

A New Chapter in a Senior's Tradition: Connections Between Thorstein Veblen's Institutionalism and Celso Furtado's Mature Writings

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This study associates Original Institutional Economics and four books by Celso Furtado from the 1990s and early 2000s, as he discussed the cultural dimensions of underdevelopment in those writings. We rely on the association of issues from Veblen's institutionalism with the cultural aspects of Furtado's investigation. The Veblenian concepts of pecuniary emulation and conspicuous consumption support the understanding of the habits of the Brazilian elite as addressed by Furtado. Hence, this paper studies an unexplored connection between institutionalism and structuralism as such associations usually rely on the ceremonial-instrumental dichotomy. We introduce a reading of today's Brazilian society to illustrate our argument. Such reading relies on changes promoted in higher education and lower classes' purchasing power.

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Introduction

Original institutional Economics is a heterodox approach that is open to cross-fertilization. For instance, recently, there have been efforts to establish associations between institutional economics and Post-Keynesian economics (see Niggle, 2006; Fernández-Huerga, 2008; Tauheed, 2011). However, the institutional openness to cross-fertilization is not a novelty. Since the late 1970s and the early 1980s, radical institutionalism has been exploring a connection with Marxism (Dugger, 1988; Dugger and Sherman, 1994). Another merger of ideas that occurred during the 1970s was that of institutional economics and Latin American structuralism¹. It can be understood as

¹ To systemize structuralism, Bielschowsky (2004) enumerated its five basic features, whose ideas were widely used by most theorists. They are the characterizations of underdevelopment: (1) a periphery's

the James H. Street tradition, upon which this study relies as it connects Original Institutional Economics and Celso Furtado's writings. The connection focuses on Furtado's more mature writings that address his cultural dimension of underdevelopment.

The Brazilian economist Celso Furtado (1920-2004) is undoubtedly one of the greatest economists who studied the underdevelopment of Latin America. He is one of the main theorists whose contribution helped in developing the ideas behind United Nations Economic Commission for Latin America and the Caribbean (ECLAC), which were collectively called structuralism.² ECLAC's theory sheds light on the problems inherent to the underdeveloped world. Structuralism was also a milestone in the creation of economic policies to address the challenges faced by Latin America during the 1950s and part of the 1960s. Furtado not only contributed to an economics that was more aligned with Latin America, but also applied this perspective to his own country, Brazil (Bielschowsky, 2004).

Furtado obtained his Ph.D. in Paris from Université Paris-Sorbonne in 1948, and subsequently joined the ECLA in 1949 where he contributed to designing the main ideas of structuralism.³ After his return to Brazil in 1954, Furtado held positions at several governmental agencies.⁴ After the 1964 military coup, he was exiled and spent his subsequent years as a professor and consultant in many universities and institutions in Europe and the United States.⁵ Furtado got amnesty from the Brazilian military

condition, the "centre-periphery" relationship, is of utmost importance in the structuralist analysis. Its foundation lies in the fact that the technical progress developed unequally among countries, creating differences in their productivity and creating a well-developed centre and an underdeveloped periphery; (2) the identification of a spontaneous process of industrialization and its historical significance after World War I, a change of direction in the global economy, transformed the world economy when the flow of exports to the underdeveloped countries was reduced drastically. This allowed these countries to produce internally to supply their repressed demand; (3) the industrialization of the periphery is seen as an unparalleled and problematic development model. There are four problematic tendencies that accompany the process of industrialization in the underdeveloped world: unemployment, the deterioration of the terms of trade, the external imbalance, and inflation; (4) the structuralist thesis concerning inflation; and (5) the thesis of import substitution.

² The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) is a United Nations regional commission to encourage economic cooperation among the countries of the region. Established in 1948, it was aimed at solving problems related to the underdevelopment of Latin American countries. Its name was changed in 1984 to accommodate the Caribbean. It is headquartered in Santiago, Chile (ECLAC, 2021).

³ The structuralism of ECLAC intends to identify non-economic parameters in macroeconomic models – here identified as historical and institutional factors which contribute to the economic development (Aguilar and Silva 2010), or which structures contribute more adequately to economic development, such as the ones that thwart it (Love, 2005).

