

A Case for Rethinking Race Beyond a Subject Area: Why Heterodox Economics Should Understand Demonstration Effect and Conspicuous Consumption as Cultural Mimicry and Structural Racism

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Abstract

This article's object of study is the endless search of underdeveloped countries on the periphery of capitalism to emulate the consumption patterns of developed countries in the center. Its objective was to initiate a reinterpretation of the concepts of demonstration effect by the post-Keynesian James Duesenberry and conspicuous consumption by the institutionalist Thorstein Veblen through the concepts of cultural mimicry by the Latin American structuralist and pioneer of development economics Celso Furtado and structural racism according to the philosopher of Law and current Minister of Human Rights and Citizenship of Brazil Silvio Almeida.

To do so, as a bibliographical review and theoretical discussion of the aforementioned authors in the object of study, first we define the relationship between the demonstration effect (Duesenberry, 1949), conspicuous consumption (Veblen, 1899) and underdevelopment (Nurkse, 1952; Lewis, 1955); then we present the critique of post-Keynesian heterodoxy to the pioneers' view of this relationship; at last, we propose that this relationship can be understood as cultural mimicry (Furtado, 1978) and structural racism (Almeida, 2019).

Thus we conclude that in peripheral underdevelopment, “development” is mistaken with the whitening of the lifestyles, inspired by a leisure class that seeks to racially and culturally mimic the developed white countries, whose prosperity is based on racism.

Keywords: economic development; demonstration effect; conspicuous consumption; cultural mimicry; structural racism

I. Introduction

Economics remains notoriously behind in the production of knowledge on the racial issue when compared to other Human and Applied Social Sciences (Advani et al., 2021). Even the field of Development Economics, despite having formed outside the economic mainstream, and despite having originated the peripheral developmental theories and policies of the mid-20th century (mostly of them critical of the mainstream), has remained faithful to the dominant epistemology of Economics, that is, to a philosophy of knowledge that defends, not questions, the status quo. Although some heterodox schools of economic thought may have contributed to the critique of this epistemology by incorporating factors beyond strictly economic ones into their theoretical-methodological frameworks (Cardoso; Barbosa; Reis, 2017), in Economic

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Sciences, including in the field of Development Economics, silence prevails regarding the intrinsic relationship between race and economic development (Almeida, 2019).

This silencing is not a failure of this system, a product of chance, but a product of Eurocentrism², essential to the functioning of the center-periphery dynamic (Torres, 2023). Racism and underdevelopment are interdependent structures, whose causes and consequences are confused and feed back on each other, requiring scientific precision and depth from researchers (Almeida, 2019), because “[...] the more we know the way in which factors (economic and non-economic) economic) are interrelated, the greater the capacity to achieve good results in terms of policy, especially those that aim to change the social system to develop it” (Cardoso, 2019, p. 88). For this reason, the silence of economists about the intrinsic relationship between race and development is perhaps “[...] the most striking proof that racism can obstruct the ability to understand decisive aspects of reality, even of those who sincerely want to transform it” (Almeida, 2019, p. 197).

Recently, academic research networks have been building an international agenda for the decolonization of Economics, that is, for critically rethinking economic theory and the history of its thought, generally in the following ways: i) affirming identity diversity in Economics, revealing thinkers underused in the history of ideas because of their race, gender and class; ii) correcting flaws in economic theory resulting from racism; and iii) directly combating the Eurocentrism of Economic Sciences (Alves, 2020). This article³, like the PhD research from which it originates, falls into the second and third fronts.

To avoid this dilemma between anti-social attitudes, conscious or unconscious, on the part of economists responsible for economic policy, it is necessary that we achieve a higher degree of independence in terms of theoretical formulations. It is necessary for us to make a continued effort to enrich and vivify the economic theories that come to us and even to reformulate them, whenever conventional hypotheses do not have the necessary explanatory power to encompass the reality on which we must act (Furtado, 1962, p. 70-71).

This article's object of study is the endless search of underdeveloped countries on the

² Eurocentrism is the dominant epistemology originating from racial dehumanization, political domination, and economic exploitation of non-white peoples and nations by colonialism in the formation of the modern world system; Since then, operating like a mirror, Eurocentrism distorts everything it reflects, preventing underdeveloped countries from recognizing and solving their true problems, except in a partial or distorted way (Quijano, 2005).

