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Review Essay

Modernization and Dependency

Alternative Perspectives in the
Study of Latin American Underdevelopment

*J. Samuel Valenzuela and Arturo Valenzuela**

The end of World War II marked the beginning of fundamental transformations in world affairs. The defeat of the Axis powers and the devastating toll which the war had exacted on Britain and the European allies propelled the United States into a position of economic and military preeminence. However, the United States' power did not go unchallenged. The Soviet Union was able to influence the accession of power of socialist regimes throughout Eastern Europe and Chinese Communists defeated their Western-backed adversaries to gain control of the most populous nation on earth. These events called for an urgent strategy to revitalize the economies of the Western nations. With massive U.S. public and private economic investment, Western Europe and Japan soon recovered from the ravages of war.

But World War II ushered in another important change whose global implications would not be felt for some years to come. The weakening of the European powers and the logic of a war effort aimed at preserving self-determination, marked the final collapse of the vast colonial empires of the nineteenth century and the establishment of a multiplicity of states each claiming sovereign and independent status. The "new nations" soon drew the attention of U.S. policymakers concerned with the claim that Marxism presented the best and most logical road to full incorporation into the modern world. They also captured the attention and imagination of U.S. scholars who in the pursuit of knowledge, as well as the desire to influence government policy, began to produce a vast literature on the "developing" nations. For many economists the solution was another Marshall plan designed for the Third World. But other social scientists argued that fundamental differences between the developmental experience of Europe and the less-developed countries mitigated

against the success of such a strategy. It was not simply a matter of reconstruction but one of development and, as such, a fundamental question needed answering before policy recommendations could be advanced: Why was there such a stark contrast in the developmental experience of a few Western countries and most of the rest of the world?

The answer to this question led to the development of the "modernization perspective." Elaborated by a few economists and by anthropologists, sociologists, and political scientists, this perspective argued that it was essential to consider the cultural characteristics of "new" nations in determining their potential for development. These "noneconomic" factors became the cornerstone of a conceptual framework which would influence the U.S. response to the Third World.¹ Though "Latin Americanists" did not write the major theoretical or conceptual works of the modernization literature, that perspective soon became the dominant approach influencing the methodology and conclusions of the most important and trend-setting studies.

U.S. scholars, however, were not the only ones preoccupied with the difficulties of applying neoclassical economic assumptions to the developmental problems of Latin America. In international agencies, notably the United Nations Economic Commission for Latin America, and university research centers, Latin American social scientists tried to come to grips with the widespread economic stagnation which affected the region in the postwar period. Working separately, often with little communication, scholars in various disciplines soon turned to the broader and more basic question of the roots of Latin American underdevelopment. Many intellectual strands came together in the 1960s with the elaboration of a more general and comprehensive conceptual framework. The "dependency perspective" became the dominant approach in most Latin American intellectual circles by the mid to late 1960s.

It is revealing that the most important writings of the "dependency perspective" still have not been translated into English, over a decade after the first mimeographed drafts began to circulate in Santiago. Dependency analysis became known in the United States and Europe not through the writings of Latin Americans but through interpreters such as André Gunder Frank whose work differs substantially from that of important authors in the field such as F.H. Cardoso, O. Sunkel, and T. dos Santos.²

Modernization and dependency are two sharply different perspectives seeking to explain the same reality. They originated in different areas, with different evaluative judgments, different assumptions, different methodologies, and different explanations.³ The purpose of this review essay is not to describe the origins of the two perspectives, their "extra scientific" elements, but to compare their conceptual approaches to the study of Latin America. As such, it will be necessary to consider the two perspectives as "ideal types," accentuating important characteristics of each framework in a manner not found in any particular author. There is a good deal of variety and several polemics (particu-

larly in the dependency literature) stemming from disagreements over the emphasis given to key elements of the conceptual framework, the operationalization of concepts, and the way in which certain processes occur empirically. Though the essay will mention some of the controversies within each perspective, its purpose is to draw broad comparisons and to provide some judgment as to the relative utility of these competing frameworks in explaining Latin American underdevelopment.

The Modernization Perspective

This review will examine the modernization perspective's conceptual framework by drawing on the work of some of its most important authors, and then illustrate the use of that framework in the study of Latin America. This format is dictated by the fact, noted earlier, that specialists on Latin America failed to contribute important theoretical efforts to the field.⁴ Though there are several explanations for this failure, one of the most compelling is that Latin America's close (particularly cultural) ties to the West made it more difficult by contrast with Asia and Africa, to point to obvious differences with the European experience. Indeed, the early theorizing made a distinction between Western and non-Western experiences, and, as J. Martz noted, "the Latin Americanist inevitably wondered if his own region was included."⁵ That fact, however, did not prevent students of Latin America from drawing extensively on the modernization literature to interpret Latin American development.

Assumptions The basic building blocks of the modernization perspective are parallel tradition-modernity ideal types of social organization and value systems, distinctions borrowed from nineteenth-century sociology.⁶ Since societies are understood to move from tradition to modernity, the ideal typical dichotomy constitutes the polar ends of an evolutionary continuum, though at some point incremental changes give way to the qualitative jump into modernity. The location of this point is unclear; and yet, Third World countries, including those of Latin America, are perceived to be below the threshold of modernity, with a preponderance of traditional features.

The specific elements included in the two polarities vary substantially in the literature. The traditional society is variously understood as having a predominance of ascriptive, particularistic, diffuse, and affective patterns of action, an extended kinship structure with a multiplicity of functions, little spatial and social mobility, a deferential stratification system, mostly primary economic activities, a tendency toward autarchy of social units, an undifferentiated political structure, with traditional elitist and hierarchical sources of authority, etc. By contrast, the modern society is characterized by a predominance of achievement; universalistic, specific, and neutral orientations and patterns of

action; a nuclear family structure serving limited functions; a complex and highly differentiated occupational system; high rates of spatial and social mobility; a predominance of secondary economic activities and production for exchange; the institutionalization of change and self-sustained growth; highly differentiated political structures with rational legal sources of authority; and so on.⁷

The literature assumes that the values, institutions, and patterns of action of traditional society are both an expression and a cause of underdevelopment and constitute the main obstacles in the way of modernization. To enter the modern world, underdeveloped societies have to overcome traditional norms and structures opening the way for social, economic, and political transformations. For some authors modernization derives from a greater differentiation of societal functions, institutions, and roles and the development of new sources of integration. For others, modernization is based more on the actual transformation of individuals through their assimilation of modern values.⁸ But in general, the primary source of change is discussed in terms of innovations, that is, the rejection of procedures related to traditional institutions, together with the adoption of new ideas, techniques, values, and organizations. Innovations are pursued by innovators and the group that assumes this role inevitably clashes with defenders of the old order. The struggle is over two different ways of life.⁹

In describing the assumptions of the modernization literature, it is important to note that the modern pole of the parallel ideal types is the pivotal conceptual and analytical point because it best approximates the characteristics that societies must attain in order to develop. The traditional end of the dichotomy is largely a residual category, established by logical opposition to the modern end. In turn, the basic features of the modern pole are derived from characteristics attributed to those countries already considered modern. Moreover, since in the process of modernization all societies will undergo by and large similar changes, the history of the presently modern nations is taken as the source of universally useful conceptualization. Thus, as historian C. Black notes, "Although the problems raised by generalizations from a rather narrow base (the now modern countries) must be acknowledged, the definition of modernity takes the form of a set of characteristics believed to be applicable to all societies. This conception of modernity, when thought of as a model or ideal type, may be used as a yardstick with which to measure any society."¹⁰ G. Almond adds that to study modernization in the non-Western areas the political scientist needs to "master the model of the modern, which in turn can only be derived from the most careful empirical and formal analysis of the functions of the modern Western polities."¹¹