⁴ From 1954 to 1955, Furtado was the head of the "Grupo Misto Cepal-BNDE" (Mixed Group ECLA-BNDE); between 1959 and 1962, he was the head of Sudene (Superintendence for the Development of Northeast); from 1962 to 1964, he was the Minister of Planning, who dealt with the economic issues of the Brazilian federal government (Bielschowsky, 2004).

⁵ Furtado was a professor at Université Paris-Sorbonne (France), University of Cambridge (UK), Yale University (USA), American University (USA), and Columbia University (USA) (Furtado, 1991).

dictatorship in 1979, before the 1985 redemocratization process. From 1979 until his passing in 2004, Furtado remained a researcher in Economics. Furtado's *magnum opus*, a widely influential book taught in almost all undergraduate economics courses in Brazil (Saes *et al.* 2015), is undoubtedly "The Economic Growth of Brazil" (EGB), published in 1959.⁶ This book is an analytical report on the process of constructing the economic foundations of Brazil (Barbosa 2010). EGB is the result of the combination of Furtado's historical perspective and economic thinking. Furtado's analysis provided a perspective on the formative years of the Brazilian economy, from the years of Portuguese colonization to the 1950s. EGB reinforces and spreads the message of structuralism and provides a historical study crucial to the legitimation of the approach (Bielschowsky 2004).⁷

After 1964, during exile, Furtado focused his analysis on the concept of modernization as an important explaining factor of the underdevelopment. Modernization is understood as "the process of adoption of sophisticated consumption standards, without a corresponding process of capital accumulation and progress in the productive methods" (Furtado 1974:81). Therefore, Furtado did not abandon the aspect of unequal diffusion of technological standards across countries, but highlighted the decisive role of modifications in consumption standards for the economic growth of peripheral economies. The development concerned not only an economic dimension but also a cultural dimension, a type of cultural colonization by those who capture the surplus of the economy (Furtado 1974). In the 1990s, when his last books were written, Furtado had already consolidated the cultural element into his analysis, an indispensable feature to locate similarities between his last publications and the Original Institutional Economics⁸.

6. It is a translation of "Formação Econômica do Brasil." Since its first edition, the book sold more than 350,000 copies in Brazil, and it was translated into nine languages (D'Aguiar Furtado 2009).

7. In the EGB, Furtado emphasizes some of the basic elements of ECLAC theory, such as peripheral underdevelopment as a historical process, which demands economic planning, and the meaning and dynamics of the spontaneous industrialization (Bielschowsky 1989). The historical approach of ECLAC issues was responsible for EGB's status as a classic (Silva 2006) and was considered a bastion of structuralism, or even its masterpiece (Bielschowsky 1989).

⁸ Although the cultural element was present in Furtado's analysis since "The Myth of Economic Development" ("O Mito do Desenvolvimento Econômico"), published in 1974, it wasn't until the 1990s that this aspect became preponderant in his books. Specifically, the cultural element was highlighted twice since 1974 until the 1990s, in "Creativity and Dependency in the Industrial Civilization" (1978) and in "Culture and Development in an Age of Crisis" (1984). His other books emphasized Brazil's economic situation in the beginning of the 1980s, such as "Brazil post-'Miracle'" (1981), "The New Dependency, Foreign Debt and Monetarism" (1982), "No to Recession and Unemployment" (1983) and in "ABC of Foreign Debt" (1989a). Between 1974 and 1991, Furtado also published three autobiographical books, wherein he only uses his theory as a background to his experiences: "The Organized Fantasy", (1985), "The Undone Fantasy" (1989b) and "The Air of the World" (1991).

This study posits that in his mature writings, Furtado adopted an economic perspective closer to that of Thorstein Veblen, a founding father of Institutional Economics⁹. Our core argument is that Furtado's mature economics is another chapter in the connection between Latin American thinkers and institutionalists. To this end, this study is divided into four more sections. The next section introduces the approach between structuralism and institutionalism as a tradition initiated by James H. Street. The subsequent section discusses the crux of Furtado's mature writings, and the section thereafter discusses its connection with Veblen's institutionalism. Then, it is introduced an illustration of a Veblenian-Furtadian perspective of today's Brazil. The study concludes with a few final comments.

