

**dependency and**  
**development in**  
**Latin America**

**Fernando Henrique Cardoso**  
**and Enzo Faletto**

**Translated by Marjory Mattingly Urquidi**

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## Preface to the English Edition

**W**e wrote this book in Santiago, Chile, between 1965 and the first months of 1967. At that time, we worked at the Latin American Institute for Economic and Social Planning, a United Nations organization which originated from the Economic Commission for Latin America (ECLA). Our purpose was to show specifically *how* social, political, and economic development are related in Latin America.

Several studies on dependency by Latin Americans have affected the academic community and even broader audiences. There are numerous discussions in the United States on the contributions and weaknesses of what has been called "dependency theory." In Europe also, with perhaps less enthusiasm, these studies were subject to debate. African economists, influenced by Marxist analysis, and to some extent by Latin American thought on dependency, have also proposed models for the interpretation of African and Asian development. Reviewing the large bibliography on this subject ten years after the draft version of this essay, it seems timely to

clarify how we perceive dependency as a practical and theoretical problem. We give special consideration in this preface to the methodology used in our book.

Outside Latin America, the academic community in the United States elaborated scientific explanatory models of the different socio-cultural dimensions of society. Examples can be found in the structural-functionalist paradigms proposed by Merton or Parsons, in theories of political behavior (as in Easton's systemic analysis and in Laswell's efforts to characterize dimensions of power and influence), and even in several theories of modernization and political development. The influence of these explanatory models started to increase in Latin America in the fifties and achieved "scientific respectability" in the sixties. These paradigms inspired several theories on Latin American development processes.

At the same time, economists at ECLA<sup>1</sup> were proposing a critical view of development. They criticized conservative economists who believed that the present division of labor in the world market was inevitable because it was based on "comparative advantages": some countries would be better endowed to produce raw materials, whereas others would have advantages in producing industrial goods. In spite of their critical nature, ECLA economic theories and critiques were not based on an analysis of social process, did not call attention to imperialist relationships among countries, and did not take into account the asymmetric relations between classes.

Consequently a counter-critique which cited the narrowness of the ECLA approach also spread through Latin America. It arose, at times implicitly, within ECLA itself, in studies dealing with the concentration of benefits from technological

1. Economic Commission for Latin America (ECLA), or CEPAL, as it is known in the Latin American countries, is a United Nations organization. ECLA's economic staff proposed a paradigm for the analysis of development, which became the most influential theory in Latin American social sciences since the early fifties.

progress, as well as in essays on the social conditions of development by Medina Echeverría. It is also implicit in the work of intellectuals in the universities and political movements (in São Paulo, Mexico, Buenos Aires, or Caracas) who emphasized the inequalities of wealth and opportunity inherent in a development that derives from capitalist expansion and the strengthening of imperialism.

Our essay belongs to that more radically critical Latin American heritage. We attempt to reestablish the intellectual tradition based on a comprehensive social science. We seek a global and dynamic understanding of social structures instead of looking only at specific dimensions of the social process. We oppose the academic tradition which conceived of domination and socio-cultural relations as "dimensions," analytically independent of one another, and together independent of the economy, as if each one of these dimensions corresponded to separate spheres of reality. In that sense, we stress the socio-political nature of the economic relations of production, thus following the nineteenth-century tradition of treating economy as political economy. This methodological approach, which found its highest expression in Marx, assumes that the hierarchy that exists in society is the result of established ways of organizing the production of material and spiritual life. This hierarchy also serves to assure the unequal appropriation of nature and of the results of human work by social classes and groups. So we attempt to analyze domination in its connection with economic expansion.

There is a difference of a methodological nature between the approach followed by us in this essay and the others mentioned above. We use a dialectical approach to study society, its structures and processes of change. It will be useful for the reader if we spell out some basic elements of this methodological approach.

