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# IDEAS AND ACTION IN POSTWAR BRAZIL<sup>1</sup>

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Joseph L. Love

That Brazil is an important country is unexceptionable, given its size (larger than the United States without Alaska), population (160 million), and gross national product (tenth largest in the world). In each sphere—territory, population, economy—Brazil accounts for nearly half of the South American total, and a third of that of Latin America as a whole. The country is known for its coffee, its tropical forests, its popular music, its beaches. Regrettably, in recent years it has also been known for its social and environmental problems—its urban and rural poverty; its huge population of street children and the crimes against them; the struggle for land in a country with an immense frontier; and the destruction of the Amazonian forest. Moreover, its impressive spurts of economic growth have resulted in one of the world's highest concentrations of income, leading some observers to term the country "Belgium in India."

I do not intend to predict the outcome of these matters, but rather to address the ideas that Brazilian intellectuals have proposed to deal with their nation's daunting problems, all of which are at root social and economic.

Barely more than a generation ago, some American and European intellectuals would have dismissed the notion that Brazilian (or Latin American) social thought could have been significantly original, or that it could have an impact beyond Brazilian or Latin American frontiers. After all, the colonial metropolis, Portugal, had fallen into an intellectual torpor two or three generations after the arrival of the Spanish Inquisition in 1536. In contrast to Spain in Spanish America, Portugal had

denied its Brazilian colony institutions of higher education and even a printing press until 1808, when the Portuguese Royal Family fled to Brazil in order to avert capture by Napoleon. No university (as opposed to isolated professional schools) existed in Brazil until the late 1920s. As late as 1969, the Brazilian philosopher José Artur Giannotti remarked that he had had to invent a wide range of philosophical neologisms in Portuguese in order to publish his work on the early Marx, *As Origens da Dialéctica* (The origins of dialectics) — a problem that did not exist for his French translator.<sup>2</sup>

If Marx and Engels were right that consciousness is a social product, then originality is a matter of degree, and ideas are notoriously international. The Brazilian ideas I will discuss (inspired, in many cases, by European ones) are Third World readings of pressing social problems. We do not have to agree with the critic Paulo Emílio Salles Gomes, who refers to Brazilians' "creative lack of competence in copying,"<sup>3</sup> to appreciate that emulation can lead to adaptation and, often, to transformation.

The ideas at issue are practical ideas, in that they link theory and praxis. Although the Brazilians played a leading role in developing them (and left a distinctively Brazilian mark on them), they are also regional, Latin American. And they have been highly influential not only in Latin America, but well beyond it. I have grouped these ideas into four theoretical categories:<sup>4</sup> (Economic) Structuralism; Dependency; Liberation Theology; and Pedagogy of the Oppressed, the last of which was uniquely pioneered by the Brazilian philosopher of education Paulo Freire. Properly adapted, these ideologies have broad application in Third World contexts and others.

Each set of ideas arose in response to major social problems in the third quarter of this century. I will consider the origins of these ideologies, their relationship with one another, and speculate on their relevance today.

## I. Structuralism

Chronologically, the first idea was Structuralism, which bears a family resemblance to the more familiar and coeval French Structuralism, whose most renowned exemplar in economics

was François Perroux. The Structuralist school associated with the UN Economic Commission for Latin America (ECLA or, in Spanish, CEPAL) was founded by the Argentinean Raúl Prebisch, who in 1949 characterized the international economy as a set of relations between an industrialized Center and a Periphery exporting foodstuffs and raw materials. According to Prebisch and his associates, the main problems of the Periphery were structural unemployment, caused by the inability of traditional export industries to grow and, therefore, to absorb excess rural population; external disequilibrium, the result of a greater propensity to import industrial goods than to export traditional agricultural and mineral goods; and deteriorating terms of trade — all of which a properly implemented policy of industrialization could help eliminate.<sup>5</sup> These ideas were first sketched out in *The Economic Development of Latin America and its Principal Problems*, ECLA's "manifesto" (Spanish ed., 1949).

Judging by the diffusion of his works alone, the leading Brazilian Structuralist Celso Furtado is his country's most influential social scientist of the century. In Latin America, where books are usually printed in editions of one to two thousand copies, Furtado's works had *sold* some two hundred thousand copies in Spanish and Portuguese by 1972. World sales of his works had reached a million copies by 1990, and half these books were published in Latin America.

Furtado hailed from a remote area of northeastern Brazil — a "periphery of the periphery" — called the *sertão*, a semiarid region marked by periodic drought and social unrest. He lived in the small state of Paraíba, where his father was a judge, until he was twenty. Furtado began his studies at the University of Brazil in 1940, but the war interrupted his education, and he served in the Italian campaign. In 1948 Furtado presented a dissertation at the Faculté de Droit in Paris on the Brazilian economy during the colonial era<sup>6</sup> and was one of the first Brazilians to hold a doctorate in economics. The same year, the young man joined ECLA in Santiago and moved back and forth between Santiago and Brazil, where he participated in economic planning at the highest levels, holding ministerial posts. The first director of the Northeast Development Agency (SUDENE), he lost his political rights after the coup d'état of 1964. Furtado went into exile, first arriving at ECLA headquarters in Santiago,

Chile, but soon leaving for Yale; he found a permanent post at the University of Paris until 1975, when an amnesty permitted his return to Brazil while he maintained a teaching post in Paris.

The influence of both John Maynard Keynes and Prebisch was obvious in Furtado's first essay in economics, "General Characteristics of the Brazilian Economy," written in 1949 and published the following year.<sup>7</sup> In this essay Furtado built on Prebisch's analysis of the business cycle in 1949 regarding the high import coefficients typical of Latin American countries: he argued that income tended to concentrate in Brazil during the upswing of the cycle, owing in part to a highly elastic labor supply that held down wages. Further, he hypothesized that much of the effect of the Keynesian multiplier<sup>8</sup> "leaked" abroad, owing to the exporting groups' high propensity to import. Such analysis pointed again to the importance of an industrialization policy.

Furtado's *Economic Growth of Brazil*<sup>9</sup> ultimately derived from his pre-ECLA interests in defining the features of colonial Brazil. This work covered the whole sweep of Brazilian history, and the colonial and nineteenth-century sections compare and contrast the structures of the Brazilian and U.S. economies, showing how Brazil's monoculture and *latifundia* impeded the high savings and investment rates characteristic of the American economy. Focusing on the distribution of income and the size of the domestic market, Furtado provided one of the first uses of modern income analysis in a historical framework, and demonstrated the weak relationship between income and investment in an economy based on slavery. The work throughout is written from the point of view of a development economist, emphasizing the heterogeneity of technologies and production functions (including the vast subsistence sector) in the Brazilian economy.

Elaborating on his article of 1950, Furtado pointed to Brazil's rapid industrial growth during the Great Depression, caused in part by the "socialization of losses" of coffee producers through exchange devaluation: this process helped maintain domestic demand by keeping up the employment level and purchasing power in the coffee sector, which in turn permitted the rise of a significant domestic demand for industrial goods when foreign products were unavailable, owing to the absence of foreign

exchange. The stockpiling and destruction of coffee in the face of grossly excess supply were financed through credit expansion, in turn exacerbating the external disequilibrium and causing new exchange depreciation and a further socialization of losses.<sup>10</sup>

Furtado viewed the expansionary fiscal and monetary policies related to coffee as a form of unwitting Keynesianism, because the wealth destroyed in coffee beans was considerably less than that created by maintaining employment.<sup>11</sup> He then noted that output of capital goods in Brazil by 1932 was 60 percent greater than in 1929. Furthermore, net investment in 1935, at constant prices, was greater than that in 1929, and the level of aggregate income of the latter year had been regained, despite the fact that the import of capital goods was only half of the 1929 figure.<sup>12</sup> Therefore, the economy was undergoing profound structural change.

Furtado, we may infer, was manifestly influenced by his Keynesian background, especially with regard to government intervention to sustain demand, and the significance of the domestic market in dynamizing production and income.<sup>13</sup> For him, as for other Structuralist contemporaries, the Great Depression was a watershed in which the larger Latin American economies moved definitively to one in which the domestic rather than the international market was the motor of growth, and for which industrialization led the growth process. Furtado's views on Brazilian industrialization during the Depression touched off a long debate.<sup>14</sup>

Although the centrality of industrialization as the dynamic element in growth during the Great Depression has largely been confirmed for Brazil, Argentina, Chile, and Mexico, it now appears that the disruption in international trade during the World Wars and the Depression was less important in producing "inward-directed growth," in Prebisch's phrase, than was believed by some contemporaries to these events and by ECLA economists later.<sup>15</sup> In any event, econometric research in the 1990s suggests an important correlation between economic growth and participation in international trade.<sup>16</sup> A now widely held view is that investment in industry (capacity) grew in line with export earnings for the period 1900–1945, while output (but not capacity) tended to rise during the shocks of war and

depression, when imports had to be curtailed. Capacity during the Depression could not grow appreciably in Brazil—nor in the several other industrializing Latin American nations—for lack of exchange credits to buy capital goods. Neither did it grow rapidly during the World Wars because of the unavailability of capital goods and fuels from the belligerent powers.<sup>17</sup>

In addition to historicizing Structuralism, Furtado explored the school's potential in another direction, as did Hans W. Singer, who, in 1950, had developed a model of the international trading process similar to Prebisch's.<sup>18</sup> I refer to the problem now known as "internal colonialism."<sup>19</sup> Furtado and Singer independently built their analyses in the 1950s around perceived unequal exchange between industrial centers and agricultural peripheries. I will focus on the Furtado version, which was published first and in a fuller form, though Singer's work was completed earlier.<sup>20</sup> It was in the context of analyzing internal colonialism that Furtado first began to link development and underdevelopment as components of a single historical process.