Connections between Institutionalism and Structuralism: A Lifelong Tradition

It is a prevalent tradition to approach Furtado's writings with institutionalism. We can affirm that this tradition was established by several institutionalists, but James H. Street was a major contributor. Street had several in-loco experiences in the countries that he studied to build a connection between structuralism and institutionalism. He gave lectures on economic development at universities in Argentina, Colombia, Mexico, Paraguay, and Peru. He was a part of a team of specialists working with secondary teachers in Central America and Panama for eight years to improve the economic education there. Street was also the director of an exchange program between Rutgers University and seven Argentine universities (Dietz and James 1988). He also approached members of the ECLAC. Because of Street's efforts, Osvaldo Sunkel was appointed as a Clarence Ayres Visiting Scholar, and he addressed the connections between structuralism and institutionalism through the former perspective (Sunkel 1989a).¹⁰

Street saw similarities between studies of social institutions undertaken by the institutionalists and the structuralists (Street 1967, 1976, and 1987; Street and James 1982). Accordingly, the reorganization of social structures and technological development would be vital to solve the main issues of Latin America economy. On the structuralist side, Sunkel (1989b) emphasized that both institutionalism and

⁹ Since 1974, Furtado only cited Veblen once, in "The Organized Fantasy" (1985), referring to the fact that the investment rate is influenced by institutional factors, and that this discussion stems from the works of Veblen and Max Weber.

¹⁰ Street's approach to Sunkel was supported by Edythe Miller, AFEE's president of that time, and Dilmus James, who was another institutionalist interested in structuralism (Sunkel 1989a).

structuralism were created as a reaction to *laisse-faire* doctrines. Institutionalism is associated with interests, idiosyncrasies, and national concerns related to the US, while structuralism regards the same issues from the Latin American perspective. Both approaches have a reformist, and consequently, non-revolutionary quality, and both intend to tame capitalism, not extinguish it. For both approaches, the economic process is not considered as a static or circular mechanism, reiterating and equilibrating and limited mainly by what occurs in the markets. Rather, they are evolutionary and socio-historic processes, comprised of cumulative causes and effects of conflicts and changes in the economic, social, cultural, and political forces (Street 1967 and 1987 and Sunkel 1989a and 1989b).

Additionally, Aguilar and Silva (2010) confirmed the assumption of similarities between the two approaches and stated that the importance that structuralists attribute to institutions in fostering economic development is undeniable. They also claimed that the structuralists' theory coherently concatenates the holistic and historical dimensions, providing structuralism with sufficient flexibility to its application to specific cases in Latin America without rejecting its more general hypotheses.

Nonetheless, there are dissimilarities between institutionalism and structuralism. Sunkel (1989a and 1989b) stated that while the structuralist focus is global and neglects technological development as a transforming element of society and its culture, institutionalism gives great importance to technological development. Street (1982) agreed with the distinction and stated that for institutionalists Latin America “[...] obstacles to economic development remain in the repressive features of local institutions, in which nationalistic military intervention and control, reverence for the caudillo, or charismatic leader, and a preference for ceremonial over functional behavior in nearly all strata of society play a large part” (Street 1982: 683). However, the dissimilarities between institutionalism and structuralism do not imply incompatibility; in fact, they can be complementary (Street 1967 and 1987, Street and James 1982 and Sunkel 1989a and 1989b).

Despite such an important connection between institutionalism and structuralism, it takes into account a specific understanding of Institutional Economics: the Ayresian Institutionalism. Clarence Ayres (1891-1972) was “the dean” of institutionalism in mid-20th century. Ayres developed a segment of Veblen's writings that became known as ceremonial-instrumental dichotomy. The ceremonial-instrumental dichotomy became popular because of Ayres. Generally, the dichotomy can be understood as the inert and conservative institutions that are obstacles for the

development provided by technology. Street, as Ayres's former student, relies on his professor's perspective to understand Latin American economies. This paper address other cross-fertilization between institutionalism and structuralism.