### *Dialectics and the Analysis of Structures and Processes*

A basic assumption is that the analysis of social life is fruitful only if it starts from the presupposition that there are

relatively stable global structures. However, these structures can be conceived and analyzed in different ways.

For us it is necessary to recognize from the beginning that social structures are the product of man's collective behavior. Therefore, although enduring, social structures can be, and in fact are, continuously transformed by social movements. Consequently, our approach is both structural and historical: it emphasizes not just the structural conditioning of social life, but also the historical transformation of structures by conflict, social movements, and class struggles. Thus our methodology is historical-structural.

This point deserves further attention. The emphasis on the structural aspect can convey the impression that situations of dependency are stable and permanent. This impression, left by faulty analyses, can also suggest that situations of dependency are continuously and necessarily generating more underdevelopment and dependency.

Our approach of course assumes and demonstrates that in the kind of societies for which this mode of analysis is useful, structures are based neither on egalitarian relationships nor on collaborative patterns of social organization. On the contrary, they are founded on social asymmetries and on exploitative types of social organization. Furthermore, it is assumed that an understanding of the strong inequalities characterizing these social structures, as well as an explanation of the exploitative processes through which these structures are maintained, require the analysis of the system of production and the institutions of appropriation, that is, the socio-economic base of society. Finally, in the approach here proposed a central role is assigned to the analysis of the mechanisms and processes of domination through which existing structures are maintained.

But to use this approach to point out only the self-perpetuating structural mechanisms implies neglect of the contradictory results of the very process of development as well as the *possibilities* of negation of the existing order also inherent in social processes. It is therefore useful to remember that forms of dependency can change and to identify the

structural possibilities for change, pinpointing the alternatives to dependency existing at any given historical moment.

In other words, our approach should bring to the forefront both aspects of social structures: the mechanisms of self-perpetuation and the possibilities for change. Social structures impose limits on social processes and reiterate established forms of behavior. However, they also generate contradictions and social tensions, opening the possibilities for social movements and ideologies of change. The analyses have to make explicit not only structural constraints that reinforce the reiterative aspects of the reproduction of society, but have also to delineate chances for change, rooted in the very social interest and ideologies created by the development of a given structure. In this process, subordinated social groups and classes, as well as dominated countries, try to counter-attack dominant interests that sustain structures of domination.

It is not irrelevant in these attempts to pay attention to ideologies and to intellectual capacity to assess possibilities for change. In decisive historical moments, political capacity (which includes organization, will, and ideologies) is necessary to enforce or to change a structural situation. Intellectual evaluation of a given situation and ideas about what is to be done are crucial in politics. The latter is immersed in the shady area between social interests and human creativity. At that level, gambles more than certainty line the paths through which social forces try to maintain or to change structures. Briefly, in spite of structural "determination," there is room for alternatives in history. Their actualization will depend not just on basic contradictions between interests, but also on the perception of new ways of turning a historical corner through "a passion for the possible."<sup>2</sup>

One final comment about general implications of the methodology used in this book with respect to problems of measurement would be useful. The question is not whether

2. Expression borrowed by Albert Hirschman from Kierkegaard. See Hirschman, Albert, *A Bias for Hope* (New Haven: Yale University Press, 1971), p. 27.

to measure. The question is rather what and how to measure, and also concerns the methodological status of measuring. Characterizing dependency is like characterizing "capitalism," "slavery," or "colonialism." It would make no sense to compare slavery in the southern United States with slavery in the Antilles or in Brazil only in order to assess "degrees of slavery" varying from minus to plus. It would make more sense to compare the slave economy with wage sectors, or slavery in the plantation system with slavery in domestic households, or to investigate the limits imposed by slavery on capitalistic expansion in the United States, Brazil, or the Antilles.

