez (1956) and Osvaldo Sunkel (1960 [1958]). In this section of this inquiry I would like to limit the discussion to the historical-structural method and the Structural Theory of Inflation, as it proves fairly easy to identify possible direct influences of French nonconformist economics brought in by Furtado to the Latin American setting at ECLA.

First off, I can note that the “historical-structural” method applied at ECLA combined inductive and historical approaches. As Ricardo Bielschowsky (2009, 173) advances: this method of analysis focused on “the path pursued by economic agents and institutions and the permanent interplay between theoretical formulations and historical changes.” In my understanding, this focus upon the economic agents and institutions seems to fall under the recommendations prescribed by Nogaró, and this involves looking for the human actions that are found behind economic phenomena. Bielschowsky (2019, 95) argues that, just like Furtado, Sunkel’s preferred method of analysis was diachronic and also similar to what was advanced by Ferdinand Braudel, with both emphasizing that “structures” need to be considered time dependent

elements. This perspective registers as contrary to Claude Lévi-Strauss's concept of the synchronic character of structures.

In their 1966 article "Latin American Economists in the United States", and writing with Aníbal Pinto, Sunkel considers the education and training received by Latin American economists while studying in the United States. This information was disseminated in *Economic Development and Cultural Change* published by the University of Chicago Press, offering some notable remarks on methodological choices. The co-authors claim that foreign (suggesting U.S.) universities did not prepare economists for dealing with specificities associated with economic challenges facing selected countries across Latin and South America. In addition, the co-authors argue against the over-emphasis on the mathematization of economic problems while neglecting historical analyses. This general orientation and critique closely parallels the methodological recommendations found some decades earlier in *La méthode de l'économie politique* advanced by Bertrand Nogaro. In addition, I would like to add that we need to consider that while at ECLA Sunkel served as a "junior" economist, working closely with Furtado. This close collaboration was carried on to México from 1955 to 1957. After Furtado left ECLA to work for the Brazilian government, Sunkel got dispatched to Rio de Janeiro where he would start up an ECLA subsidiary in Brazil, and where he would reside from 1959 until 1962.

The 'Structural Theory of Inflation' that can be associated with the close working relations of Furtado, Noyola and Sunkel registers as by far the most debated and disputed of all the economic proposals advanced by those identified as Latin American Structuralists. In a nutshell, ECLA's "structural theory of inflation" instigated a fierce quarrel taking place between Latin American monetarists who had studied and/or worked in the United States and those reflecting an appreciation for the historical-structural approach. I shall argue that ECLA's *structural theory of inflation* was clearly influenced by French economic structuralism, and especially the contributions of a French thinker in particular, namely, one Henri Aujac (1950).

What I can note here is that initially Furtado advanced a structural account (theory) of inflationary pressure without any direct relation to Aujac's writings. Suggestions of non-monetary causes driving inflation first appeared in Furtado's *Economia Brasileira* (1954) and in one of his letters addressed to Prebisch, dated March 26, 1954 (unpublished, but cited in Pérez-Caldentey 2019, 123). A similar structural understanding of inflation appeared soon afterwards in the works of Juan Noyola (1956) in a ECLA working paper (1957), as well as in writings advanced by Osvaldo Sunkel (1960 [1958]). It is important to note that from 1956 to 1958 Furtado, Noyola and Sunkel associated and worked closely together while in México, preparing a survey on the Mexican economy—with Furtado (1985, 365–367) taking the lead. More recently, José Antonio Ocampo (2019, 85) revealed the existence of a personal letter he received from Sunkel, confirming that the first ECLA working paper offering a structural interpretation of inflation and published in 1957—was actually prepared by Sunkel.

In his *Memoires* Furtado (2014 [1985], 350–354) recalls that a dispute had started within ECLA. On one side of this dispute it is noted that Prebisch defended the conventional view on inflation against Furtado and Noyola's structural explanation. This inflation debate at ECLA appears to have begun in 1955

with the arrival of the U.S. Klein-Saks mission sent there to advise the Chilean government on how to control inflationary pressures. Once in their Mexican Mission, Furtado, Noyola and Sunkel began to explore and designate which forces within economies of México and Chile generated inflationary outcomes. As we could expect, their analysis focused upon structures. Noyola registers as the very first to present at ECLA this novel hypothesis on the “structural causes of inflation.” In a personal letter to Furtado, Noyola writes:

[A]ccording to what we had discussed, I have prepared a few notes about the study on inflation and development in Chile, and advanced the main lines of the theoretical interpretation. From a methodological point of view, I have shown to these people that one can analyse inflation without mentioning ‘means of circulation’, ‘means of payment’ and other pure twaddle which still ‘circulates’ at ECLA. Prebisch’s reaction was very unfavourable. He thought he could avoid publication ... He accepted at last! that in order to analyse inflation it is not necessary to use [only] monetary figures [He] asked me again of my interpretation of Chilean inflation condensed in five pages, did the same to Jorge Ahumada and Osvaldo Sunkel... So, in less than three weeks, I’ve almost finished the production of the great theory of inflation. (Unpublished Letter from Noyola to Furtado, dated of May 4th 1955, cited in Boianovsky 2012, 279-280)