Institutionalism in Furtado's Mature Writings

Furtado is not unknown in the discussion about the connection between institutionalism and structuralism. He is quoted by some institutionalists who deal with structuralism, such as Street (1967 and 1987), Street and James (1982), and Cypher (2013, 2015 and 2018). Furtado's writings have also been explored by institutionalists beyond the scope of a ceremonial-instrumental dichotomy connection with structuralism. Amaral Filho and Farias (2016) point out that Furtado follows a Veblenian perspective in dealing with the cultural aspects of economic activities, a connection that this paper also explores. Vidal and Marshall (2014) applied Furtado's economic ideas to understand the economic development of the US. Martins (2021) relies on Furtado's perspective of unifying productivity and a humanistic view of development. This paper lays in the same perspective, following a connection of Furtado's writings with other institutional perspectives apart from ceremonial-instrumental dichotomy. We address the fact that in Furtado's mature writings, he offered a reading of the Brazilian economy that was aligned with Veblenian social criticism. To our knowledge, several passages of Furtado's mature works can be seen as a Veblenian perspective on the Brazilian economy.

Furtado's perspective on underdevelopment changed throughout his career. The cultural dimension, which is central to our study, emerged mainly after 1974, and persisted in Furtado's works until his final writings. Therefore, we can assume that the cultural issues in Furtado's writings are the outcomes of his intellectual maturity, and in the last decade of his career, the concepts concerning the cultural aspect of the underdeveloped countries were already incorporated to his theory. Hence, to address Furtado's cultural dimension, we analyzed the last decade of his bibliography.¹¹ In *Brazil, the Interrupted Construction* (1992), Furtado observed the Brazilian reality immersed in the context of the decline of labor unions in light of the rise of multinational and transnational companies, which evoked supranationality as a

¹¹ With the exception of "O Capitalismo Global," which was translated to English and published as "Global Capitalism," the remaining books do not have an English title. Therefore, the translations of the other books are ours.

subterfuge to cutting costs¹². In *Global Capitalism* (1998), Furtado addressed the emergent power relations in a society in the process of globalization and the challenges imposed on underdeveloped countries circumscribed by the emergence of transnational companies as preeminent actors in the global economic landscape. In *The Long Dawn* (1999), Furtado expresses a special concern for the cultural formation in Brazil, primarily the influence of global culture as a smotherer of cultural values that are inherently national.¹³ Furtado's last book, *The Search for a New Model* (2002), reinforces the assertion relative to globalization introduced in his previous writings, emphasizing that an increase in productivity does not necessarily lead to improvements in livelihoods.¹⁴

The importance of culture for Furtado is evident in his last works. According to him:

“[t]he culture simultaneously is a cumulative process and a system, a concept whose wholeness is not explained by the meaning of each part because of synergy effect. The societies which were integrated into the international commerce as exporters of a few primary products, and which subsequently went through an industrialization process, had the accumulation of its cultural assets commanded from outside in benefit of groups which control international transactions: the internal coherence of the culture system is, consequently, submitted to destructive pressures” (Furtado 1998:71).

The process of culture-conditioning deleterious to underdeveloped economies is called the external acculturation process. It is a link between Veblenian concepts of pecuniary emulation, conspicuous consumption, and conspicuous leisure. The habits of thought of Brazilian higher social strata, contaminated by external influences originating from the infiltration of the foreign culture, are similar to behavioral forms typified by Furtado as deleterious to national development (Furtado 2002). This emulation, first inspired directly by the influence of domination hidden mechanisms, as identified by Veblen, begins affecting the inferior population strata, influencing the habits of thought of middle and lower classes. Using the identification hypothesis between Furtado's Brazilian higher social strata and Veblen's leisure class, it can be perceived that pecuniary emulation is present not only in the richest social classes which

¹² Brazil, *Interrupted Construction* is a free translation of “Brasil, a Construção Interrompida.”

¹³ *The long Dawn* is a free translation of “O Longo Amanhecer.”