Similarly, there would be little sense in attempting to measure "degrees of dependency," making formal comparisons of dependent situations. Some efforts in that direction have resulted in the isolation of "power dimensions" involved in dependency situations from its "economic aspects." In such a procedure, the very basic characteristic of dependency studies—the emphasis on global analysis—disappears. On the other hand, very often in studies that have been done, each one of the selected dimensions of dependency is conceived in a rather static way to adjust realities to methodological requirements of the "logic of scientific investigation." For instance: when foreign capitals start to promote industrial development in dependent economies some deepening of internal markets occurs and some forms of income redistribution benefits upper levels of middle sectors. In previous forms of dependency—without local industrialization based on multinational enterprises—such a "redistributive process" was not present. In spite of these differences and in spite of the complexity of emergent situations of dependency, some studies in which "dependency theories" were tested assumed that *all* forms of dependency had common features. The rationale behind such a methodology is based on the possible common effect of a general (thus for us "abstract") form of dependency that permeates *all* types of situations. In a dialectical approach such a vague statement is not acceptable. The basic methodological steps in dialectical analyses require an

effort to specify each new situation in the search for differences and diversity, and to relate them to the old forms of dependency, stressing, when necessary, even its contradictory aspects and effects.

Thus, before measuring, previous elaboration of adequate theories and categories is required to give sense to data. Certainly, evidence confirming or rejecting particular analysis oriented by a dependency approach has to be taken into account if it has been established on adequate theoretical grounds. But data have to be interpreted in the historical-structural context.

Finally, the methodological status of measurement in a dialectical approach does not play the role of a fundamental device in the logic of demonstration, as if we were dealing with hypotheses to be accepted or rejected only after statistical tests. Of course, in rendering dialectical analysis less abstract (thus less general) and more concrete (thus relating specific sets of relations one to the others) statistical information and demonstrations are useful and necessary. But the crucial questions for demonstration are of a different nature. First of all, it is necessary to propose concepts able to explain trends of change. This implies the recognition of opposing forces which drag history ahead. Second, it is necessary to relate these forces in a global way, characterizing the basic sources of their existence, continuity, and change, by determining forms of domination and forces opposed to them. So, without the concept of capital as the result of exploitation of one class by another it is not possible to explain the movement of capitalist society. Without assuming (and analyzing) forms of dependency, when the studies refer to peripheral countries, it is not possible to render analyses more concrete. It is through the elaboration of key concepts of that type that dialectical analyses explain historical movement in its "totality." That is to say: history becomes understandable when interpretations propose categories strong enough to render clear the fundamental relations that sustain and those that oppose a given structural situation in its globality.



The accuracy of a historical-structural interpretation has to be checked by confronting its delineation of structural conditions and trends of change with actual socio-political process. Both in the construction of interpretation and in its practical validation, realities are at stake: data are not incorporated into the analysis as if they were statically given; the important thing is how they change as social process develops. Significant data are those that illuminate trends of change and emerging processes in history in unanticipated ways. Their "verification" depends on the capacity of social movements to implement what are perceived as structural possibilities. This process depends, on the other hand, on real social and political struggle. So the "demonstration" of an interpretation follows real historical process very closely and depends to some extent on its own ability to show socio-political actors the possible solutions to contradictory situations.

### *Structural Dependency*

For our historical-structural analysis the crucial methodological question was to delineate moments of significant structural change in countries characterized by different situations of dependency in Latin America rather than criticizing on theoretical grounds either the structural approach to socio-economic development proposed by ECLA or the structural functionalist models prevailing in sociological analyses, or blaming vulgar Marxism or the theory of political modernization.

