



ECONOMIC GROWTH OR DEVELOPMENT: THE VALIDITY OF THE THEORIES OF CELSO FURTADO AND ECLAC ON THE BRAZILIAN REALITY

Juan Arturo Castañeda-Ayarza

Pontifical University Catholic of Campinas (PUC-Campinas), Brazil

E-mail: juan.arturo@puc-campinas.edu.br

Davi de Pinho Spilleir

Pontifical University Catholic of Campinas (PUC-Campinas), Brazil

E-mail: d_spilleir@hotmail.com

Douglas Silva Guimarães

Pontifical University Catholic of Campinas (PUC-Campinas), Brazil

E-mail: douglas.sguimaraes@gmail.com

Dario Rodrigues da Silva

Federal University of ABC, Brazil

E-mail: dario.usina@gmail.com

Submission: 10/3/2020

Revision: 10/22/2020

Accept: 10/28/2020

ABSTRACT

Discussion between economic growth and development has permeated economic-sociological studies for a long time. It has been used successively to explain the observed phenomena imposed, such as inequality and income concentration, dependence, and even the power of the investment multiplier effect when driven by the State. From socio-economic activity and social inequalities, this paper aims to discuss the connections between Celso Furtado and ECLAC theories, upon the thoughts of Raul Prebisch and Raul Pinto, and the existing reality in Ribeirão Branco, one of the poorest cities in Sao Paulo State in Brazil. Data collection was done through documental research and the application of targeted interviews. The results explain how essential state investments promote social welfare and how periphery-center relations heavily affect municipalities of minor economic relevance.

Keywords: development; dependency; Furtado; economic growth; ECLAC



1. INTRODUCTION

Economic growth is usually considered a synonym with economic development since, through the industrialization process, economic growth became a widely accepted pattern for a country to be considered developed (Gregorio & Guidotti, 1995; Mckinnon, 1979). However, mainly after developing countries' experiences, it became clear that fast growth on a national range neither automatically reduces poverty and inequality nor propitiates enough productive employment (Petry et al., 2015).

Economic development and growth are understood as two distinct processes. Economic growth is defined as an increase in the market value of goods and services produced over time (De La Croix & Michel, 2002; Kuznets, 1955). Economic development can be described as the political actions that promote an economic community's welfare and life quality (Schumpeter, 1934).

The modern concept of economic development also implies intentional social changes that agree with social goals in which social and ecological costs should be added (Hettne, 2009). Thus, the development conception opposes the idea of growth by focusing on evolution and progress in all dimensions and not exclusively on the economy size (Cavalcanti, 2003).

Adelman and Yeldan (2000) and Petry et al. (2015) explain that five elements constitute economic development: (1) self-sustaining growth; (2) structural changes in production patterns; (3) technological modernization; (4) social, political, and institutional modernization; and (5) general improvement of human living standards.

1.1. Local development

The mobilization of a development-oriented society presupposes, in essence, the associative desire among the many parts that constitute it. For Friedrich List (1841), a nation's prosperity is not the result of wealth accumulation but the capability of developing productive forces.

The traditional economic approach to development centralizes the governmental role, discussing public administration at a regional level and affirming that local development (LD) occurs through external impulses (Oates, 1993). For example, the United States central government's participation in the total national expenditures increased from 35% at the end of the 19th century to almost 60% in 1995. In the same way, in the United Kingdom, central government participation in the total national expenditures rose from 57% in 1895 to 75% in 1955 (Oates, 1975).



However, the most recent approaches delegate to local governments to administrate local economic development and defy them to take each place's best economic potentialities as a starting point for development (Lima, 2000). For example, according to Kisman and Tasar (2014), many researchers from different areas, such as sociologists, geographers, economists, and politicians, stand for the idea that local development can add value to the following fields: Understanding new problems related to development; Highlighting specific issues to local development; Enhancing governance; Contributing to politics strengthening, territorial integration, and improving funding mechanisms.

According to Barquero (1993), the emergence of solutions aimed at internal problems is made possible through projects and ideas locally generated, which allow the use of available resources. Following the same line of thought, Garcia (1987) quotes that local development will be a consequence of more significant natural and human resources and available capital.

It is also essential for local development that society's institutional complex be flexible, effective, and efficient and produce maximum output with the available resources. It means institutions have the role of directing and solving conflicts concerning allocating scarce resources to generate benefits, distribute results, and expand borders of possibilities (Doellinger, 1980; Garofoli, 2009).

Therefore, Integrated Local Development – ILD foresees an autonomous local system's construction, globally integrated, and that allows articulating elements in evolutionist, historicist, and structuralist approaches. The articulation of these approaches will allow more sustainable communities to emerge, capable of meeting immediate needs; discover or awaken their local vocations and develop their specific potential; and promote foreign exchange by using its local advantages (Lima, 2000; Matei & Matei, 2012).

1.2. Celso Furtado and the development

Celso Furtado (1920 – 2004) is considered one of the greatest Brazilian economists of all time. In general, his original contributions to the domain of economy and development policy are: a) the conception of the economic system as a set of regulatory devices aimed at increasing the efficiency in the use of limited resources; b) the vital relationship between the functioning of the economic system and the political order; c) the defense of new ways of international cooperation that allow establishing effective regulation in an increasingly interdependent world; and d) the need for an agglutinating form of political power at an



international level, without any loss of decision-making power of national unities and spaces (Cardoso, 2015).

In his work, Celso Furtado conceived the Economic Development Theory analysis by examining the relationship between high production and social equity (Furtado, 2005).

Given the extension and importance of the theory proposed by Celso Furtado for the present work, a short interpretative analysis was elaborated based on Furtado's publications (1966 and 1998), and the documentary elaborated by Bielschowsky (2014); Cypher (2014); Espinós (2014), and José Mariani (2007).