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periphery of capitalism to emulate the consumption patterns of developed countries in the center. Its objective was to initiate a reinterpretation of the concepts of demonstration effect by the post-Keynesian James Duesenberry and conspicuous consumption by the institutionalist Thorstein Veblen through the concepts of cultural mimicry by the Latin American structuralist and pioneer of development economics⁴ Celso Furtado and structural racism according to the philosopher of Law and current Minister of Human Rights and Citizenship of Brazil Silvio Almeida. Specifically, we seek to discuss the following hypothesis: the cultural mimicry of underdeveloped countries towards developed ones, manifested materially through the demonstration effect and conspicuous consumption, has from the beginning a racial dimension. Methodologically, this is a bibliographical review and theoretical discussion of the aforementioned authors in the object of study.

The article is divided into five chapters: after this Introduction, the second defines the relationship between the demonstration effect (Duesenberry, 1949), conspicuous consumption (Veblen, 1899) and underdevelopment (Nurkse, 1952; Lewis, 1955); the third presents the critique of post-Keynesian heterodoxy to the pioneers' view of this relationship; the fourth proposes that this relationship can be understood as cultural mimicry (Furtado, 1978) and structural racism (Almeida, 2019); the fifth presents the Conclusions.

II. Demonstration effect, conspicuous consumption and underdevelopment

We may define an underdeveloped country by the coexistence in its economy of two distinct modes of production: one pre-capitalist (labor intensive) and the other modern (capital intensive), a condition called by Development Economics dualism or structural heterogeneity (Cardoso, 2019). In these economies, modern sectors, in addition to being scarce, surrounded by others in which the marginal productivity of labor is close to or equal to zero, are disjointed from each other, which nullifies any chaining effects capable of expanding the dimensions of the market and the basis of accumulation. of capital (Lewis, 1955). The international division of labor, characterized by its asymmetric interdependence, arises because historically the central countries specialized in activities based on technological progress while the peripheral

⁴ In the post-Second World War period, while the center of capitalism was experiencing its golden age, the periphery faced persistent underdevelopment. The field of Development Economics emerged from nonconformity with this contradiction, dedicated to overcoming it, despite still being subject to Eurocentric epistemology. Its main authors, called Pioneers of Development, are Rosenstein-Rodan (Poland, 1902–1985), Ragnar Nurkse (Estonia, 1907-1959), Gunnar Myrdal (Sweden, 1898-1987), Albert Hirschman (Germany, 1915-2012), Hans Singer (Germany, 1910-2006), Michal Kalecki (Poland, 1899-1970), Arthur Lewis (Saint Lucia, 1915-1991), Raul Prebisch (Argentina, 1901-1986) and Celso Furtado (Brazil, 1920- 2004) (Cardoso, 2019).

countries specialized in their comparative advantages (export of primary goods, whose global demand expanded), to the detriment the modernization of its productive structures (Furtado, 1967). Contrary to what the dominant economic discourse preaches, defending the Theory of Comparative Advantages, the international economy does not mutually benefit all its members, because the gains from technical progress are not distributed uniformly, and because the terms of exchange (i.e., the purchasing power of imported goods in relation to exported goods) move adversely towards the periphery – this dynamic, called center-periphery (Prebisch, 1949), which persists to the present, even under global value chains.

Regardless of their various divergences, all Pioneers of Development Economics converge on the conclusion that underdevelopment would never be resolved naturally by market mechanisms. To do so, large-scale national industrialization plans would be needed, financed by investments in large blocks, generating and taking advantage of multiplier effects of this economy. Despite the efforts of dominant economic institutions through hegemonic discourse, the crucial importance of the State's role in these processes has been verified in practice in real cases of development, such as the global rise of Asian powers, especially China, in recent decades (Chang, 2004).

A classic problem in Development Economics was and still is the challenge of how to induce capital formation to overcome dualism or structural heterogeneity, particularly on the supply side; Regarding this, one of the main questions is: how does the quest of underdeveloped countries to reproduce the consumption patterns of advanced capitalists affect their capital formation, and therefore their own development?

The first pioneer to focus on this issue was perhaps the Estonian-Soviet economist Ragnar Nurkse (1907-1959), in “Some International Aspects of Economic Development” (1952). According to Nurkse, in underdeveloped countries (lagging behind in the industrialization process), the small size of the market inhibits the use of capital, at the same time that the insufficient formation and application of capital limit the size of the market, forming a “vicious circle of poverty ” whose overcoming depends directly on state productive investment in multiple industries. Seeking to warn about how these countries achieving higher levels of income, not so distant from those of advanced countries, could worsen rather than remedy this vicious circle, Nurkse (1952) applies a key concept to our article: the demonstration effect of consumption patterns , conceived by the American economist James Duesenberry (1918-2009) in “Income Saving and the Theory of Consumer Behavior” (1949).

