

CEPAL

Review

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CONTENTS

Note	7
Raúl Prebisch 1901-1986. <i>Aníbal Pinto</i>	9
Address delivered by Dr. Raúl Prebisch at the twenty-first session of ECLAC	13
Latin American youth between development and crisis. <i>Germán Rama</i>	17
Youth in Argentina: between the legacy of the past and the construction of the future. <i>Cecilia Braslavsky</i>	41
Youth in Brazil: old assumptions and new approaches. <i>Felicia Reicher Madeira</i>	55
The missing future: Colombian youth. <i>Rodrigo Parra Sandoval</i>	79
Chilean youth and social exclusion. <i>Javier Martínez and Eduardo Valenzuela</i>	93
The political radicalization of working-class youth in Peru. <i>Julio Cotler</i>	107
Youth and unemployment in Montevideo. <i>Ruben Kaztman</i>	119
Youth in the English-speaking Caribbean: the high cost of dependent development. <i>Meryl James-Bryan</i>	133
Thinking about youth. <i>Carlos Martínez Moreno</i>	153
Working-class youth and anomy. <i>Javier Martínez and Eduardo Valenzuela</i>	171
Youth as a social movement in Latin America. <i>Enzo Faletto</i>	183
University youth as social protagonist in Latin America. <i>Henry Kirsch</i>	191
Recent ECLAC publications	203

Raúl Prebisch

(1901-1986)

Of one thing we can be absolutely sure: the death of Dr, Prebisch will not mean that his ideas are forgotten or eclipsed. They will not, of course, remain unscathed or permanently topical with the passage of time, but they will certainly constitute decisive testimony of the evolution of Latin America in the last half century. No-one reconstructing the region's history will be able to ignore the constant flow of hypotheses and propositions that sprang from his endeavour to decipher the course of events and conceive solutions to our economic and social problems. For he belonged, without doubt, to those who set themselves the task of both interpreting and transforming the current world; his legacy spread out and took root in wide areas far beyond the academic or institutional spheres. Naturally, the enduring quality of his ideas will not imply absolution on the part of those who criticized them from right and left. Possibly the opposite will occur: their critical scrutiny will be heightened. But the truth is that this will be yet another testimony to their importance: to the fact that it is and will be very difficult to analyse this period without taking into consideration his main appraisals.

The outstanding significance of his ideas, of his intellectual activity, goes hand in hand with a paradoxical circumstance: namely, their relative impersonality. Contrary to usual practice, his contribution was never personalized. If we look at his works, especially his contributions to conferences or seminars, we will never find a reference to "I think this or that". He was always an institutionalist; a man bent on transcending his individual dimension to place himself in a sphere of social witness —of "organic intellectual"— as a Gramsci sympathizer might venture to put it. That is why those who knew him well often remarked to him, half in earnest and half in jest, that he was like the archetype of the missionary, despite his tranquil agnosticism. Of course, the real reason for this characterization was his possession of that rare gift, modesty, deeply rooted and spontaneous, which went along with his great personality and imposing aura of authority, so that they never eclipsed his natural good-fellowship and sense of humour.

From another angle, the fact that his unceasing contributions have been institutionalized and have become part of ECLAC's thinking, enriching the efforts of the organization he created and the work of other economists and sociologists of like mind, implies a great responsibility for those who follow in his footsteps, who will assume the duty of maintaining and renewing his legacy, continuing to break new ground in the future.

Dr. Prebisch was a man of many worlds: first and foremost, because his ideas and proposals went far beyond the frontiers of his country and the region. Not only was he one of the great intellectual figures of Latin America in this century; he was also considered one of themselves by the representatives of the periphery, while he won respect and attention in the centres, whether capitalist or socialist, even though they might differ from his standpoint.

In looking back on his long and fruitful life it is possible to identify a succession of periods or cycles, defined by his arrival and establishment in different settings and the extensive renovation of his stock of ideas, which in each phase achieved new dimensions without ever losing sight of their guiding threads. At the close of his work, almost as a predestined end or ever-present desire, he returned to his country of origin, though without sacrificing his other ties and identities.

The first stage in his long career was his Argentine period: decisive crucible for his later development. After graduating (1923) and being appointed lecturer in Political Economy at the University of Buenos Aires (1925-1948), he entered the conservative world of banking and finance: a phase which culminated with his designation as first Director of the influential Central Bank of his country (1935-1943).

From this vantage point he faced the transition from years of outstanding prosperity to the vicissitudes of the great depression, which, though not so painful as in other countries of the area, shook the social and political structure together with the orthodox ideology prevailing in the economic field.