These assumptions are logically consistent with the view that the impetus to modernize in the now developed countries was the result of endogenous cultural and institutional transformations, while change in the late developers results primarily from exogenous stimuli, that is, the diffusion of modern values and

institutions from the early modernizers. Modernizing Third World elites are understood to be guided by the Western model adopting and adapting its technology; assimilating its values and patterns of action; importing its financial, industrial, and educational institutions; and so on. Western colonialism, foreign aid, foreign educational opportunities, overseas business investments, the mass media, etc., are all important channels for the transmission of modernity. For some writers this means that the world is converging toward a uniform and standardized culture resembling that of the United States and Western Europe.¹²

Though, as will be noted below, there is disagreement on the extent to which traditional features will disappear, there is broad agreement on the notion that individual developing countries must in some way replicate the path followed by the early modernizers. The principal difference between already developed countries and developing ones is not in the nature of the process, but in the speed and intensity making it possible for the late modernizers to “skip stages” or “telescope time.”¹³ Despite the fact that the modernization perspective stresses the importance of the worldwide context in its analysis of social change, the basic historical setting for modernization is the nation state. As Black notes, “Societies in the process of modernization must . . . be considered both as *independent* entities, the traditional institutions of which are being adapted to modern functions, and also as societies under the influence of many *outside* forces.”¹⁴ The world is fragmented, and yet bound by intersocietal communication. It is, in the words of Dankwart Rustow, a “world of nations.”¹⁵

Finally, it is clear that the stress on the differences in values from one context to another has some important implications for the modernization perspective’s concept of human nature. The characteristic of developed societies which has received the most attention in the literature is the presumed “rationality” of both leaders and followers. Indeed, W. Moore has recently argued that modernization is best understood as “the process of rationalization of social behavior and social organization.” Rationalization, or the “institutionalization of rationality,” is defined as the “normative expectation that objective information and rational calculus of procedures will be applied in pursuit or achievement of any utilitarian goal It is exemplified but not exhausted in the use of sophisticated technology in construction and production.”¹⁶ As such, modernization theorists agree with the assumption of economic rationality implicit in the economic growth models of traditional economic theory. But as Moore noted in a 1950s article, where they differ with traditional economics is in the assumption that rational behavior is a universal human characteristic. By contrast with the developed countries, attitudes and values in developing nations are such that individuals “behave in ways that are ‘irrational’ or ‘non-rational’ as judged on economic grounds.”¹⁷ This explains why Bolivian businessmen will not take risks with their capital, preferring to put money in

Swiss banks. Or why Ecuadorians will study law rather than enter a more lucrative career in business or technology.

In concluding this section, it is necessary to note that from the very outset certain elements of the modernization perspective came into criticism from scholars who shared its basic assumptions. It is revealing that much of the criticism came from researchers who were experts in many of the features of individual "traditional" societies. They were uncomfortable with the arbitrary designation of a wide variety of phenomena as "traditional," with little concern for the rich, complex, and often strikingly different characteristics subsumed under that vague concept. They argued that many belief systems and institutional arrangements with no common referent in the United States or Western Europe could indeed have modernizing functions. J. Gusfield has summarized many of the relevant arguments adding that even in modern societies certain traditional characteristics may survive or gain renewed importance.¹⁸ These arguments do not, however, constitute a rejection of the assumptions of the modernization perspective but an illustration of their use. Despite the title of his article, Gusfield does not argue that tradition and modernity are "misplaced polarities." Gusfield simply points to a confusion in the use of terms and their misapplication in concrete situations. He continues to accept the assumptions that tradition and modernity are valid theoretical polarities and that tradition in its many ramifications is the basic obstacle to modernization. If a particular society or region experiences significant economic growth, what was thought to be an other-worldly religion undermining rational economic behavior may in fact be a creed capable of promoting instrumental values conducive to modernization. There can be a "modernity of tradition."¹⁹

Recent amendments to the modernization perspective are extensions of the same internal critique. Reflecting the sobering reality of the 1970s with many studies pointing to an ever increasing gap between rich and poor nations,²⁰ several modernization writers have questioned the earlier belief in an inevitable and uniform process leading to the convergence of societies on economic as well as social and political grounds.²¹ Others, while not questioning the inevitability of the process, point more forcefully than before to its disruptive and negative effects which affect the "latecomers" much more seriously than the "survivors."²² It still remains the case that to modernize, however good or inevitable that process may be, it is by definition necessary to overcome traditional values and institutions and substitute them for more modern ones.

Latin America and the modernization perspective Mainstream U.S. scholarship on Latin America has implicitly or explicitly drawn on the modernization perspective to explain Latin American underdevelopment. Often contrasting the Latin American experience to that of the United States or Western Europe, it has argued that traditional attitudes and institutions stemming from the colonial past have proven to be serious, if not fatal, stumbling blocks to any indigenous

effort to develop economically, socially, or politically. The values of Catholicism, of large Indian populations, or of aristocratic rural elites have contributed to "irrational" patterns of behavior highly detrimental to modernization.

One of the most influential statements is S.M. Lipset's "Values, Education and Entrepreneurship," the introductory essay to the best-selling text *Elites in Latin America*. Lipset draws directly from T. Parsons and D. McClelland in arguing that:

The relative failure of Latin American countries to develop on a scale comparable to those of North America or Australasia has been seen as, in some part, a consequence of variations in value systems dominating these two areas. The overseas offspring of Great Britain seemingly had the advantage of values derivative in part from the Protestant Ethic and from the formation of "New Societies" in which feudal ascriptive elements were missing. Since Latin America, on the other hand is Catholic, it has been dominated for centuries by ruling elites who created a social structure congruent with feudal social values.²³

In his article Lipset concentrates primarily on explaining economic underdevelopment as a function of the lack of adequate entrepreneurial activity. The lack of instrumental behavior, weak achievement orientations, and the disdain for the pragmatic and material have prevented the rise of a risk-taking business sector oriented toward rational competitive and bureaucratic enterprise. The educational system has only served to perpetuate the problem by continuing to socialize the population with inappropriate attitudes. "Even [in Argentina] the second most developed Latin American country . . . the traditional landed, aristocratic disdain for manual work, industry, and trading, continues to affect the educational orientations of many students."²⁴ Lipset cites a whole host of studies, many of which were based on survey research in Latin America, to conclude that "the comparative evidence from the various nations of the Americas sustains the generalization that cultural values are among the major factors which affect the potentiality for economic development."²⁵ Recent textbooks on Latin America have clearly been influenced by such observations. Thus, R. Adie and G.E. Poitras note that "there is in Latin America a social climate in which the very rewards which have spurred on the entrepreneurs in, for example, North America, are consistently deemphasised . . . socioeconomic change dependent on business activities . . . cannot necessarily be expected to follow the same path as it has elsewhere."²⁶