A good three decades later, Prebisch (1984, 182) recognized that he was not impressed by their theory of inflation, and can be noted as asserting:

[F]ar from being sympathetic to the views and prescriptions of the International Monetary Fund, but notwithstanding my previous experience at the [Argentinian] Central Bank in noninflationary times, I was not able to recommend policies different from those I criticized.

Once back in México and with a few modifications, Noyola presented his structural interpretation of inflation at the National Autonomous University of México (UNAM). The argument went as follows, inflation was not to be understood as a monetary phenomenon, but a *structural* problem that was rooted in supply rigidities and competing income claims amongst social classes. He emphasized that only mechanisms of propagation are of a monetary nature. Noyola recognized that his concept of ‘structural rigidities’ were similar to what Michal Kalecki’s had written up and published in the United Nations *World Economic Report* (1955, 78–88), emphasizing the importance of food supply rigidities and imperfect markets in Chile. Kalecki’s view would later be incorporated into the United Nation’s 1956 *World Economic Survey* (1957, 8): suggesting that:

[T]he high degree of immobility of resources ... in underdeveloped countries with limited supply of food and other essential consumer goods, severe inflationary pressures may be generated even in the absence of budget deficits.

Supporting the argument of competing income claims Noyola refers to an article authored by French economist Henry Aujac (1950) in which he presents

inflation, not as a purely monetary phenomena, but rather as consequence related to the behaviours of select social groups. To Aujac, inflation should be seen as a contextual social problem caused by historically formed social groups defined through their common interests and similar responses to monetary changes. In this respect, the monetary aspects of inflation were reduced to mere consequence. Aujac (1950, 281) postulated that these groups were formed through “an assemblage of individuals that in a given time and structural framework share common interests and reactions to circumstantial changes.” Aujac suggested that these historically formed social groups should be identified by means of “sociological analysis.” In a similar direction Furtado (1954, 181) writes that: “fundamentally inflation is a strife between groups for real income distribution and increases in price level is an external manifestation of this phenomenon.”

In his presentation at UNAM, Noyola (1956, 162) introduced a subtle change in Aujac’s original thesis. That is, he replaced ‘socialgroups’ with ‘social classes’ and claimed that inflation needs to be understood as but another aspect of the larger “class struggle phenomena.” Here I feel the need to note that Noyola was considered a Marxist theorist and who later went on to work for Cuba’s revolutionary government. Aside from Noyola’s semantic adjustment to the wording, nothing new was being advanced in Noyola’s income claims vis-à-vis the earlier formulations by Aujac and Furtado.

However, in his formative years in Buenos Aires and leading up to his heading of the ECLA office in Santiago, Prebisch’s orientations towards theory and policy had long been reflecting influences of the Continental tradition. What I can readily identify is a commonality: namely, both Furtado and Prebisch expressed appreciation for an economics focused upon the structures that support need “real” world activity, and that said activity occurs within actual time and actual space. Moreover, advances can be made through strategically promoting technologies contributing towards a pattern of industrialization that improves prospects for sustained economic growth. At the practical level this could (and would) mean emphasizing policies encouraging import-substitution industrialization. What is curious to note is that Prebisch and Furtado’s analyses and emphases attracted the attention of French officials at the United Nations.

8 An Unsuspected Ally

The establishment of ECLA—with its base at Santiago—proved challenging and it probably would not have been established at all were it not for the support of a star delegation of French government officials and diplomats. My research suggests that for us to understand the establishment of ECLA we need to consider Pierre Mendès-France and Robert Buron, along with two French diplomats, namely, Guillaume Georges-Picot and Philippe de Seynes.

At that time Mendès-France registered as a giant, that is, as a titan standing tall within the French public space. With ECLA’s founding he had already served as a congressman for France’s Radical Socialist Party; as undersecretary of France’s Treasury; as a trusted advisor to General Charles de Gaulle; as head of the French

delegation at Bretton Woods; and as a member of the Board of Governors for the World Bank and International Monetary Fund. From 1947 to 1950 Mendès-France served his French nation as a member of the United Nations Economic and Social Council (ECOSOC). His participation proved crucial at ECOSOC, and he can be associated with playing a key role in facilitating the important approvals within the UN for the founding and funding of ECLA. Within this timeframe, in 1953 Robert Buron was to become Minister of Economic Affairs, as well as France's Finance Minister in 1955. In addition, during this timeframe Guillaume Georges-Picot served as France's Ambassador to Argentina. Later he was appointed as Assistant Secretary-General at the UN (1952–1959). Philippe de Seynes would become one of the most distinguished officials at the United Nations. From 1955 to 1968, he would serve as Under-Secretary for Economic and Social Affairs, and from 1968 to 1975 as Under-Secretary-General for Economic and Social Affairs. What I am noting and emphasizing herein is not only the importance of French *professeurs* in the formation of a distinct Latin American Structuralism, but also of a host of French officials representing their nation's interests in Latin America in the early post-war era, benefiting from advantages associated with high-ranking posts at the recently formed United Nations.

