POL325: Contemporary Latin American Politics

Shamel Bhimani

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1   Development and its Alternatives

1.1   Cristóbal Kay (2018) Modernization and Dependency Theory. From The Routledge Handbook of Latin American Development Julie Cupples, Marcel Palomino-Schalscha, and Manuel Prieto, eds. New York: Routledge, pp 15-28.

1.1.1   Modernization Theory

Historical Context: Emerged in the North (1950s-1960s) during the Cold War. Arose post-WWII as decolonization accelerated.

Core Idea: Development is a transition from a 'traditional' to a 'modern' society. It posits that underdeveloped countries can 'catch up' by replicating the experience of Western, developed countries.

- Change is seen as determined by internal factors

Dualistic Typology:

- **Traditional Socieites:** Simple, rural subsistence economy, family labour, primitive technology, low productivity. Characterized by partciularism, adscription, and collective orientation. 'Traditionalism' itself is seen as a barrier due to fatalistic outlook.

- **Modern Societies:** Complex, industrial, market-oriented, wage labour, scientific technology, high productivity. Characterized by universalism, achievement orientation, self-orientation, upward social mobility, and rule of law.

Key Theorists and Concepts:

- **Walt W. Rostow (1960):** Proposed five universal stages of economic growth:

  1. The traditional society;
  2. The preconditions for take-off;
  3. **Take-off (the key turning point)**;
  4. The drive to maturity;
  5. The age of mass-consumption.

- **Samuel Huntington (1968):** Priotized **political order and stability** above other modernization goals, concerned that rapid social change could overwhelm political institutions. Critiqued mainstream MT for being too static, arguing all societies combine traditional and modern elements.

- **Other theorisits focused on:** Value changes (Moore), personality transformation (Lerner), psychological factors like the desire to achieve (McClelland), and entreprenurial spirit (Hagen).

Modernization Theory in Latin America:

- Largely absorbed uncritically by Latin American social scientists and policymakers.

- **Gino Germani (1981):** A notable exception who adapted MT. He argued that transition processes create conflicts and 'asynchronies' as different social spehres change at different speeds. However, his work was criticized from a Marxist perspective for failing to address class and ethnic conflicts.

Critique of Modernization Theory (by Andre Gunder Frank):

- Empirically faulty and theoretically weak.

- **Main flaw:** Assumes underdevelopment is an original state and ignores how development and underdevelopment are part of a single process in the formation of the world capitalist system since the 15th century.

- Fails to account for the impact of colonialism and imperialism.

1.1.2   Dependence Theory (DT)

Historical Context: Arose in Latin America in the mid-1960s, challenging MT. Influenced by theories of imperialism and the Latin American structuralist school (ECLAC).

Core Idea: Underdevelopment is not an original state but a **'conditioning situation'** where the economies of some countries (the periphery) are conditioned by the development and expansion of others (the center).

- Development and underdevelopment are seen as two faces of the same historical process of global capitalism.

- It analyzes the link between external (global capitalism) and internal (class structure, politics) factors.

Precursor: Raul Prebisch and ECLAC Structuralism:

- Developed the **center-periphery paradigm**.

- **Prebisch-Singer Thesis:** Argued the international trade system benefits the center at the expense of the periphery due to the long-term deterioration of the periphery's terms of trade (prices of its primary commodity exports fall relative to the industrial goods it imports).

Main Strands of Dependence Theory:

1. **Structuralis Strand:** Seeks to reform the capitalist system. Uses heterodox development theory concepts.

2. **Marxist Strand:** Argues dependency can only be overcome by overthrowing capitalism adn transitioning to socialism. Relies on historical materialism and the labour theory of value.

Key Structuralist Theorists and Concepts:

- **Osvaldo Sunkel:** Focused on how transnational corporations (TNCs) deepen dependece and cause **'national disintegration'**. TNCs weaken the national bourgeoisie, fragment society, and shape public policy against the national interst.

- **Celso Furtado:** Analyzed **'dependent consumption patterns'**. The consumption habits of the rich, influenced by developed countries, create a wasteful, capital-intensive, and import-demanding industrial structure that perpetuates income concentration and underdevelopment.

- **Fernando Henrique Cardoso and Enzo Faletto:**

  - Emphasized analyzing **'situations of dependency'** rather than a single theory, focusing on internal manifestations.
  - Characterized the process as **'dependent development'**, rejecting stagnationist views and acknowledging that economic growth could occur within a dependency framework.
  - Argued a **'new dependency'** emerged under corporatist-authoritarian states controlled by a militarized technocratic bureaucracy.

Key Marxist Theories and Concepts:

- **Theotonio Dos Santos:** Identified a **'new character of dependency'** rooted in industrial and technological dependence. The lack of a domestic capital goods industry and indigenous technological capacity prevents dependent economies form being 'articulated' and achieving autonomous development.

