

## WHITHER LATIN AMERICA?

- BEYOND CUBA: LATIN AMERICA TAKES CHARGE OF ITS FUTURE.* Edited by LUIGI R. EINAUDI. (New York: Crane, Russak & Company, 1974. Pp. 250. \$11.50.)
- THE SOCIOLOGY OF CHANGE AND REACTION IN LATIN AMERICA.* By DALE L. JOHNSON. (Indianapolis, Ind.: The Bobbs-Merrill Company, 1973, Pp. 56.)
- DINÁMICA DEL PODER EN EL MUNDO MODERNO.* By CARLOS P. MASTRORILLI. (Buenos Aires: Editorial Pleamar, 1973. Pp. 211.)
- LATIN AMERICA IN THE YEAR 2000.* Edited by JOSEPH S. TULCHIN. (Reading, Mass.: Addison-Wesley Publishing Company, 1975. Pp. 391. \$10.95.)

What are Latin America's prospects? Will revolutions transform the political economies of the countries? Will the continent continue to be as dependent on the U.S. as in past decades? Will the societies become more egalitarian and democratic? The authors of the books reviewed here attempt to analyze contemporary conditions in Latin America, and to predict future trends. Although they all highlight Latin America's post-World War II dependency on the U.S. and the political and economic importance of the state, they identify the main problems of Latin America differently and see different solutions to these problems. What implications do these conflicting analyses have for the status of social science dealing with Latin America?

*Beyond Cuba: Latin America Takes Charge of Its Future*, edited by Luigi R. Einaudi, is an especially important book because it, or the ideas expressed in it, are apt to have a greater impact on the U.S. government's Latin American policy than most scholarly studies: it was commissioned by and Einaudi himself subsequently went to work for the State Department. While one might expect a book written under such auspices, primarily by scholars at the Rand Corporation, to be politically biased, it claims to be objective. Yet the definition of the central focus of the study, the premises on which most analyses are made, and the prognoses derived from most analyses, though intelligent, straightforward, interesting, and empirically-based, reflect a bias that often is not made explicit.

The choice of topics contained in the book, for example, was politically determined. As Einaudi notes, they chose only to study "problems." Thus, they did not study population growth, for it was assumed to have little political impact in the short run. And while the original report to the State Department included separate analyses of student politics and the role of women, these reports were omitted from the volume because "students, traditional political activists, have recently been relatively quiescent" and "women . . . seem likely to continue to exercise indirect rather than independent political influence. Neither topic, therefore, seems central to the immediate evolution and uses of power in Latin America, which is our primary concern." Should we not know more about Latin American women precisely *because* the power structure discriminates against them? And should we not know more about international capitalist institutions such as the World Bank and the IMF, since they increasingly

are affecting how Latin American countries are developing, even though they are not “problems” in Einaudi’s sense of the word?

Not surprisingly, the book tries to explain why the Cuban revolution occurred and how it is likely to affect the rest of Latin America. Einaudi traces the origins of the Cuban revolution to the failure of *aprista* politics in the postwar period, and concludes that divisions among Latin American revolutionary groups since the Cuban transformation, together with changes in regional and international politics, render repetition of the Cuban experience elsewhere in Latin America improbable. Einaudi conceives the Cuban revolution as a “transformation involving the authoritarian imposition of substantial changes in the political, social and economic relations in society” and identifies Cuba mainly in terms of its relation to the Soviet Union. The impressive Cuban efforts to redistribute income and massively expand education and medical care never are detailed. The book in general implies that there are no positive lessons to be learned from Cuba, and that we need not fear “other Cubas” on the continent.

The only article that deals with economic inequality, by Robert Slighton, claims that the distribution of wealth in Latin America (that is, in the capitalist countries) will improve in the future in response to the growing urbanization of poverty and unemployment. But available data suggest that income inequality in many Latin American countries is increasing, and that Latin American governments extend such non-income (or marginally income) generating benefits as small parcels of urban land to city poor when “squatters” pressure extralegally, while granting tax exemptions, import privileges, and other income generating benefits to the already well-to-do.

