

Development

Stages of development

Pre-1810 (colonial)

- Specie, indigo, sugar
- Spain and Portugal are main markets

1810-1870 (Chaos)

- Bauxite, metals (e.g., copper), fertilizers (nitrates)
- England main market

1870-1929 (Liberal era)

- coffee, copper, bananas, tin, leather, beef; **railroads**
- England still main market; U.S. becoming main market
- Foreign investment increasing; trade increasing

1930-82 (ISI era)

- Depression, forced autarky, import-substituting industrialization (ISI)
- Steel in more developed countries (Mexico, Brazil, Argentina)
- Multinationals: autos, chemicals, oil, petrochemicals, etc.
- U.S. main market

1982-? (Neoliberal era)

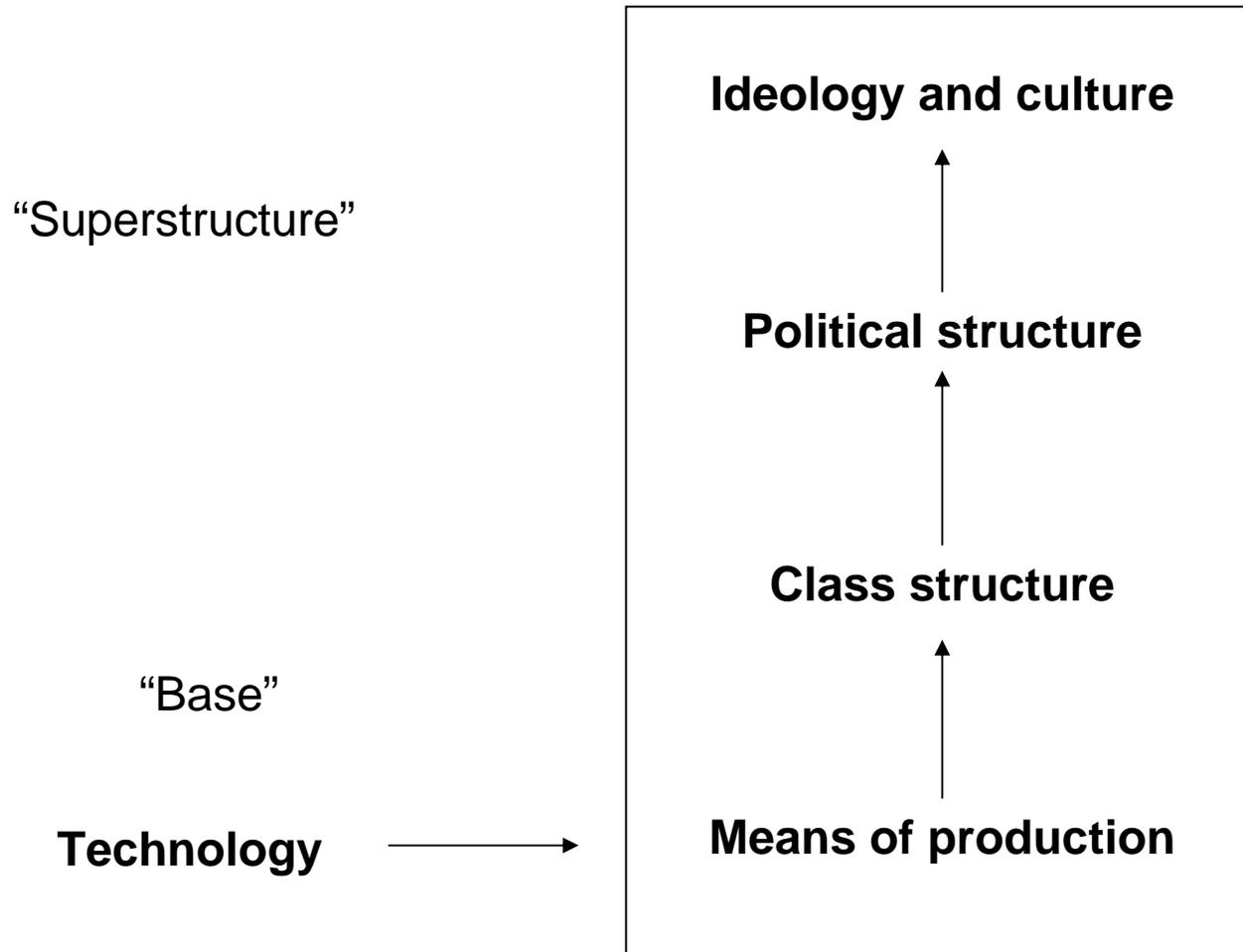
- Debt, austerity and adjustment
- “Lost decade”; most countries just now catching up

See Duncan Green, *Faces of Latin America*; (New York: Monthly Review Press, 2006), Chapter 1.

Theories of Latin American development

Paradigm	Question	Answer	Proponents	Supporting evidence	Counter-evidence
Racist	Why are some countries more developed than others?	Genes	Many until 1945; few since	Ha!	Human Genome Project, etc.
Cultural	Why are some countries developed?	Values; “social capital”	Weber, Sowell, Putnam	Immigrant groups in U.S.; Protestants in C. America; Asia	Central America overall; Asia now
Modernization	Why are some countries less developed?	Late start	Lerner, Lipset, etc.	Growth rates in developing world, post-1945	Distribution of growth; “Fourth World”
Dependency	Why is Latin America underdeveloped?	Exploitation	Dos Santos, Wallerstein, Cardoso (then)	Colonialism; commodity prices, 1940-60; true periphery	Scandinavia, ANZ, Asia; failure of autarky
Neoliberal/ Institutional	Why do some countries grow faster than others?	Property rights; gov’t policies	Williamson, North, Sachs, Cardoso (now)	Predatory states; failure of ISI; Chile, etc.	Bolivia, etc.

The orthodox Marxist model



The dependency theory model