The late K.H. Silvert, one of the leading authorities on Latin America, wrote extensively on the impact of traditional values not only on Latin America's economic but also its political performance. He made it very clear that Latin America's experience had to be judged by the more advanced countries. In a recently reprinted article he asked, "What else is one to do other than define development by the selection of certain characteristics of the already developed states?" On the basis of implicit comparisons with his own society, Silvert goes

on to say that "there is something in the quality of the Latin American man and his culture which has made it difficult for him to be truly modern . . . which has made this part of the Western world so prone to excesses of scoundrels, so politically irrational in seeking economic growth, and so ready to reach for gimmicks."²⁷ Judgments such as those led him to argue, during the heyday of the Alliance for Progress, that the United States should "tip the domestic political scales" in the direction of "modernizing groups." "Moneys spent on the kind of education, for instance, which will attract persons of a modern mentality can be confidently expected to assist the general move toward development. Moneys spent in bettering or certifying the positions of students of a traditional cast will only make more robust the anti-development sectors If help can be extended to the attitudinally developed in such countries, then it should be done. Otherwise assistance merely certifies non-development or invites unpredictable revolution."²⁸

Similar sentiments are expressed by R. Scott, another prominent Latin Americanist. Scott notes that the "inability of Latin America's political structures to act as efficient integrating mechanisms . . . suggests that the only real solution in the long run is to alter the value system of the people."²⁹ A recent text echoes that theme: "A traditional psychocultural world does indeed predominate in Latin America To depict collective attitudes and value traits as basically traditional does help to explain much of political life south of the Rio Grande"³⁰

The assumption that the key to Latin American society can be found in its cultural values is not only characteristic of the literature of the 1960s and of a rash of new textbooks aimed at the college market,³¹ it has also found renewed currency in the writings of a number of U.S. historians and political scientists. In what has become known as the "new corporatism," an effort is being made to explain economic, social, and especially political features of Latin American countries by stressing the durability of Catholic and "Thomistic" values. Authoritarian political patterns, corporatist economic organizations, and the disdain for democratic and liberal values are the results of a "distinct tradition." H. Wiarda, a prominent representative of this "new" trend in the literature, has argued "largely untouched by the great revolutionary movements—social, economic, religious, political, intellectual—that we associate with the emergence of the modern order, the Iberic and Latin American nations remained locked in this traditional pattern of values and institutions that postponed and retarded development."³²

Wiarda maintains that the focus on Latin American corporatism represents a significant departure from the modernization school. He bases his claim on the fact that he stresses the importance of studying Latin America on its "own terms," without advocating the desirability or inevitability of change along United States or Western European lines. He thus questions the convergence thesis noting that "many traditional societies, and particularly those of the

Iberic Latin nations, have proved remarkably permeable and flexible, assimilating at various points more 'modern' and 'rational' elements, but without losing their characteristics.''³³ But this position differs little from the well-established "modernity of tradition" argument referred to earlier. Wiarda merely provides an example of the concrete application of the tradition-modernity dichotomy to the Latin American case; he does not question the basic assumptions of the perspective. The impressive examples of economic development, which have occurred from time to time in Latin America are simply due to the adaptability of some traditional values and institutions to outside influences. And yet, however remarkable the "permeability" of tradition in Latin America, it is implicit in Wiarda's argument that it has been the exception rather than the rule. Otherwise, Latin America would not have fallen behind in the road of development.

The Dependency Perspective

Like the modernization perspective, the dependency perspective resulted from the work of many different scholars in different branches of the social sciences. Much of the work proceeded in an inductive fashion. This was the case with economists working in ECLA who first sought to explain the underdevelopment of Latin America by focusing on the unequal terms of trade between exporters of raw materials and exporters of manufactured goods. ECLA "doctrine" called for a concerted effort to diversify the export base of Latin American countries and accelerate industrialization efforts through import substitution. However, the continued difficulties with that model of development soon led to a focus on the internal constraints to industrialization, with an emphasis on factors such as the distorting effects of unequal land tenure patterns and the corrosive results of an inflation best explained by structural rather than monetary variables. Soon these two trends came together when scholars, such as Osvaldo Sunkel, combined the early emphasis on external variables with the internal constraints to development.³⁴

But this dependency perspective was anticipated by Latin American historians who had been working for years on various aspects of economic history. Studies such as those of Sergio Bagú stressed the close interrelation of domestic developments in Latin America and developments in metropolitan countries. And in Brazil, sociologists such as Florestan Fernandes, Octávio Ianni, Fernando Henrique Cardoso, and Theotônio dos Santos also turned to broad structural analyses of the factors of underdevelopment. The fact that many of these scholars found themselves in Santiago in the 1960s only contributed to further development of the perspective.

In its emphasis on the expansive nature of capitalism and in its structural analysis of society, the dependency literature draws on Marxist insights and is related to the Marxist theory of imperialism. However, its examination of

processes in Latin America imply important revisions in classical Leninist formulations, both historically and in light of recent trends. The focus is on explaining Latin American underdevelopment, and not on the functioning of capitalism, though some authors argue that their efforts will contribute to an understanding of capitalism and its contradictions.

Assumptions The dependency perspective rejects the assumption made by modernization writers that the unit of analysis in studying underdevelopment is the national society. The domestic cultural and institutional features of Latin America are in themselves simply not the key variables accounting for the relative backwardness of the area, though, as will be seen below, domestic structures are certainly critical intervening factors. The relative presence of traditional and modern features may, or may not, help to differentiate societies; but it does not in itself explain the origins of modernity in some contexts and the lack of modernity in others. As such, the tradition-modernity polarity is of little value as a fundamental working concept. The dependency perspective assumes that the development of a national or regional unit can only be understood in connection with its historical insertion into the worldwide political-economic system which emerged with the wave of European colonizations of the world. This global system is thought to be characterized by the unequal but combined development of its different components. As Sunkel and Paz put it:

Both underdevelopment and development are aspects of the same phenomenon, both are historically simultaneous, both are linked functionally and, therefore, interact and condition each other mutually. This results . . . in the division of the world between industrial, advanced or "central" countries, and underdeveloped, backward or "peripheral" countries . . .³⁵

The center is viewed as capable of dynamic development responsive to internal needs, and as the main beneficiary of the global links. On the other hand, the periphery is seen as having a reflex type of development; one which is both constrained by its incorporation into the global system and which results from its adaptation to the requirements of the expansion of the center. As Theotônio dos Santos indicates:

Dependency is a situation in which a certain number of countries have their economy conditioned by the development and expansion of another . . . placing the dependent countries in a backward position exploited by the dominant countries.³⁶

It is important to stress that the process can be understood only by reference to its historical dimension and by focusing on the total network of social relations as they evolve in different contexts over time. For this reason dependence is characterized as "structural, historical and totalizing" or an "integral analysis

of development.”³⁷ It is meaningless to develop, as some social scientists have, a series of synchronic statistical indicators to establish relative levels of dependence or independence among different national units to test the “validity” of the model.³⁸ The unequal development of the world goes back to the sixteenth century with the formation of a capitalist world economy in which some countries in the center were able to specialize in industrial production of manufactured goods because the peripheral areas of the world which they colonized provided the necessary primary goods, agricultural and mineral, for consumption in the center. Contrary to some assumptions in economic theory the international division of labor did not lead to parallel development through comparative advantage. The center states gained at the expense of the periphery. But, just as significantly, the different functions of center and peripheral societies had a profound effect on the evolution of internal social and political structures. Those which evolved in the periphery reinforced economies with a narrow range of primary exports. The interdependent nature of the world capitalist system and the qualitative transformations in that system over time make it inconceivable to think that individual nations on the periphery could somehow replicate the evolutionary experience of the now developed nations.³⁹