In mechanistic conceptions of history, Latin American economies are perceived as having always been determined by the "capitalist system," as it has developed on a global scale. Fundamental periods of change at the international level, it is contended, marked the significant moments of transformation of Latin American economies. In these interpretations, general characteristics of capitalism replace concrete analyses of specific characteristics of dependent societies. "Mercantilism," "free enterprise and free competition," "monopoly capitalism" are, in general, molds from which

historical landmarks of peripheral countries are drawn. Obviously, Latin American societies have been built as a consequence of the expansion of European and American capitalism. Although less obvious, there also are features of capitalism common to developed and dependent countries. However, by excluding from the explanatory model social struggles and the particular relations (economic, social, and political) that give momentum to specific dominated societies, these kinds of interpretation oversimplify history and lead to error: they do not offer accurate characterizations of social structures, nor do they grasp the dynamic aspect of history actualized by social struggles in dependent societies.

If the interpretation only recognizes that mercantilism was an important element in the expansion of commercial capitalism and deduces from this that Latin America was *capitalist*, the content of what happened historically disappears into the vagueness of this abstract statement. The important task is to explain *how* the mercantilist economic drive led to the creation in several parts of Latin America of slave "capitalist" economies, in other parts to the exploitation of indigenous populations, and in some regions, as in southern parts of the continent, to an economy based on wage earners. In every one of those situations, capitalism, in its mercantilist form, was behind the local economies. They were never "feudal" societies. But this is not sufficient to explain the concrete differences between, let us say, Brazilian slave plantations and the Argentinian economy in the nineteenth century. Both were "capitalistic" economies, but they were organized around different relations of production: slavery in one case and relations that developed into almost capitalistic forms of production in the other.

In this book, we do not pretend to derive mechanically significant phases of dependent societies only from the "logic of capitalistic accumulation." We do not see dependency and imperialism as external and internal sides of a single coin, with the internal aspects reduced to the condition of "epiphenomenal." Conceived in this manner, imperialism turns

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into an active and metaphysical principle which traces out the paths of history on the sensitive but passive skin of dependent countries. Forms of local societies, reactions against imperialism, the political dynamic of local societies, and attempts at alternatives are not taken into consideration. This type of analysis, although it uses Marxist vocabulary, is methodologically symmetrical to interpretations based on the "logic of industrialism," or on the "stages of modernization," or even on the phases of "political development," which foresee change as a result of mechanical factors.

We conceive the relationship between external and internal forces as forming a complex whole whose structural links are not based on mere external forms of exploitation and coercion, but are rooted in coincidences of interests between local dominant classes and international ones, and, on the other side, are challenged by local dominated groups and classes. In some circumstances, the networks of coincident or reconciled interests might expand to include segments of the middle class, if not even of alienated parts of working classes. In other circumstances, segments of dominant classes might seek internal alliance with middle classes, working classes, and even peasants, aiming to protect themselves from foreign penetration that contradicts their interests. External domination in situations of national dependency (opposed to purely colonial situations where the oppression by external agents is more direct) implies the possibility of the "internalization of external interests."

Of course, imperialist penetration is a result of external social forces (multinational enterprises, foreign technology, international financial systems, embassies, foreign states and armies, etc.). What we affirm simply means that the system of domination reappears as an "internal" force, through the social practices of local groups and classes which try to enforce foreign interests, not precisely because they are foreign, but because they may coincide with values and interests that these groups pretend are their own.

Our analyses of concrete situations require us to find out what forms of social and economic exploitation there are, to

what degree industrialization and capital accumulation in the periphery has advanced, how local economies relate to the international market, and so forth; and this as the result not only of an abstract "logic of capital accumulation" but also of particular relationships and struggles between social classes and groups at the international as well as at the local level. It is true that local socio-political process, as well as local economic organization, insofar as we are dealing with dependent societies, supposes and reproduces the general features of capitalism as it exists on a global scale. Hence, capital concentration by multinational companies and the monopoly of technological progress in the hands of enterprises located in the center of the international system are obligatory points of reference for the analysis.

