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On the article by Raúl Prebisch “A critique of peripheral capitalism”¹

*Comments by Joseph Hodara**

I

From what standpoint should Dr. Prebisch's essay on peripheral capitalism be viewed? There would seem to be at least four possibilities.

The first relates to the development and problems of the social sciences in general. In this context, it would be meaningful to ask how far the article represents a convergence of prevailing currents of thought or a turning-point; whether it contains important taxonomical and conceptual contributions; what agenda for socio-economic research it suggests; and whether it sheds light on the formulation and evaluation of policies.

A second angle of approach might be to consider the place of the study in relation to Dr. Prebisch's personal and institutional career and its repercussions—unquestionably significant—on economic thinking in Latin America. In this case it would seem relevant to investigate whether the “Critique” does or does not constitute a somewhat weary reiteration of what has already been said and done, or whether it in fact involves new motifs corresponding to recent experiences or to barely-glimpsed turns of events in the periphery. An additional question that

might be raised is to what extent Dr. Prebisch's analysis points to a change in the styles of work that have characterized the institution which bears his indelible stamp.

From a third point of view, the essay could be seen as an ideological allegation on the part of an intellectual and of a region genuinely concerned about international inequality and internal disorder. Here the terms of the appraisal would be different; the timeliness, the intended recipients and the structure of the message would constitute its focal points.

Lastly, it would also appear appropriate to envisage Dr. Prebisch's statement of the case as a mirror of the ambivalences and contradictions in the peripheral situation.

Any one of these types of analysis would reveal significant aspects and components of Dr. Prebisch's thinking, which, if it is to be properly understood, needs looking at with more than ordinary attention. Progress in such explorations has been timorous; for the purposes of the present comments, emphasis will be placed on the last angle of approach. First, because we consider it relevant here; and secondly, because the author himself, in embarking upon his study, has apparently assumed from the outset the role it implies.

Let us begin by remarking that the ambivalences noted by Dr. Prebisch are

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disparate in character. Some derive from external factors, while others are of local origin; some have plenty of antecedents in development-oriented thinking, whereas of others nothing has yet been said.

We will summarize these ambivalences with the aim of substantiating two critical comments on Dr. Prebisch's essay: one in a minor key, to the effect that the inventory of peripheral contradictions is by no means complete; and the other of major importance, claiming that neither the agents of these contradictions, nor their peculiar relationship, nor the possible dénouement are satisfactorily dealt with, although interesting lines of thought are suggested.

II

The ambivalences in the history of the periphery are indeed overwhelming. Those that Dr. Prebisch points out are the following:

(1) The growth of the periphery has not brought social justice in its wake, as certain economic conceptions and an ingenuous humanism had expected;

(2) Nor has growth involved democratization, thereby belying political forecasts based on the institutional experience of advanced capitalism;

(3) The stimulating role played by the centres in the initial stages of peripheral development contrasts with the functions of constraint which they fulfil today;

(4) The atony of peripheral capitalism differs markedly from the revolutionary and dynamic character displayed by capitalism in the central countries, both in its early phase and in its maturity;

(5) There are ambivalences and loopholes in an external relationship which fluctuates between passive depen-

dence and the emergence of a peripheral cycle;

(6) Contradictory, too, is international co-operation as conceived by the centres, since at times it has a stimulating quality, and at others, in contrast, serves as a means of domination;

(7) At the internal level spring up the ambivalences of the State, which at one and the same time spurs on and clogs the economic and political processes;

(8) From another standpoint, the State supplies an ideology and a body of decisions favourable to capital accumulation, but lends itself to the spurious absorption of skilled manpower;

(9) Over the long term the State aims at the formation of human resources, but over the short term it tends to squander and destroy them;

(10) These last facts constitute variants of a basic discrepancy: the collective rationale intermittently crystallized in the State is in conflict with the individual impulses which unremittingly distort development;

(11) Technical change likewise is a tangled process. From the point of view of trade, it seems slow and inadequate; from that of employment it is much too rapid and all-pervading. Hence the contradictory complaints about the nature and tempo of the inflow of technology;

(12) Nor is the market exempt from ambivalences. Left to the free play of its own forces, it disturbs and distorts resource allocation criteria and the whole warp and woof of the social system. Kept under control, it stifles individual initiative;

(13) The distribution struggle has its right and wrong sides. It is the symptom—and the hope—of genuine desires for equity, but it also precipitates recourse to authoritarian measures;

(14) From another standpoint, this struggle moderates the socially regressive implications of inflation, but it is injurious to the monetary authority which might have been able to arrest the inflationary trend.

These ambiguities reflect the inadequate, equivocal and contradictory development of the periphery, which Dr. Prebisch fits into the framework of a structuralist and political interpretation of Latin American development; and they constitute valuable material for analysis which merits patient research.

III

But these are not all the ambiguities that exist. There are several dissonant notes which the author of the article slides over. Whether for lack of space or in the light of personal or institutional considerations, Dr. Prebisch evades discrepancies as sharp as those he does mention.