In the aftermath of the Havana 1949 conference at which Prebisch presented his *Manifesto*, French Delegate Monsieur Buron (1949, 3–7) stated in his speech that the French government was “fully conscious of Latin America's need to industrialize in order to raise the inadequate living standards of a large part of her population, we are anxious to do all we can to help in the expansion of her economy.” In this speech Buron stated the interests of France in providing capital goods necessary for industrializing Latin America. His position was highly sympathetic towards support by French thinkers of Prebisch's critique of the enduring postcolonial, international division of labour. French estimates for 1950 suggested that that at least twenty-five per cent of France's total exported equipment was destined for Latin America's countries. By Year 1952, a good sixty per cent of all French exports to South America would consist mainly of capital goods. Buron closed his statement by declaring: “We do not believe, and have never believed, in the division of labour as conceived by the capitalists of the last century.”

Mendès-France efforts proved decisive at the Montevideo meeting that took place in 1950, lobbying European, Latin American, and US officials in favour of turning ECLA into a permanent fixture within the UN administrative structure. This is supported by the writings of Furtado (1985, 169) and Dosman (2008, 263–272). Mendès-France even defended ECLA's position towards international trade in what could be misunderstood as a defence of autarky. Mendès-France can be quoted: [ECLA] to have unanimously condemned autarky on the grounds that economic development required, “not self-sufficiency, but a greater volume of foreign trade.” Philippe de Seynes, a protégé of Mendès-France, in the words of Dosman (2008, 270) mentioned that “ECLA was the only specialized UN organization which worked without ideological quarrels and the tiresome division into ideological blocs.” Dosman (2008, 324) points out that in another meeting at the UN, de Seynes stressed “the importance of ECLA studies for the Latin American region as well as

for other parts of the world, their quality, and their methodological approach adopted in pursuing the work program”.

9 Looking Beyond LAS and ECLA

While Furtado’s specific influences associated with his working at ECLA and on the formation of LAS, and especially his contributions towards a structural theory of inflation, will and should remain as an ongoing area of interest, inquiring research and debate. What I can note here with full confidence is that Furtado would pull away from ECLA and dealing with issues facing South America and what could be associated with Latin American Structuralism, generally. In effect, Furtado shifted and sought to carrying his orientations in development theory and policy, as well as applying his talents, away from dealing with the larger situation facing a host of countries in Latin and South America. Moreover, Furtado decided not to focus on ongoing issues facing his native country of Brazil. What Furtado did was to narrow his focus to deal with the territory of the *Sertão Nordestino*. Legend for persistent poverty, hardship, violence and disturbing climatic patterns, this *sertão* is where Furtado was born and reared until he headed out at the young age of seventeen to study law in Rio de Janeiro. Through leaving ECLA, Furtado departed from dealing with the broad issues facing countries of the South American continent and took to focusing on developmental issues facing Brazil’s north-eastern region. As suggested above, it would be through his juxtaposing economic and social relations between the sugar producing areas along Brazil’s Atlantic coast with the arid interior of the *sertão* that Furtado solidified his understanding of *desenvolvimento econômico* (economic underdevelopment), rooted in how the proximate juxtaposition of economic zones with different levels of technology could lead to the persistent immiseration of a population, and the “underdevelopment” of a territory burdened with inferior technical capacity. With time Furtado was able to expand this perspective derived from observing and juxtaposing economic zones in Brazil’s Northeast, to theorizing on a global scale and thereby noting that *structures* formed during the colonial era could indeed lead to persistent effects best understood and described as “economic underdevelopment.”

After his stint at ECLA, and as part of his career as a public servant in Brazil, Furtado helped to found and then served for four years as the director of The Superintendency for the Development of the Northeast (SUDENE), an institute that focused upon developmental issues facing the region, in general, and particularly the challenges persistently facing this *Sertão Nordestino*: the region that he thought of as home for it was the place of his birth and upbringing in northeast Brazil. Later, Furtado would serve at the national level as Brazil’s “Minister of Planning” during the time that João Goulart served as Brazil’s president. Affected by the military coup that took over Brazil’s government in 1964, Furtado’s political rights were rescinded and he remained abroad—and mostly in France—for twenty years. In 1984 as the military regime came to an end, Furtado went on to serve in Brussels as Ambassador of Brazil to the European Economic Commission from 1985 to 1986. Also under the presidential administration of José

Sarney, Furtado served as Minister of Culture from 1986 to 1988 when he finally got re-established in his native country. It is prudent to emphasize that after completing his doctoral studies in Paris, Furtado could boast a long, diverse and distinguished career, with his job descriptions as something on the order of an economist concentrated on *development economics*. However, a rough outline of his long career suggests that Furtado was capable of much more and this included serving as a representative for influential organizations.