It is understood that Celso Furtado aimed to perceive how national society can control capitalist accumulation. For him, underdevelopment cannot be considered as the first condition for an evolutionist process. It is recognized in his work that the dependence in the center-periphery relation is not only a common phenomenon of underdevelopment, as it is manifested through different interconnected factors in the internal structure of a country (economic, ideological, cultural, and political).

Furtado defends the State's role in the industrialization process and in the leading process to build an interconnected economic system able to self-reproduce from the inside out. The State must use its mechanisms and powers to create a sound economic system. In this process, Furtado demonstrates the virtuous interaction between agriculture and industry, including the state stimulus for technological development.

Veriano and Mourão (2011) describe that the Furtadian conceptions were very incisive and let the market on *laissez-faire*. For him, industrialization with no planning could result in a substantial structural shortfall since those who possess the capital to invest search mainly for quick financial return, which would tend to increase structural bottlenecks.

Therefore, it is understood that Furtado presents a futurist vision where the State is the agent who must lead the economic development process, aiming to build a dynamical economic national system that prioritizes the development of productive forces.

Furtado (1983) points out that development incorporates population masses in the process of society's material and cultural evolution; the use of development must not be attributed when the population presents no tendency to collectively absorb the resulting benefits from the growth of a specific locality.



Although it is essential to highlight that Furtado emphasizes preserving the sociocultural identity in this developmental process, demonstrating his concerns about the value system, the development must go beyond the increase of material and production bases, reaching and meeting total society's needs.

1.3. Economic Commission for Latin America and the Caribbean - ECLAC and the development

One of the central elements when thinking about the contributions of the ECLAC school of thought, in the analysis of the development issue and its results in Latin American countries during the second half of the 20th century, was the rupture of the hegemony discourse on economic development, bringing for the South the prerogative of thinking about oneself. The fact that ECLAC, as an Economic Commission for Latin America and the Caribbean, was created in 1949 as a board of the Economic and Social Council of the United Nations (UN), raises a question of how autonomous can be a commission, controlled in all its instances by developed countries.

From Walt W. Rostow (1956), the traditional economic view described the development as an almost inexorable economic activity process, whereby all developed nations until the middle of the 20th century would have passed. In this process, only a particular social group's ability to command the necessary changes in production techniques is needed.

It is done by increasing rates and investment amounts (private). Furthermore, this process's permanence depends on this group's capability to expand its control, spreading these new productive techniques throughout society. This group must then appropriate the surpluses and lead an increased process with gains in production scale (Rostow, 1956).

The engine of economic growth would be the reinvestment of profits, especially during this moment of departure in any country's economic development process. The development is a consequence of this economic growth process led by private agents. It is a Political Economy run on the supply side and differs substantially from what is proposed by ECLAC.

The starting point of the ECLAC thinking was the need to understand the underdevelopment trajectory as an entirely different social process. Not as a necessary stage within a developmental trajectory, but rather, "[...] expecting sequences and results distinct from those that occurred in the centric development" (Bielschowsky, 2000, p. 22).

This thought begins to be constructed by the seminal work of Raul Prebisch (1949). He begins from the center and periphery concept as an allegory of the movement to propagate



technical progress and productivity. Peripheral societies, with their productive structure inherited from their colonial periods, are heterogeneous in their productivity and living conditions.

The peripheral economies have the dynamics of their economic process dependent on their production, low-cost food, and raw materials, by the industrialized centers. Add to this their dependence on industrialized products that they cannot produce, and the periphery thus ends up barely participating in the processes of improving productivity (Prebisch, 1949).

For Celso Furtado (1961), underdevelopment needed to be seen as a phenomenon with its dynamic and historical determinants within the context of capitalism development in its global projection. ECLAC also constituted a Political Economy based on a historical inductive method, under the center vs. periphery paradigms, development vs. underdevelopment, homogeneous vs. heterogeneous economic structures.

1.4. Brazil and the development

Brazil, at the end of its colonial period, did not dominate any relevant technological process. In its economy, no built capital could be invested in new activities. There was also no economic complexity that would allow it to develop based on its domestic market. Its only financing source was loans taken from other countries, and its only development alternative was foreign trade (Furtado, 2007). As soon as the young country became independent, it was faced with imbalances in the fiscal and external balance of payments. In this context, as the only form of continuity in socio-political and economic structures, the expansion, apogee, and decay of the coffee economy took place (Baltar, 2006).

The development of the coffee economy in Brazil created the conditions for the emergence of industrial capital and industry, with the formation of a monetary capital stock concentrated in the hands of one social class, the conversion of the labor force into merchandise, and the creation of a domestic market of considerable proportions (Mello, 1998). The formation of industrial capital, resulting from the coffee expansion from 1888 to 1933, created the conditions to overcome the crisis of 1929. The development of the production goods industry allowed an expanded reproduction of capital without requiring imports. The presence of mercantile agriculture and the consumer goods industry for wage earners allowed for expanded labor force's expanded reproduction.

From the collapse of external demand with the crisis of 1929 and the Revolution of 1930, the Brazilian State deepened the stimulus to the domestic consumer goods industry.



However, this has been restricted by the national industry's inability to supply the necessary inputs, machines, and equipment for its expansion (Baltar, 2006).

Thus the economic growth and the generation of urban industrial employment were narrowed. This relegated part of the population to subsistence in forms of production of very low productivity and constant shortage: "historically, social exclusion and surplus labor have been part of Brazilian society" (Oliveira, 1998, p. 114). Rapid urbanization and intense rural exodus, from 1950 to 1980, were not accompanied by measures that would make wage employment, formal and protected, "the main axis of structuring the life of the growing urban mass" (Baltar, 2006, p. 13).

