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OF LATIN AMERICA**

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FROM THE NATIONAL-BOURGEOIS TO THE ASSOCIATED DEPENDENCY INTERPRETATION OF LATIN AMERICA

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Abstract. In the 1960s and 1970s Latin America was the setting of modernizing military coups and of the transition of their intellectuals from nationalism to associated dependency. In the 1950s two groups of public intellectuals, organized around ECLAC, in Santiago, Chile, and ISEB, in Rio de Janeiro, Brazil, pioneer the thinking on Latin American societies and economies (including Brazil's) from a nationalist standpoint. ECLAC mainly criticized the law of comparative advantage and its underlying imperialist implications; ISEB focused on the political definition of a national-developmental strategy. The idea of a national bourgeoisie was key to this interpretation of Latin America. The Cuban revolution, the economic crisis of the 1960s, and the military coups in the South Cone, however, made room for criticism of these ideas from a new interpretation – the dependency one. By fully rejecting possibility of a national bourgeoisie, two versions of the dependency interpretation (the “associated” and the “over-exploitation” interpretations) also rejected the possibility of a national-development strategy. Only a third one, the “national-dependent” interpretation, continued to affirm the need for and possibility of a national bourgeoisie and a national strategy. Yet, it was the associated-dependency interpretation that was dominant in Latin America in the 1970s and 1980s.

Key words: national bourgeoisie – nationalism – developmentalism – cosmopolitanism

Sumário. Nos anos 1960 e 1970 a América Latina foi palco de golpes militares modernizadores e da transição de seus intelectuais do nacionalismo para a dependência associada. Nos anos 1950 dois grupos de intelectuais públicos, organizados entre a Cepal, em Santiago, Chile, e o ISEB, no Rio de Janeiro, Brasil, abriram caminho para o pensamento das sociedades e economias latino-americanas (inclusive do Brasil) a partir de uma visão nacionalista. A Cepal criticava principalmente a lei das vantagens comparativas e suas essenciais implicações imperialistas; o ISEB se focava na definição política de uma estratégia nacional-desenvolvimentista. A idéia de uma burguesia nacional era a resposta para esta interpretação da América Latina. A Revolução Cubana, a crise econômica dos anos 1960 e os golpes militares nos países do Cone Sul, entretanto, criaram espaço para a crítica a essas idéias com uma nova interpretação: a da dependência. Ao rejeitar totalmente a possibilidade de uma burguesia nacional, duas versões da interpretação da dependência (a interpretação “associada” e a “superexploração”) também rejeitaram a possibilidade de uma estratégia nacional-desenvolvimentista. Apenas uma terceira interpretação, a “nacional-dependente” continuava a afirmar a necessidade e a possibilidade de uma burguesia nacional e de uma estratégia nacional. Entretanto, foi a interpretação da dependência associada que foi dominante na América Latina nos anos 1970 e 1980.

Palavras-chave: burguesia nacional nacionalismo desenvolvimentismo
cosmopolitismo

The 1960s will remain in the intellectual history of Latin America as the moment when a major transition took place from the nationalism that viewed economic development as an outcome of a national and capitalist revolution and of the adoption of a national development strategy to the associated dependency interpretation that rejected the possibility of a national bourgeoisie and, consequently, of truly independent nations in the region, asserted that economic development was in any case guaranteed due to the dynamic character of capitalism and to investments by multinational corporations, and focused attention on social justice and democracy. In the 1950s, the public intellectuals at Instituto Superior de Estudos Brasileiros (ISEB – High Institute of Brazilian Studies) in Rio de Janeiro, reflecting upon the industrial and national revolutions that had been under way since 1930, devised a “national-bourgeoisie interpretation” of Brazil and Latin America.¹ At the same time, the structuralist development economists of the United Nations’ Economic Commission for Latin America and the Caribbean (ECLAC) outlined a critique of the law of comparative advantage, thereby laying the economic foundations of the policy of industrialization where the state, its public bureaucracy and the industrial capitalists played an active role. These two intellectual groups lived in a social and political environment that since the Great Depression of the 1930s had been critical of economic liberalism. Their economists contributed to this critique by depicting conventional economics as an instrument that promoted the interests of the rich countries – the United States and the United Kingdom in particular – that did not view favorably the ongoing industrialization of the region. As such, they assigned responsibility for the region’s underdevelopment not only to the mercantilist colonization of Latin America through plantations (in contrast to the United States, where settlers came mainly to populate the new lands, not to achieve mercantilist profits), but also to the imperial center’s active interest in keeping developing countries as exporters of primary goods. Their theories and policy proposals, combined with the ideas of the larger group of pioneers of development economics that emerged after the end of World War II, provided theoretical support to the

¹ This national-bourgeoisie interpretation became dominant in the 1950s. It superseded the previously dominant interpretation, the “agrarian vocation interpretation” or the “primary goods vocation interpretation”, which rejected the possibility and the necessity of industrialization in the region (Bresser-Pereira 1982).

substantial economic growth that characterized most Latin American countries between 1930 and 1980. These intellectuals were somewhat left-wing, but they adopted reformist ideas. They assumed that the industrial revolution was being led by a political coalition of the national industrial bourgeoisie, the public bureaucracy and the industrial working class – a class agreement that gained strength with the 1930s crisis of the imperial center and of their associates in the region, namely, the landowning oligarchy and the mercantilist bourgeoisie. Yet the 1959 Cuban revolution opened the way for the radicalization of the Latin American left, the response to which was a series of military coups in the South Cone with the support of the now united local bourgeoisies and of the United States. This prompted new groups of left-wing Latin American intellectuals to argue, within the framework of the dependency interpretation, that a national bourgeoisie in the region was an illusion: local elites would be intrinsically dependent, unable to lead a classical national capitalist revolution. To the extent that this argument was politically successful during the 1960s and 1970s, it was instrumental in weakening the concept of nation in Latin America for the next 20 years without strengthening – on the contrary also weakening – the leftwing political parties in the region. Only in the 2000s the Latin America nationalist and left oriented political parties and political leaders reemerged as political forces.

To understand the clash of ideas among Latin American left-wing or progressive intellectuals in the second half of the 20th century, one must consider that all were critical of modernization theory – the sociological approach originated in the United States – but it was originally divided into left-wing nationalists, who were fundamentally concerned with economic development, and the socialists, who prioritized social justice. Before the military coups in the region occurred, nationalist ideas and the national-bourgeois interpretation were dominant among left-wing intellectuals. After the 1964 coup in Brazil, the military and the industrialists remained nationalist and developmentalist, while intellectuals inspired by the dependency interpretation assumed that economic development was assured, discarded nationalism and engaged in the fight for social justice and principally for democracy.