¹⁴ *The Search for a New Model* is a free translation of “Em Busca de um Novo Modelo.”

aspire to the consumption standard of foreign countries, as stressed by Furtado, but also in the lower strata which aspire to the living standard of the higher strata, as Veblen enumerated and can be applied to the case of Brazil. This mechanism was highlighted by Arend (2008), who sees the stability of the social status quo and the modernization process in Brazil as a consequence of pecuniary emulation: the lowest strata of society does not wish to change the system because it hopes to benefit from it eventually; at the same time, the Brazil's elite imitates developed countries' consumption standards.¹⁵

The adoption of imitated consumption standards from societies with much superior wealth levels leads to inevitable social dualism, denoting a clear division between the aforementioned elite and the rest of society (Furtado 1992:44). Furtado (1998) stresses that this external influence not only explains the high concentration of income, but also the persistence of social heterogeneity and the way Brazil participates in international trade.¹⁶ Realizing the extension of this phenomenon, Furtado worried about loss of national identity, drained by the modernization tide. Therefore, the high propensity to consume originates from the fact that the upper and middle classes follow the living standards of developed countries, despite the considerably lower level of internal income. High-income Brazilians absorb the consumption standards the waste, taste for show-off, and ostentatious expenses through the phenomenon of acculturation, (Furtado 2002: 20).

This imitative process in underdeveloped economies occurs because they did not go through the process of social homogenization during their formative years. There was a disarticulation between accumulation and consumption. Therefore, the urgency arising from foreign cultural standards through the emulation of external behavior is a preponderant factor in the drainage of the country's resources (Furtado 2002). Thus, the

¹⁵ Arend (2008) proposes an identification between Furtado's elite and Raymundo Faoro's bureaucratic "stament" (free translation to "estamento"), which is a group inside the State which takes its possession and uses it to command and conduct the State's businesses (Faoro 2001). It is a domination based on public made into private patrimony, characterizing its mingling and social inequality.

¹⁶ Furtado (2008) links the external acculturation process by tracing its origins: "[t]he income increases originated by the expansion of international trade in the nineteenth century propelled the diffusion of new consumption standards created by the Industrial Revolution. As a consequence, the industrial technology was not universalized, but the new consumption standards originated in the industrialized countries was. The diffusion of directly productive activities was slow, originating qualitative discrepancies in the social and economic structures between the countries in which the production techniques were advancing and those in which these advances privileged unproductive investments and consumption of durable goods, usually imported." (Furtado 1998: 59). Therefore, the external acculturation process drives the elites into wasting the country's resources on unproductive goods, which reinforces the high concentration of income and the social heterogeneity among different social classes, at the same time, the persistence of international trade focused on extracting resources from underdeveloped countries and exporting industrialized goods reinforces the tendency to maintain the underdevelopment vicious cycle.

conspicuous nature of these forms of consumption lead to overconsumption.¹⁷ Examples of this type of consumption are international travel and acquisition of imported assets, especially durable, or real estate outside Brazil. This form of consumption, which influences other social strata, is doubly reinforced. The evident technological superiority of countries that irradiate their acculturation in foreign territories is complemented by the image propagated that their culture is richer, better, and more important.¹⁸ This influence, which creates superfluous consumption, also generates resource waste. Notwithstanding, Furtado links this waste to programmed obsolescence, which occurs when companies aim to reduce the lifespan of products with the intention of reinforcing the acquisition of new products (Furtado 1992:24).

Conspicuous leisure is reinforced by external acculturation. Artistic and cultural expressions irradiated by developed countries are merged with a range of acquirable knowledge.¹⁹ The deleterious effects in this case, such as conspicuous consumption and contamination of society, aid in shattering national culture from the top down.²⁰ Nonetheless, this tendency is less pronounced than that of the consumption habits of goods. Here, it is possible to use Veblen's assertion that urbanization favors conspicuous consumption to the detriment of conspicuous leisure: the bigger the impersonality in social relations, the bigger is the necessity of ostentatious consumption as a reaffirmation of the status quo. Hence, conspicuous leisure assumes a less pronounced form; therefore, it is more restricted to specific circles.²¹

A Veblen-Furtado Reading of Contemporary Brazil

Recently, Ramon Fernandez (2021) put forward a metaphor of a roller coaster to understand South America's economies during the last two decades. According to Fernandez (2021), there were progressive governments in South America as result of

¹⁷ Furtado mentioned overconsumption when referring to the groups who consume conspicuously. To him, without a project grounded in reality, the rehearsals of the structural transformations required by society will hardly achieve the necessary efficacy. Without the consensus of the conspicuous segments of society, a well-elaborated project would not be feasible (Furtado 1992: 57).