The industrialization process carried out by the Brazilian State included the creation of the Labor Court and the organization of official unions at the formal level. This development model did not address the poverty in the countryside or the social and economic heterogeneity in the urban environment. Informal self-employment, small and precarious, proliferated alongside formal jobs in companies and public agencies. The unlimited supply of labor power kept wages at low levels and prevented the emergence of a middle class of workers with a higher income (Baltar, 2006; Oliveira, 1998).

Brazilian development with industrialization, both as a technical phenomenon of increased labor productivity and as an adaptation of social structures to the historical forms of production of a given stage of capitalism, did not produce a homogeneous society, but an uneven development among its diverse regions, perpetuating a center-periphery dependency relation type (Mello, 1998). Brazilian industrialization produced an underdeveloped economy dependent and subordinate in the international labor division. It can be interpreted as industrialized underdevelopment (Santos & Gimenez, 2018).

In the early 1980s, the Brazilian industry was consolidated within the second Industrial Revolution framework, and a new capitalist stage was emerging. New information and communication technologies were rising, and finance took over the accumulation process in the context of capitalism's crisis since the 1970s. In Brazil, this was reflected during the foreign debt crisis of the 1980s. Moreover, this new situation imposed a liberal pattern of subordination on the country, along the capital globalization lines, which led to the end of its national development project (Santos & Gimenez, 2018).

As conceived by ECLAC thinking, industrialization's promise pointed out that an internal industrial development pole could homogenize the economic structure. As in the major



economies, the emergence of leading sectors would lead the others to a process of convergence, at increasingly higher levels, between their long-term productivity rates. This convergence would be complemented by economic, social, and regional integration policies. Despite that, as pointed out by another ECLAC thinker, the Chilean Aníbal Pinto (1970), what was seen is a discontinuous growth pace, never self-sustained, with a deepening of external dependence, under the chronic indebtedness form. All of this leads to an autonomy loss in the economic policy and a technological subordination.

In 1980, the manufacturing industry represented 33.7% of the GDP. However, after this decade and the wave of neoliberal economic reforms in the 1990s, the manufacturing industry's share in GDP fell to 26.54% in 1990, 15.7% in 2000, 14.97% in 2010, and 11.31% in 2018. Since 1995, this industry branch in the GDP has remained below the lowest historical series value, which started in 1947, which was 18.76% in 1952 (Ipeadata, 2019).

2. THE CASE STUDY OF RIBEIRÃO BRANCO

Based on the previously exposed, Brazil can be considered – even today – one of the underdeveloped periphery countries, noticing that problems related to social inequality, the state role, and economic growth and development can be evidenced on a national and a local level.

Therefore, a case study of Brazil's economic situation can be seen as an opportunity to understand better the local scenario of underdevelopment and the theoretical basis proposed by Celso Furtado and ECLAC.

Thus, the main goal is to show and discuss the phenomena resulting from socioeconomic activity and its relation to social inequalities in Brazil's municipality.

Ribeirão Branco is an inland municipality located in the southwest of the São Paulo State. In 2017, its estimated population was 18,269 inhabitants (IBGE, 2017), distributed in a 697,813 km² area.

This municipality presents slow economic growth and a low Human Development Index (HDI), equivalent to 0.639, which places it as the third municipality with the lowest HDI-M in the State, according to the last Human Development Atlas in Brazil (PNUD, 2013). It is estimated that this scenario contributes to the decrease of the population, mainly among people from 20 to 40 years old, as evidenced in the last censuses. In 2000 the population was 21,000 inhabitants; in 2010, the number reported was 18,000 (IBGE, 2017).



Ribeirão Branco's main economic activity is agriculture, notably family farming (around 64% of local GDP). Beans and tomatoes occupy most agricultural lands due to excellent natural conditions (IBGE, 2017). Other present crops in the area are corn, onion, rice, and fruit; moreover, livestock ranches with cow, pig, chicken, and honey are produced.

2.1. Data collection

Data collection was done through documental research and the application of targeted interviews.

The Brazilian Institute of Geography and Statistics – IBGE and the Institute of Applied Economic Research were primary data sources. The information from the Brazilian Federal Government and information obtained directly from public organizations present in Ribeirão Branco is available on the web.

To identify the city's socio-economic characteristics and economic development scenario, social, economic, and public policy data were collected.

Two interviews were conducted to expose two scenarios: the first one was on the active economic population and the second one on the Ribeirão Branco's Executive Power, aiming to identify the public policies implemented and the difficulties and perspectives from the government.

For the first interview application, a non-probabilistic and intentional sample was selected, representing the city's rural economically active population, specifically agricultural workers and their employers. In June 2016, 23 people were interviewed, of which 10 were agricultural workers with ages ranging from 30 to 40 years old, with established families; another ten agricultural workers from 18 to 30 years old, single or still establishing families, and three big crop owners.

In contrast to the interview directed to the rural population, the Executive Power interview aimed to identify which and how the current development policy was implemented in Ribeirão Branco / SP.

2.2. Political Diagnosis of Ribeirão Branco

The public policies identified in the city come from the partnership with the Federal Government. Ribeirão Branco is predominantly agrarian, and so is the policy that was implemented, according to the Family Agriculture Strengthening Program – FASP, which aims to foment agriculture, mainly family agriculture, as a source of development, income, and local



production. This public policy model can be understood as an interdependent development model, which means that it is directly related to the synergy in the combination of sectoral, national, and local goals and strategies.