A number of the articles further our understanding of the nature and role of the state in Latin America. Edward Gonzalez and Einaudi, in “New Patterns of Leadership,” argue that, on the one hand, Latin American leaders are becoming more innovative because of fewer internal and international constraints but that, on the other hand, they have “learned” from Cuba to be moderate and to avoid challenging U.S. security interests. Thus, the options for Latin American leadership are constricted by conditions not of the leaders’ own choosing; I will discuss below how they are constricted by even more conditions than those elucidated by the authors. In “Patterns of Civil-Military Rule,” David Ronfeldt argues that the distinction between “civil” and “military” regimes is analytically misleading: all Latin American governments are fused civil-military coalitions, and they are likely to continue to be in the foreseeable future. He also argues that the effectiveness of the civil-military regimes with similar orientations (e.g., Argentina and Brazil) depends not merely on characteristics of the military but also on class forces and the degree of military isolation from other social groups. In so doing he distinguishes informal versus formal power, enabling him to highlight (which he does at greater length in a separate Rand monograph) military power even in countries such as Mexico where the military receive a small share of the national budget, where a small proportion of governing elite are military men, and where the military in general maintain a “low profile.” The military he depicts, as illustrated in the Einaudi-Stepan article comparing the Brazilian and Peruvian military (also a condensation of a longer Rand mono-

graph), are not the traditional caudillos of the past; they are now more technocratically, reform, and institutionally rather than personalistically oriented. But Ronfeldt gives a "functionalist" explanation for the pervasiveness of civil-military coalition regimes: they are *necessary* because both the military and the civilian forces are too weak to rule by themselves. Accordingly, he claims that the military will withdraw from politics once civil political forces develop. He does not discuss the impact of U.S. military assistance programs on strengthening the military, or the impact of economic stabilization and other internationally sponsored nonmilitary programs on weakening diverse civilian groups. He also dismisses the possibility that the military may use the state apparatus to extend their hegemony over civil society and may not willingly relinquish the privileges they have come to enjoy.

Ronfeldt, together with Einaudi, advance a "functionalist" interpretation of conflict and violence as well as order, even though they do not explicitly or exclusively use a "structural-functional" approach. In their article, "Prospects for Violence," they argue that violence is pervasive in Latin America and that it is likely to continue to be. They are concerned with the system-maintaining consequences of violence, of how it may generate reform, not revolution. System preservation seems to be valued in itself, however authoritarian and repressive the regimes must consequently be; in fact, state repression, although widespread in Latin America, is not a particular concern of the book. Should we not at some point ask ourselves whether regimes in which the military and police engage in pervasive violence to preserve a particular political economic order, at great cost to human lives and liberty, are worth maintaining?

But unlike conventional functional analysts, the authors in this volume view Latin American countries within a global context. Politically, they claim that international power politics in the past have had an important bearing on Latin American development but that this situation is changing with the "thaw" in the Cold War and a deterioration in U.S. world hegemony.

Similarly, two of the three economic articles focus on the relationship between Latin American domestic and international economies. In one, Shane Hunt suggests that Latin America has paid highly for foreign capital, technology, and management, not only economically (the usual concern of economists) but also psychologically and politically. While foreign investment has had some positive impact on balance-of-payments deficits, it has tended to squeeze domestic entrepreneurs out of the market, and, in such countries as Peru, subsequently radicalized them. He also discusses how profitable multinational corporation (MNC) investments at times are, especially in industry, because MNCs can manipulate their international accounts through transfer payments. Foreign investments have been most heavily concentrated in monopoly industries insulated through tariff barriers and quantitative restrictions from international competition. Hunt therefore implies that Latin American governments have actually helped international capital increase its profits at the expense of national capital, and the trend may not change markedly in the near future. In an interesting article Daniel Schydrowsky examines a new and little studied phenomenon: export-oriented industrialization (EOI). He argues that Latin American govern-

ments could and should promote EOI to generate economic growth and foreign exchange earnings, so vital to LDCs, by instituting tax rebates on export sales and compensated devaluation schema. However, because the EOI trend is so recent we still do not know to what extent EOI may further subject Latin American economies to international market vicissitudes, subordinate domestic to international interests, increase income inequality, and (as Hunt points out in his article) strengthen MNCs. MNCs may prove to be the greatest beneficiaries of EOI, as they have of import substitution industrialization: they have the best developed global channels for marketing the industrial goods produced in Latin America, and they can manipulate their international operations both to maximize their profits and to minimize the benefits accruing to Latin American nationals.

In emphasizing the declining U.S. and growing Latin American political and economic opportunities, nationally, regionally, and internationally, the book gives Latin Americans reason for optimism. But this optimism, unfortunately, reflects the limitations of the book's framework of analysis, for if we view Latin America from a world capitalist perspective we see that the continent is increasingly interlinked with international capitalism even as direct U.S. hegemony declines, and that Latin American countries continue as in the past to be peripheral or, in the case of Mexico and Brazil, semiperipheral to the core of the "system." As Einaudi mentions but does not analyze in the concluding chapter, since World War II, the World Bank, the IMF, the IDB, and other multilateral capitalist institutions have been assuming increased importance, while bilateral "security" relations have been diminishing in importance. And the U.S. government seems to be relying on these agencies to advance its interests. Moreover, unmentioned by Einaudi, MNCs probably benefit most from the increased regional trade, and these international institutions and enterprises, together with private international finance capital, seem increasingly to shape economic and political developments in Latin America. The U.S.-IMF backed stabilization program in Bolivia after the country's 1952 revolution, the trade and aid curtailments by the U.S. and world capitalist institutions when Cuba and Chile began to socialize their economies, and the IMF-imposed restrictions on the Peruvian "revolutionary" military dramatically limited the options for the respective Latin American regimes.