¹⁸ This tendency towards this cultural imitation stems from the flow of innovations in developed countries (Furtado 1998:60), always pushing the consumption standards towards new products, based on projected images of success.

¹⁹ Veblen affirmed that the conspicuous leisure "connotes non-productive consumption of time. Time is consumed non-productively (1) from a sense of the unworthiness of productive work and (2) as an evidence or pecuniary ability to afford a life of idleness" (Veblen 1899: 33).

²⁰ Specifically, the United States influence projects a mass culture endowed with extraordinary means of diffusion, and acts as a destabilization factor in the cultural frame founded on the elite-masses dichotomy (Furtado 1999:65).

²¹ Furtado (1999) affirms that while popular culture takes the risk of mischaracterization, the transnational industry lends itself to the role of the vector of modernization progression. The brake to this process is inevitably an aspect of the creation of a critical conscience by the country's elite to avoid cultural disintegration through imitating the less-favored classes.

crisis of the previously neoliberal governments in the beginning of the 2000s. During the 2010s, there was a revival of the neoliberal governments in South America characterizing Fernandez's (2021) roller coaster. Our point is that the Veblenian-Furtadian analysis addresses important issues of the Brazilian roller coaster. This item works as an illustration, but also points out that the Veblenian-Furtado perspective offers important insights to understand the current Brazilian society.

Progressive Brazilian governments began functioning in 2003; the first year of the first term of Luiz Inácio "Lula" da Silva. He was the president until 2010 when his second term ended. Dilma Rousseff was President Lula's successor. She was elected for her first term in 2010 and for the second in 2014. However, President Rousseff did not conclude her second term, as she was impeached in 2016. Consequently, we can assume that progressive governments in Brazil were in power from 2003 to 2016. In 2016, President Rousseff's vice president Michel Temer, was nominated President. In 2018, Jair Bolsonaro won the election for president. President Temer brought the ideology of neoliberalism back to Brazil and President Bolsonaro has been adopting politics resembling right-wing extremism. Our argument is, progressively, Presidents Lula and Dilma improved the socioeconomic condition of the lower classes. It was extremely aggressive towards the conspicuous distinction enjoyed by upper classes. Bolsonaro's government is the Brazilian elite's strike back in recovering its conspicuousness. First, we will introduce the changes promoted by the progressive governments and then, the leisure class reaction in two illustrations: higher education and common people acquiring goods that they did not before.

Higher education in Brazil is an apt example of how great collective achievement can be accomplished by the vested interest of the elite. It also illustrates how progressive Brazilian governments fought against elitism in higher education and how the leisure class reacted. Brazilian government always shared a close relationship with higher education: universities in Brazil that offer good quality education are state or federal universities. Hence, top Brazilian universities are entirely supported by the state and federal governments. Controversially, before the progressive governments, they were crowded by young members of the leisure class. It was a classic encapsulation case. Brazilian public universities were created to make scientific knowledge accessible through academic merit. However, it was clear that despite the label of academic merit, the access to top Brazilian universities was strongly centered on the elite.

Progressive Brazilian governments provided lower classes access to top universities. These governments changed two main issues in the federal universities. One of them was an increase in the number of students at federal universities. This was executed through increased number of scholarships to grant lower classes the opportunity to not only access federal universities, but also be able to finish courses.²² Additionally, more federal universities were created in regions where there was no higher education available, which expanded geographical access to the university system.

