



A Path with no Return: On how I Became a Sceptical Economist Regarding Development

by Ana Paula Bastos

I am a peripheral from the North and I have worked for long years in the South. When in the South, of course, I am a voice from the Centre; I came from the Centre, I was trained in the Centre. I can go even further: I had a “neutral” neo-classical training in Economics in a recognized school: I learned that well-being = development = GDP growth. I learned that countries or regions need to catch up technologically, to converge. I learned that to be competitive, firms (and thus regions and thus countries) need to agglomerate, to collaborate with other institutions; and yes, institutions need to be strong and governance efficient and effective. Also, I learned that the state needs to shrink, and that the free market will solve all our inequalities. Only under free competition can GDP grow, and thus can we re-distribute; and only under a system based on meritocracy will you be free to choose what to be and where to be in society... So, in the end, it is all about GDP growth... until where, until when?

Unequal spaces, people and opportunities always intrigue me, so I headed south trying to understand why this was the case. What were peoples’ and governments’ expectations? What were their utilities? Was there any difference between being in the urban or in rural areas? Why megacities? Why land concentration? Why so many rural conflicts and urban violence?

These questions always inspire me; although I know that model growth has its limits, my mind was set to propose catch-up policies. I am not an anthropologist; I have no training in that discipline, so blindly, after only seeing the high-tech world and understand its clever production processes, I wrongly thought that there was only one way to be “developed”.

With the wrong lenses, seeing everything blurred, I disembarked in the biggest metropolis of the Amazon! I had my PC and my boxes full of cases of success; I had all the indicators to measure and all the statistical tools to do a serious diagnosis and present some solutions. They were far from being orthodox: no free market and small state; we needed participatory planning combined with a strong state to implement the measures and development instruments, and these would be discussed after local demands.



Path to university restaurant during high tide, Belém, Amazon, Brazil, 2016. © Ana Paula Bastos

I also knew that we should take into consideration path dependency and institutional embeddedness. Knowing the divergent path in order to pursue our ideas, we needed more investment in formal education, to increase the absorptive capacity and prepare local actors and institutions to be more effective. In a flat world we needed more access to internet connections, the extended surveys could then be done over the internet, all the information could be shared in advance, and our visits would be “more effective”. The script was ready... according to my Eurocentric standards... It took me some time to understand that my proposals and magic plans to develop usually were based on destruction of local assets to then rebuild everything, according to a new framework. This was exactly what I was doing. In the capital of the state you use the boat as a mean of transportation, in order to reach more distant places (sometimes days away up the river), in a precarious place resembling a port deck; upon your arrival you may depend on a small canoe to get to your destination. As there is little infrastructure there you rely more on people, on local people; all your years of readings, data mining, statistical analysis and models mean nothing, as you struggle to find your balance between moving boats, and to prevent your equipment from falling in the water. I was never the adventurous type of person.

As we were working with local planners we knew about the lack of electricity and basic urban services; “our equipment” was sometime just pens and paper with which to draw thematic maps and write down demands. We would travel in multidisciplinary teams and were quite prepared for various forms of data collection. What our indicators were not showing us was that the people there were healthier and wealthier than we were. Most of the people there had never seen a Western physician, but they had their medicinal backyard and were very often advised by local “health experts”. Yes, they included a hospital in their demands, but they were not aware of the costs of maintenance, and especially not that nurses and doctors, prefer to work in urban areas, in nicely located hospitals.

A few volunteer organizations come once in a while and, more recently, the federal government has institutionalized the hospital boats for small surgeries and the like. Wealthier? Yes true, this economy does not depend on money so much; a big part of it is based on products exchange in local markets. As we measure wealth, based upon GDP per capita, and poverty, in terms of dollars per day, these people are very poor and unfortunately do not count for GDP accounting, as they do not contribute to the national production function. For GDP matters they are more “productive” when they get seriously ill – they then need doctors, hospitals, transportation, etc – which creates rent in the system, but will they live longer and healthier with more hospitals?

As for education, another pillar of the Human Development Index (HDI): Sen was right, we need to measure development taking in account the liberty of people’s choices. But is our educational system providing more choices? Can they understand their important role as guardians of a tremendous environmental asset or are they exposed rather to a Eurocentric model of society (and consumption) that diminishes their self-awareness (and self-esteem sometimes) and eliminates their possible valuable contributions to our system? We propose to substitute traditional knowledge for abstract scientific reasoning – very important indeed, but maybe only if applied.

We never demonstrate the possibility of creating novelty from this resilience to the seasonal or daily tides (in the mouth of Amazon delta), tropical tempests, diseases, food shortages, etc. All our “improvements” (basic services and infrastructure) would promote increased monetary circulation, but would they really promote greater well-being? At the time I hadn’t read authors from the South, so I was not aware that “Development has a long and convoluted history; underdevelopment a very short one. (...) Underdevelopment began on 20th January 1949. [Truman’s inaugural speech]. On that same day, two billion people became underdeveloped.” (Esteva, Babones and Babicky 2013, pp. 6-7). But by heart I could understand that our society model is not adequate; we cannot promote genocide and hunger in name of “progress” for some.

So, engaging in a humbling exercise, I disposed of all of my tools and sat and listened. It was only then that was able to des - envelop innovation and understand, not resilience, but new life paths that are far more innovative and inclusive than the free market. Still I found it difficult to produce papers and have them publish in mainstream economic or public-policy journals, which publish the theories and evidence read and followed by government planners and competitive firms...The majority of my students and colleagues (now teaching in the capital and working with central government fellows) look at me as if I am a brave alien who survived a tropical jungle disease but contracted a permanent cough... and now needs to be cured. Growth is still needed to catch-up with that same magic model, that tragically will lead us to a homogeneous life standard.

Ana Paula Bastos is Portuguese, received a degree in the Psychology of Organizations from the University of Porto, Portugal, and a MSc. and Ph.D. in Economics, Major in quantitative methods, from the University of Tsukuba, Japan. She became an Adjunct Professor in the Institute for Advanced Amazonian Studies, Federal University of Pará, Brazil in 2005. Currently she is Associate Professor in the University of Brasilia, Brazil, and has a short-term visiting scholar position at the Geography Institute, University of Cologne.