It follows from an emphasis on global structural processes and variations in internal structural arrangements that contextual variables, at least in the long run, shape and guide the behavior of groups and individuals. It is not inappropriate attitudes which contribute to the absence of entrepreneurial behavior or to institutional arrangements reinforcing underdevelopment. Dependent, peripheral development produces an opportunity structure such that personal gain for dominant groups and entrepreneurial elements is not conducive to the collective gain of balanced development. This is a fundamental difference with much of the modernization literature. It implies that dependence analysts, though they do not articulate the point explicitly, share the classical economic theorists’ view of human nature. They assume that individuals in widely different societies are capable of pursuing rational patterns of behavior; able to assess information objectively in the pursuit of utilitarian goals. What varies is not the degree of rationality, but the structural foundations of the incentive systems which, in turn, produce different forms of behavior given the same process of rational calculus. It was not attitudinal transformations which generated the rapid industrialization which developed after the Great Depression, but the need to replace imports with domestic products. Or, as Cardoso points out in his studies of entrepreneurs, it is not values which condition their behavior as much as technological dependence, state intervention in the economy, and their political weakness vis-à-vis domestic and foreign actors.⁴⁰ What appear as anomalies in the modernization literature can be accounted for by a focus on contextual processes in the dependence literature.

It is necessary to underscore the fact that dependency writers stress the importance of the "way internal and external structural components are connected" in elaborating the structural context of underdevelopment. As such, underdevelopment is not simply the result of "external constraints" on peripheral societies, nor can dependency be operationalized solely with reference to clusters of external variables.⁴¹ Dependency in any given society is a complex set of associations in which the external dimensions are determinative in varying degrees and, indeed, internal variables may very well reinforce the pattern of external linkages. Historically it has been rare for local interests to develop on the periphery which are capable of charting a successful policy of self-sustained development. Dominant local interests, given the nature of class arrangements emerging from the characteristics of peripheral economies, have tended to favor the preservation of rearticulation of patterns of dependency in their interests.

It is also important to note that while relations of dependency viewed historically help to explain underdevelopment, it does not follow that dependent relations today necessarily perpetuate across the board underdevelopment. With the evolution of the world system, the impact of dependent relations can change in particular contexts. This is why Cardoso, in studying contemporary Brazil, stresses the possibility of "associated-dependent development," and Sunkel and Fuenzalida are able to envision sharp economic growth among countries most tied into the contemporary transnational system.⁴² Because external-internal relations are complex, and because changes in the world system over time introduce new realities, it is indispensable to study comparatively concrete national and historical situations. As Anibal Quijano says, "The relationships of dependency . . . take on many forms. The national societies in Latin America are dependent, as is the case with the majority of the Asian, African and some European countries. However, each case does not present identical dependency relations."⁴³ The dependency perspective has thus concentrated on a careful historical evaluation of the similarities and differences in the "situations of dependency" of the various Latin American countries over time implying careful attention to "preexisting conditions" in different contexts.⁴⁴

The description of various phases in the world system and differing configurations of external-internal linkages, follow from this insistence on diachronic analysis and its application to concrete cases. The dependency perspective is primarily a historical model with no claim to "universal validity." This is why it has paid less attention to the formulation of precise theoretical constructs, such as those found in the modernization literature, and more attention to the specification of historical phases which are an integral part of the framework.

The dependency literature distinguishes between the "mercantilistic" colonial period (1500-1750), the period of "outward growth" dependent on pri-

mary exports (1750-1914), the period of the crisis of the "liberal model" (1914-1950), and the current period of "transnational capitalism."

As already noted, because of the need for raw materials and foodstuffs for the growing industrialization of England, Germany, the United States, and France, Latin American productive structures were aimed from the outset at the export market. During the colonial period, the economic specialization was imposed by the Iberian monarchies. As Bagú notes in his classic study, "Colonial production was not directed by the needs of national consumers, and not even by the interests of local producers. The lines of production were structured and transformed to conform to an order determined by the imperial metropolis. The colonial economy was consequently shaped by its complementary character. The products that did not compete with those of Spain or Portugal in the metropolitan, international or colonial markets, found tolerance or stimulus . . ."45 During the nineteenth century, exports were actively pursued by the politically dominant groups. The independence movement did not attempt to transform internal productive structures; it was aimed at eliminating Iberian interference in the commercialization of products to and from England and northern Europe. The logic of the productive system in this period of "outwardly directed development," in ECLA's terms, was not conducive to the creation of a large industrial sector. Economic rationality, not only of individual entrepreneurs but also of the system, dictated payments in kind and/or extremely low wages and/or the use of slavery, thus markedly limiting the internal market. At the same time, the accumulation of foreign exchange made relatively easy the acquisition of imported industrial products. Any expansion of exports was due more to political than economic factors and depended on a saleable export commodity, and plenty of land and labor, for its success.

There were, however, important differences between regions and countries. During the colonial period these are attributable to differences in colonial administrations, natural resources, and types of production. During the nineteenth century a key difference was the degree of local elite control over productive activities for export. Though in all countries elites controlled export production initially (external commercialization was mainly under foreign control), towards the end of the century in some countries control was largely relinquished to foreign exploitation. Where this occurred, the economic role of local elites was reduced considerably, though the importance of this reduction varied depending both on the degree to which the foreign enclave displaced the local elite from the export sector and the extent to which its economic activities were diversified. Concurrently, the state bureaucracy expanded and acquired increasing importance through regulations and taxation of the enclave sector. The state thus became the principal intermediary between the local economy and the enclave, which generally had little *direct* internal secondary impact.

Other differences, especially at the turn of the century, are the varying importance of incipient industrialization, the size and importance of middle- and working-class groups, variations in export products, natural resources, and so on.⁴⁶

The world wars and the depression produced a crisis in the export-oriented economies through the collapse of external demand, and therefore of the capacity to import. The adoption of fiscal and monetary policies aimed at supporting the internal market and avoiding the negative effects of the external disequilibrium produced a favorable climate for the growth of an industrial sector under national auspices. The available foreign exchange was employed to acquire capital goods to substitute imports of consumer articles.⁴⁷ The early successes of the transition to what ECLA calls "inwardly directed development" depended to a large extent on the different political alliances which emerged in the various national settings, and on the characteristics of the social and political structures inherited from the precrisis period.

Thus, in the enclave situations the earliest developments were attained in Mexico and Chile, where middle- and lower-class groups allied in supporting state development policies, ultimately strengthening the urban bourgeoisie. The alliance was successful in Chile because of the importance of middle-class parties which emerged during the final period of export-oriented development, and the early consolidation of a trade union movement. The antecedents of the Mexican situation are to be found in the destruction of agricultural elites during the revolution. Such structural conditions were absent in other enclave situations (Bolivia, Perú, Venezuela, and Central America) where the internal development phase began later under new conditions of dependence, though in some cases with similar political alliances (Bolivia, Venezuela, Guatemala, Costa Rica). Throughout the crisis period agrarian-based and largely nonexporting groups were able to remain in power, appealing in some cases to military governments, and preserving the political scheme that characterized the export-oriented period.