The very existence of an economic "periphery" cannot be understood without reference to the economic drive of advanced capitalist economies, which were responsible for the formation of a capitalist periphery and for the integration of traditional noncapitalist economies into the world market. Yet, the expansion of capitalism in Bolivia and Venezuela, in Mexico or Peru, in Brazil and Argentina, in spite of having been submitted to the same global dynamic of international capitalism, did not have the same history or consequences. The differences are rooted not only in the diversity of natural resources, nor just in the different periods in which these economies have been incorporated into the international system (although these factors have played some role). Their explanation must also lie in the different moments at which sectors of local classes allied or clashed with foreign interests, organized different forms of state, sustained distinct ideologies, or tried to implement various policies or defined alternative strategies to cope with imperialist challenges in diverse moments of history.

Interpretations in this book attempt to characterize, in a general manner, the history of that diversity. Of course, there are common factors in capitalism which affect all economies under consideration and which constitute the starting point of the analysis. But it is the diversity within unity that

explains historical process. If the analytical effort succeeds, general platitudes and reaffirmations about the role of capitalist modes of production can turn into a lively knowledge of real processes. It is necessary to elaborate concepts and explanations able to show how general trends of capitalist expansion turn into concrete relations among men, classes, and states in the periphery. This is the methodological movement constituting what is called the passage from an "abstract" style of analysis into a "concrete" form of historical knowledge. In that sense, the history of capital accumulation is the history of class struggles, of political movements, of the affirmation of ideologies, and of the establishment of forms of domination and reactions against them.

So, the analysis of structural dependency aims to explain the interrelationships of classes and nation-states at the level of the international scene as well as at the level internal to each country. Dialectical analysis of that complex process includes formulation of concepts linked to the effort to explain how internal and external processes of political domination relate one to the other. It cannot be conceived as if considerations of external factors or foreign domination were enough to explain the dynamic of societies. The real question lies in the interrelationships at both levels. Emphasis has to be laid not only on compatibilities but also on contradictions between these two levels.

### *Basic Situations of Dependency*

We describe two dependency situations that prevailed prior to the present system of international capitalism based on the dynamism of multinational corporations: dependency where the productive system was nationally controlled, and dependency in enclave situations. The important question in comparing these situations is not just whether power is exercised by local entrepreneurs or by "enclave" types of foreign companies, nor just what forms of accumulation and circuits of capital realization there are. The real question is what the *relationship* between these two dimensions is, and what their interaction is with capital accumulation on a global scale.

In enclave economies, foreign invested capital *originates in the exterior*, is incorporated into local productive processes, and transforms parts of itself into wages and taxes. Its value is increased by the exploitation of local labor forces, which transform nature and produce goods that *realize* again the life of this capital when staples (oil, copper, bananas, etc.) are sold in the *external market*.<sup>3</sup>

In economies controlled by local bourgeoisie, the circuit of capital is formally just the opposite. Accumulation is the result of the appropriation of natural resources by local entrepreneurs and the exploitation of the labor force by this same local group. The starting point for capital accumulation is thus *internal*. The process of capital valorization also takes place in the local productive process, but insofar as merchandise consists of staples and food products, the *international market* is required to realize the final steps of the capital circuit.

The case of contemporary dependent industrializing economies<sup>4</sup> controlled by multinational corporations gives the impression of a return to the enclave type of economy. However, although initial accumulation often results from external investment (though not necessarily, because multinational corporations do often use local funds to invest), there is an important difference vis-à-vis enclave economies: a substantial part of industrial production is sold in the *internal market*. A foreign-owned car plant settled in Mexico City or in São Paulo, Brazil, sells most of its production in local

3. In the case of enclave economies, one must distinguish between situations in which foreign enterprises assume control of enterprises that have been created and expanded by local entrepreneurs (e.g., copper mining in Chile) and situations that were originated by foreign investment. These two forms provoke distinct consequences with respect to the formation, role, and political influence of social classes.

4. This last process, being recent, could not be analyzed by classical studies on capitalism. It was foreseen in the case of Czarist Russia by some authors. But Russian development evolved in an entirely different international economic context.

markets. Up to now, exports toward center economies have played a minimal role in the economic strategies of multinational industrial corporations settled in the periphery—rarely surpassing 3 percent of total production.