As a renowned post-Keynesian, Duesenberry (1949) recognizes that consumer behavior is not only shaped by traditional economic factors such as income and price, but also by social considerations such as status, habit formation, and the coercion of the social environment; his elaboration of the demonstration effect demonstrates precisely the centrality of this complex interaction between economic, social and psychological factors in determining consumer behavior. In short, this effect would be the propensity of consumers to adjust their consumption patterns not only based on their own income and preferences, but also in comparison with the consumption patterns observed in their social group or community, given that consumers tend to maintain a level of consumption that reflects the average standard of living of the preferred group; therefore, changes in observed consumption patterns, even without changes in personal income, can motivate adjustments in individual consumption (Duesenberry, 1949).

Ragnar Nurkse (1952) applies the interdependence of individual consumption functions proposed by James Duesenberry (1949) to the international economic system, assuming that individuals - in this case, nations - would have their propensity to consume increased when they come into contact with higher consumption (and spending) patterns. The achievement of some economic growth would end up reinforcing, rather than breaking, the vicious cycle of poverty that constitutes underdevelopment by limiting, rather than stimulating, the formation of savings, compromising the supply of investments necessary for industrialization towards development (Nurkse, 1952). Relative enrichments reinforcing structural poverty.

The temptation and attempt to imitate the standards of living of greater international prestige, such as the North American, would tend to limit the productive capacity of the imitating countries. The intensity of such attraction, imposed by economically advanced countries, would depend on the awareness of the backward population in relation to higher levels of consumption, an awareness that would increase with closer communication and contact: "Think of such recent inventions as the radio, aviation, and the American movies. Communication in the modern world - in the free world at any rate - is close, and so the attraction of advanced consumption standards can exert itself fairly widely, although unevenly, in the poorer parts of the world" (Nurkse, 1952, p. 579). Although he does not adopt this term, the author seems to refer to the phenomenon of globalization, in its broadest sense, as an accelerator of the demonstration effect.

On the international plane, also, knowledge of or contact with superior consumption patterns extends the imagination and creates new wants. The leading instance of this effect is at present the widespread imitation of

American consumption patterns [...] And it is always easier to adopt superior consumption habits than improved production methods (Nurkse, 1952, p. 578).

Subsequently, the Afro-Caribbean pioneer and economist Arthur Lewis (1915-1991), in "Theory of Economic Growth" (1955), recognizes the existence of the phenomenon that Duesenberry (1949) calls the demonstration effect, as well as its impacts on underdevelopment, just like Ragnar Nurkse (1952). For him, however, this phenomenon would not be undesirable, but strategic. This is because, for him, the biggest limitation of economic effort⁵ in poor countries would be the "limited horizons" of the population, that is, the lack of knowledge about industrialized goods, widely disseminated in advanced countries. If people only knew about the existence of these goods - such as washing machines, toasters, vacuum cleaners, gramophones (far beyond the limited horizons of people without even electricity), cars (the same for communities without roads), and even books (despised by illiterates) - they would be willing to obtain them and would make an economic effort to do so, thus stimulating economic initiative.

Thus, unless the individual can read he has no use for newspapers, books, and other consumer goods whose enjoyment depends on literacy. If the culture's musical appreciation is at a low level, there is little demand for musical instruments or for musical entertainments. Similarly, the theatre, the cinema, the sports stadium, the dance haU, and similar purveyors of mass entertainment depend upon the nature of the people's culture (Lewis, 1955, p. 29-30).

In order to expand such horizons, social mobility and coexistence between different classes become essential, as the more democratic the community, in terms of social mix, the more elastic the desires will be, in terms of economic effort. For Lewis (1955), the rich have the mission of setting an example for the poor, encouraging them to imitate the consumption habits that they imported from advanced countries, thus accelerating the diffusion of such patterns. Segregationist policies must be avoided, such as the socio-spatial isolation of the rich in remote neighborhoods and closed clubs, as well as laws that reserve the right to purchase certain products for them, so that the poor can glimpse advanced products and thus desire them (Lewis, 1955).