In this context, local public authorities emphasize that FASP actions allow these small family farmers to find means of development by providing housing for the residents – small farmers – in the rural areas, far from the city. However, it is also highlighted that through Food Acquisition Program (PAA in Portuguese abbreviation) (2012), family farmers have their products purchased to carry out school meals, besides the possibility to maintain and even acquire tractors and agricultural machinery. These actions improve family income and encourage families to stay in the region. All these programs are part of the policies fomented by the Ministry of Agrarian Development.

According to the Federal Government, in the booklet "20 anos de PRONAF – Avanços e Desafios" (20 years of FASP – Advances and challenges), Brazil is one of the few countries that have a set of public policies for rural development. It aims to reduce disparities and establish the socio-economic inclusion of family farmers in all of its diversity and provide food security for the entire population. From rural credit lines and intense participation of familiar agriculture organizations, the FASP program, created in 1995, was getting structured and reached the entire Brazilian rural population. Over the past 20 years, the FASP has applied around 160 billion of Brazilian reais (R\$) in over 26 million contracts, in different modalities, to different family agriculture typologies, financing machines, vehicles, and equipment for more structured agriculture, and even microfinance for less capitalized family farming.

According to the Food Acquisition Program's official booklet – PAA, available on the Ministry of Agrarian Development website, the program has two primary purposes: promoting access to food and encouraging family farming. To achieve these goals, the PAA purchases food produced by family farming, with no need for bidding. The purchased food is intended for people in nutritional and food insecurity situations and those sheltered on social assistance network. The PAA also contributes to public food stocks. The PAA budget comprises resources from the Ministry of Agrarian Development (MDA) and the Ministry of Social Development and Fight against Hunger (MDS).

Given the described reality, it is up to the public municipal power to promote an interface between the city's needs and the resources made available by the federal government. This role inevitably emerges before the civil society organization of Ribeirão Branco, where



family farmers maintain the Family Farmers Worker Union, aiming to assist production organization and support rural housing projects.

There is a Municipal Department of Agriculture in the municipal government, which acts as a technical assistance and rural extension agency. In agriculture and livestock, it contributes to the following services: technical project elaboration, technical assistance, agricultural patrol, load transport, and a municipal slaughterhouse, among others. This department is supported by the Municipal Council for rural development, whose mission is to deploy government policies defined at the highest levels through specific rural development plans. Another mission is acting as a supervisory body (PMRB, 2016).

The resources released by the Federal Government to the city of Ribeirão Branco, through covenants via MDA (Table 1), expose the position of the public power concerning the rural municipal development. Covenants nowadays aim to sponsor the maintenance of productive force by acquiring machines and equipment.

Table 1: Agreements between Ribeirão Branco and the Ministry of Agrarian Development between 2010 and 2016.

Object	Agreed Value R\$ (BRL)
Acquisition – Mechanic Patrol	341,250.00
Mechanic Patrol – Dump truck acquisition	243,750.00
Acquisition – vehicles for marketing support	228,830.00
Acquisition – Truck with bodywork	220,000.00
Acquisition – Materials and Equipment for the implementation of community gardens	198,964.57
Acquisition - 02 Agricultural tractors	181,350.00
Acquisition – Dump truck	146,250.00
Acquisition – Mechanic Patrol	97,500.00

Source: Portal Transparência – Federal Government 2017

Based on what was so far exposed, it can be understood that the public policy model that foments socio-economic development in Ribeirão Branco is an interdependent model with partnerships with federal institutions and the Ministry of Agrarian Development. This scenario means that the Federal Government's sectorial policies and directed to develop productive chains may find more significant difficulties or be inefficient facing particular realities, such as Ribeirão Branco, where cultural and productive family agriculture origin should prevail.

Another point to be underscored, permeated by the political scenario, would be the perception of municipal functional agents' limit, whose scope lies in providing services related to farmers' subsidies. This fact reduces the impact of actions that could trigger the development pathways.



The interpretation of the political scenario found in the referred city refers to the theoretical basis presented in this article, as highlighted by Clemente (1994). He says that the State action as a demand stimulator leading to a labor productivity increase, the technological discoveries of products and processes, constituting space for generation and appropriation of value, and as a consequence of such policy, an opportune scenario for development.

2.3. Socioeconomic Diagnosis of Ribeirão Branco

Agriculture is the most important economic activity present in the municipality today. It considers the direct production by family farming in small properties and most of the intermediate crops, which belong to specific groups of higher-income producers, who employ dozens of small farmers through larger production scales. These big and medium-sized producers have a more robust fleet to leverage commercialization, in most of the cases through the distribution of the Company of Warehouses and General Warehouses of São Paulo - CEAGESP – a public company linked to the Ministry of Agriculture, Livestock and Supply, as well as to other marketing centers in the country.

However, according to the data collected from the rural population participating in this research, a problematic relationship is identified between the production model found in the municipality and the development levels, specifically related to income distribution through agricultural activity (Table 2). This identified reality distances itself from the idea formed from the development theory.

Table 2: Age composition and average rural income

Occupation	Average age	Monthly Income
Rural producer	30	R\$ (BRL) 875.00
Landowners	48	Over R\$ (BRL) 5,600.00

Source: Elaborated by the authors

The total GDP composition in Ribeirão Branco goes in the opposite direction of the GDP of the State of Sao Paulo and the Country, which are fundamentally composed of the Services and Industries sectors. In contrast, the referred municipality is composed of Agriculture (Tables 3 and 4).