In the nonenclave situations, considerable industrial growth was attained in Argentina and Brazil. In the former, export-oriented agrarian entrepreneurs had invested considerably in production for the internal market and the contraction of the export sector only accentuated this trend. In Brazil the export-oriented agrarian groups collapsed with the crisis and the state, as in Chile and Mexico, assumed a major developmental role with the support of a complex alliance of urban entrepreneurs, nonexport agrarian elites, popular sectors, and middle-class groups. In Colombia the export-oriented agrarian elites remained in power and did not foster significant internal industrialization until the fifties.⁴⁸

The import substituting industrialization attained greatest growth in Argentina, Brazil, and Mexico. It soon, however, reached its limits, given the parameters under which it was realized. Since capital goods for the establishment of industrial parks were acquired in the central nations, the success of the

policy ultimately depended on adequate foreign exchange supplies. After reaching maximum growth through the accumulation of foreign exchange during the Second World War, the industrialization programs could only continue—given the available political options—on the basis of an increased external debt and further reliance on foreign investments. This accumulation of foreign reserves permitted the success of the national-populist alliances in Argentina and Brazil which gave the workers greater welfare while maintaining investments. The downfall of Perón and the suicide of Vargas symbolized the end of this easy period of import substitution.

But the final blow to “import substitution” industrialization came not from difficulties in the periphery but further transformations in the center which have led, in Sunkel’s term, to the creation of a new “transnational” system. With rapid economic recovery the growing multinational corporations sought new markets and cheaper production sites for their increasingly technological manufacturing process. Dependency consequently acquired a “new character” as Dos Santos noted, which would have a profound effect on Latin America. Several processes were involved resulting in (1) the investment of centrally based corporations in manufactures within the periphery for sales in its internal market or, as Cardoso and Faletto note, the “internationalisation of the internal market”; (2) a new international division of labor in which the periphery acquires capital goods, technology, and raw materials from the central nations, and export profits, along with its traditional raw materials and a few manufactured items produced by multinational subsidiaries; and (3) a denationalization of the older import substituting industries established originally.⁴⁹ Although the “new dependence” is in evidence throughout the continent, the process has asserted itself more clearly in the largest internal markets such as Brazil, where the weakness of the trade-union movement (the comparison with Argentina in this respect is instructive) coupled with authoritarian political structures has created a singularly favorable investment climate.

In subsequent and more recent works writers in the dependency framework have pursued different strategies of research. Generally speaking, the early phases of the historical process have received less attention, though the contribution of I. Wallerstein to an understanding of the origins of the world system is a major addition to the literature.⁵⁰ Most writers have preferred to focus on the current “new situation” of dependence. Some have devoted more attention to an effort at elaborating the place of dependent capitalism as a contribution to the Marxist analysis of capitalist society. Scholars in this vein tend to argue more forcefully than others that dependent capitalism is impossible and that socialism provides the only historically viable alternative.⁵¹ Others have focused more on the analysis of concrete cases of dependence, elaborating in some detail the various interconnections between domestic and foreign forces, and noting the possibility of different kinds of dependent development.⁵² Still others have turned their attention to characterizing the nature of the new

capitalist system, with particular emphasis on the emergence of a "transnational system" which is rendering more complex and problematic the old distinctions of center and periphery.⁵³ Particularly for the last two tendencies, the emphasis is on the design of new empirical studies while attempting to systematize further some of the propositions implicit in the conceptual framework.

Summary and Conclusions

Modernization and dependency are two different perspectives each claiming to provide conceptual and analytical tools capable of explaining the relative underdevelopment of Latin America. The object of inquiry is practically the only thing that these two competing "visions" have in common, as they differ substantially not only on fundamental assumptions, but also on methodological implications and strategies for research.

Though there are variations in the literature, the *level of analysis* of a substantial tradition in the modernization perspective, and the one which informs most reflections on Latin America, is behavioral or microsociological. The primary focus is on individuals or aggregates of individuals, their values, attitudes, and beliefs. The dependency perspective, by contrast, is structural or macrosociological. Its focus is on the mode of production, patterns of international trade, political and economic linkages between elites in peripheral and central countries, group and class alliances and conflicts, and so on. Both perspectives are concerned with the process of development in national societies. However, for the modernization writer the national society is the *basic unit of analysis*, while the writer in a dependence framework considers the global system and its various forms of interaction with national societies as the primary object of inquiry.

For the dependency perspective, the *time dimension* is a crucial aspect of what is fundamentally a historical model. Individual societies cannot be presumed to be able to replicate the evolution of other societies because the very transformation of an interrelated world system may preclude such an option. The modernization potential of individual societies must be seen in light of changes over time in the interactions between external and internal variables. The modernization perspective is obviously concerned about the origins of traditional and modern values; but, the time dimension is not fundamental to the explanatory pretensions of a model which claims "universal validity." Without knowing the source of modernity inhibiting characteristics, it is still possible to identify them by reference to their counterparts in developing contexts.

At the root of the differences between the two perspectives is a fundamentally different *perception of human nature*. Dependency assumes that human behavior in economic matters is a "constant." Individuals will behave differently in different contexts not because they are different but because the contexts are

different. The insistence on structures and, in the final analysis, on the broadest structural category of all, the world system, follows logically from the view that opportunity structures condition human behavior. Modernizationists, on the other hand, attribute the lack of certain behavioral patterns to the "relativity" of human behavior; to the fact that cultural values and beliefs, regardless of opportunity structures, underlie the patterns of economic action. Thus, the *conception of change* in the modernization perspective is a product of innovations which result from the adoption of modern attitudes among elites, and eventually followers. Though some modernization theorists are now more pessimistic about the development potential of such changes, modernizing beliefs are a prerequisite for development. For dependency analysts the conception of change is different. Change results from the realignment of dependency relations over time. Whether or not development occurs and how it occurs is subject to controversy. Given the rapid evolution of the world system, dependent development is possible in certain contexts, not in others. Autonomy, through a break in relations of dependency, may not lead to development of the kind already arrived at in the developed countries because of the inability to recreate the same historical conditions, but it might lead to a different kind of development stressing different values. Thus, the *prescription for change* varies substantially in the dependency perspective depending on the ideological outlook of particular authors. It is not a logical consequence of the historical model. In the modernization perspective the prescription for change follows more automatically from the assumptions of the model, implying greater consensus.

From a methodological point of view the modernization perspective is much more parsimonious than its counterpart. And the focus of much of the literature on the microsociological level makes it amenable to the elaboration of precise explanatory propositions such as those of D. McClelland or E. Hagen. Dependency, by contrast, is more descriptive and its macrosociological formulations are much less subject to translation into a simple set of explanatory propositions. Many aspects of dependency, and particularly the linkages between external phenomena and internal class and power relations are unclear and need to be studied with more precision and care. For this reason the dependency perspective is an "approach" to the study of underdevelopment rather than a "theory." And yet, precisely because modernization theory relies on a simple conceptual framework and a reductionist approach, it is far less useful for the study of a complex phenomenon such as development or underdevelopment.

But the strengths of the dependency perspective lie not only in its consideration of a richer body of evidence and a broader range of phenomena, it is also more promising from a methodological point of view. The modernization perspective has fundamental flaws which make it difficult to provide for a fair test of its own assumptions. It will be recalled that the modernization perspective draws on a model with "universal validity" which assumes that traditional

values are not conducive to modern behavioral patterns of action. Given that underdevelopment, on the basis of various economic and social indicators, is an objective datum, the research task becomes one of identifying modernizing values and searching for their opposites in underdeveloped contexts.