Socialists and more generally left-wing intellectuals concerned with social justice find it difficult to support economic nationalism as a means to achieve economic development because this support implies an agreement among classes that somehow ends up legitimizing

capitalism. Yet experience shows that there can be no economic development in the absence of a national development strategy (Bresser-Pereira 2009), and that such a strategy necessarily involves some kind of agreement among the social classes.² In Latin America, where social inequality is deep, it is particularly difficult to put together the necessary class coalition. In this paper, I examine how the nationalist and developmentalist ideas that emanated from ISEB and ECLAC in the 1950s to explain and legitimize industrialization came under fire from the dependency interpretation when a major economic and political crisis erupted in the South Cone countries in the 1960s. In the first section, I describe the three groups of public intellectuals that are relevant for the purposes of this paper: those of ISEB, those of ECLAC and those of the “São Paulo Sociology School”. In the second section, I examine ISEB’s and ECLAC’s conceptions of development and underdevelopment, and their national-bourgeoisie interpretation of Latin America. In the third and fourth sections I discuss the concept of a national bourgeoisie and the corresponding national-developmental strategy, and I refer to historical events occurred in the 1950s, principally the 1959 Cuban revolution, and partially refute the national-bourgeoisie interpretation. In the fifth section I focus on the dependency interpretation (or dependency theory as it is more usually called), examining its three versions: the capitalist over-exploitation, the associated-dependency and the national-dependent.

INSTITUTIONS OF PUBLIC INTELLECTUALS

ISEB was a group of intellectuals with various roots and specialties who, in Rio de Janeiro in the 1950s, developed a cohesive and comprehensive view of Brazil and its industrialization. With the publication of *Studio Económico de América Latina 1949*, ECLAC became the wellspring of Latin American structuralist economic thinking.³ The two institutions formed

² The alternative is that the state bureaucracy takes control of the industrial revolution, as happened in Japan in the 19th century and in Russia and China in the 20th century. In the latter two cases it did so in the name of socialism, but eventually contributed to the national and capitalist revolutions in those countries.

³ The founding study of the Latin American structuralist school was the introduction to *Estudio Económico de América Latina 1949* (ECLAC 1949), which counted with the participation of Celso Furtado. Its introduction was concomitantly published by Raúl Prebisch (1949), in Portuguese, in *Revista Brasileira de Economia*.

their comprehensive, mutually consistent views at the same time, reaching their acme in the 1950s. In the following decade, however, after the crisis of the 1960s and the military coups in the Southern Cone, the “national-bourgeoisie interpretation” of Brazil that was put forward by ISEB and the national-developmental strategy proposed by both ISEB and ECLAC came under harsh and effective criticism from Brazilian sociologists gathered at the University of São Paulo, who I call the “Sociology School of São Paulo”. Although the Sociology School purported to be a purely academic institution and the founder of “scientific sociology” in Brazil, its main intellectuals, like those at ECLAC and ISEB, ended up by being also public intellectuals actively devoted to influencing public policy.

The files of ECLAC included two main figures of the 20th century economic thinking: Raul Prebisch and Celso Furtado. Other relevant ECLAC economists were Aníbal Pinto, Oswaldo Sunkel and Maria da Conceição Tavares. The main intellectuals at ISEB were the philosophers Álvaro Vieira Pinto, Roland Corbisier and Michel Debrun, the sociologist Alberto Guerreiro Ramos, the economist Ignácio Rangel, the historian Nelson Werneck Sodré, and the political scientists Hélio Jaguaribe and Cândido Mendes de Almeida. Their ideas, which were more political than economic in nature,⁴ were complemented at the economic level by ECLAC’s structuralist thinking. ISEB was formed simultaneously with ECLAC, in the late 1940s, had its high moment between 1952 and 1958, suffered its first crisis in that year, and was dissolved after the military coup in 1964. ECLAC continued to exist as an agency of United Nations, but in this paper I refer exclusively to the ideas it formulated between the late 1940s and the early 1960s.

Both groups were nationalist in economic terms, that is, they believed that a strong nation was essential to build a strong nation-state and to achieve economic development;⁵ both subscribed a mild version of the so-called imperialist theory of underdevelopment – the theory that explains underdevelopment mainly as the result of the 19th century formal or informal subordination of a given pre-capitalist or, in the case of Latin America, of a mercantile-capitalist society, to the industrial and imperial nation states of Europe and North

⁴ Although they did have a remarkable economist among them, namely, Ignácio Rangel.

⁵ Thus, it is not an ethnic nationalism but an economic nationalism similar to the one that characterized the formation of the national states in today’s developed countries.

America.⁶ Although the contributions of the two groups are equivalent, ECLAC's ideas had greater repercussions in the region, and, when they were eclipsed by the dependency interpretation, they were not so harshly criticized as ISEB's interpretation was in Brazil. Economists from ECLAC and ISEB believed that economic development was synonymous with industrialization and should be the outcome of a national development strategy – a strategy that ISEB baptized as “national developmentalism”. To legitimize this belief, ECLAC made its classical critique of the law of comparative advantage and argued that state intervention was required to promote industrialization. Industrialization was a condition for growth because value added per capita is greater in manufacturing industries in so far as they require more skilled labor than do agriculture or mining. Despite the predictions of international trade theory, the increase of productivity in central countries resulted not only in lower prices, but also in an increase in wages proportional to productivity gains. But whereas this outcome was assured in industrial countries by organized labor, it failed to materialize in; hence the thesis that there was a secular tendency towards the deterioration of the terms of trade for developing countries that would be compensated for only by an industrialization strategy.