The model of the international trading process on which Singer and Furtado drew was that of ECLA (developed by Prebisch in 1949) and Singer's very similar one, independently arrived at and published a year later.<sup>21</sup> According to Prebisch and Singer, at the international level unequal exchange derived from differential productivities between industrial Center and agricultural Periphery in the world market, combined with different institutional arrangements in capital and labor markets. Technological progress in manufacturing, in any case, was shown in a rise in incomes in developed countries, while that in the production of food and raw materials in underdeveloped countries was expressed in a fall in prices relative to industrial goods.

Furtado addressed the issue of internal colonialism in the late 1950s as he became more deeply involved in the problems of his native Northeast. This agrarian and *latifundium*-dominated region in 1956 had an annual per capita income of less than U.S.\$100, whereas the Center-South enjoyed a level of income more than three times higher because of the dynamic industrial economy organized around the cities of São Paulo and Rio de Janeiro. The gap between the Northeast and the Center-South was larger than that between the per capita income of the latter

region and those of Western Europe.<sup>22</sup> Furtado estimated that the ratio between the growth rates of the lagging and leading regions was on the order of 1:2 for the decade after 1948.<sup>23</sup> Moreover, the distribution of income within the Northeast was highly skewed, making the situation even more desperate for the masses.

Like Prebisch, Furtado assumed the existence of market imperfections — particularly the administered pricing of industrial goods — and a virtually unlimited supply of labor in the backward region at the going wage in the industrial sector. But the Brazilian's model was more complex than Prebisch's international one, because it purported to measure the deterioration of terms of trade between the international price of agricultural goods sold abroad by Northeast Brazil against the domestic price of industrial goods that the region had to buy from the Center-South.

Furtado analyzed the Northeast in terms of a triangular trade between the backward region, the foreign sector and the developed area of Brazil.<sup>24</sup> Brazil's Northeast had a surplus in its commercial balance abroad but a deficit in its balance of payments with its domestic trading partner, the Center-South. The state was also an essential element in the trading process: in implementing its policy of import-substitution industrialization, the central government was subsidizing industrialists and penalizing agricultural exporters. This support took the form of differential exchange rates for importers of manufacturing-related capital goods and importers who would use foreign exchange credits for other purposes.<sup>25</sup>

That the central government gave exporters poorer exchange rates than importers not only effected a sectoral transfer of income but also induced a regional transfer. This was particularly so because of the size of the export sector relative to real (national) income in the Northeast compared to that of the Center-South. Furthermore, the government stimulated industrial development by financing private enterprise, a process that principally aided the Center-South. Finally, economies of scale and external economies in the industrial heartland of the Rio-São Paulo area made the hitherto large industrial advantages of the region, relative to the Northeast, even greater as development proceeded. Consequently, central government policies



designed to stimulate industrialization had a major inequalizing effect on the regional distribution of income in the country. Furtado estimated that in the period 1948–1956, the Northeast transferred U.S.\$24 million annually to the Center-South, although a more accurate figure may be \$15–17 million yearly.<sup>26</sup> Because of Brazil's protectionist tariffs and related exchange policies, the Northeast was in no position to seek alternative supplies abroad for its manufacturing needs. It offered a captive market for the Center-South, and its foreign exchange earnings gave it purchasing power in that region. But the relevant terms of trade now entered the picture: overall, prices of the Center-South's industrial goods rose more rapidly from 1948 to 1956 (the years studied by Furtado) than the exchange rate fell, that is, the rate at which northeastern exporters gained more *cruzeiros* per unit of foreign currency.<sup>27</sup>

Furtado proposed industrialization as a solution to the Northeast's economic problems.<sup>28</sup> He also stressed the need for agricultural development, implying the need for agrarian reform, because the cost of wage-goods (i.e., foodstuffs) in the largest city of the Northeast, Recife, was rising faster than that of São Paulo. Consequently, if wage differentials were narrowing between São Paulo and Recife to meet rising costs of living in the latter, there would be little incentive for private capital to invest in the Northeast.<sup>29</sup> Agrarian reform has only begun in the 1990s, however, and in the years following Furtado's analysis, development strategies favoring the Center-South have tended to prevail. Despite efforts of the federal government to offset regional income concentration, economist Werner Baer has concluded that the overall effect of development programs continued to favor the industrial Center-South over the agrarian Northeast in the three and a half decades following Furtado's analysis.<sup>30</sup>

## II. Dependency

In one of his regional studies examining the interaction of the industrial Center-South and the agrarian Northeast, Furtado had already perceived in 1959 that a structural and perverse relationship existed between the growth of developed capitalist economies (and regions) and the growth of underdeveloped

countries (and regions): “[There is] . . . a tendency for industrial economies, as a result of their form of growth, to inhibit the growth of primary economies: This same phenomenon is occurring within our country.”<sup>31</sup> It is notable for the history of Dependency analysis that Furtado’s first published statement of the alleged causal relationship between development and underdevelopment appeared in the context of internal colonialism, rather than at the international level.

Furtado’s book *Development and Underdevelopment*<sup>32</sup> advanced his early efforts as an analyst of Dependency. His reference to the relation of development and underdevelopment in *A operação nordeste* (Operation Northeast)<sup>33</sup> had been explicit, but in *Development and Underdevelopment*, a work combining analytical and historical approaches, he described how the European industrial economy by the nineteenth century had penetrated and transformed precapitalistic economies. Underdeveloped economies were “hybrid structures”<sup>34</sup> and not simply undeveloped economies beginning to trace the path that Europe had already defined. Consequently, underdevelopment was a “discrete historical process through which economies that have already achieved a high level of development have not necessarily passed.”<sup>35</sup> Economic development was “emphatically an unequal process,” Furtado argued,<sup>36</sup> and recent historical studies by Paul Bairoch and others have confirmed this observation at the international level.<sup>37</sup>

In *Development and Underdevelopment*, Furtado distinguished between autonomous development, which was supply-driven, and an externally induced development, which was demand-driven. In the latter process, the manner of industrialization — substituting domestic products for imports — led the entrepreneur “to adopt a technology compatible with a cost and price structure similar to that . . . in the international manufactured goods market.”<sup>38</sup> Therefore, labor-saving techniques were continually adopted, despite the need for industrial employment. Even earlier, Furtado had stressed the importance of conspicuous consumption as a driving force in underdeveloped countries’ internal dynamics.<sup>39</sup>

In the mid- and latter 1960s Structuralist theories and policy prescriptions were not only challenged by a neoclassical Right, but also by a heterodox Left, some of whose exegetes had been

leading figures in ECLA itself, notably Furtado and the Chilean Osvaldo Sunkel. This new Left would quickly make “Dependency Theory” famous.<sup>40</sup> Although ECLA itself had produced nothing if not a kind of Dependency analysis, the new variety was set off by its more clear-cut “historicizing” and “sociologizing” tendencies in both its reformist and radical versions.<sup>41</sup> In the mid-sixties, Furtado elaborated the contention that development and underdevelopment were historically linked.

In an essay published in 1964, Furtado called for a return to dialectics, and “The Dialectics of Development” was in fact the Portuguese title of *Diagnosis of the Brazilian Crisis*. He meant by this a kind of methodological holism, without which the individual parts of a social entity in continual motion could not be understood. This approach required a return to history because the tendency to focus on equilibrium concepts in neoclassical economics denied process. Even if the developed economies could roughly be described as being in dynamic equilibrium, this state did not apply to the underdeveloped Periphery, where the continual introduction of labor-saving techniques resulted in a surplus labor supply beyond that already present in the large subsistence sector.<sup>42</sup> In this interpretation, Furtado included a class analysis already foreshadowed in *Development and Underdevelopment*.<sup>43</sup> He argued that class struggle had historically been the engine of economic growth in the advanced West: workers “attack” through organization to raise their share of the national product, and capitalists “counterattack” by introducing labor-saving technology; in this manner, a dynamic equilibrium is approximated. Since labor is unorganized in the Periphery, above all in the rural sector, he asserted, the process fails to work there.<sup>44</sup>

In works published between 1970 and 1978, Furtado elaborated on the contention that underdevelopment was a historical process intimately related to the development of the industrial West. Upper strata in backward regions adopted the consumption patterns of the developed West as such areas entered the international division of labor.<sup>45</sup> This process was the “result of the surplus generated through static comparative advantages in foreign trade. It is the highly dynamic nature of the modernized component of consumption that brings dependence into the technological realm and makes it part of the production struc-

ture."<sup>46</sup> Novel items of consumption require increasingly sophisticated techniques and increasing amounts of capital. But capital accumulation is associated with income concentration, so industrialization "advances simultaneously with the concentration of income."<sup>47</sup> Thus, in underdeveloped countries, the consumption patterns of the groups that appropriate the economic surplus and their concomitant political power—and not the elastic labor supply, as Furtado had once believed—determine the differential between the industrial wage rate and that of the subsistence sector, and keep it stable.<sup>48</sup>

In 1978 Furtado wrote a large statement on Dependency, *Accumulation and Development*, in which he attempted to relate accumulation to social stratification and political power.<sup>49</sup> For Furtado, the struggle against dependence usually begins with a demand for national control of nonrenewable resources, followed by a similar effort to control the home market. Victories in these areas will create the possibility of freedom from financial dependence, in permitting the accumulation of a critical mass of financial resources necessary for economic development. But only after these three conquests could the most difficult problem be attacked, the control of technological progress, currently the most important form of domination by the countries of the Center; technological innovation formed a crucial link between the Center and the Periphery, based on capital-intensive production for the consumption of upper strata.<sup>50</sup>

Another Brazilian, Fernando Henrique Cardoso, played a major role in moving the Dependency perspective toward an analysis of social relations in the latter sixties. Although born into a family of military officers in Rio de Janeiro, Cardoso received his secondary and higher education in São Paulo. At the University of São Paulo he quickly became a prominent sociologist. After completing his dissertation on Brazilian slavery, Cardoso turned to the problem of industrialization, a subject of obvious interest in São Paulo. He did postgraduate work with the labor sociologist Alain Touraine at the University of Paris, where, like Furtado, Cardoso would later teach. His special interest was Brazilian entrepreneurs, about whom he published a book in 1964. Like Furtado, Cardoso went into exile after the coup, locating in Santiago, Chile, where both men associated with ECLA.