The best way to demonstrate that consumption expenditures can be forced up by contact with superior goods is to ask the reader to consult his own experience. What kind of reaction is produced by looking at a friend's new car or looking at houses or

⁵ People's initiative and capacity (essential to remedy structural dualism) to take advantage of economic opportunities (which vary according to socially accumulated physical and cultural capital), via work, mobility and enterprises (Lewis, 1955).

apartments better than one's own? The response is likely to be a feeling of dissatisfaction with one's own house or car. If this feeling is produced often enough it will lead to action which eliminates it, that is, to an increase in expenditure (Duesenberry, 1949, p. 27)

This is the type of misconception about the reality of peripheral underdevelopment, formulated by those who sincerely wanted to transform it, that Eurocentrism has instilled in Development Economics since the classics; and despite being well intentioned, such distorted understandings resemble the untruths propagated in the mainstream by economists who do not want (not so sincerely) to transform such realities. Analogous to the conservatism that would come to dominate the rhetoric of neoliberal economists on development from the 1980s onwards, Arthur Lewis (1955) ends up making overcoming poverty conditional on the institutional (and moral) reform of society. The demonstration effect then assumes a civilizing, neocolonial and ultimately racist function, the type of function so admired in several neoliberal institutions by the economic mainstream (Torres, 2023).

That said, Lewis's (1955) concept of limited horizons highlights the complementarity between Duesenberry's (1949) demonstration effect and another equally important concept, which precedes it temporally and perhaps logically (McCormick, 1983): that of conspicuous consumption, introduced by economist Thorstein Veblen (1857-1929) in "The Theory of the Leisure Class" (1899). In it, Veblen consolidates the perception that consumption is motivated not only by the intrinsic value or utility that a good possesses to meet human needs or aspirations, but also to a large extent by the demonstration of status, power or prestige – its conspicuity. Articulating the theoretical framework that would later establish him as the founder of Institutional Economics, Veblen (1899), who was also a sociologist, argues that individual consumption choices are shaped by the values of the collective (as a powerful social institution), which promote competition and search for distinction among individuals.

Although these two concepts are evidently complementary, Duesenberry (1949) declares⁶ that his is completely independent of Veblen's (1899), arguing that consumption expenditures increase due to the need to eliminate feelings of inferiority caused by other people consuming superior goods, not due to a conscious desire to imitate others or to conspicuously consume for one's own sake; "However it is not clear how the "superiority" of some goods over others can be explained without reference to concepts akin to conspicuous consumption", reason why "Duesenberry's argument is in many respects much closer to that of Veblen than

⁶ "We can maintain then that the frequency and strength of impulses to increase expenditure depends on frequency of contact with goods superior to those habitually consumed. This effect need not depend at all on considerations of emulation or "conspicuous consumption" (Duesenberry, 1949, p. 27-28).

his direct denial of such a link would indicate” (McCormick, 1983, p. 1126).

In any case, it is clear to us as it was to Lewis in 1955, that the universalization of technical progress, even if uneven, puts pressure on technologically backward societies with the “ferment of economic transformation” of the “linkage of the world which has been achieved in the past eighty years by steamships, by imperialism, by aeroplanes, by wireless, by migration, by Hollywood and by the printed word” (Lewis, 1955, p. 434). Regardless of whether for good or for bad, the fact is that the cultural and consumption standards of advanced countries would come, as they did, to increasingly expand the limited consumption horizons of poor countries, disseminated by their economic elites (Lewis, 1955). The demonstration effect and conspicuous consumption therefore constitute clear material manifestations of the relations of economic and cultural dependence of the very dynamics - center and periphery - that define development and underdevelopment. Therefore, both concepts were and remain relevant to Development Economics. Its contribution to the field, however, will not reach its full potential without a cultural and racial perspective on this problem.

III. Post-Keynesian heterodox critique

The interpretations of Ragnar Nurkse (1952) and Arthur Lewis (1955) of the phenomena that we can describe as the concepts of James Duesenberry (1949) and Thorstein Veblen (1899) have in common the assumption, inherited from classical and neoclassical economic thought, that The savings formation process is an indispensable precondition for productive investment for growth. This condition, however, was highly contested by the father of macroeconomics John Keynes, the pioneer of development Michal Kalecki, and several heterodox economists who followed them. According to the principle of effective demand, savings do not finance nor logically or temporally precede investment, nor do they result from the voluntary action of agents, constituting only an involuntary residue of macroeconomic variables, not their determinant (Possas, 1999). This paradigm shift is extremely important for Development Economics, as it gives agency to the State's economic policy to actively seek development, as it recognizes that consumption is not necessarily an opportunity cost of investment, and can, in fact, stimulate growth via Keynesian multipliers - (Baldarenas, Cardoso & Reis, 2018)⁷.