ISEB dominated the Brazilian intellectual scene in the 1950s. After a lag of about ten years, the Department of Sociology of the University of São Paulo formed the São Paulo School of Sociology under the leadership of Florestan Fernandes. In the 1950s social scientists focused on sociological theory and on transposing scientific social research methods to Brazil. After the 1959 Cuban revolution, however, left-wing and Marxist ideas became increasingly dominant in this school of thought. Its members' main concerns were the transition from an agrarian to an industrial society, and the analysis of social exclusion and gender and social class. In its struggle to gain monopoly over legitimized sociological knowledge in Brazil (Bourdieu 1976), this school soon adopted a strongly critical stance towards ISEB, focusing its attack on the national bourgeoisie thesis. Unlike ISEB, the national issue was not central for the São Paulo School of Sociology. While ISEB and ECLAC advocated a national-bourgeoisie interpretation of Brazil, and their view of economic growth was closely tied to the

⁶ As a UN body, ECLAC does not use the term “imperialism” but resorts instead to “center” and “periphery”.

idea of building up the nation and defining a national development strategy – national developmentalism – the São Paulo School devised the associated-dependency interpretation. While ISEB intellectuals regarded Getúlio Vargas’s industrialization-oriented political pact as the achievement of the national and capitalist revolution, and viewed his populism as an early expression of the people’s participation in politics, the São Paulo School was critical of Vargas’s nationalism and political populism.⁷ While the ISEB group, although equipped with a significant theoretical background, was located within the state apparatus rather than in academia, and was not concerned with empirical research but acted, rather, as a group of high level public intellectuals, the São Paulo sociologists were a product of the university, and claimed that their work was purely academic or scientific.⁸ The ISEB intellectuals were nationalists who adopted a historicist method and espoused a dualistic view of history. According to Norma Côrtes (2003: 27–31), whereas this group envisaged the possibility of class alliances and was concerned with imperialism, the São Paulo School adopted a cosmopolitan, anti-dualistic viewpoint, emphasized class struggle, rejected the possibility of national pacts, and was not interested in criticizing the imperialistic relationship between developed and underdeveloped countries. This does not mean that the São Paulo School was a homogeneous group. Quite the opposite: independent thinking abounded and there were theoretical conflicts of all sorts. Yet its members shared a general approach to sociology as a science and to the main social and economic characteristics of Brazilian society and Latin American societies generally. Gilberto Freyre was the initial target of criticism by the São Paulo School of Sociology.⁹ The second was to be ISEB, beginning with a famous debate between Florestan Fernandes and Guerreiro Ramos.¹⁰ The first comprehensive effort by the São Paulo-based group to outline its view of Brazil in direct competition with the Rio de

⁷ Vargas was a political populist in so far as he was able to establish a direct relation with the masses without the intermediation of ideological political parties (which actually did not exist in Brazil); yet he was not an “economic populist”, that is, a politician who spends more than the state’s revenues permit.

⁸ The early empirical research would be concerned with racial discrimination, beginning with the pioneer works of Fernando Henrique Cardoso (1962) and Florestan Fernandes (1965).

⁹ Regarding this critique and also the substantial output from São Paulo, see Joaquim Falcão (2001).

¹⁰ This debate happened in the II Congress of the Latin American Sociological Society held in Rio de Janeiro in July 10-17, 1953. It was an oral debate. Information about it can be found in Guerreiro Ramos’ *Cartilha do Aprendiz de Sociólogo* (1954) and in Maria Arminda do Nascimento Arruda (2001: 237-241).

Janeiro-based group was Fernando Henrique Cardoso's 1964 book on Brazil's industrial entrepreneurs and economic development, *Empresário Industrial e Desenvolvimento Econômico*.¹¹

DEVELOPMENT AS A CAPITALIST AND NATIONAL REVOLUTION

ISEB and ECLAC were both critical of economic liberalism. For their intellectuals, economic development in the countries that in the moment of the industrial revolution were colonies or semi-colonies might be accomplished only through economic planning. Only in this way would these countries be able to complete their national capitalist revolutions. According to this approach, economic development is a process of capital accumulation and incorporation of technical progress that increases wages and living standards.¹² It is an integral process of economic, social and political development in which the strategic players are innovative, industrial entrepreneurs. If we exclude the statist experiment in Soviet Union and China, this entire process makes sense only within the framework of the capitalist revolution, giving rise to an active class of capitalists, while at the same time the formation of a nation-state assures a safe domestic market for its industrial production.¹³ The state that emerges from this major social change is supposed to coordinate the national development strategy by means of the legal system, regulated markets and the bureaucratic apparatus.

¹¹ In this book, Fernando Henrique Cardoso offered an early criticism of ISEB's ideas (1964: 81–82). This criticism was later radicalized by two representatives of the São Paulo School of Sociology, namely, Caio Navarro de Toledo (1977) and Maria Sylvia de Carvalho Franco (1978), while Francisco de Oliveira (1972) criticized Celso Furtado's and ECLAC' structuralist and dualist concept of underdevelopment. Alzira Alves Abreu (1975) required intellectual independence to write in Paris a competent PhD dissertation about ISEB in the 1970s. According to her personal deposition, the topic was regarded by her friends from São Paulo as inappropriate unless the goal was to fiercely criticize ISEB. Divided since 1958, dissolved and persecuted by the military regime for being left-leaning in 1964, the ISEB intellectuals were also the victim of mistaken and resentful criticism from the intellectual Brazilian left.

¹² I am assuming that the capitalist revolution (or modernization) is the historical outcome of three sub-revolutions, namely, the commercial, the national and the industrial.

¹³ The mercantilist bourgeoisie was able to bring about commercial revolutions based in city-states engaged in long-distance trade; however, to achieve industrialization the new industrial bourgeoisie required a safe and large domestic market.

The notion that the capitalist revolution in each country involved an industrial revolution and a national revolution – the later here understood as the historical processes that led to the formation of the modern nation-state – was at the foundation of ISEB’s thinking. The modern state that emerged from this revolution would be the instrument of collective action that, coupled with the nation, would form the modern nation-state, guarantee a large domestic market, and formulate a national development strategy. In the case of the underdeveloped countries that experienced capitalist and national revolutions in the 1950s, ISEB and ECLAC pointed out that Latin American society no longer displayed a simple bipolar organization based upon a dominant oligarchy and a rural mass, but was undergoing a differentiation process that was giving rise to an urban working class and to a new ruling class in the form of the industrial bourgeoisie and the new public bureaucracy. Oswaldo Sunkel (1969: 251) argued that this differentiation enabled alliances of these groups with popular sectors to promote economic development, pointing out that “these alliances would base their ideological cornerstones on nationalism and on popular organization and participation”.¹⁴ Yet he also pointed out the dependency and alienation of the middle classes concerned with replicating the consumer patterns of the center, thus revealing their own contradictory character and the difficulty involved in carrying through a national development process. In addition, ISEB and ECLAC intellectuals assumed the existence of “infant industries” in the region that should be protected, and so were pessimists concerning the possibility of Latin American countries exporting manufactured goods; industrialization should take place through import substitution. According to Octavio Rodrigues (1981: 20), who examined ECLAC’s ideas in several essays, the state should lead society in overcoming the “three tendencies deemed inherent in peripheral industrialization: structural unemployment, foreign imbalance, and deterioration of the terms of trade”.¹⁵ The state cannot be limited to the role of

¹⁴ This essay is featured in a collection of papers by leading ECLAC economists (Andrés Bianchi et al. 1969). More recently, Ricardo Bielschowsky (2000) has put together a more comprehensive collection of papers from the same source.