Table 3: GDP composition from 2010 to 2013

Variable	Ribeirão Branco	São Paulo	Brasil
	R\$ (BRL)		
Farming	168,782	11,265,005	105,163,000
Industry	20,067	193,980,716	539,315,998
Services	59,063	406,723,721	1,197,774,001

Source: IBGE, 2016



Table 4: GDP composition for the municipality of Ribeirão Branco in 2013

	R\$ (BRL)
Gross value added to agriculture, at current prices	168,782
Gross value added to the industry, at current prices	20,067
Gross value added to services, at current prices exclusive of administration, public health and education, and social security	59,063
Gross value added to administration, public health and education, and social security, at current prices	56,953
Total Gross value-added, at current prices	304,865
Taxes, net of subsidies on products, at current prices	3,156
GDP, at current prices	308,021

Source: IBGE, 2016

The municipality's GDP per capita was R \$ 4.681, the lowest one in Sao Paulo State in 2006. In 2012 the GDP per capita was R\$ 10,288.15, which places it as the 62nd municipality with the lowest GDP among the 645 cities of the Sao Paulo State. On the other hand, the average monthly income is R \$ 318.44, reflecting a majorly rural municipality scenario. The possession of crops is concentrated in a bid and small family farmers (IBGE, 2013).

It is relevant to expose the Brazilian evolution concerning the same indicator, as a counterpart of the GDP per capita of Ribeirão Branco, which portrays a scenario of inequality and underdevelopment in the referred city (Table 5).

Table 5: Evolution of per capita GDP in Brazil

Base year	2009	2010	2011	2012	2013	2014	2015
GDP per capita R\$ (BRL)	17,223	19,878	22,157	24,121	26,445	28,046	28,876

Source: IBGE, 2016

In the Human Development Atlas in Brazil (2013), based on data from 2010, the Human Development Index (IDH-M) of Ribeirão Branco is 0.639 (in 2000, the IDH-M was 0.462 and in 1991 it was 0.306), which places it as the third municipality with the lowest HDI-M status (PNUD, 2013). The municipality of São Caetano do Sul, also in the São Paulo State, has the highest IDH-M in Brazil, indexed in 0.862.

Besides the Municipal Human Development Index– IDH-M, another way to widen and deepen the understanding of the current development level in the municipality of Ribeirão Branco is through specific socio-economic data (Table 6).

Table 6: Synthesis of the raised social and economic information of the municipality

Area of the territorial unit	697.5	km ²
Public Health Insurance - SUS	7	Places
Enrollment – Primary School – 2012	3,347	Registration
Enrollment – High School – 2012	961	Registration
Public State Schools – 2017	6	
Public Municipal Schools – 2017	15	
Total occupied staff	3,074	People



Resident population - total	18,269	People
Resident population – men	9,396	People
Resident population – women	8,873	People
Literate resident population	14,781	People
The monthly nominal average income of private households – Rural	929.34	R\$ (BRL)
The monthly nominal average income of private households – Urban	1,325.05	R\$ (BRL)
Value of the nominal monthly average income per capita of permanent private households - Rural	232.33	R\$ (BRL)
Value of the nominal monthly average income per capita of permanent private households - Urban	283	R\$ (BRL)

Source: IBGE, 2016 and INEP, 2017

The socio-economic data found in the municipality reflects its low development level. A majorly agrarian city with no means, for example, to enhance human resources qualification, since the city contemplates neither higher educational institutions nor technical education, even though almost 80% of the population is literate. Thus, this lack of educational opportunities ends up reflecting on the population's income.

To conclude the diagnostics, it is worth highlighting a point not yet portrayed. In June 2011, a project called "Regional Prospect Process" was carried out in the municipality of Ribeirão Branco which, through citizen participation, aimed at expanding the current knowledge of the local situation, and, so, propose a plan that would determine goals to be reached by 2030 (PMRB, 2016). In this project, training-action courses were carried out to prepare the structural analysis of the plan. This action was prompted by the city hall of Ribeirão Branco, in partnership with the Institute for Sustainable Development. So, it can be said that the local scenario of the municipality of Ribeirão Branco is not only flawed by the lack of initiatives but probably by the lack of efficiency and capacitation of municipal agents and civil society in what concerns the development process.

In short, the lack of appropriate policies for the municipality contradicts the ideas of Celso Furtado related to development, which comprehends different scales, technological aspects, and how these are inserted into labor division reflects in social life. For him, development is a social change process, where human needs aim to be fulfilled through the differentiation of the resulting productive system upon the introduction of technological innovation.

3. THE DEVELOPMENT OF RIBEIRÃO BRANCO BASED ON THE FURTADIAN THEORY

On the one hand, Ribeirão Branco had a massive workforce (livestock economy), but a lack of specific investment policies for this workforce. Through professional training and human development, education could foment the technological field. On the other hand, there



are no economic agents, municipal public power, and productive organizations in the municipality (unions, productions, and others.).

As exposed by the collected data, implemented public policies are majorly present in production maintenance while not modifying Furtado's socio-economic context.

For Ribeirão Branco, the Furtadian Development model will comprehend technological aspects and how they are inserted in the labor division and their reflection in the population's social life. Besides relating to the evolution of a social system of production, which, through the techniques' accumulation and progress, can be made more effective once it increases its productivity. Only then will it be possible to relate the process to the level of human needs satisfaction.

Without qualification and capital, most of the families present in the municipality depending on the large farmer producers as income, being hired directly by these, having as an "advantage" the employment bond through a formal contract with a work permit. This condition could be broken as public agents direct public development policies to small farmers, thus contemplating greater autonomy, as predicted by the model proposed by the current PRONAF and PAA programs. Also, it reaffirms the primary need for specialization and qualification of labor in rural and productive infrastructure to foment the local production.

Reducing inequalities between regions require the interference of public policies. Such policies should contribute to better dissemination of innovations, greater access to economic and social infrastructure, reduced monopoly gains, and stimulation of growth sources.

Therefore, it will be determinating for the long-lasting and sustainable development of Ribeirão Branco that the direction of the public policies and the public budget and its execution are targeted toward investments.