In actual research efforts, the modernity inhibiting characteristics are often "deduced" from impressionistic observation. This is the case with much of the political science literature on Latin America. However, more "rigorous" methods, such as survey research, have also been employed, particularly in studies of entrepreneurial activity. Invariably, whether through deduction or survey research, less appropriate values for modernization such as "arielismo" (a concern for transcendental as opposed to material values) or "low-achievement" (lack of risk-taking attitudes) have been identified thus "confirming" the hypothesis that traditional values contribute to underdevelopment. If by chance the use of control groups should establish little or no difference in attitudes in a developed and underdeveloped context, the research instrument can be considered to be either faulty or the characteristics tapped not the appropriate ones for identifying traditional attitudes. The latter alternative might lead to the "discovery" of a new "modernity of tradition" literature or of greater flexibility than anticipated in traditional norms or of traditional residuals in the developed country.

The problem with the model and its behavioral level of analysis is that the explanation for underdevelopment is part of the preestablished conceptual framework. It is already "known" that in backward areas the modernity inhibiting characteristics play the dominant role, otherwise the areas would not be backward. As such, the test of the hypothesis involves a priori acceptance of the very hypothesis up for verification, with empirical evidence gathered solely in an illustrative manner. The focus on individuals simply does not permit consideration of a broader range of contextual variables which might lead to invalidating the assumptions. Indeed, the modernity of tradition literature, which has pointed to anomalies in the use of the tradition modernity "polarities," is evidence of how such a perspective can fall victim to the "and so" fallacy. Discrepancies are accounted for not by a reformulation, but by adding a new definition or a new corollary to the preexisting conceptual framework.

Much work needs to be done within a dependency perspective to clarify its concepts and causal interrelationships, as well as to assess its capacity to explain social processes in various parts of peripheral societies. And yet the dependency approach appears to have a fundamental advantage over the modernization perspective: It is open to historically grounded conceptualization in underdeveloped contexts, while modernization is locked into an illustrative methodological style by virtue of its very assumptions.

NOTES

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1. See Manning Nash's foreword to the anniversary issue of *Economic Development and Cultural Change*, XXV (1977, supplement) in honor of Bert Hoselitz, one of the first economists to stress "non-economic" factors in development. See his *Sociological Aspects of Economic Growth* (New York, 1960) which was translated into twenty-five languages by the U.S. Department of State. Myron Weiner's *Modernization: The Dynamics of Growth* (New York, 1966) is a good collection of essays by prominent modernization writers which were first prepared for the "Voice of America."

2. The principal works in the dependency perspective are Fernando Henrique Cardoso and Enzo Faletto, *Dependencia y desarrollo en América Latina* (Mexico, 1969) and Osvaldo Sunkel and Pedro Paz, *El subdesarrollo latinoamericano y la teoría del desarrollo* (Mexico, 1970). The former soon will be published in English, while the latter is not scheduled for translation despite the fact that the Spanish version is in its ninth printing. Because of the language "barrier" André Gunder Frank is often thought to be the founder of the dependency school. See for example Adrian Foster-Carter "From Rostow to Gunder Frank: Conflicting Paradigms in the Analysis of Underdevelopment," *World Development*, IV (March 1976), 1975, where Frank is referred to as "Copernicus" of a new paradigm. In fact, Frank draws extensively on Latin American scholars in studies such as his *Capitalism and Underdevelopment in Latin America* (New York, 1967). He and other "interpreters" such as Susanne Bodenheimer ("Dependency and Imperialism," *Politics and Society*, I [May 1970]), present oversimplified and often distorted views of much of the Latin American contribution. On this point see Cardoso, "The Consumption of Dependency Theory in the United States," *Latin American Research Review*, XII, No. 3. Frank's work was, however, extensively read and discussed in Latin American universities.

3. Though modernization and dependence can be thought of as alternative paradigms, we prefer the term "perspective" because in Thomas Kuhn's terms the social sciences are "pre-paradigmatic," only approximating a "normal science." See Kuhn, *The Structure of Scientific Revolutions* (Chicago, 1970).

4. This is less true for developmental economics and anthropology, than for sociology and political science. Economists like Hoselitz and Everett Hagen (*On the Theory of Social Change* [Homewood, (Ill.), 1962]) drew in part on Latin American field research. Robert Redfield's *The Folk Cultures of Yucatan* (Chicago, 1941), is considered one of the classics. The most important sociological work was done by Gino Germani, although his most important studies were never translated. See his *Política y sociedad en una época de transición* (Buenos Aires, 1968). For an intelligent overview of his work, as well as that of Cardoso, see Joseph A. Kahl, *Modernization, Exploitation and Dependency in Latin America* (New Brunswick, [N.J.], 1976).

5. John Martz, "Political Science and Latin American Studies: A Discipline in Search of a Region," *Latin American Research Review*, VI (Spring 1971), 78.

6. For antecedents of the modernization literature, see the work of scholars such as Maine, Tonnies, Durkheim, Weber and Redfield.

7. For surveys of the literature, see Frank Sutton, "Social Theory and Comparative Politics," in Harry Eckstein and David Apter, eds. *Comparative Politics* (New York, 1963), and Daniel Lerner, "Modernization: Social Aspects," *International Encyclopedia of the Social Sciences* (1968).

8. See the excellent distinction made by Alejandro Portes between "development as social differentiation" and "development as the enactment of values" in Portes, "On the Sociology of National Development: Theories and Issues," *American Journal of Sociology*, LXXXII (July 1976). Examples of the former are Neil J. Smelser, "The Modernization of Social Relations," in Weiner, *Modernization* and "Mechanisms of Change and Adjustment to Change," in Jason Finkle and Robert Gable, eds. *Political Development and Social Change* (New York, 1971); and Talcott Parsons' companion volumes, *Societies: Evolutionary and Comparative Perspectives and The*

System of Modern Societies (Englewood Cliffs, [N.J.], 1966 and 1971, respectively). Examples of the latter are Hagen, *On The Theory of Social Change*; and David McClelland, *The Achieving Society* (Princeton, 1961) and "The Psychological Causes and Consequences of Modernization: An Ethiopian Case Study," *Economic Development and Cultural Change*, XXV (1977 supplement). See also Alex Inkeles and David Smith, *Becoming Modern* (Cambridge, [Mass.], 1974). Inkeles and Smith take particular care to point out that their study does not demonstrate a causal relationship between the emergence of modern attitudes and modernizing transformations, for which McClelland takes them to task in the above cited article. But if all they establish is that people who work in modern settings have modern values, then their laborious research effort is circular and pointless.

9. See Cyril Black, *The Dynamics of Modernization* (New York, 1966), pp. 68-75.

10. *Ibid.*, pp. 53-54.

11. Gabriel Almond, "Introduction: A Functional Approach to Comparative Politics," in Almond and James S. Coleman, *The Politics of the Developing Areas* (Princeton, 1960) p. 64. Statements such as these have led to the criticism that modernization is an ethnocentric approach. But rather than pointing out their ethnocentricity, it is more important to indicate that they reflect an assumption which becomes a key methodological option, ethnocentric or otherwise.

12. For the view that modernization is an exogenous process leading to convergence see Lerner, *The Passing of Traditional Society* (New York, 1958) and Clark Kerr, et al., *Industrialism and Industrial Man* (Cambridge, [Mass.], 1960).

13. See Kalman H. Silvert, *The Conflict Society: Reaction and Revolution in Latin America* (New York, 1966), p. 261.

14. Black, p. 50 (emphasis added).

15. Dankwart A. Rustow, *A World of Nations* (Washington, 1967).

16. Wilbert Moore "Modernization and Rationalization: Processes and Restraints," *Economic Development and Cultural Change*, XXV (1977, supplement), 34-35.