¹⁵ In a recent paper, Octavio Rodrigues notes that three industrialization models can be found in Latin America: liberal industrialization, national-populist industrialization, and state-developmental industrialization, as illustrated by Argentina, Brazil and Mexico, respectively. He shows that the industrial bourgeoisie played a key role in the second and third forms (Rodrigues 2005: 178–82). ECLAC was the source of inspiration for the second and third models which, for the purposes of this paper, I combine in what I call the national-developmental model.

establishing institutional conditions for businessmen to invest. It must also create the necessary economic conditions for profitable investment. Economic development always involves a national development strategy, or, as Celso Furtado used to say, the transference of the decision center to within the country.

In the industrial revolution, political power is concentrated mainly in the hands of the industrial entrepreneurs and of the state's elected and unelected high bureaucracy, while wage-earners play a supporting role – albeit a role growing in importance as democracy advances. On the other hand, while in the capitalist revolution the relationship between capital and labor is marked by conflict, in the national revolution the important phenomenon is the rallying around the nation and a national project involving industrialists, the public bureaucracy and the working class. Based on this dialectic perspective, both historical and normative, ISEB's thinking was nationalistic or patriotic in essence.¹⁶ But in the Latin American context nationalism does not mean a rejection of what is foreign, nor does it correspond to Ernest Gellner's (1983) concept of nationalism as the “correspondence of the nation with the nation-state”, but is the ideology legitimizing the formation of the nation-state, requiring national governments to protect national labor, national capital and national knowledge and to assume responsibility for collective decisions instead of submitting to foreign powers – nationalism is a prerequisite for national development.¹⁷ In the 1950s, nationalists in developing countries adopted the theory of imperialism to explain underdevelopment; that is, they explained underdevelopment not only in terms of lack of capital, lack of business entrepreneurs, and lack of institutions (as modernization theory did) but also in terms of exploitation by developed countries and the dualist character of the resulting underdeveloped societies. They criticized what Friederich List had identified in the

¹⁶ Nationalism and patriotism are here synonymous. They are defined as the ideology of the formation of the national state, and the view that each government should defend the interests of national labor, capital and knowledge. Yet many distortions arise when nationalism is radicalized and becomes an ethnic ideology rather than an economic one.

¹⁷ Ernest Gellner's concept of nationalism as the “correspondence of the nation with the nation-state” is based primarily on European experience. For Latin America this definition is inadequate because Latin Americans have states since the early 19th century, but the corresponding nations are weak, incomplete, and dependent.

first half of the 19th century as the practice of “kicking away the ladder”.¹⁸ Only the most radical commentators argued that economic development in the central countries was mainly due to the exploitation of the periphery, but nationalists agreed that the interests of the rich countries did not coincide with those of developing countries.

ISEB and ECLAC adopted a moderate nationalist or patriotic position. Latin American countries were not expected to be more nationalist than developed countries had been and still were. Yet, unlike the rich countries including the United States after its War of Independence, underdeveloped countries had to face formal or informal foreign domination. Thus, according to Celso Furtado, underdevelopment was not just a lag or a stage in development, but the consequence of the periphery’s political subordination to the center. Both ISEB and ECLAC intellectuals were moderate left-wingers, concerned with the inequality prevailing in Latin America and supportive of workers’ social movements. But the nationalist ideology prevailed over the socialist. Their greater goal – economic development or industrialization – required a state as the instrument of collective action. For ISEB, particularly, the national revolution – that is, the formation of the national state – had to occur by means of a class alliance that, although involving real internal conflicts, was a real alliance between capital and labor, an alliance that would not prevent social clash but would prevail when competition with other national states was the issue. ISEB’s nationalism was shaped on the lines of the patriotic Bismarckian model, which emerged after nationalism combined with the state intervention that characterized the catching up of the “backward” central countries such as Germany in the second part of the 19th century (Jaguaribe 1958; 1962).

NATIONAL BOURGEOISIE AND NEW HISTORICAL FACTS

The issue of the national bourgeoisie is crucial to ISEB’s interpretation.¹⁹ In the 1950s, ISEB identified industrialization, which had accelerated since 1930, with the Brazilian National Revolution. It argued that, under the aegis of Getúlio Vargas, a national-populist political

¹⁸ Friedrich List (1846 [1999]). Ha-Joon Chang’s remarkable book *Kicking Away the Ladder* (2002) provides modern evidence of this thesis.

¹⁹ All of its members stressed this aspect. See, in particular, Jaguaribe (1955; 1956) and Mendes de Almeida (1963).

coalition had been formed that brought together the industrial bourgeoisie, the workers, the public bureaucracy and segments of the old oligarchy (the one that was in the business of import substitution, such as the beef ranchers in Rio Grande do Sul) to fight against imperialism and the agro-exporting oligarchy – principally the coffee planters. In this necessarily simplified political scheme, ISEB's intellectuals identified a leading role to be played by industrial entrepreneurs, or the “national bourgeoisie” – assuming that it shared basic nationalistic views about industrialization, national revolution and growth.²⁰ They knew that the Brazilian bourgeoisie did not always match this model, but the model was consistent with the actors' real interests and were empirically observable. ECLAC aligned with ISEB in this respect, though giving it less emphasis.²¹

In the 1950s it made reasonable sense to speak of a national bourgeoisie, but the 1964 military coup puts an end to the national-developmental alliance stitched together by Getulio Vargas. The severe political crisis at the beginning of the 1960s and the 1964 coup were consequences of several new historical facts that changed the political framework and rendered the Vargas alliance obsolete. Such facts included the 1959 Cuban revolution, the flow of foreign capital into national industries, the consolidation of industrialization during the Juscelino Kubitschek administration (1956–60), and the fall in coffee prices, which substantially reduced the income transferred from coffee exporters to manufacturing industry. All of them, and specially the Cuban revolution, which led the Brazilian left to dream of a socialist revolution, contributed to the 1964 collapse of the national-developmental political pact (Bresser-Pereira 1963; 1968: ch. 4). In consequence, the national-bourgeoisie interpretation of Brazil and Latin America generally, which presupposed the participation of urban workers in the political coalition, ceased to make sense in so far as it assumed an internal division within the ruling class and an association of the industrial bourgeoisie with workers and the public bureaucracy.

²⁰ Note that Vargas was a populist only from the political viewpoint. Unlike Juan Perón, with whom he is often compared, he was never an economic populist, but kept the state finances in balance, controlled public spending and maintained the national state's equilibrium, preventing excessive foreign indebtedness.

²¹ See Octavio Rodriguez (1981: 22–23).