⁷ If Arthur Lewis (1955) were confronted by these post-Keynesian criticisms, he would probably maintain his argument in favor of conspicuous consumption and the demonstration effect, as for him any distributive consequences, inclusive or exclusive, are necessary evils for the modernization of patters (and quality) of the population's life; We can say this because this same reasoning is present in his well-known defense of a functional

Over time, heterodox schools of thought came to challenge themselves regarding these macroeconomic hypotheses mistakenly taken as dogmas. Serrano and Medeiros (2004), important authors of Dependency Theory, deeply criticized the dominant view of ECLAC (Economic Commission for Latin America and the Caribbean) that in Latin America unproductive spending on consumption would have wasted and limited development capacity, given that the unconsumed potential surplus could and should have been invested productively. According to the authors, based on the principle of effective demand and the refutation of Say's Law, the main factor that explains and accelerates capital accumulation (productive capacity for the private sector), and consequently the growth rate, is the increase in growth rate of final demand, thanks to the accelerating and multiplier effects of government spending, consumption and exports, which generate aggregate savings in the long term due to variations in income and product. According to these criticisms, the luxury consumption of economic elites should be criticized not for supposedly wasting potential savings, but for its extremely unequal distributional implications: by specializing their economies in satisfying the luxuries of the rich, underdeveloped countries slow down growth, concentrate income, prevent the real appreciation of the working class' salary and its participation in national income (Furtado, 1992; Serrano and Medeiros, 2004).

The criticism of Development Economics (mainly, but not only, of Structuralism and Dependency Theory) against the economic elites of underdevelopment (such as Latin America) are enormously similar to Thorstein Veblen's (1899) criticism of the leisure class, defined by him as the part of society that holds wealth and social power not due to their productive contribution to the economy, but rather through inheritance, property or social power. Thus, they stand out not for initiatives that benefit society as a whole, but for distinguishing themselves from others by ostentatiously displaying wealth and luxury, that is, for their conspicuous consumption. Peripheral elites, as they benefit from the exploitation of resources and labor in their countries, without contributing significantly to economic and social development, are a perfect example of Veblen's leisure class.

The top class in society tends to despise many things on which growth depends. It may despise work and the economising spirit, giving its time instead to hunting, shooting, and dancing, and living on its rents and dividends; it may despise learning, science and new techniques; and it may even despise merit, preferring birth. If

distribution of the surplus that favors the entrepreneurs' share of profits (Lewis, 1955). Ragnar Nurkse (1952), in turn, would probably be convinced, since, according to himself, even if the demonstration effect effectively constituted one of the cumulative circular causations of the vicious circle of poverty, it would be worth questioning its real gravity when compared to all the others, such as internal imbalances and inequalities.

superior positions may be filled only by persons raised in such traditions, growth will not take place (Lewis, 1955, p. 86-87).

For Celso Furtado (1967), even though the factors associated with the unequal diffusion of the gains of technical progress that imprison and deepen structural heterogeneity in itself are of a technological nature, such imprisonment (which he calls the underdevelopment trap) has, since the principle, a cultural dimension, given by the cultural dependence of certain groups on the dominant subsystems. The peripheral elites, concentrators of the economic surplus, in the search to reproduce the lifestyles of the center (through conspicuous consumption motivated by the demonstration effect), absorb the gains of technical progress for their own benefit, instead of converting it into a productive modernization that would benefit as many people as possible. For this reason, in these countries, the meaning of “development” comes to be mistaken with the modernization of the lifestyles of a privileged minority that imports certain cultural patterns from high-productivity countries whose prosperity was based on technological progress (Furtado, 1967).

Capital formation has to fight against a very strong tendency towards certain types of consumption, which often prove to be incompatible with a high degree of capitalization (...) a manifestation of the latent conflict between the purpose of hastily assimilating certain styles of life that countries with more advanced technology have progressively achieved, thanks to the increase in their productivity, and the demands of capitalization without which it will not be possible for us to achieve a similar increase (Prebisch, 1949, p. 76-77).

Therefore, for the purpose of this article, we will no longer measure the impact of the demonstration effect and conspicuous consumption on underdevelopment by its opportunity cost in terms of savings required for investment. We will begin to measure this impact politically and culturally, through the concept of cultural mimicry (Furtado, 1967) and structural racism (Almeida, 2019).