- **Ruy Mauro Marini:** Focused on **unequal exchange** (transfer of surplus value to dominate countries) and the resulting **over-exploitation of labour** in dependent countries to maintain profit rates. Also developed the concept of **sub-imperialism**, where a larger dependent country like Brazil under its military regime could engage in imperialist practices toward weaker neighbours to solve its own problems of insufficient internal demand.

- **Andre Gunder Frank:** Coined the phrase **"the development of underdevelopment**. Argued that the metropolis-satellite linkages constantly recreate underdevelopment. Contended that Latin America has been capitalist since the colonial conquest, challenging the prevailing feudal/semi-feudal characterization and the political strategies based on it. His thesis was famously critiqued by Ernesto Laclau for overemphasizing market circulation while neglecting relations of production.

Decline and Legacy of Dependence Theory: It's influence waned with the economic crisis of the 1980s and the rise of neoliberalism. Remebered as the **first major challenge to the Eurocentric character of the social sciences** to achieve global influence. It inspired a new generation of scholars to think about development from the perspective of the South.

1.2 Laura Zapata-Cantu and Fernando González (2021) Challenges for Innovation and Sustainable Development in Latin America: The Significance of Institutions and Human Capital. Sustainability.

1.2.1 Innovation and Sustainable Development in Latin America: Core Challenges

Context: Sustainable development is a critical 21st century challenge, compounded by the COVID-19 pandemic which has shifted government and business priorities. Innovation is essential for transitioning to a more sustainable world.

Regional Challenges:

- **High social inequality and poverty** remain significant obstacles.

- The region has a history of **political instability and corruption**, which impacts institutional performance in innovation and sustainability.

- Economies are vulnerable to **commodity price volatility** and uncertainty.

- There is a **marginal contribution to global innovation**, often measured by patent registrations.

- Latin American countries face ongoing issues with nutrition, sanitation, quality education, and economic modernization.

1.2.2 Theoretical Framework for Analysis

Two key theoretical perspectives are used to analyze innovation and sustainable development in the region:

1. **Dynamic Capabilities (DCV):** A framework focusing on a country's or firm's ability to adapt and transform in response to a changing environemnt. It is composed of three core capabilities:

   - **Sensing:** Identifying opportunities and threats by scanning markets and technologies. THis aligns with the Global Innovation Index (GII) dimensions of *Institutions* and *Market Sophistication.*
   - **Seizing:** Mobilizing resources to capture opportunities by investing in technology, human capital, and new business models. This aligns with the GII dimensions of *Human capital and research, Infrastructure, and Business sophistication.*
   - **Transforming:** Continuously reconfiguring assets and organizational structures to maintain the competitiveness. This aligns with the GII dimensions of *Knowledge and technology outputs and creative outputs.*

2. **Mission-Oriented Policies:** Systemic public sector initiatives aimed at solving specific societal problems (e.g., climate change) by mobilizing innovation across multiple sectors and actors.

   - These policies define a clear direction, foster collaboration between public and private sectors, and drive technological and systemic change.
   - They require strong institutional support and the development of dynamic capabilities within government to lead change.

1.2.3 Analysis of Latin America's Performance

Innovation (Based on Global Innovation Index 2020):

- **Overall Performance:** The region contributes marginally to global innovation. The analysis covered 15 countries.

- **Performance by Dynamic Capability:**

  - **Sensing (Weak):** The **institutions dimension received the lowest average score**, indicating issues with the political, regulatory, and business environment. Countries with better overall GII scores (e.g., Chile) performed better in this dimension.
  - **Seizing (Mixed):** The **Business Sophistication dimension had the best average score**. However, many countries show a deficit in human capital development and RnD investment, despite having knowledge workers.
  - **Transforming (Partial Success):** Some countries like Costa Rica and Mexico perform relatively well in transforming capabilities (creative and knowledge outputs) but lag in sensing and seizing, suggesting innovation occurs without fully considering environmental changes.

- **Key Deficits:** To improve innovation, Latin America needs to strengthen institutions, increase investment in RnD, develop human capital.

Sustainable Development (Based on Sustainable Development Report 2020):

- **Overall Performance:** Most Latin American countries rank in the middle portion globally. Chile, Costa Rica, Uruguay, and Ecuador are in the top 50 of 166 countries.

- **Regional Priorities (Highest-Ranked SDGs):**

  - SDG 1 (No Poverty);
  - SDG 4 (Quality Education);
  - SDG 13 (Climate Action)

- **Significant Challenges (Lowest-Ranked SDGs):**

  - **SDG 9 (Industry, Innovation, and Infrastructure)** was the lowest-ranked goal in 10 countries.
  - **SDG 10 (Reduced Inequality)** was the lowest-ranked in eight countries, indicating it is not a key priority for most governments in the region.

1.2.4 Proposed Roadmap and Policy Implications

Integrated Approach: Effective strategy requires a systemic approach that aligns strong **institutions, mission-oriented policies, dynamic capabilities, and innovation**.