The São Paulo School of Sociology did not take these new historical facts into consideration. The national-bourgeoisie interpretation would always have been mistaken – not only after the new historical facts made it unfeasible. Instead of acknowledging, on the one hand, the facts that changed the political picture, and, on the other, the contradictory nature of the bourgeoisie in dependent countries (ambivalently shifting from autonomy to dependency), the São Paulo sociologists believed that the dependent character of the bourgeoisie was permanent and intrinsic. Moreover, they did not realize that the alliance with the United States for purposes of the coup was temporary or incomplete. Based on Fernando Henrique Cardoso's research on the political action of entrepreneurs mentioned earlier, and on the involvement of entrepreneurs in the military coup of 1964, the sociologists denied the possibility of the existence of a national bourgeoisie (although, contradictorily, they often did admit the existence of Vargas's national-developmental pact). After the 1964 coup, while the São Paulo School repudiated the national-bourgeoisie interpretation of Brazil shared by ISEB and the Communist Party (which adopted ISEB's approach in its 1958 national congress)²², they blamed this interpretation and its authors for the coup itself: the Communists and the ISEB intellectuals would have been culpable for the coup within the left.²³ Daniel Pécault (1989: 101, 106) offers a vivid summary of this critique, and comments: while the ISEB intellectuals “manifested the powerful sentiment of an ‘intelligentsia’ that had as vocation to lead the transition towards a Brazil owner of its destiny... the Paulista intellectuals manifested in relation to the ISEB a scorn haughty and suspicious”.

The critics that the São Paulo school of sociology made to ISEB and its claim that the Brazilian industrialists were a national bourgeoisie committed to industrialization were apparently “confirmed” by the support of this bourgeoisie to the 1964 military coup. On the other hand, the critical posture of the Paulista sociologists toward the authoritarian regime, their leaning to the left and to Marxist studies, combined with the fact that the military had extinguished ISEB and with the claim that they spoke on behalf of science while the ISEB intellectuals were “contaminated” by politics lead the São Paulo school to a full “academic

²² See Gildo Marçal Brandão (1997).

victory.” The left-wing natural resentment towards the military coup also contributed to this outcome.²⁴ After the military coup, in the second half of the 1960s, this school – now leaning to Marxism – participated actively from the definition of a new interpretation of Brazil and Latin-America – the dependency interpretation. The newly dominant school predominated over the Brazilian social science for long: only recently did the revision of the role that ISEB played in the intellectual history of Brazil and Latin America generally begin.²⁵

ECLAC, even though it shared most of ISEB’s ideas, was spared criticism, perhaps because its analysis was economic rather than political and, probably, because it would not serve the interests of the new interpretation to put ECLAC side by side with ISEB; it was more interesting to make the UN body adhere to the new views.²⁶ After the 1966 paper by Andre Gunder Frank, “The development of underdevelopment”, the radical left also criticized the national-bourgeoisie interpretation along the same lines as the São Paulo School of Sociology. A sort of unspoken agreement on the non-radical associated-dependency interpretation was thus formed between the new theorists of dependency and ECLAC, so as to minimize conflict and expand cooperation between them. From this perspective the new ideas would mean, not a rejection of ECLAC’s views, but just an additional sociological contribution to thinking on center–periphery relations. In fact, ECLAC surrendered to the new ideas, and, from this moment on, its golden age was over.

²³ Being much older, Caio Prado Jr. was not a member of the São Paulo School of Sociology, but lent it unexpected support with his essay *A Revolução Brasileira* (1966), which was as remarkable as it was mistaken.

²⁴ This academic victory was celebrated, for example, by a remarkable member of the São Paulo School, namely, Emilia Viotti da Costa (1978: 178), who wrote: “The populist crisis culminating in the military coup of 1964 pointed social analysts in a new direction. The ‘dependency’ model replaced the ‘dualist’ one.”

²⁵ In this respect, Norma Côrtes quotes from Jaguaribe (1979: 102) a sentence that makes reference to me: “almost all studies of on ISEB– with the important exception of Luiz Carlos Bresser-Pereira... – have come from a new generation of intellectuals, usually through doctoral theses, that lack... sufficient understanding of Brazil’s circumstances between the late 1940s and the early 1960s. These critics are led, unawares, into generational polemics conditioned by the attitude of young academics...” A sign of this revision is the book edited by Caio Navarro de Toledo (2005), *Intelectuais e Política no Brasil: A Experiência do ISEB*.

²⁶ See, for example, Cardoso’s (1977a [1980]) general assessment of ECLAC. His attitude is more supportive than critical. Or, in another paper (1972 [1980]: 65), his statement to the effect that “dependency studies stood as a kind of self-critique fueled by the ardor of those who, without ever having been with the Eclacine school, criticized it sine ira ac studio”.

THE DEPENDENCY INTERPRETATION

In the intellectual history of Latin America, few topics have been addressed more confusingly and inaccurately than “dependency theory”, because, first, as Fernando Henrique Cardoso often repeated, it is not a theory but a political-sociological interpretation of Latin America that competed successfully against the national-bourgeoisie interpretation, and second, in the end it was not critical of imperialism but, in its more moderate version, suggested an association with rich countries. Emerging after the military coups in Brazil, Argentina and Uruguay, the dependency interpretation is a sociological analysis of the dependent form of capitalism that manifested itself in Latin America, generally associated to Marxism since its founder, André Gunder Frank, was an eminent Marxist economist. It did not deny exploitation of the periphery by the developed center, but, as Ronald H. Chilcote (1982: 14) pointed out, “dependency theory has not provided us with any new theory of imperialism”. Its main concern was to show the responsibility of the dependent local elites including the industrial ones for underdevelopment. Thus, it fundamentally rejected the national-bourgeoisie interpretation. While the ISEB’s and the ECLAC’s interpretation assumed the possibility of existence of a national bourgeoisie in the Latin American countries and gave it a crucial role in the construction of the Latin American nations and in the leadership of economic development, the dependency interpretation was characterized by the radical denial of the possibility that such a bourgeoisie could exist.

The term “dependency” as applied to the periphery is a counterpart to the term “imperialism” as applied to the center. This has led many to believe that the imperialist and dependency approaches to explain economic backwardness are equivalent. Gabriel Palma (1978), for instance, who wrote a classical survey of dependency, did not understand this difference, and, so, the opposition between the dependency interpretation and ECLAC’s vision; he did not distinguish the national-bourgeois and imperialist interpretation from the dependency interpretation. In fact, the national-bourgeois interpretation is near to the imperialist one, while the dependency interpretation differs from both in two major respects. First, it argued that the cause of the economic backwardness of underdeveloped countries lay not only in exploitation by the imperial center but also, if not mainly, in the local elites’ inability to be national, to think and to act in terms of national interests. While the national-bourgeoisie

interpretation assumed that a national industrial bourgeoisie was rising in opposition to the old Latin American elites – partly feudal and patriarchal, partly mercantile – the dependency interpretation denied any kind of societal dualism, and, so, rejected this core internal conflict that characterizes the ruling class in developing countries.