Dale Johnson, in the *Sociology of Change and Reaction in Latin America*, and Carlos Mastroianni, in *Dinámica del poder en el mundo moderno*, provide a neo-Marxist framework that meets some of these criticisms. Johnson's monograph is a short synthesis of the "dependency school" associated with André Gunder Frank: it is not as empirically detailed as the Einaudi reader. Compared to the Rand authors, Johnson attributes much more importance to economic forces, to the limits of Latin America's growth and distributive prospects as long as the dominant mode of production remains capitalist, to "core-peripheral" relations within Latin American countries, to the negative economic effects of international trade on Latin American economies, and to the growing economic and political importance of MNCs, and multilateral and bilateral economic institutions. He furthermore argues that MNCs are partly responsible for the shift from bilateral

to multilateral relations, for they feel that they can thereby guard their interests more closely. But while attributing Latin America's underdevelopment to the historic evolution of world capitalism, including the preeminence of Spain, Portugal, and England in past centuries, he at times speciously considers Latin America's main problem to be U.S. hegemony. In so doing, he suggests that Latin America's prospects vary inversely with those of the U.S. If Latin America's underdevelopment is rooted in world capitalism, why should the continent's situation change significantly if another country, or group of countries, replaces the U.S. as the dominant world capitalist force?

There are other problems with his version of dependency theory. He argues (à la Frank) that the main spurt to Latin American growth occurred when international crises impaired the overseas operations of "core" capitalist countries. But we have seen in recent decades that certain growth and distribution *are* possible in the absence of such crises, although it is true that MNCs are major (though not the only) beneficiaries of that economic growth. Furthermore, and perhaps more importantly, his theory cannot explain why the Cubans have succeeded neither in diversifying their economy nor in breaking their international dependence. Dependency theorists who attribute Latin America's problems to capitalism and imperialism, and Johnson is no exception, very curiously do not test their theories by using Cuba as a "control" case. While Cuba presently scores much higher on many of the usual social indicators of underdevelopment (e.g., on measures of literacy, health care, and infant mortality) than it did before 1959 and higher than other Latin American countries currently do, it continues still to depend heavily on the export of a single product to earn foreign exchange with which to purchase industrial goods not made locally. Its failure to diversify economically seems to reflect the historic evolution of the country's comparative advantage in sugar production and comparative disadvantage in other production, since being integrated into the world capitalist orbit. And because of its failure to diversify, combined with its continued dependence on world capitalist markets, its developmental opportunities still are influenced by world market commodity prices (even if to a lesser extent than before Castro assumed power): in the early 1970s, about 40 percent of its trade was with capitalist countries. The drop in the world market price of sugar from a peak of 66 cents per pound in November 1974 to 7 cents per pound two years later has been very consequential to Cuba, to the extent that Castro seems more ready than ever to renegotiate relations with the U.S. Thus, the Cuban experience calls for a modification of dependency theory: all national societies should be viewed within a world capitalist context (and, when relevant, within a world socialist context as well) as long as capitalism remains the dominant force and mode of production in the world. Cuba remains subject to world capitalist forces even though the domestic economy has been socialized, and we must understand Cuba accordingly.

Interestingly, while the contributors to the Einaudi reader emphasize the likelihood of future reform, not revolution, Johnson argues that there has been a shift from a "politics of change" to a "politics of reaction," and that the latter will ultimately pave the way to revolution. The democratically oriented populist

reform governments that prevailed in recent decades represent "politics of change." Under such governments state power and autonomy and state control over intermediary associations increased. According to him, these reform governments merely renegotiated the conditions of "dependency": they were not "bourgeois" or effective nationalist revolutions, for the "bourgeoisie" in these countries was (and is) too weak and passive to carry out such social transformations. The populist governments were unable to satisfy both their "mass" and business constituents and so were replaced by economically proforeign, semi-fascist "colonial-authoritarian" regimes. Johnson therefore depicts a quite different picture of political-military trends than the authors in the Einaudi reader. The difference reflects underlying political biases of the different authors, and the biases implicit in the frameworks of analysis they employ: one approach focuses on capitalism, its effects on the distribution and use of power, and its inherent "contradictions"; the other emphasizes institutional modernization, autonomy, flexibility, and noneconomic power.