Rejecting the view that the several national bourgeoisies would bring full capitalist development to Latin America, Cardoso arrived at a pessimistic evaluation of this social group in his empirical studies of industrialists in Brazil and Argentina. His view that Latin America lacked what Charles Morazé has termed a “conquering bourgeoisie” was shared by other South American social scientists who studied the matter in the mid-sixties.<sup>51</sup> Cardoso had reached his position before the Brazilian coup of 1964 — in which Brazilian business leaders supported the generals — and before multinational corporations became so prominent, and native industrialists less conspicuous, in the more open economies of the Argentinean and Brazilian dictatorships of the latter 1960s.

*Dependency and Development* was a collaborative work by Cardoso, who provided most of the theoretical perspective, and Enzo Faletto, a Chilean sociologist who was largely responsible for the comparative historical studies in the joint effort.<sup>52</sup> Although Osvaldo Sunkel, a Chilean Structuralist-turned-Dependency-analyst, spoke of the international capitalist system as “a determining influence on local processes” and one which was “internal” to the Periphery’s own structure, Cardoso and Faletto preferred to speak of two subsystems — the internal and the external — and emphasized that the international capitalist system was not solely determining. There was a complex internal dynamic to the system, they asserted.<sup>53</sup> Beyond this, Cardoso stressed the mutual interests among social classes *across* the Center-Periphery system. The interests of the bourgeoisie of the Center, and by implication, those of its proletariat, overlapped those of sectors of the bourgeoisie of the Periphery; these links became all the more intimate as multinational firms loomed ever larger in Latin America.<sup>54</sup> Cardoso and Faletto analyzed the development of the “populist” coalition of national capital with the working class, corresponding to the successful phase of industrialization, and linked the failure of the import-substitution model with the demise of the populist political style. In the current phase of capital accumulation, they believed, authoritarian regimes were needed to assure a political demobilization of the masses.<sup>55</sup>

Their treatment of Dependency, despite its early appearance, was more nuanced than others, emphasizing contradiction,

shifting alliances, and a range of historical possibility. Cardoso and Faletto distinguished between simple enclave economies and those controlled by local bourgeoisies. For the latter, they entertained the possibility of significant manufacturing sectors. In a scheme they called “associated development” or “development with marginalization [*marginalidad*]” and which Cardoso would later term “associated-dependent” development, they noted that contemporary foreign capital was focusing its investment in manufacturing operations. Furthermore, the public sector, multinational capital, and the “national” capitalist sector were joining hands under authoritarian rule. Like Furtado, Cardoso and Faletto pointed to the international system as a whole as the proper unit of analysis; and like Furtado, they saw development and underdevelopment not as stages but as locations within the international economic system, for which they offered a schematic historical analysis of the Periphery’s class dynamics.<sup>56</sup> This feature of Cardoso’s Dependency analysis — emphasizing the possibilities of growth against the theses of Furtado, Rui Mauro Marini, and the American Andre Gunder Frank — became more prominent in the midst of the “Brazilian economic miracle” of 1968–73. Cardoso was soon to emphasize the importance of the “internationalization of the domestic market,” dominated by multinationals, as the source of dynamism in the present stage of the history of imperialism.<sup>57</sup>

What are the sources of Cardoso’s analysis? Marxist roots have frequently been ascribed to Dependency.<sup>58</sup> One who makes the attribution is Cardoso himself, for many students the most important Dependency writer. This interpretation has been reinforced by the English edition of *Dependency and Development* (1979) by Cardoso and Faletto, in which preface, postscript, and parts of the text show a strong Marxist orientation. By contrast, the first Spanish edition (1969) is far less obviously influenced by Marxism, and the original draft (1965) is recognizably a Structuralist product. In this first version the authors challenge the Parsonian categories of modernization theory, and they are pessimistic about the reformism of local bourgeoisies, but from an eclectic perspective. No Marxist studies were cited in the draft, and Marxist categories are almost completely lacking. The theme receiving most attention in the 1965 version was the inadequacy of the bourgeois-directed project of development, partly

resulting from increasing market domination by multinational corporations.<sup>59</sup>

The issue of lineage — Structuralist or Marxist — is clouded, however, by elements in Cardoso's 1964 study on Brazilian entrepreneurs. That work adumbrates one of his most important contributions to the Dependency tradition — namely, his denial of the adequacy of Parsonian-derived "modernization theory," although in the limited context of the role of entrepreneurs.<sup>60</sup> In that work, Cardoso, though eclectic in methodology, cast his major conclusions within a Marxist framework.<sup>61</sup> Thus the sources of Cardoso's contribution were various, and a safe conclusion would seem to be that he could make his statement in either a structuralist or a Marxist idiom. Yet it was initially made in the former, as Dependency emerged in Santiago.

Structuralism could accommodate all the major tenets of Dependency,<sup>62</sup> save one: the failure of the national bourgeoisie, a proposition that the Brazilian Communist Party also found hard to accept. Yet perhaps because of the centrality of the thesis of a failed bourgeoisie for Dependency analysis, many writers adopted an exclusively Marxist perspective as the decade of the sixties developed. Dependency analysis matured as a "region" of Marxism: it offered a perspective on imperialism that the classical Marxist theorists of the subject had ignored, namely, the view from the Periphery. A respectable Marxist pedigree was apparently required to validate the Dependency perspective after its radicalization, and after it was challenged by those claiming to represent an orthodox Marxist tradition.<sup>63</sup> Yet most of the Dependency propositions were initially derived from Structuralism, rather than Marxism, even when compatible with the latter school. In any event, Dependency became influential outside Latin America in the 1970s. The best-known historical model of world capitalism developing the implications of Dependency was Immanuel Wallerstein's *The Modern World-System*.<sup>64</sup>

From the vantage point of the 1990s, one can see that Cardoso's version of Dependency has weathered better than others, notably those of Marini and Frank: in Heinrich Rickert's classic distinction between "nomothetic," law-giving sciences and those which are "ideographic" or descriptive, Cardoso's version of Dependency was much closer to the latter, and he rejected

Marini's effort to derive social laws from the Brazilian case.<sup>65</sup> The viability of Brazilian capitalism, denied by Marini and Frank, may still be a matter of debate, but the real level of wages has risen since the 1970s despite the near-stagnation of per capita income growth in the 1980s. The dictatorship, if not a military role in governance, ended in 1985 and so was not "necessary" for the operation of the economy, as it obviously was not in Colombia and Venezuela, whose constitutional and bourgeois-led regimes coexisted with the dictatorships of Brazil and the Southern Cone.

While "orthodox" Marxists attacked Dependency for focusing on relations in the international market and neglecting class analysis — a charge only partly justified in the case of Cardoso and unjustified in Marini's work of the early 1970s—the Dependency group was attacked by non-Marxist social scientists, especially in North America, for its vagueness, inconsistencies, and inability to specify the conditions under which Dependency's propositions, if untrue, could be falsified (Karl Popper's "methodological monism" for bodies of knowledge seeking the status of science).<sup>66</sup> Cardoso's frequently repeated affirmation that Dependency did not offer a formal theory but a perspective for contextual and historical analysis<sup>67</sup> was seen as elusive. Dependency's inability to provide unambiguous solutions, or at least programs in the Cardoso version, also weakened its appeal. A key Dependency claim — the failure of Latin America's national bourgeoisies "to fulfill their historic mission" in building a new state and recasting hegemonic value structures in the almost-mythical manner of the French revolutionaries — should also be put into historical perspective. Were the Dependency analysts aware of the critiques in England by Friedrich Engels, or in Germany by Robert Michels, of the national bourgeoisie's failure to construct its own hegemonic values?<sup>68</sup> Aware or not, they tended to view such matters as unproblematic, and the achievement of bourgeois revolutions in Europe were taken as given facts.