André Gunder Frank (1966, 1969) denied this hypothesis and the whole idea of an autonomous development on the periphery of capitalism. A Marxist, he argued that the national-bourgeoisie interpretation was a version of the sociological theory of modernization adopted by sociologists mainly in the United States. In fact, most supporters of the dependency interpretation, following the historian Caio Prado Jr. (1945; 1966), claimed, against all the evidence, that industrial entrepreneurs were descendents of the first colonizers and not of recent immigrants, and that the Latin American bourgeoisie had always been mercantile in character (in Brazil, a coffee planters' mercantile bourgeoisie), incapable of introducing technical innovation or defining a national development strategy.²⁷ On the other hand, the associated-dependency version claimed that the theory of imperialism was mistaken in arguing that the center was opposed to industrialization, given that multinationals had been investing in industrial plants in the region since the 1950s. According to this version, multinationals and international financial capitals do not antagonize industrial development but set perverse conditions for it by promoting income concentration from the middle class upwards and encouraging authoritarianism. Yet, it called for an association in so far as foreign savings financed by multinationals' direct investments and by foreign loans would be a prerequisite for economic growth in Latin America.²⁸

Second, the dependency interpretation differs from the theory of imperialism (and, so, from the national-bourgeois interpretation) because the former was originally a Marxist theory, while the imperialist one was not – as it happened with the national-bourgeois interpretation,

²⁷ I say “against all the evidence” because principally in Brazil it is today well established that industrial entrepreneurs originated in immigrant families, not in coffee planters' families (Bresser-Pereira 1964).

²⁸ This paper is not a survey of the dependency interpretation. On that subject, see Chilcote (1981: 298-312).

it could be adopted by Marxists but was not intrinsically Marxist.²⁹ As a result, while the national-bourgeois interpretation focused on national exploitation, the dependency interpretation emphasizes the exploitation of classes far more than the exploitation of nations. For Cardoso (1977b[1980]: 97), who is clear and insistent in this respect, the essential trait of the dependency interpretation is not the study of international relations, although these must not be forgotten, but the analysis of social classes in dependent capitalism: “We were interested in the ‘movement’, in class struggles, in redefining interests, in the alliances that sustain structures and, at the same time, create perspectives of change.” It is not surprising, therefore, that this theory had so much resonance in the United States, whose left wing intellectuals saw it as something new and attractive in so far as it criticized capitalism but did not blame their country for Latin America’s problems.

The dependency interpretation has one of its origins in the criticism of Celso Furtado’s works published in the second half of the 1960s. Consistently with ECLAC, he argued that Latin America was moving towards stagnation due to the use of labor-intensive technology in manufacturing industry and to the income concentration it caused, to which there were no countervailing forces. The critique of this view is outlined in the book by Cardoso and Faletto (1969) and fully developed in two economics studies (Bresser-Pereira 1970; Tavares and Serra 1971). These studies explained why, after a major economic crisis in the early 1960s, in late 1960s Latin American economies started growing fast again –in Brazil, there was even the 1968–73 “economic miracle” – and lay at the foundation of the dependency interpretation’s economic view.³⁰

Usually, the dependency interpretation is divided into two versions – the original over-exploitation version and the associated-dependency version. I suggest a third, which I call the “national-dependent interpretation”. The first interpretation adopts linear reasoning. Given the assumed impossibility of a national bourgeoisie in Latin America, workers would have no

²⁹ The theory of imperialism was initially developed by Hobson, who was not a Marxist. It was later embraced by Lenin. On the other hand, dependency interpretation, in both its over-exploitation and its associated-dependency versions, is clearly Marxist in origin. Cardoso (1972 [1980]) is emphatic on this point: “The idea of dependency is defined in the theoretical domain of the Marxist theory of capitalism.”

³⁰ Bresser-Pereira (1970); Tavares and Serra (1971 [1972]).

choice but to strive for socialist revolution. It was, therefore, close to the theory of imperialism because it clearly acknowledged the existence of imperialism, but at the same time it radically criticized the national-bourgeoisie interpretation for denying any possibility of national development within the framework of underdeveloped capitalism. For Gunder Frank, Latin America was always capitalist, albeit mercantile capitalist, and it was incorrect to claim that it had been experiencing a bourgeois national revolution since the 1930s. European colonization had been purely mercantile, implementing only a primary-exports growth model in the region. As such, capitalism and imperialism would be the very causes of underdevelopment, so much so that the continent's least developed areas were those that enjoyed major commodity exporting booms. Along the same lines, Ruy Mauro Marini developed specifically the "over-exploitation interpretation", acknowledging that, for some period of time, there were common interests between the bourgeoisie and the proletariat, which "led the vanguard of the petit bourgeoisie on to reformism and the policy of class cooperation," but "the military intervention of 1964 dealt a death blow to the reformists" (Marini 1969: 151). The national-bourgeoisie interpretation, therefore, would be identified with the reformism that Mauro Marini admitted was valid for a while. Reformism failed because development in Brazil was based essentially on the over-exploitation of workers, as defined by the below-subsistence wages paid to workers, in addition to their enduring extended work shifts and workloads. Exploitation was a normal characteristic of capitalist economies that was heightened in dependent or peripheral countries and transformed into over-exploitation as workers were subject not only to the local dependent bourgeoisie but also to the imperial center. In consistent terms, Theotônio dos Santos clearly argues (including in the title of his 1973 book) that the only alternatives for Brazil and Latin America generally were socialism and fascism (the latter identified with the military coups) (Santos 1967; 1970; 1973). His assessment is not limited to this point and, like Ruy Mauro Marini, he provides an important radical and critical contribution to the understanding of the Latin American underdeveloped, dependent and authoritarian state. At the dependency level, Theotônio dos Santos identifies three historical forms: (1) colonial, commercial exporting dependency; (2) financial-industrial dependency, consolidated in the late 19th century; and (3) technological-industrial dependency post-World War II, carried out by multinationals (Santos 1970: 55). This latter type of dependency gives rise to a kind of "unequal and combined" development,

in as much as development is marked by deep inequalities arising from the over-exploitation of the workforce.