IV. Cultural mimicry and structural racism

Throughout his work, Celso Furtado came to understand the process of social transformation that we call development through the idea of creativity, as proposed in his book “Creativity and Dependence in Industrial Civilization” (1978). According to him, the generation of surplus beyond what is necessary for the survival of any society offers its members a horizon of possibilities that are divided into producing what already exists or challenging inventiveness, realizing hitherto unexplored human potential. In different cultures

throughout history, the quest to exceed scarce resources would be driven, primarily, by the need to realize the potential energy generated by social life. This creative process, which ultimately constitutes development, would have produced, even at relatively low levels of material accumulation, advanced civilizations in several aspects, many of them yet to be surpassed by current ones (Furtado, 1978).

However, from the bourgeois revolution onwards, during the formative process of modern industrial civilization, all forms of creative activity were progressively subordinated to instrumental, Cartesian rationality, subjugating scientific research merely to technical innovation in the service of the search for the efficiency of human work. and the diversification of their consumption patterns. Science, until then dedicated to man's desire to know himself and the world around him (including to transform it so that accumulation can continue), has reduced its scope, taking with it other fundamental impulses, such as philosophical reflection and artistic invention, thus imprisoning creativity and, with it, development. In the capitalist economy, finally, the consumer would be left with the passive role of responding to the stimuli of the march of accumulation, a process that hijacks the meaning of technical progress, through two trends: innovation, which hierarchizes consumers according to their increasing level of spending, and homogenization, which overcomes and spreads previously restrictive consumption patterns, in such a way that the market grows indefinitely (Furtado, 1978).

Cultural mimicry (Furtado, 1978) therefore means reproducing other realities and alienating oneself from one's own and that of the physical world itself, a process motivated by the myth that all peoples and individuals will one day achieve the lifestyles of the unattainable center of capitalism (given the ecological limits of the planet), which Furtado calls the “myth of development” (1974). By promising an impossible dream, this myth diverts “attention from the basic task of identifying the fundamental needs of the community and the possibilities that the advancement of science opens up to man to concentrate them on abstract objectives such as investments, exports and growth” (Furtado, 1974, p. 75-76). Diverted from their own potential, peripheral underdeveloped countries are left with limited and dependent industrialization and capital accumulation, whose wealth is extremely concentrated by the dominant minority, while the salaried population mass remains deprived of the political process. Without political activation, marginalized groups and classes become incapable of expressing their creativity at the institutional level and innovating social forms, in such a way that any structural reforms, when rarely achieved, only meet the needs of the accumulation process itself, being the result of “more of ideological mimicry than of authentic political

creativity” (Furtado, 1978, p. 90)⁸.

Furtadian structuralism and post-Keynesian institutionalism have much in common and much to benefit from each other, especially when dealing with developing economies, for the following reasons (Street and James, 1982): they both share a holistic approach to economic investigation and intervention, considering the economy something systemic and in constant transformation; both consider that human behavior is influenced by cultural patterns and habits, but is also capable of generating changes and adapting to them; and, therefore, both challenge the dominant theory that considers the economy a static mechanism of stable equilibrium centered on the market, and the human being a monetary calculation mechanism driven by utility maximization. In this sense, the complementarity between Celso Furtado and Thorstein Veblen (Vilaça Júnior e Conceição, 2022), although little explored in economic literature, is undeniable.

Furtado (1978), even without using the Veblenian lexicon, concludes that the negative consequences of conspicuous consumption by peripheral elites, motivated by the demonstration effect of the myth of central development, go beyond the problem of modernizing lifestyles to the detriment of productive modernization. Cultural mimicry imprisons underdevelopment in itself not because it necessarily implies the waste of scarce resources, but because it subjugates the search for surplus accumulation to the innovation and homogenization of restrictive consumption patterns dictated by the unequal diffusion of the gains of technical progress, that is, by the center-periphery dynamics. Through consumption, the ideology of development as a reproduction of advanced capitalism practiced in the center politically alienates peripheral countries from their true creative potential.

Such alienation is such that even Arthur Lewis (1955), defender of the demonstration effect, recognizes the anti-creativity of the political culture of peripheral elites. In doing so, the only black person among the pioneers of development reveals a structural factor of this fact, equally crucial and neglected, which is race. In underdevelopment, these elites are white, while the mass alienated from the political process is not. Cultural mimicry (a concept that for this article now encompasses conspicuous consumption and demonstration effect) has, from the beginning, a racial dimension.