Role of Institutions: Strong, inclusive institutions are crucial for setting the direction through mission-oriented policies that coordinate public and private actors. Weak institutions make it difficult to address critical problems.

Role of Government (Public Sector):

- Government should not just fix market failures but actively **co-create markets and ecosystems**.

- The public sector must take a leading role in translating societal challenges into concrete missions. This requires compotent public agencies and dynamic capabilities within the state.

Human Capital: Substantial investment in education and human resource development is essential to build the skills required for innovation.

Policy Focus: Policies must encourage a shift from a risk-management approach to one focused on seizing opportunities for sustainable innovation.

1.3 Eduardo Gudynas (2013) Debates on Development and its Alternatives in Latin America: A Brief Heterodox Guide, in Beyond Development: Alternative Visions from Latin America, M. Lang and D. Mokrani, eds. Quito: Fundación Rosa Luxemburg, pp.15-39.

1.3.1 The Conventional Concept of Development

Definition and Origins: Development is conventionally understood as economic and social progress, often tied to growth, modernization, and higher standards of living. Its modern usage in social sciences solidified after World War II, establishing a division between 'developed' and 'underdeveloped' nations.

Core Ideas (Mid-20th Century):

- Development becasue almost synonymous with economic growth.

- It was viewed as a **linear process** where 'underdeveloped' countries should emulate Western nations, as described in Rostow's stages of growth.

- Indicators like Gross Domestic Product (GDP) became primary targets.

- This model legitimized resources exploitation and the destruction of cultures and the environment in the name of progress.

1.3.2 Early Critiques and 'Development Alternatives'

These critiques question the *methods* of devlopment but often accept its core goal of material progress.

Dependence Theory (1960s-1970s):

- Challenged the linear view, arguing that **underdevelopment is a consequence of development**, not a prior stage.

- Ascribed this condition to colonialism, imperialism, and asymmetrical power relations between the industrial 'centre' and the resource-exporting 'periphery'.

- While critical, this school still prioritized industrialization and economic growth.

Ecological Limits to Growth (1970s):

- The 1972 Club of Rome report, *The Limits to Growth*, argued that **perpetual economic growth is impossible** on a finite planet.

- This reporth was widely attacked, including by some Latin American intellectuals who saw it as a threat to modernization adn the use of the region's resources.

- A Latin American response, *Catastropher or New Society? (1975)* argued problems were sociopolitical, not physical, and proposed a socialist model but still defended economic growth, albeit regulated.

Human-Centered Approaches:

- Sought to separate development from purely economic growth and focus on social dimensions.

- Key concepts include:

    - **Another development:** Emphasized meeting basic needs, self-reliance, and endogeneity (defined within each society).
    - **Human scale development (Max Neef):** Focused on people, not objects, and addressed poverty as a plural concept of unmet needs.

Sustainable Development:

- Initially (1980), it meant using renewable resources without exceeding their renewal rates to meet human needs.

- The WCED's 'Our Common Future' (1988) report offered a widely cited by polysemic definition that ultimately **reconciled sustainability with economic growth**, turning opposites into mutually dependent concepts.

- This was criticized for being a 'contradiction in terms' as "nothing physical can grow indefinitely".

1.3.3   The Ideology of Progress and the Post-Development Critique

This school of though critiques the foundational *ideas* behind development itself.

Development as Ideology: The persistence of development, despite its failures, suggests it functions as an **ideology** – the contemporary expression of the ideology of **progress**. This ideology is shared across conventional liberal, conservative, and socialist thought.

Post-Development:
- A post-structuralist approach that deconstructs development as a **discourse** that shapes thought, institutions, and practices.

- It does not seek 'another development' but rather examines its ecological foundations.

Critique of Modernity: Questioning development requires questioning the project of **Modernity**, which is rooted in:
- A universalizing model based on European culture;

- A linear concept of history as progress from 'backwardness';

- A sharp **duality separating society from Nature**, with Nature being an object for human use.

Coloniality of Power: Modernity was introduced to Latin America via colonialism, imposing certain ideas about society, knowledge, and history while excluding others (e.g., indigenous knowledge systems).

1.3.4   Alternatives to Development

These frameworks seek to move beyond the ideology of progress and the assumptions of Modernity.

Core Concepts:
- They are **post-capitalist and post-socialist**, breaking with the shared ideology of progress.

- They challenge the society/Nature duality, often incorporating biocentric ethics (recognizing Nature's intrinsic view) and relational ontologies.

- They prioritize **well-being in a broad sense**, including collective, spiritual, and ecological dimensions, over material accumulation.

- They require intercultural exchange and the inclusion of other knowledge systems, especially indigenous ones.

Buen Vivir ('Good Living'):
- An example of alterantive to development, drawing heavily on Andean indigenous knowledge (e.g., sumal kawasy, suma qamana) as well as critical Western traditions like biocentrism and feminism.

- It breaks with anthropocentrism and linear progress to focus on community well-being in harmony with Nature.

- It can be understood as a political platform for building social orders free from the constraints of modernity.