The associated-dependency version springs directly from the São Paulo School of Sociology, and is also Marxist in its origins. Its analysis is an immediate reaction to the military coup that began in the South Cone in 1964 and a reflection on the “economic miracle” that began in Brazil in 1968. The heavy industrial investments made at that time brought about another stage in import-substituting industrialization, and at the same time appeared to be the underlying cause of a new political pact that united the state’s technocrats with industrial entrepreneurs and multinationals, and radically excluded workers. As a consequence, the new development model that emerged after the mid-1960s, namely, the dependent and associated development model, was authoritarian at the political level and income-concentrating at the economic level. These circumstances provided the groundwork for the associated-dependency interpretation, whose founding work is the essay by Fernando Henrique Cardoso and Enzo Faletto published in Chile in 1969, *Dependency and Development in Latin America*. This book, followed by a series of further writings by Cardoso, merits many readings. For a long time the distinction was not clear to me between this version of the dependency interpretation and the “national-dependent” alternative, which made more sense to me in so far as it preserved the idea of a national bourgeoisie but considered this bourgeoisie ambivalent and contradictory – sometimes associated to the nation, at other times subordinated to the elites of the rich countries.³¹

Associated dependency can be summarized – with all the risks implied in a summary – in a simple idea: once Latin American countries do not count with a national bourgeoisie, there is no alternative but to associate themselves with the dominant system and to take advantage of the loopholes it provides for their development. According to its supporters, a prerequisite for economic growth in these countries was the inflow of foreign savings in so far as Latin American countries lacked the resources to finance their development. Ignoring the fact that

³¹ In "Six interpretations on the Brazilian social formation" (Bresser-Pereira 1982), I identified a “functional capitalist” interpretation that, in this paper, corresponds to associated dependency interpretation. Mistakenly, I did not include Fernando Henrique Cardoso in that interpretation, but in

industrial multinational corporations were just capturing the domestic markets that had been closed to their exports and the fact that growth between 1930 and 1960 had been fundamentally financed by domestic savings, associated dependency viewed the participation of multinational corporations in industrialization as a condition for further growth. The fact that this participation had begun in the 1950s would be a de facto refutation of the national-bourgeoisie interpretation. Taking advantage of their remarkable skills as sociological and political analysts, Cardoso and Faletto showed how social classes fought and mingled with each other in the power struggle set in a dependency framework, and went far, first, in claiming the impossibility of the existence of national elites, and, second, in arguing for the need for foreign savings to finance growth. At that time, there were already studies and evidence refuting the first claim; a theoretical critique of the second claim (the need for a policy of growth with foreign savings – a core strategy to keep developing countries dependent) was then lacking.³²

The third version of the dependency interpretation is the national-dependent interpretation associated to Celso Furtado and Oswaldo Sunkel. I include myself in this vision of the Latin American development and underdevelopment. This version of the dependency interpretation lies closer to the national-bourgeoisie interpretation, or is less critical of it than the other two are. It originated in the self-criticism of those who in the 1950s were optimistic enough to identify themselves with the interpretations and proposals of ISEB and ECLAC. The acknowledgement and analysis of the new historical facts that occurred in the 1950s and led to the collapse of the national political coalition of industrialists and urban workers around the industrialization project is central to this interpretation. The intellectuals that I see as sharing the national-dependent interpretation clearly understood that the political and economic crisis of the 1960s was caused by a series of new historical facts that demanded a new interpretation, but these facts did not justify either disposing of the critique of imperialism, as

the “new dependency interpretation” – the interpretation that in the present paper I am denominating “national-dependent”.

³² Asian countries, which often developed with current account surpluses, clearly illustrate this mistake. Fernando Henrique Cardoso, the elected President of Brazil 1995–2002, adopted the policy of growth with foreign savings but failed to increase investment and growth rates. This fact inspired my empirical and theoretical critique of the policy of growth with foreign savings, which shows that it

happened with associated dependency, or asserting the absolute impossibility of a national bourgeoisie, as happened with both the overexploitation and the associated-dependency interpretations. This national-dependent interpretation recognizes the dependent character of Latin American elites, and for that reason may be considered as part of the dependency interpretation, but as it treats this dependency as relative and contradictory it may also be viewed as an independent interpretation. It acknowledges that local elites tend to be alienated and cosmopolitan, but emphasizes the contradiction between the objective interests of the rich countries and those of middle-income countries such as Brazil. The term “national-dependent” that I use to identify it is a deliberate oxymoron: its two terms, joined by a hyphen, are in opposition to one another. The local capitalist or bourgeois class in Latin America is often divided between, on the one hand, a mercantile and financial group associated with the rich countries and, on the other hand, an industrial bourgeoisie that experiences a process of permanent contradiction between the desired identification of industrial entrepreneurs with their nation, counting with public policies that increase profits and prop up capital accumulation, and the temptation to ally themselves with the business elites in the respective central countries.

In the 19th century, the bourgeoisies in Europe and the United States were liberal and nationalist: the two ideologies were contradictory but instrumental in building strong nations endowed with large domestic markets and colonies in Asia and Africa. The case of Latin America was different, since its countries won independence from Spain and Portugal with the support of Britain. Thus, they did not fight a real war of independence. Only when the central countries experienced crisis, first with the Great Depression and then with World War II, did the opportunity for a national revolution in the region emerge. Yet, in the second half of the 20th century, it was not surprising that the Latin American elites, faced with what they thought was a Communist threat, re-established their traditional association with international capitalism. Advocates of the over-exploitation and associated-dependency interpretations wrongly believed that this meant that the Latin American industrial bourgeoisie had discarded the idea of building a nation. Actually, being contradictory or ambivalent, the business elites

usually involves a high rate of substitution of foreign for domestic savings (Bresser-Pereira 2004). For a pioneering work on this substitution see Claudio Jedlicki (1988).

and the high public bureaucracy continued to be nationalist during the 1970s and continued to promote national developmentalism. Unlike with Getúlio Vargas's national developmentalism, the working class and the intellectuals were now excluded. Resentful of the military coups that began in 1964, and attracted by the positive ideas of democracy and social justice that came together with associated dependency, the Latin American intellectuals became alienated from their nations and believed that improved standards of living, democracy and greater social equality could be achieved without a national strategy. In many ways they were more alienated than the industrial bourgeoisie that they criticized. It is true that for many the dependent character of associated dependency was not clear, even though Cardoso used the term explicitly in his works, and even included it in one of his titles (Cardoso 1971[1973]).