17. Moore, "Motivational Aspects of Development," in Amitai and Eva Etzioni, eds. *Social Change* (New York, 1964), p. 292. See also his "Social Change" in the *International Encyclopedia of the Social Sciences* (1968).

18. J. Gusfield, "Tradition and Modernity: Misplaced Polarities in the Study of Social Change," *American Journal of Sociology*, LXXII (January 1967).

19. Lloyd I. and Susanne H. Rudolph, *The Modernity of Traditional Development in India* (Chicago, 1967). Another work in this vein is Robert Ward and Rustow, eds. *Political Modernization in Japan and Turkey* (Princeton, 1964).

20. For example see Irma Adelman and Cynthia Morris, *Economic Growth and Social Equity in Developing Countries* (Stanford, 1973).

21. S.N. Eisenstadt, *Tradition, Change and Modernity* (New York, 1973) and Moore, "Modernization and Rationalization."

22. Marion Levy, Jr., *Modernization: Latecomers and Survivors* (New York, 1972).

23. Seymour Martin Lipset, "Values, Education and Entrepreneurship," in Lipset and Aldo Solari, eds. *Elites in Latin America* (New York, 1963). For another study in which Lipset expresses similar views about Latin America, while extolling the opposite values in the United States, see his *The First New Nation* (New York, 1963).

24. Lipset, "Values, Education and Entrepreneurship," p. 19.

25. *Ibid.*, p. 30. Some of the studies cited include T.C. Cohran, "Cultural Factors in Economic Growth," *Journal of Economic History*, XX (1974); T.R. Fiollo, *Social Factors in Economic Development: The Argentine Case* (Cambridge, [Mass.], 1961); B.J. Siegel, "Social Structure and Economic Change in Brazil," in Simon Kuznets, et al., *Economic Growth: Brazil, India, Japan* (Durham, [N.C.], 1955); and W.P. Strassman, "The Industrialist," in John J. Johnson, ed. *Continuity and Change in Latin America* (Stanford, 1964).

26. R. Adie and G.E. Potitras, *Latin America: The Politics of Immobility* (Englewood Cliffs, [N.J.], 1974), pp. 73, 75. For similar views see pp. 252-53 and W.R. Duncan, *Latin American Politics: A Developmental Approach* (New York, 1976), p. 240.

27. Silvert, "The Politics of Social and Economic Change in Latin America," in Howard J. Wiarda, ed. *Politics and Social Change in Latin America: The Distinct Tradition* (Amherst, [Mass.], 1974), pp. 160-62.

28. Silvert, *The Conflict Society*, p. 271. For a definition of "modern man" see p. 265. In the preface Arthur Whitacker, a well known historian, noted that the book should be made "required reading for anyone who wishes to express an opinion" on the Alliance.

29. R. Scott, "Political Elites," in Lipset and Solari, pp. 133-34.

30. Duncan, p. 240. Scott emphasizes cultural determinants in later writings. See his edited volume, *Latin American Modernization Problems* (Urbana, [Ill.], 1973). The role of traditional features in explaining economic and political patterns in Latin America was stressed by the best known studies of the 1960s. For a sampling see the articles in the collections edited by Johnson, *Continuity and Change*, and by D.B. Heath and R.N. Adams, *Contemporary Cultures and Societies in Latin America* (New York, 1965). See also Stanislav Andreski, *Parasitism and Subversion: The Case in Latin America* (New York, 1966); George Blanksten, "The Politics of Latin America," in Almond and Coleman, *The Politics of the Developing Areas*; J. Mander, *The Unrevolutionary Society* (New York, 1969); Luis Mercier Vega, *Roads to Power in Latin America* (New York, 1969); and Martin Needler, *Latin American Politics in Perspective* (Princeton, 1967). Crude applications of modernization concepts to particular cases include Frank Jay Moreno, *Legitimacy and Stability in Latin America: A Study of Chilean Political Culture* (New York, 1969) and James Payne, *Patterns of Conflict in Colombia* (New Haven, 1968). Some important authors, however, took different approaches, much closer to those of the dependency perspective. See Merle Kling, "Toward a Theory of Power and Political Instability in Latin America," *Western Political Quarterly*, IX (1956); Charles Anderson, *Politics and Economic Change in Latin America* (Princeton, 1967); Richard Adams, *The Second Sowing: Power and Secondary Development in Latin America* (San Francisco, 1967); and Douglas Chalmers, "Developing on the Periphery: External Factors in Latin American Politics," in James Rosenau, ed. *Linkage Politics* (New York, 1969). The reader by James Petras and Maurice Zeitlin, eds. *Latin America: Reform or Revolution?* (New York, 1968), also provided a differing perspective incorporating many writings of Latin American scholars.

31. Besides the Adie and Poitras and the Duncan works cited above, see also C.F. Denton and L.L. Preston, *Latin American Politics: A Developmental Approach* (New York, 1975); and Needler, *An Introduction to Latin American Politics: The Structure of Conflict* (Englewood Cliffs, [N.J.], 1977). For one of the few alternative texts see Petras, *Politics and Social Structure in Latin America* (New York, 1970).

32. Wiarda, *Politics and Social Change in Latin America*, p. 269. Another important contribution to this literature is Fredrick Pike and T. Stritch, eds. *The New Corporatism: Social-Political Structures in the Iberian World* (South Bend, [Ind.], 1974). Not all writers interested in corporatism draw primarily on cultural variables. Philippe C. Schmitter explicitly rejects what he considers to be the circularity of that approach. See his essay, "The Century of Corporatism?," in Pike and Stritch.

33. Wiarda, "Toward a Framework for the Study of Political Change in the Iberic-Latin Tradition: The Corporative Model," *World Politics*, XXV (January 1973).

34. See Sunkel, "Política nacional de desarrollo y dependencia externa," *Estudios Internacionales*, I (April 1967). For reviews of the dependency literature see Norman Girvan, "The Development of Dependency Economics in the Caribbean and Latin America: Review and Comparison," *Social and Economic Studies*, XXII (March 1973); Ronald H. Chilcote, "A Critical Synthesis of the Dependency Literature," *Latin American Perspectives*, I (Spring 1974); and Phillip O'Brien, "A Critique of Latin American Theories of Dependence," in I. Oxaal, et al., eds. *Beyond the Sociology of Development* (London, 1975).

35. Sunkel and Paz, *El subdesarrollo latinoamericano*, p. 6.

36. Theotônio dos Santos, "La crisis del desarrollo y las relaciones de dependencia en América Latina," in H. Jaguaribe, et al., eds. *La dependencia político-económica de América Latina* (Mexico, 1970), p. 180. See also his *Dependencia y cambio social* (Santiago, 1970) and *Socialismo o Fascismo: El nuevo carácter de la dependencia y el dilema latinoamericano* (Buenos Aires, 1972).