### III. Pedagogy of the Oppressed

If Celso Furtado played the key role in the transition from Structuralism to Dependency, Paulo Freire, another Northeasterner,



sought a different kind of development. Whereas Furtado looked to decisive state action, Freire wanted to start with the masses, the *povo*. Despite his middle-class background, Freire knew hunger during the early years of the Great Depression. A profoundly religious man, he was the prophet of social justice. For Freire, "What Ought to Be, Can Be." He would presumably have shunned the title Philosopher of Education — though he was that — because of the emphasis he always placed on the necessity of combining theory and practice. A powerful writer even in translation, Freire ably communicated his excitement about the relationship between literacy and liberation.

At the risk of oversimplification, let me try to summarize his theses: The oppressed are the poor and powerless — the wretched of the earth — exemplified by the peasants, workers, and marginals of Northeast Brazil. They are dehumanized, where dehumanization means "a distortion of the vocation of becoming more fully human."<sup>69</sup> The oppressors, by their violence against the oppressed, have also denied themselves their full humanity. For Freire, violence cannot be initiated by the oppressed, by the very definition of their condition.<sup>70</sup> But the downtrodden should shun violence. They have a double obligation to liberate both themselves and their oppressors, yet they fear freedom: the oppressed have internalized the self-image supplied by the oppressor, and therefore must first discover, and then analyze, their oppression.

Pedagogy for Freire must be with, and not for, the oppressed. The role of the educator is to engage in a dialog with the oppressed that will allow them to reflect on the world, in order to transform it. The process is *conscientização*, of which "consciousness-raising" is perhaps the best translation. Unfortunately, the English phrase does not capture the whole meaning, since in Portuguese (as in Spanish) *consciência* means "conscience" as well as "consciousness." Freire defines *conscientização* as "the process by which human beings participate critically in a transforming act"<sup>71</sup> to secure their own liberation. Thus, *conscientização* is linked to praxis, which for Freire means more than "practice": Praxis is a chain of practice and reflection, in which action is subjected to critical review and reconsideration to guide (and correct) future action in pursuit of liberation.

The problem is multidimensional. Underdevelopment and the misery it entails imply a dependency relationship for subordinate social classes, as well as dependency at an international level for Brazilian culture on that of the developed West.<sup>72</sup> “Cultural invasion” must be opposed. “All domination involves invasion,”<sup>73</sup> Freire writes, at local and international levels, beginning with the peasant’s internalization of the inevitability of his social condition.

Contemporary illiteracy is the result of “the culture of silence” with its rigid hierarchies. The oppressed in their dehumanization are reduced to “beings for another.”<sup>74</sup> And yet, with gentle guidance, the poor can secure their own liberation. In this process, the teacher-student relationship is not one of subject and object. The poor, the students, are not empty vessels into which the educator pours knowledge. Rather, authentic thinking for Freire is dialogical.

Literacy and *conscientização* must come together in a phased process. First comes codification—the abstraction from concrete reality—and then decodification—the description and interpretation.<sup>75</sup> This exercise is focused on what Freire calls “generative words” that have real meanings for the oppressed — *casa* (house), *fome* (hunger), *terra* (land). Identifying with the emotive ideas of such words, illiterates associate other words with them — again based on the everyday lives of the oppressed — and incorporate their stock into a reading vocabulary. Building on their own experience in Portuguese, a highly phonetic language, the poor can create their own texts.<sup>76</sup> They problematize their own existential situations and simultaneously learn to read with an excitement and urgency that in turn educates the teacher.

*Conscientização* and becoming literate are thus fused in a single enterprise. Freire does not hesitate to term the “Pedagogy of the Oppressed” a revolutionary process, but one which is necessarily dialogical. The achievement of literacy is only the beginning of a broad social mobilization — through church groups, neighborhood associations, sports clubs, trade unions, peasant leagues, etc. — that will empower the masses. Freire had a unique opportunity to combine theory and praxis in his home town of Recife, Pernambuco, where the progressive Miguel Arraes was elected mayor in 1960, and permitted Freire and others to create the Movement of Popular Culture.

The implications for existing patterns of domination are obvious, and as Freire and his crews of volunteer teachers succeeded in Recife and then their movement spread to neighboring Rio Grande do Norte, the *classes conservadoras* became alarmed. And possibly for good reason, because in Pernambuco the literacy campaign had enfranchised 200,000 new voters (rising to a million from 800,000); in Rio Grande do Norte, 80,000 voters were added to the previous total of 90,000.<sup>77</sup> The military coup of March-April 1964 put an immediate end to Freire's experiment and others based on it across the country. The educator was jailed and then permitted to go into exile. In the open society of Chile—seven years before the coup d'état of General Augusto Pinochet—Freire continued his work and wrote his first systematic treatise, *Education and the Practice of Freedom*. Subsequently, trying to avoid the image of guru or prophet, Freire became a world-bestrident figure, employed by UNESCO in Guinea-Bissau and Geneva, teaching at Harvard, advising the revolutionary government of Nicaragua, and returning to Brazil after the amnesty of 1979.

With the triumph of the Workers' Party in the municipal elections of São Paulo (a city of 22 million) in 1988, Freire was appointed Secretary of Education by Mayor Luísa Erundina of the Marxist Partido dos Trabalhadores (Workers' Party) and introduced his program there in 1989–91. Directing a school system of 662 schools with 40,000 employees, Freire had 710,000 pupils under his supervision. Retention rates at the elementary-school level rose from 79 to 88 percent in this period, and teachers' salaries rose. But more characteristic of Freire's style was the introduction of a partly official, partly volunteer, literacy-with-mobilization movement called MOVA. The movement fell short of its goal of certifying 60,000 new adult literates, yet several tens of thousands did learn to read and write.<sup>78</sup> Freire resigned in May 1991 to return to full-time writing and advocacy.

Until his death in 1997, Paulo Freire continued to defend his ideas in print and in person, decrying the fact that 33 million Brazilians were literally hungry in the mid-1990s. He rejected postmodernism insofar as it proclaims the end of ideologies and class struggle; for him, "reactionary postmodernism" masks an immobilism that fails to oppose the designs of the regnant neoliberal ideology,<sup>79</sup> in which labor markets must be "flexible"

and archaic and oppressive social structures are simply “institutional rigidities.” Having in mind today’s neoliberals, Freire recently wrote, “*Conscientização*, dreams, utopias, none are valid to the immobilist.”<sup>80</sup> In the Brave New World in which capitalism is seen as harsh, but just, education for the masses is at best reduced to training, in which the question “Why?” is not permitted.<sup>81</sup>

#### IV. Liberation Theology

Freire’s methods and convictions found a resonance in progressive circles of the Roman Catholic Church even before the creation of Liberation Theology. This theology is not for everyone; its purpose is to build “a Church with a preferential option for the solidarity with the poor.”<sup>82</sup> It has been a major movement in Latin America since its inception in the decade after 1965, but what makes it important is not only theory and ideology. In Michael Lowy’s words, it is part of “Liberationist Christianity,” which includes broad social movements.<sup>83</sup>

A radical theology arose partly in response to the fact that Latin America, with 35 percent of the world’s Catholics (compared to 33 percent in Europe), was served by far fewer religious than Europe c. 1960. Brazil was and is by far the world’s largest Catholic community. The perception in Rome in the 1950s that Brazil and Latin America were not only poorly served but poorly catechized led to a missionizing effort, along with a program to train the brightest young Latin American priests in Louvain, where many became acquainted with Left-oriented social scientists.<sup>84</sup>

The Church itself took a new turn under the peasant Pope, John XXIII, whose lead Paul VI followed in the Second Vatican Council (1962–65). A radical position was evident by 1968 at the Second Latin American Bishops’ Conference (CELAM) in Medellín, Colombia. Sin was declared to be a collective matter, as well as a personal one. Among other things, the conference recognized the legitimacy of revolutionary insurrection. At the economic level, CELAM supported the contention of Structuralism and Dependency that Latin America was the victim of unequal exchange in the international trading process. Even earlier, Catholic radicals in Brazil and elsewhere had begun form-

ing alliances with others on the Left. But the following CELAM in 1979 at Puebla, Mexico, drew back from radicalism under John Paul II (1978– ) and in general the present pope has been hostile to Liberation Theology.

The term “Liberation Theology” seems first to have been used in a doctoral thesis by the Brazilian Protestant theologian Rubem Alves in 1968. But Alves did not refer to Latin America specifically, and the tenets of Liberation Theology applied to the region were first sketched out by the Peruvian Jesuit Gustavo Gutiérrez the following year. Both works bore the title *Toward a Theology of Liberation*.

What is this doctrine? First of all, it *is* theology, its proponents insist, and not just an ideology critical of contemporary Third World societies. Father Gutiérrez defines theology as “critical reflection on praxis in the light of the word of God.”<sup>85</sup> For Phillip Berryman, one of Liberation Theology’s leading students, it consists of the following three elements: (1) an interpretation of faith out of the experience of the poor (a category much broader than Marx’s proletariat); (2) a critique of society and its underlying ideologies; and (3) a critique of the activity of the Church from the viewpoint of the poor.<sup>86</sup>

More specifically, the doctrine includes the following tenets:

1. The “preferential option for the poor” implies an emphasis on human rights (adequate food, shelter, health) rather than civil rights, and collective rights over individual rights. But the poor must participate in the process as actors through *conscientização*: The goal is “to make them conscious agents of their own history.”<sup>87</sup> In the words of the Brazilian theologians Leonardo and Clodovis Boff, the people must be the primary agents of their own liberation.<sup>88</sup> This process is chiefly undertaken in Christian Base Communities, often with a minimum of clerical guidance, in which the poor read and meditate on Scripture, and on how it may be used to transform their life circumstances.