Progressive Brazilian governments altered top universities, they were places of conspicuous distinction: a leisure class's space. Therefore, federal universities have been under massive attack since neoliberalist governments reclaimed the federal government,. For instance, the budget cut proposed by President Bolsonaro resulted in deans of federal universities affirming in the first semester of college that they do not know if the budget would provide for the functioning of universities through the year. Clearly, this budget cut affected the provision of scholarships, which made the situation of lower classes university students perilous. During Bolsonaro's term, there were three different ministers of education, Ricardo Vélez Rodríguez (January to April, 2019), Abraham Weintraub (April 2019 to June 2020), Milton Ribeiro (June 2020 to March 2021). Obviously, there is an instability in Bolsonaro's ministry of education. It is promoted by the controversies promoted by the ministers.

Vélez Rodríguez's controversies were not directly connected with higher education. They were associated with the fact that he (1) classified the Brazilians as thieves and it should be adjusted in school (Franco 2019); (2) demanded that school students sing the national anthem and chant Bolsonaro's slogan while contesting in the election (Jornal Nacional 2019); (3) a historical revisionism regarding the 1964 military coup that was not a coup according to Vélez Rodríguez (O Globo 2019). Weintraub's controversies are related to higher education and Ribeiro's controversies illustrate the conspicuous distinction demanded by the Brazilian elite.

Weintraub affirmed that federal universities promoting riots, "balbúrdia" in Brazilian Portuguese, could have their budget partly cut (Agostini 2019). Weintraub did not introduce what he meant by riots, but it was implicit that he was referring to progressive thinking. Weintraub also affirmed that it is a student's right to record a professor during class, however, jurists defended that recording someone without

²² The scholarships were not about fees. Brazilian federal universities function without fee structures. The scholarships offered a financial assistance to provide housing and food to students during their university education.

previous authorization is a crime (Estado de Minas 2019). We can affirm that Weintraub was fighting against progressive thinking at universities. Not only that, he also tried to tarnish the reputation of federal universities; the best example is an interview wherein he stressed that there were drugs labs inside federal universities (Bermúdez 2019). Weintraub never proved this accusation. His point was since federal universities were a space just for only anymore, it was not a good and healthy environment.

Ribeiro stands for a perspective varied from Weintraub. He believes in taking the federal universities back to the elite. For instance, he affirmed that universities are places for just a few people. According to him, non-university technical courses would be more useful for the majority. He stressed on the necessity to recover an ancient division of educational formation, that is, university formation, that segregates the Brazilian upper class from the others who must be restricted to technical formation. Ribeiro was reclaiming the universities as a place for the elite, as it was in the past, and confine the lower classes to technical courses (Folha de S. Paulo 2021).

Another change in the Brazilian economy from progressive governments to neoliberalists relies on the lower classes' purchasing power. The key point was not increasing the lower classes' purchasing power, but how aggressive it is for the Brazilian elite that understood such process as a loss of conspicuousness. There are two central policies adopted by Brazilian progressive governments: an income-transfer policy and a real wage appreciation. The income-transfer policy was as a merger of several income-transfer policies that were not working as expected (Senna et al. 2007); it was named "Bolsa Família." "Bolsa Família" was a conditional income-transfer policy and changed the logic of income transfer in Brazil, as recipients are families, not individuals (Gambus and Almeida 2017 and Senna et al. 2007).

The conditions for a family to be a recipient are: "(i) pregnant women, nursing mothers, and children (from birth to six years) must be nutritionally assisted and kept updated on their vaccines; and (ii) children and teenagers from six to sixteen years of age must have a school attendance rate of 85 percent or higher (Gambus and Almeida 2017: 491). Summing up, there are health and educational conditions to assess the "Bolsa Família." Despite the fact the income-transfer is a short-term policy, there are long term issues associated with the "Bolsa Família." The real wage appreciation took place through the appreciation of the minimal wage that was an important action to combat poverty (Krein, Santos and Nunes 2011). Hence, Brazilian progressive governments generated a higher income to poorer people. They started to consume products that were once associated with higher status and be in places they did not use

to be. The social distinction was affected but the Brazilian progressive governments and the Brazilian leisure class reacted. This reaction is related to Furtado's (1974) notion of modernization. For Furtado (1974), modernization takes place through spendthrift habits and no economic development. The lower classes' purchasing power is generally related to economic development, but the Brazilian elite reclaimed its conspicuousness despite the development.