During his long career Furtado came to be recognized as the most influential economist in Brazil; unmatched by any during the second half of the twentieth century. This accolade is supported in several ways, including in books: *Conversas com economistas*, Volume 1 (Biderman, Cozac and Rego 1996) and Volume 2 (Mantega and Rego 1999), which appear as collections of twenty-four interviews undertaken with lauded Brazilian economists, including Furtado himself, and distinguished individuals that include Roberto Campos, José Scheinkman, Pedro Malan, Edmar Bacha, José Serra and Gustavo Franco. In these two publications, twenty-two out of twenty-three of the interviewed economists, supporting a variety of ideological leanings, recognized that Furtado (and/or his “*Formação Econômica do Brasil*”) stands out amongst their most significant influences. This is not an insignificant fact if one considers that Furtado did not undertake the study of economics in Brazil—as he had studied law prior to attending La Sorbonne. This suggests that he did not benefit from following in the footsteps of earlier schools of thought, specific individuals or even groups of scholars. On top of this, Furtado never actually taught regularly at a Brazilian institution of higher education. Furthermore, Furtado spent what seems to me as a lengthy portion of his prime years trying to survive as a political exile intent upon keeping a low profile while in France. After the military coup of 1964 Furtado had his political rights removed and subsequently left Brazil. As noted above, while in exile abroad, and when serving as a Professor of Development Economics and Latin American studies at the University of Paris, he failed to report having direct interaction with Brazilian research institutions or government agencies.

As a political exile Furtado became the *éminence grise* of Brazilian economic thought. He reached this position gradually as result of a combination of factors: the prestige attached to his Sorbonne degree; his United Nations credentials and proximity to Latin America superstar and heavyweight economist, Raúl Prebisch; and the recognition of his name within Latin America. However, what strongly assisted Furtado in winning over the hearts and minds of Brazilians of his generation—as well as future generations of economists—was his writings. *Formação Econômica do Brasil* (1961 [1959]) continues to register as his most influential book. Upon its publication it was appreciated instantly as a classic that was widely read and discussed over a span of decades in Brazil.

To me, his presentations on the economic history of Brazil reads like a novel, leaving strong impressions on readers, so much so that in the Portuguese and Brazilian literary traditions Furtado could be considered and identified as something like a “romantic” economist (see Rama and Hall 2019). Successes with his writing and publishing the *Formação* helped to guarantee that his subsequent books published in Brazil would reach marketing status on the order of “bestsellers.” In actuality, Furtado registers as the economist with the most books ever sold in

Brazil's five-hundred-year history. It would not be an exaggeration to stress that Furtado's books influenced his and subsequent generations of economists from the 1960s onwards.

10 Conclusion

The intention of this inquiry has been to trace Celso Furtado's signature approaches to Development Economics backwards through time and space. Clearly, special consideration needed to be offered to his stint in Paris where he completed a doctoral program that included his studying under *les trois professeurs français* François Perroux, Maurice Byé and Bertrand Nogaro; thinkers that influenced him to compose his dissertation around some of the structural characteristics of underdevelopment that could be associated with sugar production in Brazil in the sixteenth and seventeenth centuries, when key, enduring, and crippling institutions emerged and solidified.

What has been emphasized is that indeed Furtado needs to be recognized as a Brazilian economist, theorist, and policymaker understood and appreciated as having been powerfully influenced by the French intellectual and academic scene found in the early post-war years, and by his *non-conformist professeurs*, in particular.

With the background of his superior education at La Sorbonne in Paris, Furtado contributed what could be argued as novel approaches to development economics, advancing our collective understanding of what he categorized and defined as "economic underdevelopment." This, along with his work on structuralism based upon foundational ideas learnt from the three French professors—Perroux, Byé, and Nogaro—could be understood as engendering possible spill-over influences on the formation of Latin American Structuralism, a school within the field of Development Economics that is noted to have emerged at ECLA during the 1950s and 1960s. Similar to the distinctly French variant and tradition, as a school LAS places emphasis upon *structures* of the *real* economy, with activity taking place in actual time and real space; and that is achieved through making strategic technological advances that could be applied towards promoting industrialization, with the idea of improving prospects for sustained growth and raising per capita incomes for a population.

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