2. Poverty is an evil, and results from oppression. Like Freire, the Liberationists believe poverty dehumanizes the oppressed as well as the oppressors, and for them, “Oppression is contrary to the will of God.”<sup>89</sup>

3. Idolatry, not atheism, is the main enemy of religion. The idols in question are Mammon, the Market, and National Security programs to protect the existing social order.<sup>90</sup>

4. Liberation Theology indicts dependent capitalism — in the sense Fernando Henrique Cardoso describes — as a form of structural sin.

5. Such a theology uses Marxism as its primary social science method. To measure oppression and to determine what is social sin, theology requires the instruments of social science.<sup>91</sup> According to the Boff brothers, Liberation Theology opts for dialectical reasoning about society and history, based on analysis of contradictions, rather than functionalist social theory. For them, the dialectic is not exclusively a Marxist form of reasoning; it exists in patristic theology and Biblical revelation (in addition to its appearance in Greek and Hegelian philosophy). Marxism in short is “peripheral” to Liberation Theology; it is used “partially and instrumentally.”<sup>92</sup>

6. Liberation Theology rejects Platonic dualism that would separate history and redemption. In Liberation Theology, faith “includes and transcends the demand for social liberation.”<sup>93</sup>

7. Liberation Theology has a biblical orientation; however, “biblical” does not mean “literalist.” Both the Gospels and the Old Testament are important, especially Exodus. Like the ancient Hebrews, the poor must be agents of their own salvation. Exodus also shows “a God who ‘takes sides’ ” against the oppression of Pharaoh, then and now.<sup>94</sup>

On matters of dogma and ecclesiology (Church structure and governance), Liberation Theologians are generally conservative (but see below). For one thing, they do not need to deal with the “God problem” — the skepticism, atheism, and agnosticism — of Catholics and Protestants in the developed West, because such attitudes are lacking in the Latin American masses.

Brazil is the country where Liberation Theology and Praxis have had the greatest impact.<sup>95</sup> In fact, the theory or theology was a response to a movement that began in the late 1950s. Inspired by French Catholic youth movements and the progressive Catholicism of Emmanuel Mounier and his journal *L'Esprit*, the Brazilian Catholic Student Youth (Juventude Universitária Católica, or JUC) quickly took over the national student organization (União Nacional dos Estudantes, or UNE). Its members pushed French ideas in a radical direction in 1960.<sup>96</sup> Two years later, UNE published an odd title for a secular student organization: *Cristianismo hoje* (Christianity Today); it consisted of writ-

ings by theologians, including the Jesuit Father Henrique Vaz, and JUC leader Herbet José de Souza, who later became a leading sociologist. The themes were those that Liberation Theology would address later — “the Gospel of the poor, denouncing the social structure of the rich; the Gospel of the worker and peasant against the oppression of the powerful.”<sup>97</sup> Simultaneously, under the direction of the progressive mayor of Recife, Miguel Arraes, JUC volunteers were helping Paulo Freire organize the Movement of Popular Culture and popular literacy campaigns based on *conscientização*. The radical Christian movement likewise affected peasant leagues. Thus, as the brothers Boff have remarked, the praxis of liberation preceded Liberation Theology.<sup>98</sup>

The radical ambient, threats to traditional social structures and foreign capital, the polarization, the strikes, and the United States’ fear of another, much larger Cuba brought about a coup d’état on March 31-April 1, 1964. President João Goulart was forced into exile, and hundreds of politicians, workers, students, and intellectuals lost their political rights for ten years. Literacy programs were dismantled. The highest ecclesiastical body in the country, the National Council of Brazilian Bishops (CNBB), publicly endorsed the coup to interdict the Communist threat. The military, instituting a corporate dictatorship with revolving chiefs of state, would not relinquish power for another twenty-one years. In the increasingly arbitrary dictatorship after 1968, an urban guerrilla campaign arose, only to be crushed in the early 1970s, partly through the widespread use of torture.

The first churchman to publicly denounce this torture was the bishop of Recife, Dom Helder Câmara, on a trip to Paris in 1970. Soon thereafter Paul VI condemned torture in the abstract, and most significantly, a progressive bishop from Rio Grande do Sul, Aloísio Lorscheider, was elected president of the CNBB. With the hardening of the dictatorship and the suppression or liquidation of the legal and illegal opposition to the regime, the Church—and particularly the CNBB—became the core of resistance. The elevation of the Franciscan Paulo Evaristo Arns to the archbishopric of São Paulo, replacing a conservative, gave Catholicism a progressive cast in Brazil’s largest city. Bishop Arns secretly led a campaign to document the outrage of torture, case by case, using a chance access to the military’s own

records. Arns and his team, working with the (Protestant) World Council of Churches, thus assembled the most fully documented story of torture in the postwar era.<sup>99</sup> The results of the investigation were published in *Brasil, Nunca Mais* (Brazil, never again), which revealed the names of the torturers as well as detailed their heinous crimes.

This activity advanced civil rights, but not “human rights” more broadly, as understood in Liberation Theology. Yet here too the CNBB was active, denouncing the military’s capitalist modernization project as unjust (for example, the government’s collusion in expelling peasants from the land, as ranchers moved into the newly “developed” Amazon Valley). The bishops of the Northeast and Central-West Brazil went further, declaring capitalism to be “the root of evil” in a document one writer calls “the most radical statement ever issued by a group of bishops anywhere.”<sup>100</sup> The CNBB itself, working with Marxist social scientists, issued a *Pastoral of the Land*, based largely on the classic Marxist analysis in *The Agrarian Question* by Karl Kautsky.<sup>101</sup> There is some evidence that in the 1970s and ’80s certain Church circles even espoused the belief that peasants could and would successfully *resist* capitalism, a position reminiscent of the views Russian *narodniki* had held a century earlier.

But the main way in which the CNBB helped advance Liberation Theology was by encouraging the formation of Christian Base Communities (CEBs) so that tens of thousands of these local organizations existed by 1980, far more than those in any other Latin American country. By one estimate, two and a half million people (the majority women) participated in CEBs by the mid-eighties.<sup>102</sup> As noted, these groups study and reflect on Scripture and discuss the ways in which it applies to their daily lives. The Base Communities intersect and interact with other progressive movements and groupings, such as the Landless Rural Workers’ Movement (Movimento dos Trabalhadores Rurais Sem Terra). Clergy, nuns, and laity helped advance the grassroots organization of the Partido dos Trabalhadores (PT), Latin America’s only major Marxist party outside Cuba.<sup>103</sup> As such, however, the Base Communities are reluctant to address issues beyond the local level, and sympathetic scholars are divided on whether this tendency is desirable or not.<sup>104</sup>



Although most Liberation Theologians have avoided the issue of ecclesiology, the Brazilian brothers Boff have not: they, and especially Leonardo, challenge the medieval structure of authority in Church.<sup>105</sup> The Franciscan's position grew out of his view that the self-liberation of the poor is not compatible with the paternalism of the Church. For his views, Father Leonardo was summoned before Cardinal Joseph Ratzinger in 1984, head of the Vatican's Sacred Congregation for the Doctrine of the Faith, and was silenced for a year. Among the cardinal's concerns was the fear that Liberation Theology was becoming a class-based ideology disguised as theology. While denying that it was, Boff countered that ideology was part of the human condition. Under pressure, one assumes, Father Boff left the Franciscan order in 1992 and became a lay theologian.

While critics on the Left noted that, until very recently, Liberation Theology has been relatively conservative on women's issues (abortion in particular), John Paul II viewed Liberation Theology as a radical tendency dangerous to the Faith. He has consistently appointed bishops in Latin America who oppose it; at least seventeen of his bishops to date have been members of the extremely conservative Opus Dei movement. In Brazil, a conservative, D. Lucas Moreira Neves, became president of the CNBB in 1995 with the support of the Vatican.

Is the Liberationist movement therefore moribund in Brazil and Latin America? If on the defensive, it is certainly not dead. This is the opinion of Jorge Castañeda in his scholarly assessment, *Utopia Unarmed: The Latin American Left after the Cold War*.<sup>106</sup> None of the Liberation Theologians has recanted. The Boff brothers want to struggle for democracy within the Church, while Gustavo Gutiérrez remains committed to broad social action. In recent years, the definition of the poor has been expanded to include other oppressed groups—specifically Indians, Blacks, and women (for their double oppression). Bishop Oscar Romero, the martyr of El Salvador; Father Jean-Bertrand Aristide, Haiti's first democratically elected president; and Bishop Samuel Ruíz in Chiapas — whose Christian Base Communities were the recruiting grounds for Zapatista rebels in 1994 — remind us that the progressive Church and Liberation Theology were still a presence in the 1980s and 1990s. In Brazil, on the 500th anniversary of Columbus's voyage, the CNBB—in

contrast to the pope's own remarks in Santo Domingo — asked forgiveness for sins against Blacks and Indians in the Church's complicity with conquerors and oppressors. Furthermore, the Brazilian bishops acknowledged that the results of some of these sins persist.<sup>107</sup>

## **V. Conclusion**

We have considered four ideas, constructs that were associated with a generation of Brazilians coming to maturity in the years 1940 to 1955,<sup>108</sup> and which responded to the issues associated with the rapid economic growth and the heady nationalism of the late 1950s, followed by economic crisis and military dictatorship in the early 1960s. The writers in question were not only contemporaries, but knew each other and communicated among themselves. Three of them — Celso Furtado, Fernando Henrique Cardoso, and Paulo Freire — had the same publisher, Editora Paz e Terra, and occasionally met in the home of Fernando Gasparian, owner of the firm. All ideas responded to perceived crises, and three — Structuralism, Liberation Theology, and Pedagogy of the Oppressed — sought to give theoretical expression to processes or movements already underway. Dependency analysis tried to explain why the Structuralist project had apparently failed.