⁸ Again, Furtado and Veblen converge, the first's concept of political creativity (Furtado, 1978) with the second's concept of creative instinct (Veblen, 1899), which would be people's innate ability to innovate and create new forms of social and economic organization, a capacity that would therefore play a crucial role in the evolution of societies. Veblen contrasts this instinct with the tendency of the leisure class to focus on conspicuous consumption and the pursuit of status rather than contributing to the advancement of society through production and innovation.

[...] after the emancipation of the slaves, these powers [the local imperial rulers of the British colonies] were given with deliberate instructions to use them to protect an inarticulate negro proletariat against a vengeful white plantocracy. But it is a sad commentary on the failure of the system that the people who are most in its favour are those whom it was supposed to attack, while it is detested by those whom it was supposed to protect. Such has been the antagonism of Government to proletarian needs, and so close its connections with vested interests, whose representatives are generally the only people chosen by the Governors for nomination to their councils, that the impression is now widespread among the people that the Governors and officials are little more than the tools of a white oligarchy of planters, merchants and bankers, in whose society they spend most of their time, and whose will it is that really governs the islands; indeed, that the policy of the Government is the policy of the local club, decided on, perhaps, over a round of golf or a whisky and soda.⁹

“Structural Racism” (2019), by Minister Silvio Almeida, is a contemporary landmark in the academic, public and popular debate on race and racism in Brazil. Bringing together decades of black political intellectuality, especially Brazilian, he formulates the following interdisciplinary thesis: just as the practice of ideology, politics, law and economics must not dispense with the study of racism, the systemic understanding of racism must not be disconnected from an analysis of ideology, politics, law and economics, fundamental elements that make it something structural. Almeida (2019) then articulates a series of thinkers from various areas of knowledge who prove, each in their own way, the inseparability between race and economy in multiple spheres. In the case of economic development, three authors stand out, whose synergies make them extremely useful for our discussion: Aníbal Quijano (1928-2018), Walter Rodney (1942-1980) and Frantz Fanon (1925-1961)¹⁰.

According to Aníbal Quijano (2005), the development of white Western Europe and the underdevelopment of the black colonial world are intrinsically connected by material and historical processes ideologically founded on racism, since the relations of domination established by European colonial expansion were based on hierarchization universal of humanity according to the idea of race. These processes, in turn, resulted in the emergence of a forcibly universal rationality (Eurocentrism), under which development came to be

⁹ Arthur Lewis (1939) identifies white supremacy as the main political trait of the economic elites of the West Indies. Instead of promoting development (redistributing lands whose monopoly perpetuated the inequality of slavery), because they culturally identified with the colonies, they continued to decide economic policies in country clubs between golf matches and whiskey and soda (Lewis, 1939), completely distant from the national reality, As the famous phrase, attributed to Thomas Sankara, says: “We have to choose between champagne for some or drinking water for all”.

¹⁰ Respectively: Peruvian sociologist of dependency theory, founding member of the Modernidad/Colonialidad Group (or M/C Project) and fundamental reference of contemporary Latin American critical thought; Pan-Africanist and Marxist historian, influential anti-colonial intellectual in Africa, the Caribbean and the Americas; and a black psychiatrist and political philosopher who was part of the National Liberation Front in the Algerian war of independence.

understood exclusively through the opposition between pre-capitalism and capitalism, non-European and European, primitive and civilized, traditional and modern, being seen as a linear and unidirectional evolution, a straight line between the state of nature and modern European society (Quijano, 2005).

According to Walter Rodney (1972), at the individual, national and international levels, there is no development without underdevelopment, just as there is no capitalism without racism, and vice versa, as they are dialectical phenomena. Therefore, the racist theses about the underdevelopment of black countries and peoples (such as those pointed out by Quijano), as well as the distorted interpretations of its causes, will not be demystified by “bourgeois economists” (that is, the defenders of hegemonic economic theory) , because for them development is a simple problem of production factors (work, capital, technology, etc.), reductionism that ignores and hides the existence of class struggle and racism.

For Frantz Fanon (1956), if culture is a set of motor and mental behaviors born from the encounter of men with each other and with nature, then racism is, by logic, a cultural phenomenon. As such, it is in constant renewal: it emerged from the economic exploitation of colonial domination through slavery, processes that needed to disrupt the reference systems of colonized people; but under Imperialism it evolved, going from a simplistic and biological argument (although supposedly scientific) to a fine and complex argument, under which the object of domination becomes no longer the individual itself, its genetics or phenotype, but rather, their particular ways of existing - their culture, especially when it challenges Eurocentric values. The title of his main work, "Black Skins, White Masks" (1952), symbolizes the idea that, thanks to the colonial violence that is racism, black people are compelled (culturally, philosophically and psychologically) to adopt white identities, behaviors and values as a way of integrating, even if marginally, into dominant society – in other words, a way of humanizing themselves.