4. THE DEVELOPMENT OF RIBEIRÃO BRANCO BASED ON ECLAC'S THEORY

The ECLAC theory, in the essence of its creation, had as main ideas for understanding local underdevelopment, some basic and dualistic premises. According to Colistete (2001), they were based primarily on: A) understanding of industrialization - supported by the State - as being the primary way of overcoming underdevelopment; B) Development as a result of little diversified and little integrated structures and with a strong primary sector, but without the competence to disseminate technical progress to the rest of the economy, and C) low pace of incorporation of technical progress and increased productivity when compared to the center



/ non-peripheral economies, which would lead to substantial differentiation of income suitable to the center.

It is possible to notice a reality aligned with the ECLAC theory in Ribeirão Branco when comparing this municipality with the nearby cities with more than 15 thousand inhabitants and part of the region known as Itapeva (Table 7).

Table 7: Comparative data of the municipalities near Ribeirão Branco

Municipality	Population	GDP per capita R\$ (BRL)	Agriculture (R\$ x 1000)	Industry (R\$ x 1000)	Services (R\$ x 1000)
Apiaí	24.945	26.126,82	138.271,48	169.646,32	211.060,34
Buri	19.747	18.670,83	97.996,46	37.316,97	132.763,00
Capão Bonito	47.463	17.158,94	126.724,12	72.312,38	391.732,22
Guapiara	17.640	17.979,36	124.329,95	37.425,05	79.109,74
Itaberá	17.879	29.927,37	154.935,58	24.308,22	247.677,15
Itapeva	93.570	25.345,44	534.352,63	236.228,99	1.070.654,05
Itaporanga	15.165	20.382,91	37.098,17	13.065,82	176.935,27
Itararé	50.379	17.375,57	72.139,82	79.436,70	484.635,51
Ribeirão Branco	17.220	22.085,84	205.710,76	17.987,03	86.582,47

Source: Elaborated by the authors, based on (IBGE, 2017)

In the table above, it is possible to notice that cities with higher industrial indices tend to have higher GDP per capita than those where agriculture predominates. A fact to be highlighted is the service sector's presence, as being the majority in almost all municipalities, except Ribeirão Branco and Guapiara. Another noticeable fact is that Ribeirão Branco and Guapiara also have the lowest human development indexes (HDI), respectively 0.629 and 0.675, high infant mortality per thousand inhabitants, 33.71 and 36.76, and lower rates of employed people, 13.4% and 16.8% (IBGE, 2017).

The contrasting reality of these municipalities can be explained by Oliveira (2003) from the concept of relative and absolute "surplus value" (absolute decrease in real wages and not just a relative decrease), absent in the ECLAC model of development.

Furthermore, this statement is supported when analyzing the ratio of the average wage in Ribeirão Branco, 1.9 minimum wages, and Guapiara, 1.8 minimum wages, when compared to cities of a more industrial nature, such as Apiaí, 2.2 minimum wages, and Itararé, 2.1 minimum wages (IBGE, 2017).

The ECLAC thinking endorses a more significant State intervention in the generation and channeling of investments. It must also seek equity to adapt the fiscal policy to maintaining and growing the aggregate demand (UN, 2019).



In the case of Ribeirão Branco, a reality that is far from the articulated in ECLAC's theory is evident. According to Budget Execution, the municipality's fiscal policy is focused on the maintenance of services provided to the population (Table 8).

Table 8: Description of Municipal expenditures in 2015

Expenditure description	R\$ (BRL)	
Payroll maintenance	17,329,257	57.26%
Health care maintenance	3,378,621	11.16%
General expenses	2,523,033	8.34%
School transportation	2,030,255	6.71%
Transference – entities	1,524,020	5.04%
Day care center and school construction	1,301,513	4.30%
Road paving	568,645	1.88%
School meal	374,816	1.24%
Lightening	318,308	1.05%
Building – Social funds	182,486	0.60%
Maintenance Services	154,434	0.51%
School bus acquisition	150,000	0.50%
Union / State – Quota	134,634	0.44%
Court sentences	100,000	0.33%
Executive transportation	84,000	0.28%
Construction	36,000	0.12%
Maintenance	32,512	0.11%
General materials – acquisitions	31,730	0.10%
Taxes	10,480	0.03%
General total	30,264,742	100%

Source: PMRB, 2016

The most significant distance between the fiscal policy present in the municipality and the state model presented by ECLAC is the bottleneck related to public power efficiency in the development process.

5. FINAL CONSIDERATIONS

Although the results were based on a case study, it is not among the goals of this work to promote a debate on the fate of public policies in Ribeirão Branco, nor to find a perspective to overcome the whole critical situation of the municipality. It would require access to data not obtained in this research, such as the master plan and budget.

Thus, the focus lies on the Furtado-ECLAC analysis. It is still very consistent for the political-economic debate and understanding how the perspectives of an industrializing, centralizing, and acting State can fit within these proposed scenarios.

The proposal of both Furtado and ECLAC theories, understood: development by the collectivity, with the distinction between growth and development, through governmental control of payment options, interest rates, supply and demand, fiscal policy and aggregate



demand growth, with more centralizing actions of the role of the State, regarding economic activities in all spheres of power.

The case study of Ribeirão Branco allows this parallel to conceive the role of the State. The referred municipality based on socio-economic indicators is poor and underdeveloped. However, it can be considered resource-rich for its agricultural production, fertile climate with rains, widely adequate temperatures, and available labor for this type of economic activity. It is necessary to inquire why these characteristics are not sufficient to change its reality of underdevelopment and poverty, widened by socio-economic indicators.

The actions that contemplate more significant investments cover the largest farmer producers belonging to a monopoly of lands present in the municipality. These landowners are the tremendous force that takes advantage of the resources made available by the municipal public power, which are used, for example, for the maintenance of the current productive forces and machinery acquisition.