The first two of the ideas considered above, Structuralism and Dependency, are primarily economic (though the latter also has political and cultural implications). The crisis of Structuralism in the mid-1960s — arising from the limitations of the import-substitution strategy of industrialization — gave rise to Dependency. But the latter school seemed to offer no concrete solutions for overcoming dependency and underdevelopment. In the world of the 1990s, Neoliberalism is the triumphant economic doctrine, but the ideological assault on state intervention in the economy by the World Bank and other institutions may mask the crucial role played by governments in the development process.

The experience of East Asian countries is instructive in this regard, and merits a brief digression. Although orthodox economists point to the “high-performing” countries of East Asia — Japan, Korea, Malaysia, Indonesia, Singapore, Thailand, and

Taiwan — as successful examples of the application of liberal policies leading to successful industrial exports, a revisionist monographic literature has established that governments played important roles in development through market intervention in Japan, Korea, and Taiwan.<sup>109</sup> Moreover, the same seven “high-performing” countries that achieved three times the growth rates of Latin America and South Asia between 1960 and 1985 — and five times those of sub-Saharan Africa — also performed considerably better than the latter areas with regard to income distribution among social groups, partly because of state policy, including land reform in Japan, Korea, and Taiwan.<sup>110</sup> One of the themes development economists now stress is the importance of human, as opposed to physical, capital, and the extension of primary education in the East Asian high-performers was, for the World Bank, “by far the largest single contributor to... [their] predicted growth rates.”<sup>111</sup>

Reacting to Neoliberal successes in East Asia and elsewhere, Brazilian and other Latin American Structuralists during the 1980s reinvented their doctrine as “Neo-Structuralism.” The new version would avoid the mistakes of import-substitution industrialization and incorporate lessons from Neoliberalism, seeking, for example, export opportunities in a flexible policy to develop both internal and external markets: Prebisch’s “inward-directed development” would be replaced by “development *from* within.” The state would remain interventionist, seeking to collaborate with the private sector, but would concern itself as well with social development, environmental problems, and equity issues.<sup>112</sup>

For the Brazilian Neo-Structuralist Winston Fritsch, the recurrent external disequilibrium that concerned Raúl Prebisch in the 1940s and 1950s could be overcome in the 1990s not by less trade, but more, given the ever-rising share of manufactures in the world market, and the limits of a strategy of the compression of imports. Latin American nations should follow a policy of generalized liberalization of trade combined with protection of nascent industries, especially manufactures, based on criteria of efficiency and competitiveness in the international market.<sup>113</sup> Here “Neo-Structuralism” reconciles the Structuralist tradition, emphasizing industrialization, with the mounting evidence linking economic growth with international trade.

Dependency, on the other hand, has perhaps been the least vital of the four ideas considered above. The single most important figure in the Dependency movement, Fernando Henrique Cardoso, renounced his earlier views to win key endorsements in his successful bid for the presidency of Brazil in 1994.<sup>114</sup> Cardoso was never a revolutionary, but those Dependency analysts who were, such as Marini and Frank, abandoned their doctrines with the collapse of the Soviet system. Moderate versions, which called for “selective delinking” of underdeveloped economies from the world market, did not score notable success. Brazil’s efforts at developing a cutting-edge position in the computer industry, for example, have been less than impressive.

Yet Dependency has not been barren. Initially the school was extremely pessimistic about closing the technology gap between developed countries and Latin America, but the Argentinean Jorge Katz and his associates have undertaken a variety of case studies showing how innovation occurs in manufacturing industries in Latin American milieux, making use of comparative advantage. These researchers hold out the possibility that if Latin Americans cannot operate on the technological frontier because of huge capital costs, they may operate not too far from that frontier by taking advantage of lower labor costs in specific and well-defined niches, as the East Asians did.<sup>115</sup>

I believe the jury is still out on Pedagogy of the Oppressed and Liberation Theology. The viability of such ideas may be diminished by their adherents’ use of Marxist analysis, in the wake of the collapse of “really existing” socialist regimes. However, I believe that the Liberation Theologians, and Freire, were he alive, would contend that Marxism is still useful as a sociology of capitalism (and dependent capitalism, in particular) in a country in which economic inequities have been so great for so long.<sup>116</sup> In the mid-nineties, Furtado’s view was still tenable that industrial capitalism in Brazil has grown by concentrating income in the upper social strata, even if the experience of East Asian countries demonstrates that vigorous growth can be combined with a more equitable sharing of the fruits of economic progress.

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## Notes

1. Adapted in part from *Crafting the Third World*, by Joseph L. Love, with the permission of the publishers, Stanford University Press. © 1996 by the Board of Trustees of the Leland Stanford Junior University.
2. Personal communication, São Paulo (November 1969).
3. Quoted in Roberto Schwarz, "Brazilian Culture: Nationalism by Elimination," in his *Misplaced Ideas: Essays on Brazilian Culture* (London: Verso, 1992), 16.
4. One could also refer to "sets of ideas" or even "ideologies," insofar as the constructs in question constitute a set of propositions that implicitly justifies social values or social configurations, actual or ideal. I have avoided trying to set the problem in the framework of Thomas Kuhn's "paradigms" or Imre Lakatos's "scientific research programs" because disputes over the applicability of the Kuhn and Lakatos models to the history of economic and social ideas would seem to make such an effort at the world-region level gratuitously problematic and polemical: there is extensive debate over whether the Kuhn and Lakatos frameworks, designed for the natural sciences, even apply to neo-classical economics, usually considered the "hardest" of the social sciences. See Thomas S. Kuhn, *The Structure of Scientific Revolutions*, 2d ed. (Chicago: University of Chicago Press, 1970); Mark Blaug, *The Methodology of Economics: Or, How Economists Explain* (Cambridge, England: Cambridge University Press, 1980). Nevertheless, Structuralism, for example, did exhibit paradigm-like qualities.
5. The school thus rejected the doctrine of comparative advantage, first advanced by David Ricardo in 1817, and later elaborated and extended by J. S. Mill, Alfred Marshall, Bertil Ohlin and Eli Hecksher, and Paul Samuelson. Ricardo had demonstrated that given two countries and two goods, it was to the advantage of both countries to specialize in the production of one good and trade for the other, even if one country produced both goods more efficiently (i.e., at lower cost) than the other.
6. Celso Furtado, "L'économie coloniale brésilienne (XVIe et XVIIe siècles): Eléments d'histoire économique appliquées" (Ph.D. diss., Faculté de Droit, Université de Paris, 1948).
7. Celso Furtado, "Características gerais da economia brasileira" in *Revista Brasileira de Economia* 4, no. 1 (March 1950): 1–37.
8. A construct to measure the effect of a given change in investment on income over successive periods.
9. *A formação econômica do Brasil* (Rio: Fundo de Cultura, 1959), published in English as *The Economic Growth of Brazil: A Survey from Colonial to Modern Times* (Berkeley, Calif.: University of California Press, 1963). The English title is slightly misleading, since *formação* indicates qualitative aspects of development as well as quantitative growth.
10. Furtado, *The Economic Growth of Brazil*, 205–206.
11. *Ibid.*, 211.
12. *Ibid.*, 218–19.

13. Ricardo Bielschowsky, "Brazilian Economic Thought in the Ideological Cycle of Developmentalism (1930–64)" (Ph.D. diss., Leicester University, 1985), 191.

14. For a summary of Furtado's arguments and the subsequent debate in Brazil, see Wilson Suzigan, *Indústria brasileira: Origem e Desenvolvimento* (São Paulo: Brasiliense, 1986), chap. 1.

15. For the best overview of the effects of the Depression across Latin America, see Victor Bulmer-Thomas, *The Economic History of Latin America since Independence* (Cambridge: Cambridge University Press, 1994), chap. 7. Bulmer-Thomas concurs with previous revisionists and finds that import-substitution industrialization was significantly dependent on export recovery, except in Argentina (222–24).

16. On the positive association of trade and growth, see Ross Levine and David Renelt, "A Sensitivity Analysis of Cross-Country Growth Regressions" in *American Economic Review* 82, no. 4 (September 1992): 942–63, examining data for 119 countries; and Hadi Salehi Esfahani, "Exports, Imports and Economic Growth in Semi-Industrialized Countries" in *Journal of Development Economics* 35 (1991): 93–116, considering data for thirty-one semi-industrialized countries.

17. During World War II, Brazil's growth was perhaps less hampered because of the existence of a small capital goods sector.

18. Hans Singer, "The Distribution of Gains Between Investing and Borrowing Countries" in *American Economic Review: Papers and Proceedings* 40, no. 2 (1950): 473–85.