So, the *forms* adopted by dependency may vary considerably. This variation in form is expressed in the socio-political context through the size and type of the working class as well as of the bourgeoisie, the size and type of “middle class,” the weight of bureaucracies, the role of the armies, forms of state, the ideologies underlying social movements, and so forth. This book tries to analyze these movements, and dialectical methods, as we have said, demand an attempt at concreteness with regard to the abstract forms of “capital expansion.” So we must analyze the diversity of classes, fractions of classes, groups, organizations, and political and ideological movements which form, in a lively and dynamic way, the history of capitalistic expansion in Latin America. In fact, it is through socio-political structures sustained and moved by social classes and groups with opposed interests that capital, as an economic “form” (with its “logic of expansion”) is realized in history. Historical-structural analysis illuminates the basic trends through which capital expansion occurs and finds its limits as a socio-political process. In that sense, the understanding of capitalist development requires the analyses of social classes and political context that allow or prevent the actualization of different forms and phases of capital accumulation.

### *Theory of Dependency and Capitalistic Development*

From the economic point of view a system is dependent when the accumulation and expansion of capital cannot find its essential dynamic component inside the system. In capitalistic economies the crucial component for the drive to expand is the capacity to enlarge the scale of capital. This cannot be done without the creation of new technologies and continuous expansion of the production of “capital goods,” that is, machinery and equipment, to permit the continuing growth

of enterprise expansion and capital accumulation. Furthermore, the expansion of a capitalistic economy requires financial support through a solid banking system. Of course, not all capitalist economies have these capabilities. Some of them have to find on a world scale the necessary complementarity to continue their march toward economic growth.

Almost all contemporary national economic systems are articulated in the international system. Superficial or apologetic analysts, in order to minimize exploitative aspects of the international economy, have merely assumed that “modern” economies are “interdependent.” By stating this platitude, they often forget that the important question is what forms that “interdependency” takes. While some national economies need raw material produced by unskilled labor, or industrial goods produced by cheap labor, others need to import equipment and capital goods in general. While some economies become indebted to the financial capital cities of the world, others are creditors. Of course, bankers need clients, as much as clients need bankers. But the “interrelationship” between the two is qualitatively distinct because of the position held by each partner in the structure of the relationship. The same is true for the analysis of “interdependent” economies in world markets.

Capitalism is a world system. But some of its parts have more than their share of leadership and an almost exclusive possession of sectors crucial to production and capital accumulation, such as the technological or financial sectors. They require complementarity from dependent economies, but the crucial elements for the capital expansion on a cumulative and amplified scale are at their disposal.

Peripheral economies, even when they are no longer restricted to the production of raw material, remain dependent in a very specific form: their capital-goods production sectors are not strong enough to ensure continuous advance of the system, in financial as well as in technological and organizational terms. So, in order to go ahead with economic expansion, a dependent country has to play the “interde-

pendency" game, but in a position similar to the client who approaches a banker. Of course, clients usually develop strategies of independence and can try to use the borrowed money in productive ways. But insofar as there are structural border lines, successful attempts are not an automatic output of the game. More often, rules of domination are enforced, and even if the dependent country becomes less poor after the first loan, a second one follows. In most cases, when such an economy flourishes, its roots have been planted by those who hold the lending notes.