It would be possible to make parallels between the development of this municipality and the concept of periphery-center. However, the theory refers primarily to underdeveloped nations, which have a high degree of dependency on the central (center) poles. In the case of Ribeirão Branco, this municipality may have been relegated to underdevelopment while other local poles grew, such as Itapetininga.

However, in support of the Furtadian theory, this is a reversible process. It will depend on strengthening the industry, expanding service provision, and strengthening the internal market. This process will become under development when conducted with a clear social criterion that results in social welfare, freedom, and local integration, reducing disparities.

Aimed at promoting development, it is also essential to acknowledge that regional planning should consider several factors. Furtado mentions, beyond the economy, political, social, and territorial integration.

The maxim of the State's role is reinforced here. Only it can catalyze social needs and promote development. The market, alone, without a beaconing presence, will also tend to be inefficient, providing exclusive benefits to the capital holders, which will further aggravate the distance of income concentration. Besides, the Furtado-ECLAC perspective also emphasizes that *laissez-faire* will not promote significant structural investments only in high profitability sectors in the short term, increasing disparities and aggravating bottlenecks.



The decision-makers and the planning process should contemplate all local capacities. It must be the force to regain the leadership role and control of development despite all externalities.

The current public policy environment in Ribeirão Branco only indicates the lack of synergy among the governmental institutions responsible for implementing and executing policies discussed and converted to society.

Finally, it is essential to emphasize that a situation of dependence and underdevelopment can hardly be reversed without a clear understanding that economic growth and economic development are not the same. If a rise in production does not impact, it will just be more of an income concentrator.

The reality presented in Ribeirão Branco shows that, despite identifying the elements that condition inequalities and underdevelopment of the municipality, the municipal public power's performance and the agents involved with it reflects the inability to formulate policies and actions that are consistent and efficient to the real situation.

REFERENCES

- Adelman, I., & Yeldan, E. (2000). Is this the end of economic development? **Structural Change and Economic Dynamics**. 11(1), 95-109.
- Baltar, P. (2006). Formação, estruturação e crise do mercado de trabalho no Brasil. In: Dedeca, C. E. & Proni, M. W. **Políticas públicas e trabalho: textos para estudo dirigido**. Campinas, Unicamp. Cap.1, 9-27.
- Barquero, A. V. (1993). **Política económica local – la respuesta de las ciudades a los desafíos del ajuste productivo**. España. Ediciones Pirámide.
- Bielschowsky, R. (2000). Cinquenta anos do pensamento na CEPAL: uma resenha. In: **Cinquenta anos do pensamento na Cepal**. Rio de Janeiro: Record, 13-68.
- Bielschowsky, R. (2014). Furtados's Economic Growth of Brazil. **International Journal of Political Economy**. 43(4), 44-62.
- Cardoso, J. L. (2015). Celso Furtado e as encruzilhadas do desenvolvimento. **Análise Social** [online]. 214, 26-42.
- Cavalcanti, C. (2003). Meio ambiente, Celso Furtado e o desenvolvimento como falácia. **Ambiente & Sociedade**. 6(1), 73-84.
- Clemente, A. (1994). **Economia Regional e Urbana**. São Paulo. Atlas.
- Colistete, R. P. (2001). O desenvolvimentismo cepalino: problemas teóricos e influências no Brasil. **Estudos Avançados**, 15(41), 21-34.
- Cypher, J. M. (2014). The origins of developmentalist theory – the empirically based, historically contextualized political economy of Furtado. **International Journal of Political Economy**. 43(4), 15-32.



De La Croix, D., & Michel, P. (2002). **A theory of economic growth: dynamics and policy in overlapping generations**. UK. Cambridge University Press.

Doellinger, C. V. (1980). O desenvolvimento econômico segundo uma interpretação estruturalista. **Administração Pública**. 14(1), 62-77.

Espinós, J. D. (2014). Development and Inequality – Reflections on Celso Furtado. **International Journal of Political Economy**, 43(4), 33-43.

Friedrich List. (1841). **Das Nationale System der politischen Ökonomie**. Available: https://www.bueso.de/files/pdf/friedrich-list_das-nationale-system-der-politischen-oekonomie.pdf. Accessed on: November 18, 2017.

Furtado, C. (2000). Desenvolvimento e subdesenvolvimento. In: BIELSCHOWSKY, R. Org. **Cinquenta anos de pensamento na Cepal**. Rio de Janeiro, Record. Cap. 4, 239-262.

Furtado, C. (2005). **Formação Econômica do Brasil**. 32 ed. São Paulo, Companhia Editora Nacional.

Furtado, C. (1998). **O Capitalismo global**. São Paulo. Paz e Terra.

Furtado, C. (1983). **Teoria e Política do Desenvolvimento Econômico**. São Paulo. Abril Cultural.

Furtado, C. (1966). **Subdesenvolvimento e estagnação na América Latina**. Rio de Janeiro. Civilização Brasileira.

Furtado, C. (2007). **Formação econômica do Brasil**. 34^a. ed. São Paulo. Companhia das letras.

Garcia, A. P. (1987). **Estrategias de desarrollo endógeno: reflexiones sobre el caso español**. Paper presented at Conferencia de autoridades regionales y locales de Europa. Consejo de Europa. Valencia.

Garofoli, G. (2009). **Local Development**. Varese, Italy. Insubria University. Elsevier Ltd. 225-232.

Gregorio, J.; Guidotti, P. E. (1995). Financial Development and Economic Growth. **World Development**, 23(3), 433-448.

Hettne, B. (2009). Development discourses in history. In: HETTNE, B. **Thinking about development**. London. Zed Books.