The neoliberal government did not extinguish the "Bolsa Família." However, like every neoliberal government, the Brazilian one also relies on the private-public dualism, with the public deemed as inefficient. Hence, the neoliberal government promoted a deflation in the "Bolsa Família" while abandoning the minimal wage appreciation. Of course, such governmental actions matter, but the behavior of the elite and representatives of the government are also full of meaning. During the ascension of the purchasing power of poor people, a situation in an airport became very famous. In 2014, a lady professor at a Catholic University took a picture of a man wearing shorts and shirt in an airport. She posted the picture on a social network site with the title "airport or bus station" (*aeroporto ou rodoviária*). Two comments under the post were: "glamour has gone into space" and "do you know what is worse? When this such a passenger sits right next to you and rubs his furry arm against yours, because – of course – he does not respect (or does not fit) the limits of his seat" (Pragmatismo Político 2014).²³

Clearly, the key issue of the airport or bus station controversy was that the elite "owned" some places in the Brazilian society and there was a feeling that such places were being occupied by other people. There is a pecuniary argument behind the controversy. Plane tickets are more expensive than bus tickets, hence poor people travel by bus and the elite by plane. The man wearing shorts and shirt was judged as a poor person by his clothes. He was not distinct enough to be at an airport. A few years later, the wife of an important popular Brazilian comedian revisited the "airport or bus station." The argument was the same, she complained about the clothes that people were wearing at an airplane and how crowded it was. The term "bus station" was also applied (O Estado de S. Paulo 2019).

Additionally, the Brazilian Minister of Economy in the neoliberal government, Paulo Guedes, offered an argument related to the preservation of the place of elite in the Brazilian society. In 2020, when questioned about Real's devaluation, he explained the

²³ In the original version, the comments were: (1) "*O glamour foi para o espaço*" and (2) "*E sabe o que é pior? Quando esse tipo de passageiro senta exatamente a seu lado e fica roçando o braço peludo no seu, porque – claro – não respeita (ou não cabe) nos limites do seu assento*" (Pragmatismo Político 2014).

impact of valued currency and exports.²⁴ However, Guedes added that when Real was valued “everybody was going to Disneyland, maids were going to Disneyland, a hell of a party.”²⁵ Once again, the issue was an elite’s place being invaded by non-elite people (Folha de S. Paulo 2020). The argument here is related to the conspicuous leisure, as everybody was going to Disneyland, everybody was able to indulge in habits contaminated by a foreign culture. Hence, emulating such habits was not as conspicuously powerful as before.

It is important to address that in the “airport or bus station controversy” or in Guedes’s speech, the subject was not the higher income of the less wealthy. The point was elite people mixing with non-elite people. The feeling of losing their places, the places they think they deserve just for being elite, motivated such a stance. This can be viewed with regard to Furtado’s (1974) notion of modernization.

Final Remarks

This study discusses the links between Veblenian institutionalism and the final four books of Celso Furtado. Furtado’s bibliography circumscribes the structuralism of ECLAC. The relationship between institutional economics and structuralism falls in a long-life tradition. Our paper adopted another path by focusing more on mature Furtado’s writings and Veblen’s institutionalism beyond the ceremonial-instrumental dichotomy. Veblen’s pecuniary emulation, conspicuous consumption, and conspicuous leisure fit into Furtado’s approach, which affirms that external culture propels the consumption of superfluous goods by Brazil’s “leisure class,” which is, by hypothesis, the country’s elite. By adopting such a Veblen-Furtado perspective, it is possible to attain a bigger picture of the acculturation process in Brazil. Such a perspective was applied to understand the recent issues of contemporary Brazil. Our paper does not exhaust the connection between Furtado and institutional economics. For instance, according to John R. Commons, Furtado analyzed transaction among employees and employers and labor unions. Perhaps, it can be analyzed by future research.

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²⁴ Real is the Brazilian currency.

²⁵ In the original: “[t]odo mundo indo para a Disneylândia, empregada doméstica indo para a Disneylândia, uma festa danada” (Folha de S. Paulo 2020).

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