Characterization of contemporary forms of dependent development could be perhaps the most significant contribution by "dependentistas" to the theory of capitalistic societies. If there is any novelty in this essay, it consists, together with the characterization of past forms of dependency, in the attempt to delineate what has been called "the new dependency." By means of this analysis it was foreseen how a general trend (industrial capitalism) creates concrete situations of dependency with features distinct from those of advanced capitalist societies. So, peripheral industrialization is based on products which in the center are *mass consumed*, but which are typically *luxurious consumption* in dependent societies. Industrialization in dependent economies enhances income concentration as it increases sharp differences in productivity without generalizing this trend to the whole of the economy: whereas the production of cars, televisions, refrigerators, and like types of goods is based on modern technology, important parts of food products, textiles, and other goods that constitute the basic consumption for the masses are still based on more traditional technology and relations of production. The wages of technicians, managers, and specialized workers, although not directly determined by productivity, are incomparably higher than those earned by peasants or workers employed in traditional sectors. Thus, industrialization in the periphery increases disparity of income among wage earners accentuating what has been called in Latin America the "structural heterogeneity."

These considerations stress that dependent capitalistic economies are not identical to central capitalistic economies. In spite of that, we do not subscribe to the attempts that have been made to propose a "theory of dependent capitalism." Of course, analyses of situations of dependency imply theories and require the use of methodologies. But—even by definition—it seems senseless to search for "laws of movement" specific to situations that *are dependent*, that is, that have their main features determined by the phases and trend of expansion of capitalism on a world scale. Attempts have to be made to enlarge and to give more specificity to the laws that have been developed and are being brought up to date by authors interested in the analysis of a general economic theory of capitalism. Our contribution, if there is one, goes in that direction without any pretentious aim to propose new theories that depart from the classical ones. To avoid misinterpretations, we refer to "situations of dependency" rather than to the "category" or to the "theory" of dependency.

A real process of dependent development does exist in some Latin American countries. By development, in this context, we mean "capitalist development." This form of development, in the periphery as well as in the center, produces as it evolves, in a cyclical way, wealth and poverty, accumulation and shortage of capital, employment for some and unemployment for others. So, we do not mean by the notion of "development" the achievement of a more egalitarian or more just society. These are not consequences expected from capitalist development, especially in peripheral economies.

By pointing to the existence of a process of capitalistic expansion in the periphery, we make a double criticism. We criticize those who expect permanent stagnation in underdeveloped dependent countries because of a constant decline in the rate of profit or the "narrowness of internal markets," which supposedly function as an insurpassable obstacle to capitalistic advancement. But we also criticize those who expect capitalistic development of peripheral economies to solve

problems such as distribution of property, full employment, better income distribution, and better living conditions for people. Even in developed economies these problems remain unsolved, as Puerto Ricans, blacks, and poor whites testify in America. It would be unrealistic (if not apologetic) to believe that the existence of an actual process of capitalistic development in the peripheral economies will suppress social problems and conflicts around them. Development, in this context, means the progress of productive forces, mainly through the import of technology, capital accumulation, penetration of local economies by foreign enterprises, increasing numbers of wage-earning groups, and intensification of social division labor. It is realistic to expect either a shifting of the arena in which struggles are present or the unfolding of issues around which conflicts will be at stake. It is not realistic to imagine that capitalist development will solve basic problems for the majority of the population. In the end, what has to be discussed as an alternative is not the consolidation of the state and the fulfillment of "autonomous capitalism," but how to supercede them. The important question, then, is how to construct paths toward socialism.

We have limited our analyses to forms of dependency within capitalistic societies and, furthermore, to situations in which a nation-state has been formed. Although there are forms of dependent relationships between socialist countries, the structural context that permits an understanding of these is quite different from that within capitalist countries and requires specific analyses. The same is also true for economies like the Indian economy—and, to a lesser extent, that of Japan—which have historical patterns of formation that cannot be explained by the unfolding of European or American capitalistic economic expansion, although they also became linked, later on, to the international market.

We have not intended to discuss colonial types of contemporary situations of dependency in Latin America, such as, in the purest example, Puerto Rico. Considerable intel-

lectual work has to be done to specify and render understandable, in the context of a more general view about dependency, the particularities of colonial or almost colonial situations. This book has not the pretension to exhaust or even to deal with all the forms of dependency that occur even in Latin America.

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