IBGE – Instituto Brasileiro de Geografia e Estatística, (2016). **Estatísticas**. Available on: <https://www.ibge.gov.br/> Accessed on: October 25, 2019.

IBGE – Instituto Brasileiro de Geografia e Estatística, (2013). **Estatísticas**. Available on: <https://www.ibge.gov.br/> Accessed on: October 25, 2019.

IBGE – Instituto Brasileiro de Geografia e Estatística, (2017). **Estatísticas**. Available on: <https://cidades.ibge.gov.br/brasil/sp/ribeirao-branco/panorama> Accessed on: February 18, 2020.

INEP – Instituto Nacional de Estudos e Pesquisas Educacionais Anísio Teixeira, (2017). **Censo Escolar 2017**. Available on: <http://portal.inep.gov.br/web/guest/inicio> Accessed on: December 15, 2019.

IPEADATA - Instituto de Pesquisa Econômica Aplicada, (2019).. **Contas nacionais IBGE/SCN Anual**. Available on: <http://www.ipeadata.gov.br>. Accessed on: August 24, 2019.



- Kisman, Z. A., & Tasar, I. (2014). The key elements of local development. **Procedia Economics and Finance**. 15, 1689-1696.
- Kuznets, S. (1955). Economic growth and income inequality. **The American economic review**. 1-28.
- Lima, A. L. C. (2000). Abordagens teóricas sobre o desenvolvimento econômico local: Ideias inovadoras no debate sobre essa antiga questão? **Organização & Sociedade**. 7(18), 159-182.
- Mariani, J. (2007). **O longo amanhecer - Uma Cinebiografia de Celso Furtado**. Documentary, 73 minutes.
- Matei, L., & Matei, A. (2012). The social enterprise and the social entrepreneurship – instruments of local development: A comparative study for Romania. **Procedia – Social and Behavioral Sciences**. 62, 1066-1071.
- Mckinnon, R. I. (1979). **Money in international exchange.: The Convertible Currency System**. UK. Oxford University Press.
- Mello, J. M. C. D. (1998). **O capitalismo tardio: Contribuição à revisão da formação e do desenvolvimento da economia brasileira**. Campinas, Unicamp.
- Oates, W. (1993). Fiscal Decentralization and Economic Development. **National Tax Journal**, 46(2), 237-243.
- Oates, W. (1975). The Changing Structure of Intergovernmental Fiscal Relations. In: Recktenwald, H. **Secular trends of the public sector**. Paris. Editions Cujas.
- Oliveira, C. A. B. (1998). Formação do mercado de trabalho no Brasil. In: OLIVEIRA, C.A.B. **Economia e trabalho: textos básicos**. Campinas, Unicamp, 113-127.
- Oliveira, F. (2003). **Crítica à razão dualista**. São Paulo. Boitempo.
- UN – United Nations (2019). **CEPAL: economia latino-americana deve crescer 0,5% em 2019**. Available on: <https://nacoesunidas.org/cepal-economia-latino-americana-deve-crescer-05-em-2019/> Accessed on February 20, 2020.
- PAA – Programa de Aquisição de Alimentos da Agricultura Familiar (2012). Ministério do Desenvolvimento Agrário. **Cartilha PAA**. Available on: [http://www.mda.gov.br/sitemda/sites/sitemda/files/user_arquivos_64/CARTILHA_PAA_FIN AL.pdf](http://www.mda.gov.br/sitemda/sites/sitemda/files/user_arquivos_64/CARTILHA_PAA_FIN_AL.pdf). Accessed on: October 25, 2018.
- Petry, J. F., Silva, M. Z., Borges, G. R., & Machado, D. P. N. (2015). A aplicação de diferentes lentes na compreensão do desenvolvimento como crescimento econômico das cidades. **AOS – Amazônia, Organizações e Sustentabilidade**. 4(2), 83-104.
- Pinto, A. (2000). Natureza e implicações da “heterogeneidade estrutural” da América Latina. In: BIELSCHOWSKY, R. **Cinquenta anos do pensamento na Cepal**. Rio de Janeiro. Record, Cap. 15, 567-588.
- PMRB - Prefeitura Municipal de Ribeirão Branco (2016). Available on: <http://ribeiraobranco.sp.gov.br/> Accessed on: October 25, 2018.
- PNUD - Programa das Nações Unidas para o Desenvolvimento. (2013). **Atlas do Desenvolvimento Humano no Brasil 2013**. Available on: www.atlasbrasil.org.br Accessed on: October 27, 2018.
- Portal Transparência – Governo Federal. Ministério da Transparência e Controladoria-Geral da União. (2017). **Convênios do Governo Federal com o Município – 1996-2017**. Available on:



http://www.idsust.com.br/case_ribeirao_branco.php Accessed on: October 04, 2018.

Prebisch, R. (2000). Estudo econômico da América Latina . In: Bielschowsky, R.; Org. **Cinquenta anos do pensamento da CEPAL**. Rio de Janeiro. Record, v. I. Cap. 1, 137-178.

ROSTOW, W.W. (1956). The take-off into self-sustained growth. **The economic Journal**. 66 (261), 25-48.

Santos, A. L., & Gimenez, D. M. (2018). Desenvolvimento, competitividade e a reforma trabalhista. In: Krein, J. D., Gimenez, D. M., & Santos, A. L. **Dimensões críticas da reforma trabalhista no Brasil**. Curt Nimuendajú, Cap. 1, 69-95.

Schumpeter, J. A. (1934). **The theory of economic development: An inquiry into profits, capital, credit, interest, and the business cycle**. Transaction Publishers.

Veriano, C. E., Mourão, R. P. (2011). O pensamento de Celso Furtado e a construção de um projeto nacional. **Cadernos de História**, Belo Horizonte, 12(16).