(a) Marshall Wolfe points out one of them in his comments: the tension between the values required for a structural change in peripheral conditions and the values prevalent today. It would seem that what is wanting in Latin America is a functional equivalent of that abode in the hard school of the desert which Moses imposed on his people . . . ;

(b) A corollary of this —with its own independent significance, however— is the awkward and ambivalent position of intellectuals in the life of the periphery. In some cases their ideas and their conduct are distressfully penalized, but in others they are flourishing participants in the consumer society, reaping a twofold benefit from the crisis itself and from the studies of it;

(c) As regards the ties with the hegemonic centre, the following discordancy should also be pointed out. The

asymmetrical situations which they create and consolidate —with the complicity of local factors— are beyond question; but they also leave margins of comparative latitude which crystallize in a substantial capacity for reflexion and negotiation. And this safety-valve must not be underestimated, in a world with strong 'totalistic' tendencies;

(d) Neither the centre nor the periphery is homogeneous. There are signs of brusque discontinuities within the periphery, although in some contexts it displays unity. In contrast with other ambivalences which affect the national order and relations with the centres, internal heterogeneity may have a regrettable effect upon the linkage between peripheral countries;

(e) And one inconsistency of capital importance can no longer be concealed. The *economic* logic predominant in the periphery, and reflected in parts of the article, bears a marked keynesian flavour. The aggregates of the analysis —employment, income, product, technical change— and the economic arguments distinctive of Latin American thinking revolve, sometimes inadvertently, in that orbit. But the *political* logic inspiring peripheral thought usually contains echoes of marxism, since it involves international and local projections of a circumstantial analysis based on the struggle of interests and classes. And for the moment, unfortunately, the time for a synthesis of schools of thought or lines of reasoning has not yet come; what exists is a juxtaposition which may perhaps open up a channel for a confluence of categories and approaches.

IV

Apart from these ambiguities —omitted from Dr. Prebisch's essay—, emphasis

should be placed on the analytical flaws. And we would say at once that neither the agents of the contradictions, nor their interconnexions, nor the dénouement are satisfactorily brought into focus.

The essay deals with elements which determine the physiognomy of the periphery: power relations, insufficient capital accumulation, external dependence, the contradictory nature of technical change. But it does not identify the agents. If, for example, power is of decisive importance, why are no definite questions posed on the genesis, nature and conduct of the peripheral State? How does this latter—and alongside it, the market, technology and the influence irradiated by the industrial centres—resolve problems of legitimacy and functionality? For whom, why and from what point of view are these components acceptable or anathema? Which are the groups that really take part in the distribution struggle? And how do they affect that monetary authority which Dr. Prebisch recalls with nostalgia? Why is the actual so far from the ideal allocation of resources? What is the nature of the channels through which the hegemonic centre provides stimulus and exerts domination, and what is the underlying logic?

The author hardly touches upon these questions.

Furthermore, the relationship between the agents is not closely scanned. The essay seems to suggest a *political* theory of the Latin American situation. The causal model would appear to be based on the patterns of distribution of power and a pervasive politization of the peripheral economic system. But this line of reasoning is not kept up to the end; the text also indicates that insufficient capital accumulation is the key to

peripheral backwardness, and that imitative dependence has its roots in the inequalities of trade.

The argument thus becomes less forceful. For if the analysis had followed the politization of the peripheral situation right through to its final implications, provocative questions would have arisen. For example, in what sense is peripheral development capitalist? If it lacks the dynamism and the potential for change that typify the capitalism of the centres, is not the epithet a gratuitous attribution or a taxonomical slip? Or again, the affiliation and the label, strictly speaking, are meaningful, but only in so far as the periphery is considered not merely as part of the *capitalist system* but in a *geopolitical matrix* of control and domination. In this case, the analysis should not merely rely on the economic instrumental; it should also invoke classic concepts (such as 'spheres of influence') and others not yet current (such as the long-term calculations of industrial societies perturbed by a closed and insurgent international system) which derive from the political analysis.

These ramifications have not been traced with precision owing to a methodological syncretism which is of value in syntheses or in diplomacy, but is unsatisfactory as regards the opening-up of new avenues for research.

Lastly, the essay evades the questions relating to the dénouement. Might this peripheral development process—promising and inhibitive at once—lead to a greater although self-complaisant vulnerability? To a struggle as heroic as vain? To a hermetic isolation of the periphery from the contradictory impulses of the centres? If the article had explored this ground it would have discovered a vital fact: that analyses of peripheral development—in view of the

frustrated experiments and the difficulties of establishing an international order—should culminate in a theory of violence.

V

A sentence in the Talmud lays it down

that no man is called upon to finish his work; it is never-ending. Yet considering the record and the stature of the essayist, we may still look forward to seeing the queries and topics that are bypassed in the article tackled before long.

*Comments by Eugenio Kossarev**

The "Critique of peripheral capitalism" published by Dr. Raúl Prebisch constitutes a new and important contribution to the development of the thinking which, since the end of the 1940s, has played a vital role in Latin America's advance towards its economic development and independence within the framework of a market economy. Without analysing the progress made by the Latin American countries in this respect—which is a different topic altogether—stress should be laid on the originality and interest of this study, part of which appears convincing and acceptable while another part invites controversy.

The "Critique of peripheral capitalism" represents an important step forward in the evolution of the 'peripheral economy' theory and raises the level of analysis of the development of Latin America by virtue of the new socio-economic approaches adopted. The peripheral economy theory afforded the bases for the preparation by CEPAL, and by many noted Latin American econo-

mists, of the Latin American development model known as the 'CEPAL doctrine'; the new theoretical contribution by Dr. Prebisch opens up fresh possibilities for its further elaboration.

This hardly seems the place to discuss whether or not the title of the doctrine accurately describes it. In my view the one usually applied to it does not, because the term 'CEPAL doctrine' fails to reflect its theoretical groundwork. The peripheral economy theory and the development model constructed on that basis are, by their content, different categories which can stand apart. While the former explains the origins and premises of the Latin American situation and suggests ideas for changing it, the latter is presented as a combination of objectives, means, mechanisms and driving forces for introducing the changes in accordance with those theoretical ideas. Accordingly, it would be more correct to talk about the 'CEPAL-Prebisch doctrine', for if the model does not exist without the theory, the theory without the model would have been in the nature of a mere abstraction.

Another reason for the need to give an exact title to the Latin American

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