For all three versions of the dependency interpretation, the local elites were dependent on the elites in rich countries – on their standards of consumption and on their ideas. But whereas for the over-exploitation version economic and social development was impossible in this framework, and for the associated dependency version it was possible only by accepting subordination to the center,³³ for the national-dependent interpretation development was possible whenever the elites were guided by the national interest instead of by imperial recommendations and pressures, or, in other words, whenever national factors prevailed over dependent ones in defining policies and reforms. Only this view explains the national development particularly experienced by Brazil and Mexico between 1930 and 1980. The international ideological pressures that promote alienation are powerful. In certain cases, as during the Cold War, in addition to these pressures there was a capitalist solidarity in the face of the Communist (actually techno-bureaucratic) threat. But the interests of industrial entrepreneurs in domestic markets and the support they expected from their states in international competition are strong arguments in favor of a nationalist approach. Therefore, an essential ambivalence characterizes industrial entrepreneurs: they are national and alienated, cosmopolitan and committed to the idea of a nation.

³³ As noted by Niemeyer Almeida Filho (2004: 35, 38), “Cardoso and Faletto define dependency as a circumstance under which capital accumulation and expansion cannot find their essential components within the system”. Furthermore, this view (which is similar, in this case, to radical dependency theory) regards “dependency as an unchangeable trait of certain economies”.

ISEB and ECLAC intellectuals were little concerned about the issue of democracy; they were, rather, concerned about national autonomy and economic development. In some way they understood that democracy follows the capitalist revolution, it does not precede it. It was only in the late 1960s and early 1970s, facing modern military and authoritarian regimes that were very different from the old caudillos, that nationalist intellectuals accorded due priority to democracy. Guillermo O'Donnell offered an explanation for the new Latin American authoritarianism as part of the associated-dependency interpretation. In as much as Cardoso argued that economic growth would require foreign savings, Guillermo O'Donnell (1973) suggested that authoritarianism was inherent in "a more in-depth accumulation process" in the heavy and capital goods industries utilizing capital-intensive technologies. Thus, authoritarianism was an unpredicted consequence of the capital-intensive investments that multinationals and state-owned enterprises were making in Latin America.

Instead, for the national-dependent interpretation, the more advanced Latin American countries like Argentina, Brazil, Mexico, Chile, Uruguay and Costa Rica had been successful in completing their capitalist revolutions, counted with a large middle class, and could and should be democratic. The new authoritarianism was not a natural phase of economic development, but the consequence of the collapse in the early 1960s of the national-bourgeois political pact due to the Communist threat. Thus, authoritarianism was not "necessary" or inherent in economic development, but the outcome of the ideological conflict in the region between capitalism and Communism that characterized the Cold War. Thus, in Brazil, after 1977 it became clear that the collapse of the authoritarian techno-bureaucratic-capitalist political pact and the return to democracy were under way in so far as businessmen ceased to fear Communism. In fact, as a reaction to the suite of authoritarian measures implemented by President Ernesto Geisel under the name of the "April package" in 1977, Brazilian entrepreneurs began to undo their alliance with the military, and eventually led a new popular-democratic political coalition side by side with workers, left-wing intellectuals and members of the middle classes (Bresser-Pereira 1978, 1984). Its objectives were the pursuit of re-democratization, the reduction of social inequalities and the resumption of economic growth, which had stalled in 1980 in the midst of a major foreign-debt crisis. In the 1980s most Latin American countries turned to democracy principally because their business elites ceased to fear Communism, but also because the United States, which likewise no longer feared

Communism, ceased to support the military regimes in the region. The democratic transition took place and the new democracies tended to consolidate. Yet the new democratic political coalitions failed to restore the high rates of growth that characterized Latin America between 1930 and 1980, while at the same time dynamic Asian countries continued to grow and to catch up. There are many reasons for this outcome, but one that should not be discarded is the contribution of the dependency interpretation in so far as intellectuals overestimated the dependency of local elites and the power of rich countries.

CONCLUSION

In sum, the three versions of the dependency interpretation, besides standing apart from one another in what concerns the possibility of national elites' overcoming their national alienation, also differ in terms of the two fundamental ideological divisions that have characterized the modern world: left versus right, and nationalism versus cosmopolitanism. The over-exploitation interpretation was radically left-leaning and relatively cosmopolitan: it denounced imperialism but denied the possibility of the construction of a nation by denying the possibility of a national class coalition. In turn, the associated-dependency interpretation was moderately left-wing and clearly cosmopolitan. Finally, the national-dependent interpretation was moderately left-wing and clearly nationalistic: despite acknowledging the ambivalence of bourgeois and public elites, it deemed it possible to expect them to display nationalist political behavior. On the other hand, it assumed that development can be achieved based only on a national strategy: rich countries have attained this status because, differently of what happens in the Latin-American countries, their citizens may have doubt that the government will competently fulfill its duty but have no doubt about the government's duty to defend national labor, knowledge and capital (Bresser-Pereira 2008).

In the 1950s Latin American intellectuals at ECLAC and ISEB criticized imperialism and formulated the national-bourgeoisie interpretation and the national-developmental strategy. For ISEB, development was a historic process that implies a capitalist revolution through industrialization and a national revolution that enabled the country to formulate a national development strategy. In it, the presence of a national bourgeoisie was key to a principle of solidarity that gathered the classes around the idea of a nation, notwithstanding the natural

conflicts between them. But after the Cuban revolution of 1959, the first great economic crisis endured by the import-substitution model triggered in 1960, and the political crisis marked by ideological radicalization that ended in military coups in Brazil (1964), Argentina (1967), Uruguay (1968) and Chile (1973), the national-developmental strategy became an object of criticism within the left itself. In the early 1960s, the São Paulo School of Sociology began to criticize ISEB's ideas and to deny the possibility of national elites. By the end of that decade, the dependency interpretation had emerged and rejected the possibility of a national revolution and the formation of strong nation-states in the region. This interpretation would generate three versions, or, more precisely, two versions (the over-exploitation and the associated-dependency interpretations), and a third national-dependent interpretation that may also be viewed as an alternative to the dependency interpretation. Only the national-dependent interpretation accepted the possibility that Latin American elites associated with the working class could build nations in each country, but this interpretation was well aware of the ambivalent and contradictory character of the Brazilian elites. Yet it was not the national-dependent interpretation but the associated-dependency interpretation that was dominant among Latin American intellectuals between the 1970s and 1990s. In this period Latin-American left-wing intellectuals and politicians concentrated their attention in the problems of democracy and social justice – problems that were really pressing – but, as a perverse trade off, converted from nationalism to cosmopolitanism, they lost their concept of nation and their countries experienced low rates of growth when compared either with the 1930-1980 period in which a national-development strategy was in place, or with the fast growing Asian countries since 1980.

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