37. Sunkel and Paz, p. 39; Cardoso and Faletto, *Dependencia y desarrollo*, chap. 2.

38. This is the problem with the studies by Robert Kaufman, et al., "A Preliminary Test of the Theory of Dependency," *Comparative Politics*, VII (April 1975), 303-30, and C. Chase-Dunn, "The Effects of International Economic Dependence on Development and Inequality: A Cross National Study," *American Sociological Review*, XL (December 1975). It is interesting to note that Marxist scholars make the same mistake. They point to features in the dependency literature such as unemployment, marginalization etc., noting that they are not peculiar to peripheral countries but characterize capitalist countries in general. Thus "dependence" is said to have no explanatory value beyond a Marxist theory of capitalist society. See Sanyaya Lall, "Is Dependence a Useful Concept in Analyzing Underdevelopment?," *World Development*, III (November 1975) and

Theodore Weisskopf, "Dependence as an Explanation of Underdevelopment: A Critique," (paper presented at the Sixth Annual Latin American Studies Association Meeting, Atlanta, Georgia, 1976). The point of dependency analysis is not the relative mix at one point in time of certain identifiable factors but the evolution over time of structural relations which help to explain the differential development of capitalism in different parts of the world. As a historical model it cannot be tested with cross national data. For an attempt to differentiate conceptually contemporary capitalism of the core and peripheral countries, and thus more amenable to such criticism, see Samir Amin, *Accumulation on a World Scale* (New York, 1974).

39. Some authors have criticized the focus of the literature on the evolution of the world capitalist system. David Ray, for example, has argued that "soviet satellites" are also in a dependent and unequal relationship vis-à-vis the Soviet Union and that the key variable should not be capitalism but "political power." Robert Packenham has also argued that the most important critique of the dependency literature is that it does not consider the implications of "power." See Ray, "The Dependency Model of Latin American Underdevelopment: Three Basic Fallacies," *Journal of Interamerican Studies and World Affairs*, XV (February 1973) and Packenham, "Latin American Dependency Theories: Strengths and Weaknesses," (paper presented to the Harvard-MIT Joint Seminar on Political Development, February, 1974), especially pp. 16-17, 54. This criticism misses the point completely. It is not power relations today which cause underdevelopment, but the historical evolution of a world economic system which led to economic specialization more favorable to some than others. It is precisely this concern with the evolution of world capitalism which has led to the preoccupation in the dependency literature with rejecting interpretations stressing the "feudal" rather than "capitalist" nature of colonial and post colonial Latin American agriculture. On this point see Sergio Bagú, *Economía de la Sociedad Colonial* (Buenos Aires, 1949); Luis Vitale, "América Latina: Feudal o Capitalista?," *Revista Estrategia*, III (1966) and *Interpretación Marxista de la historia de Chile* (Santiago, 1967); and E. Laclau, "Feudalism and Capitalism in Latin America," *New Left Review*, LXVII (May-July 1971). A brilliant recent exposition of the importance of studying the evolution of the capitalist world system in order to understand underdevelopment which focuses more on the center states than on the periphery is Immanuel Wallerstein, *The Modern World System: Capitalist Agriculture and the Origins of the European World Economy in the Sixteenth Century* (New York, 1974).

40. Cardoso, *Empresário industrial e desenvolvimento econômico no Brasil* (São Paulo, 1964) and *Ideologías de la burguesía industrial en sociedades dependientes* (Mexico, 1971).

41. Cardoso and Faletto, *Dependencia y desarrollo*, p. 20. Indeed Cardoso argues that the distinction between external and internal is "metaphysical." See his "Teoría de la dependencia o análisis de situaciones concretas de dependencia?," *Revista Latinoamericana de Ciencia Política*, I (December 1970), 404. The ontology implicit in such an analysis is the one of "internal relations." See Bertell Ollman, *Alienation: Marx's Conception of Man in Capitalist Society* (London, 1971). This point is important because both Frank and the early ECLA literature was criticized for their almost mechanistic relationship between external and internal variables. Frank acknowledges this problem and tries to answer his critics in *Lumpenbourgeoisie and Lumpen-development* (New York, 1967). "Tests" of dependency theory also attribute an excessively mechanical dimension to the relationship. See Kaufman, et al., "A Preliminary Test of the Theory of Dependency."

42. Cardoso, "Associated Dependent Development: Theoretical Implications," in Alfred Stepan, ed. *Authoritarian Brazil* (New Haven, 1973), and Sunkel and Edmundo Fuenzalida, "Transnational Capitalism and National Development," in José J. Villamil, ed. *Transnational Capitalism and National Development* (London, forthcoming). It is thus incorrect to argue that dependency analysts ignore the evidence of certain kinds of economic growth. For fallacies in the dependency literature see Cardoso "Las contradicciones del desarrollo asociado," *Desarrollo Económico*, IV (April-June 1974).

43. Anibal Quijano, "Dependencia, Cambio Social y Urbanización en América Latina," in Cardoso and F. Weffort, eds. *América Latina: Ensayos de interpretación sociológico político* (Santiago, 1970).

44. Cardoso and Faletto, *Dependencia y desarrollo*, pp. 19-20; Sunkel and Paz, *El subdesarrollo latinoamericano*, pp. 5, 9.

45. Bagú, *Economía de la sociedad colonial*, pp. 122-23.

46. On industrialization see A. Dorfman, *La industrialización en América Latina y las políticas de fomento* (Mexico, 1967).

47. See M. de C. Tavares, "El proceso de sustitución de importaciones como modelo de desarrollo reciente en América Latina," in Andres Bianchi, ed. *América Latina: Ensayos de interpretación económica* (Santiago, 1969).

48. For detailed discussions of nonenclave versus enclave situations see Cardoso and Faletto, and Sunkel and Paz.

49. Sunkel "Capitalismo transnacional y desintegración nacional en América Latina," *Estudios Internacionales*, IV (January-March 1971) and "Big Business and Dependencia: A Latin American View," *Foreign Affairs*, L (April 1972); Cardoso and Faletto; Dos Santos, *El nuevo carácter de la dependencia* (Santiago, 1966).

50. Wallerstein, *The Modern World System*.

51. V. Bambirra, *Capitalismo dependiente latinoamericano* (Santiago, 1973); R.M. Marini, *Subdesarrollo y revolución* (Mexico, 1969); F. Hinkelammert, *El subdesarrollo latinoamericano: un caso de desarrollo capitalista* (Santiago, 1970).

52. Cardoso, "Teoría de la dependencia." A recent trend in dependency writings attempts to explain the current wave of authoritarianism in Latin America as a result of economic difficulties created by the exhaustion of the easy import substituting industrialization. The new situation leads to a process of development led by the state and the multinational corporations, which concentrates income toward the top, increases the levels of capital accumulation and expands heavy industry; the old populist alliances can therefore no longer be maintained. See Dos Santos, *Socialismo o fascismo: el nuevo carácter de la dependencia y el dilema latinoamericano* (Buenos Aires, 1972); Guillermo O'Donnell, *Modernization and Bureaucratic Authoritarianism: Studies in Latin American Politics* (Berkeley, 1973); Atilio Borón, "El fascismo como categoría histórica: en torno al problema de las dictaduras en América Latina," *Revista Mexicana de Sociología*, XXXIV (April-June 1977); the effects of this situation on labor are explored in Kenneth P. Erickson and Patrick Peppe, "Dependent Capitalist Development, U.S. Foreign Policy, and Repression of the Working Class in Chile and Brazil," *Latin American Perspectives*, III (Winter 1976). However, in the postscript to their 1968 book, Cardoso and Faletto caution against adopting an excessively mechanistic view on this point, against letting "economism kill history"; Cardoso and Faletto, "Estado y proceso político en América Latina," *Revista Mexicana de Sociología*, XXXIV (April-June 1977), 383. Articles with dependency perspective appear frequently in the *Revista Mexicana de Sociología* as well as in *Latin American Perspectives*.

53. Sunkel, "Capitalismo transnacional y desintegración nacional en América Latina," and Sunkel and Fuenzalida, "Transnational Capitalism and National Development."