19. By my definition, internal colonialism is a process of unequal exchange, occurring within a given state, characteristic of industrial or industrializing economies, capitalist or socialist. As the economy becomes more differentiated with regard to region, factors and income flow from one geographically definable area to another, based primarily on price mechanisms, and secondarily (or not at all) on fiscal transfers; the state may nonetheless play a decisive role in setting price ratios, and differential regional effects of foreign trade are relevant. At the minimum, the process involves a structural relationship between leading and lagging regions (or city and hinterland) of a territorial state, based on monopolized or oligopolized markets, in which growth is progressively "inequalizing" between populations of these constituent geographic elements, rather than "equalizing." Internal colonialism is distinct from colonialism per se, in which an alien state enforces monopsony in labor markets, or even prescribes wage levels and labor drafts, such as the *repartimiento* of the Spanish American empire or the *corvée* of French colonial Africa. The definition by itself does not, of course, establish that the phenomenon exists.

20. See Singer, "Trade and Fiscal Problems of the Brazilian Northeast," in *International Development: Growth and Change* (New York: McGraw-Hill, 1964). For Furtado's work, see Conselho de Desenvolvimento: Grupo de Trabalho para o Desenvolvimento do Nordeste, *Uma política de desenvolvimento econômico para o Nordeste* (Rio de Janeiro: Conselho de Desenvolvimento, 1959). That Furtado

was the principal author of this statement is indicated in Furtado, *A operação nordeste* (Rio de Janeiro: ISEB, 1959), 35.

21. Singer, "The Distribution of Gains."

22. Conselho de Desenvolvimento, *Uma política*, 7, 14.

23. *Ibid.*, 7.

24. *Ibid.*, 22.

25. A related policy, the *confisco cambial*, also adversely affected the Northeast: the government "confiscated" a share of the earnings of traditional exporters (sugar and cacao planters in the Northeast, coffee and cotton growers in the South) by maintaining an overvalued exchange rate—in effect, collecting a tax. Furtado, *A operação nordeste*, 49.

26. For the estimation procedures, see Joseph L. Love, *Crafting the Third World: Theorizing Underdevelopment in Rumania and Brazil* (Stanford: Stanford University Press, 1996), 280.

27. Conselho de Desenvolvimento, *Uma política*, 27–28.

28. *Ibid.*, 49.

29. *Ibid.*, 59; Furtado, *A operação nordeste*, 37. In 1957, Furtado noted, the absolute cost of food in Recife was a quarter more than that of São Paulo, and much of the food was imported from the South (Conselho de Desenvolvimento, *Uma política*, 60).

30. Werner Baer, *The Brazilian Economy: Growth and Development*, 4th ed. (New York: Praeger, 1995), chap. 12.

31. Furtado, *A operação nordeste*, 13.

32. Celso Furtado, *Development and Underdevelopment* (Berkeley: University of California Press, 1964 [Port. ed., 1961]).

33. Furtado, *A operação nordeste*, 13.

34. Celso Furtado, *Desenvolvimento e subdesenvolvimento* (Rio de Janeiro: Fundo de Cultura, 1961), 180.

35. Celso Furtado, "Elements of a Theory of Underdevelopment," in *Development and Underdevelopment* (Berkeley, Calif.: University of California Press, 1964 [Port. MS 1958]), 129.

36. Furtado, *Desenvolvimento e subdesenvolvimento*, 122.

37. E.g., Bairoch estimates that per capita incomes in the currently developed world and the Third World in 1750 were roughly equal. By 1970 that of the Third World was only one-seventh that of the First World. Paul Bairoch, "The Main Trends in National Economic Disparities since the Industrial Revolution," in *Disparities in Development since the Industrial Revolution*, ed. Bairoch and Maurice Lévy-Leboyer (New York: St. Martin's, 1981), 7.

38. Furtado, *Desenvolvimento*, 192, and "External Disequilibrium in the Underdeveloped Structures," in *Development and Underdevelopment* (1964), 142; Baer, "Furtado on Development: A Review Essay" in *Journal of Developing Areas* 3, no. 2 (January 1969): 272.

39. Celso Furtado, "Capital Formation and Economic Development" in *International Economic Papers*, no. 4 (1954 [Port. original, 1952]), 132–33, and "External Disequilibrium in the Underdeveloped Economies" in *Indian Journal of Economics* (April 1958): 406.
40. I accept Fernando Henrique Cardoso's objection to the term "Dependency Theory" because the perspective was a partial one, and not a theory in the sense of a theory of capitalist development. I therefore use the term "Dependency analysis." See Cardoso, "Teoria da dependência ou análises concretas de situações de dependência?" CEBRAP, *Estudos* 1 (1971): 32.
41. The essential elements of Dependency analysis are a characterization of modern capitalism as a Center-Periphery relationship between the developed, industrial West and the underdeveloped, technologically backward Third World; the adoption of a systemwide historical approach, and the consequent rejection of Boekian dualism and Parsonian modernization theory; the hypothesis of unequal exchange, as well as asymmetrical power relations between Center and Periphery; and the assertion of the relative or absolute nonviability of a capitalist path to development, based on the leadership of the national bourgeoisies of the Latin American nations. E.g., see Thomas Angotti, "The Political Implications of Dependency Theory," in *Dependency and Marxism: Toward a Resolution of the Debate*, ed. Ronald H. Chilcote (Boulder: Westview, 1982): 126–27.
42. Celso Furtado, *Diagnosis of the Brazilian Crisis* (Berkeley: University of California Press, 1965 [Port. original, 1964]), 3, 6, 13, 20.
43. See Furtado, *Desenvolvimento e subdesenvolvimento*, chap. 4.
44. *Ibid.*, 48–51, 61–62.
45. For Furtado's first statement of this position, see "Underdevelopment and Dependence: The Fundamental Connections" (Cambridge University Center of Latin American Studies, November 1973 [offset]).
46. See Furtado's retrospective, "Underdevelopment: To Conform or Reform," in *Pioneers in Development*, 2d series, ed. Gerald M. Meier (New York: Oxford University Press [for the World Bank], 1987), 210–11. Furtado believed that technological dependence, resulting from elite consumption patterns, was ultimately an aspect of cultural dependence. Celso Furtado, *Os ares do mundo* (Rio de Janeiro: Paz e Terra, 1991), 35.
47. Furtado, "Underdevelopment," 211.
48. *Ibid.*, 5–6.
49. Celso Furtado, *Accumulation and Development: The Logic of Industrial Civilization*, trans. Suzette Macedo (Oxford: Martin Robertson, 1983 [Port. original, 1978]).
50. *Ibid.*, 4, 121, 129.
51. Fernando Henrique Cardoso, *Empresário industrial e desenvolvimento econômico no Brasil* (São Paulo: Difusão Europeia, 1964), 170–71, 180, 184, "The Entrepreneurial Elites of Latin America" in *Studies in Comparative International Development* 2, no. 10 (1966): 147, and *Ideologías de la burguesía industrial en sociedades dependientes (Argentina y Brasil)* (Mexico City: Siglo XXI, 1971) [data



collected in 1963, 1965–66], 1, 103, 146, 158, 215; Dardo Cuneo, *Comportamiento y crisis de la clase empresarial* (Buenos Aires: Pleamar, 1967), 129, 172, 192; Hélio Jaguaribe, “The Dynamics of Brazilian Nationalism,” in *Obstacles to Change in Latin America*, ed. Claudio Véliz (London: Oxford University Press, 1965), 182 and passim; and Véliz, introduction to *Obstacles to Change*, 2, 7–8.

52. Interview of Fernando Henrique Cardoso by author, São Paulo, 8 June 1990. Also see note 58.

53. Osvaldo Sunkel, “The Pattern of Latin American Dependence,” in *Latin America in the International Economy*, ed. Victor L. Urquidí and Rosemary Thorp (London: Macmillan, 1973), 6; Fernando Henrique Cardoso and Enzo Faletto, *Dependencia y Desarrollo en América Latina* (Dependency and development in Latin America) (Mexico City: Siglo XXI, 1969), 17, 28, 38. Sunkel later changed his view to include an internal dynamic of Dependency.

54. Fernando Henrique Cardoso, “Desenvolvimento e dependência: Perspectivas teóricas na análise sociológica,” in his *Mundanças sociais na América Latina* (São Paulo: Difusão Europeia do Livro, 1969), 21.

55. Cardoso and Faletto, *Dependencia*, 27, 143, 154, 155. On transnational class alliances, also see Cardoso, “Desenvolvimento,” 17, 21.

56. Cardoso and Faletto, *Dependencia*, 28, 32–33, 135 (quotation), 142, 147, 155.

57. Cardoso, “Teoria,” 43.

58. Fernando Henrique Cardoso, “The Consumption of Dependency Theory in the United States” in *Latin American Research Review* 12, no. 3 (1977): 10, 14; Heraldo Muñoz, “Cambio y continuidad en el debate sobre la dependencia y el imperialismo” in *Estudios Internacionales* 2, no. 44 (October-December 1978): 104; Sheldon B. Liss, *Marxist Thought in Latin America* (Berkeley: University of California Press, 1984), 25; José Aricó, *La cola del diablo: Itinerario de Gramsci en América Latina* (Caracas: Nueva Sociedad, 1988), 106; Robert A. Packenham, *The Dependency Movement: Scholarship and Politics in Development Studies* (Cambridge, Mass.: Harvard University Press, 1992), 7–12; José Gabriel Palma, “Dependency: A Formal Theory of Underdevelopment or a Methodology for the Analysis of Concrete Situations of Underdevelopment?” in *World Development* 6, no. 7–8 (July-August 1978): 882.