Those testing years indubitably marked the parting of the ways between those who cling to the principle that the best policy was to have no policy and to wait for a spontaneous change of wind and those who came to the conclusion —through the force of events and the ensuing reflection— that something should and could be done to counteract their effects. In the Master's own words, "The formation of ideas in those years was greatly influenced by the world depression. Urged on them by the need to tackle the very adverse effects of that phenomenon, I gradually had to throw overboard neoclassical theories that had nourished me in my university youth" (Prebisch, 1981).

Argentina does not seem to have been one of the economies that veered most sharply towards heterodox expedients and objectives —as happened in Brazil and Chile, for example. Nonetheless, particularly in the banking and financial field, its policy was aligned with those that sought to reanimate the domestic market in order to counteract the restraints of the external crisis (Diaz Alejandro, 1983). As someone already remarked in this respect, they too were Keynesians before Keynes. Although we do not know of any documented evidence on the influence of the great English economist on Prebisch, there can be little doubt that Keynes became one of the sources of his new heterodoxy: so much so that he wrote one of the first studies on the subject in Latin America (Prebisch, 1947).

Be that as it may, this source of inspiration seems secondary in the body of theory that he was to construct in the light of his analysis and policies on the great crisis, both in the Central Bank and later in his activity as an academic and consultant. During these years, he was opening up the way towards his Latin American period. He entered this with a long-term outlook because he did not stop at the reactivating expedients already referred to, but continued to examine the respective roles that had been played by those wild fluctuations in the economies of the centres and the periphery, in which the former were the dynamic agents and the latter their indirect victims. And from there, progressively, he went on disentangling the historical and structural elements that sustained this state of affairs and had their central root in what he called the "outworn scheme" of the international division of labour implanted by the Pax Britannica under the theoretical and ideological mantle of the classical economists, particularly Ricardo.

On taking up the post of Executive Secretary of ECLAC (1949-1963), he was able not only to continue his work, but even to devote himself entirely to this research, gathering around him a group of young economists who supported his efforts and, later, made their own contributions to the formation of ECLAC's thinking.

The scrutiny of the aforesaid historical mould and of its negative results for the periphery —deterioration of the terms of trade, concentration of the fruits of technical progress in the centres, different patterns of dependence for the periphery, etc.— which are today so patent, led logically to positive proposals. These were summed up in the theory of comprehensive industrialization —going beyond the purely sectoral approach—conceived as an instrumental of structural diversification designed to foster the growth of labour productivity, the expansion of employment opportunities and the establishment of new forms of insertion into the international economy capable of transcending mere specialization in exports of primary commodities.

We cannot enlarge on these topics here, but it is important to recall that these analyses found attentive ears in other parts of the periphery, besides radically renewing the traditional store of ideas on the morphology of dependence. It is not surprising, therefore, that this opened up a third cycle for the Master which took him to UNCTAD and converted him into the most eloquent and influential spokesman of the Third World.

Even so, he never severed his ties with Latin America. He remained bound to it through ILPES: a leading instrument in the development of ideas and techniques on planning and in the training of personnel qualified to carry them out. After all this, with seventy-five years behind him, he came back to ECLAC on a full-time basis to set afoot yet another of his ventures, *CEPAL Review*, in which he embarked on a bold intellectual expedition: an exhaustive investigation of the nature of what he termed "peripheral capitalism".

Here he sought unreserved, though with his usual critical judgement to associate economic analysis with social and political variables, always keeping in view the need to reconcile material development aims with the requisites of equity and democratic co-existence. His comprehensive and acute analysis laid bare vital issues. And while he did not stint his censure of the "privileged-consumer society" and its incapacity to put the economic surplus —real or potential— to socially beneficial use, neither did he fail to condemn populist aberrations, the deception and threat behind the illusory attractions of inflation, or the sterile bloating of the State machinery. Some objected to the radicalism of his articles on the social use of the surplus, while others disagreed with his mistrust of the immoderate extension of public ownership and the consequent abolition of private property. Some saw him as a revolutionary, others as a reformist.

In fact, he was neither the one nor the other, but could rather be placed in the category of the great reformers, for whom change goes hand in hand with continuity, with the accent being placed at different times on different aspects. From this standpoint, there can be little doubt that the Master saw the present time as a period in which the accent should be placed on change.

In the end, he completed the long cycle of his voyage through life by returning with his ideas and preoccupations to his own country, where he collaborated generously and wholeheartedly in the democratic enterprise of President Alfonsín.

An admirable history of achievement. And just as we are convinced, as we said at the outset, that his ideas will continue to be indispensable for the understanding of Latin American history in this century, it is no less certain in our mind that for those who knew him time will never erase the memory of his great human qualities.

Aníbal Pinto

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