History demonstrates the extremely harmful impact of the racial factor of cultural mimicry on underdevelopment. According to Quijano (2005), Latin American economic elites, who consolidated their power through the exploitation and perpetuation of social inequalities (from slavery to industrialization, and beyond), never accepted to identify racially (and therefore culturally) with their indigenous servants. and black slaves, preferring to racially and culturally mimic Europeans. Thus, they imported not only their lifestyles, but their social (colonial) interests, in opposition to those of their own people and country, and thus, even though they did not constitute white supremacies as in North America, these elites politically guided the formation of their national states by racism (Quijano, 2005). Brazil, in particular, is

a clear example of how peripheral elites abdicated their political creativity, sacrificing clear opportunities for endogenous development, in the name of cultural and racial mimicry, as shown to us by the history of the whitening of labour (Jacino, 2008).

Faced with the exhaustion of the slave economy, Brazilian elites at the end of the 19th and beginning of the 20th centuries, instead of seeking development through industrialization based on their formerly enslaved black workforce¹¹, chose to mimic European modernity through whitening of its population. Thus, based on contemporary scientific theories of eugenics and social Darwinism, they created laws that excluded black people from the salaried labor market and the educational system, and laws encouraging the importation of European immigrants. These racist and classist policies managed to generate, at the same time, a surplus of low-skilled white workers, whose aggregate wage and revolutionary potential was suppressed by the racial division imposed on the proletariat, and a social minority (which ironically was and continues to be the majority of country's population) economically marginalized, deprived of access to economic assets and mechanisms of upward social mobility, until today (Jacino, 2008).

Finally, we can rewrite Celso Furtado's (1967) conclusion: in peripheral underdevelopment, “development” becomes mistaken with the whitening of the lifestyles, inspired by a leisure class that seeks to racially and culturally mimic the developed white countries, whose prosperity was based on colonialism, therefore in racism. Under the myth of development, the racialized, whether an individual or a nation, is led to whiten their bodies and thoughts, adopting colonized forms of existence that prevent them from seeing themselves with their own eyes, for they have covered their black skin with white masks.

V. Conclusions

As Celso Furtado (1967) concludes, to overcome the trap of underdevelopment, peripheral countries must internalize their dynamic centers, both in the productive and decision-making sense, freeing themselves from direct (economic and, therefore, political) and indirect (cultural) dependence of the center. However, as Silvio Almeida (2019) concludes, these structures are inseparable from structural racism, therefore they must be understood and faced inseparably. For these reasons, the decolonization of Economic Science as a whole, not

¹¹ Despite being highly qualified in knowledge such as metallurgy, dyeing, sugar cane agroindustry, soil technology for mining, architecture and civil construction, black labor was purposely excluded from occupations that gained economic relevance and social appreciation in the dynamic center of the economy. Brazilian, which was the city of São Paulo at the beginning of the Brazilian Republic (Jacino, 2014)

just the field of development, must be a concrete commitment of every economist who dedicates, in the words of the great Portuguese-Brazilian economist Maria da Conceição Tavares, “your profession, with the your dignity, your effort, your talent, for the development of this country” (2010, p. 45) and peripheral underdevelopment.

Therefore, the academic and public debate on development cannot be reduced to the idea that the quality of a country's development essentially depends on the quality of its institutions (habits and values, ways of thinking and behavior, organization and production). Firstly, because since the imposition of the Washington Consensus on Latin America in the 1980s (Chang, 2002), this reductionism has often been used to force the importation, by the periphery, of the “good institutions” of the center, which is nothing more than an epistemological demonstration effect (instead of consumption, institutions are mimicked) which in practice has historically meant a “kick up the ladder” for several developing countries (Chang, 2002); second, because the quality parameters of institutions and the development promoted by them should vary according to the collective interests of each society, even though currently the vast majority of them seek only to achieve the myth of development. Debating, for example, the impacts of conspicuous consumption on capital formation is essential, but insufficient. It is necessary to innovate development strategies, yes, but equally to innovate the development standards to be pursued.

The challenge of breaking the vicious cycle of poverty requires expanding the limited horizons of the population, but not those of consumption, but of political creativity or creative instinct. As long as economic growth is not creative, development will continue to be mistaken with cultural whitening, as well as and the dream of the underdeveloped will remain to become a leisure class, in the image and likeness of white development.

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