59. See Cardoso and Faletto, *Dependencia* (1969); and their original draft, “Estancamiento y desarrollo económico en América Latina,” mimeograph, United Nations, Latin American Institute of Economic and Social Planning (ILPES), Santiago, Chile, 1965. Another unpublished version of the essay by Cardoso alone, dated November 1965, emphasized that dependent countries had their own internal dynamics; established types of dependent countries, noting the internationalization of the domestic market in the third type; and challenged the modernization paradigm. This version supports Cardoso’s claim that the theoretical apparatus in the published version was principally his, rather than Faletto’s. Again, the citations and terms were overwhelmingly Structuralist. See Cardoso, “Proceso de desarrollo en América Latina,” mimeograph, United Nations, ILPES, Santiago, Chile, 1965, 19, 21–32, 43.

60. Cardoso denied that the roles played by Europe's historical bourgeoisies in economic development could be replicated by Brazilian entrepreneurs in the 1960s. Cardoso, *Empresário*, 41, 44, 183. For Cardoso, the modernization paradigm presumably did not qualify as "theory" any more than did the Dependency paradigm.

61. *Ibid.*, 181–87.

62. See the definition above in note 40.

63. See Love, *Crafting the Third World*, chap. 13.

64. Wallerstein's main project, *The Modern World-System*, a history of capitalism from the late Middle Ages to modern times, has yielded three volumes to date (1974, 1980, 1989).

65. E.g., see Fernando Henrique Cardoso, "Novas teses equivocadas," in *Autoritarismo e democratização* (Rio de Janeiro: Paz e Terra, 1974), 28.

66. For a critique of Cardoso's Dependency as failing to meet Popper's falsificationist criterion, see Packenham, *The Dependency Movement*, chaps. 3 and 4.

67. E.g., Cardoso, "Teoria," 32, 41, 44.

68. "The English bourgeoisie are, up to the present day [1892], so deeply penetrated by a sense of their social inferiority that they keep up, at their own expense and that of the nation, an ornamental caste of drones [the nobility] to represent the nation worthily at all state functions; and they consider themselves highly honored whenever one of themselves is found worthy of admission into this select and privileged body, manufactured, after all, by themselves." Friedrich Engels, "On Historical Materialism," in *Karl Marx and Friedrich Engels: Basic Writings on Politics and Philosophy*, ed. Lewis S. Feuer (1892; reprint, Garden City, N.Y.: Anchor, 1959), 64.

"In contemporary Germany [circa 1910], there is no socially independent bourgeoisie, proud of itself. Its highest aspiration is first to be accepted by the nobility, then to enter." Michels, quoted in Arthur Mitzman, *Sociology and Estrangement: Three Sociologists of Imperial Germany* (New York: Knopf, 1973), 280.

69. Paulo Freire, *Pedagogy of the Oppressed* (New York: Continuum, 1970), 27.

70. Johan Galtung's notion of "structural violence" applies here — the ruling elite's maintenance of archaic and brutal social structures, its indifference to the misery and illiteracy of the masses, to the suffering caused by preventable disease.

71. Paulo Freire, *The Politics of Education: Culture, Power, and Liberation* (South Hadley, Mass.: Bergin and Garvey, 1985), 106. Freire does not claim to have coined the term *conscientização*; rather, he borrowed it from progressive circles of the Catholic Church (see below). Paulo Freire interviewed by the author, Urbana, Illinois, 9 December 1987.

72. *Ibid.*, 72–75.

73. Freire, *Pedagogy*, 150.

74. Freire, *Politics*.

75. *Ibid.*, 51, 64 n. 15.

76. *Ibid.*, 46.
77. Carlos Alberto Torres, "Paulo Freire as Secretary of Education in the Municipality of São Paulo" in *Comparative Education Review* 38, no. 2 (May 1994): 185.
78. On these matters, see Torres, *ibid.*, 203–206. MOVA had 29,000 students enrolled in 1991, but the number fell to 18,000 in 1992 (203–204).
79. Paulo Freire, *Letters to Cristina: Reflections on My Life and Work* (New York: Routledge, 1996), 85.
80. *Ibid.*, 136.
81. *Ibid.*, 131.
82. Leonardo Boff and Clodovis Boff, *Liberation Theology: From Dialogue to Confrontation* (New York: Harper & Row, 1986), 9.
83. Michael Lowy, *The War of Gods: Religion and Politics in Latin America* (London: Verso, 1996), 33.
84. On these points, see Enrique Dussel, "A Note on Liberation Theology," in *Ideas and Ideologies in Twentieth Century Latin America*, ed. Leslie Bethell (New York: Cambridge University Press, 1996), 275–83.
85. Phillip Berryman, *Liberation Theology: The Essential Facts about the Revolutionary Movement in Latin America and Beyond* (New York: Pantheon, 1987), 26.
86. *Ibid.*, 6; Boff and Boff, *Liberation Theology*, 52.
87. Lowy, *The War of Gods*, 84.
88. Boff and Boff, *Liberation Theology*, 55.
89. *Ibid.*, 52.
90. Lowy, *The War of Gods*, 35; see the work by the Brazilian and German theologians Hugo Assmann and Franz Hinkelammert, *A idolatria do mercado: Ensaio sobre economia e teologia* (São Paulo: Vozes, 1989).
91. Boff and Boff, *Liberation Theology*, 61.
92. *Ibid.*, 16, 22.
93. *Ibid.*, 17.
94. *Ibid.*, 60.
95. Lowy, *The War of Gods*, 81.
96. *Ibid.*, 83.
97. Frei Cardonnel, Padre Henrique Vaz, and Herbet José de Souza, *Cristianismo Hoje* (Rio de Janeiro: Editora Universitária, 1962 [?]), back cover.
98. Boff and Boff, *Liberation Theology*, 9. For an able survey of the process, see Emmanuel de Kadt, *Catholic Radicals in Brazil* (London: Oxford University Press, 1970).
99. See how the story unfolded, with considerable risk to Arns and his collaborators, in Lawrence Weschler, *A Miracle, A Universe: Settling Accounts with Torturers* (New York: Penguin, 1990), originally published in *The New Yorker*.
100. Lowy, *The War of Gods*, 87.

101. Conferencia Nacional dos Bispos do Brasil, *Pastoral da Terra: Posse e conflitos*, São Paulo, 1980.
102. Berryman, *Liberation Theology*, 63; Lowy, *The War of Gods*, 49.
103. The PT, led by “Lula” (Luís Ignácio da Silva), was the only party to favor land reform in the 1989 elections. Lula won 47 percent of the vote in the presidential runoff election.
104. David Lehmann, *Democracy and Development in Latin America: Economics, Politics and Religion in the Postwar Period* (Cambridge, England: Polity, 1990), xiii-xiv; Lowy, *The War of Gods*, 50.
105. See Leonardo Boff, *Igreja: Carisma e poder: Ensaios de eclesiologia militante* (Church: Charisma and Power: Essays on Militant Ecclesiology) (Petrópolis, Rio de Janeiro: Vozes, 1981).
106. Jorge Castañeda, *Utopia Unarmed: The Latin American Left after the Cold War* (New York: Vintage, 1994), passim.
107. Lowy, *The War of Gods*, 135.
108. Although Structuralism had its origin in the work of Raúl Prebisch, the Argentinean economist twenty years the senior of Celso Furtado.
109. World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (New York: Oxford University Press, 1993), 83. On the same page, the bank takes a middle position, arguing for a limited “market-friendly” interventionism “to ensure adequate investment in people, provision of a competitive climate for enterprise, openness to international trade, and stable macroeconomic management.” Yet an economist who participated in the project asserts that the dominant Neoliberal ideology resulted in rewriting the report to play down the role of the state. See Robert Wade, “Japan, the World Bank, and the Art of Paradigm Maintenance: The East Asian Miracle in Political Perspective” in *New Left Review*, no. 217 (May/June 1996): 3–36.
110. World Bank, *The East Asian Miracle*, 2.
111. *Ibid.*, 52.
112. See the essays in Osvaldo Sunkel, ed., *El desarrollo desde dentro: Un enfoque neoestructuralista para la América Latina* (Mexico City: Fondo de Cultura Económica, 1991), translated into English as *Development from Within*.
113. Winston Fritsch, “El nuevo marco internacional: Desafíos y oportunidades,” in *El desarrollo desde dentro*, 407, 414.
114. If Cardoso now believes that the “principal priority” of the state is to “provide basic services, in particular, education and health,” and that the state’s role is no longer, as he once imagined, “to shape progress,” the framers of the Washington Consensus on economic and fiscal orthodoxy could scarcely object. See Fernando Henrique Cardoso, “Ainda a ‘teoria’ da dependência,” *Folha de S. Paulo* (28 May 1995), 5–5.
115. Jorge M. Katz, ed., *Technology Generation in Latin American Manufacturing Industries: Theory and Case-Studies concerning its Nature, Magnitude, and Consequences* (Houndmills, England: Macmillan, 1987).

116. In 1994 a sample of eleven Latin American countries, representing about 85 percent of the population and gross domestic product for the region, showed Brazil to have the greatest concentration of income, as measured by the Gini index. However, the situation improved slightly between 1990 and 1992. See United Nations: Economic Commission for Latin America and the Caribbean, *Social Panorama of Latin America: 1996* (Santiago, Chile: United Nations, 1996), 44–45.