Like Einaudi, Mastrorilli uses explicitly political criteria in defining the scope of his book; but the two use very different criteria, reflecting their contrasting ideological and theoretical perspectives. According to Mastrorilli, the key political science concern of Latin Americans should be understanding the continent's dependent linkages to imperialism, revealing the inadequacies of the currently imposed political institutions and ideologies, and working for liberation. Whereas in the Einaudi book developmentalism was depicted as a desired and assumed societal objective and contributors attempted to explain how growth might be fostered, here we are told that developmentalism is a pernicious strategy of imperialism that helps justify "monopoly and bourgeois rights." Furthermore, whereas in the Einaudi book we are informed about the stabilizing and reformist orientations of Latin American regimes and how violence helps "popular" groups gain benefits, we here are told that the bourgeois state maintains a fiction of justice, objectivity, and rationality, inhibits political forces from expressing themselves, and necessarily relies on violence to counter "popular" forces. Through revolution the oppressive ideological and institutional effects of imperialism are to be overthrown. But does the Cuban experience demonstrate that this is inevitably so?

In an interesting section on charismatic leadership the author argues that such leadership provides one of the only mechanisms by which change can occur, but that it tends to be ultimately conservative, isolated, and neutralized. Political parties are not considered a viable alternative channel for bringing about liberation, because of their acquiescence to "bourgeois" interests. Like the Einaudi authors he believes that national institutions such as the Church, unions, and the military may provide the necessary leadership for change, but for revolution (against the "liberal bourgeois state") and not merely reform. But he fails to recognize how structural forces limit the range of changes these institutions, as well as political parties, can initiate: witness the defrocking and murdering (by the military) of Camilo Torres in Colombia.

In addition, Mastrorilli and, to a lesser extent, Johnson, have a tendency to reduce reality to simple dichotomies, e.g., to differences between peripheral



and core nations, regions, and groups, to elite versus mass groups, to revolution versus repression. As a result, their conception of the future is simplistic. Revolutions, both capitalist and socialist, have been known historically to generate different consequences depending on the play of national and international forces, and the same is likely to be true in Latin American countries if they indeed do undergo revolutionary transformations. In this respect Einaudi also is at fault, because Cuba does not represent the only revolutionary alternative for Latin America. Mastrorilli is careful not to recommend that Latin America unquestionably adopt "revolutionary imperialism," and to recognize that revolution and liberation must be worked out in each country individually, but he does not elucidate how the societies are likely to be after the revolution. Strangely, both Johnson and Mastrorilli stress that Latin Americans have the choice of opting for revolution, even though they place such great emphasis on Latin American dependency. Mastrorilli argues that revolution may come about through the development of an ideology and scientific apparatus to replace that imposed by imperialism, capable of explaining and producing liberation. The argument is utopian and not logically grounded: while he claims that the problem of Latin America is world imperialism, he sees the solution to be ideological.

*Latin America in the Year 2000* contains a substantively, theoretically, and ideologically eclectic collection of articles initially presented at the Inter-American Planning Society Congress in 1968. The authors attempt to predict future trends and suggest how public policy might achieve selected goals, goals much less utopian than the liberation proposed by Mastrorilli. Perhaps because of the interdisciplinary, professional, and international composition of the group, they define the relevant problem areas much more broadly than do the authors of the other books under review. The collection contains articles dealing not only with the probable future role of the state and Latin American dependency, but also with demographic and labor force projections, the possibilities of regional associations, development planning, social marginality, urbanization, and ideology.

While the authors all agree that Latin American development is conditioned by its external dependency, that the conditions under which the continent is developing differ from those under which the first countries industrialized, and that the southern hemisphere countries consequently have different demographic, economic, social, and political characteristics, they differ in their assessments of the role of international forces, possible usages of state power, and of the major cause of Latin American underdevelopment. Neither the editor of the compendium nor any of the contributors attempts to reconcile the different interpretations. As an illustration of their differences, Horacio Godoy claims that population growth hampers Latin American development, while Benjamín Samamé argues that the so-called population problem is more social and economic than demographic. Samamé argues that population programs can only be successful if they are complemented by land tenure, income redistribution, education, and other reforms; in so doing, he, unlike most demographers, views population growth within a broad social context. In another article Harvey Perloff and Lowdon Wingo claim that the Alliance for Progress and the Rockefeller Foundations's scientific and technological agricultural advancements have helped

Latin America develop socially and economically. They also state that Latin America may lead the world in evolving humanistic planning, that is, planning emphasizing equity, and social and political as well as economic aspects. They unequivocally praise the Alliance for Progress, which built up the Latin American military, and the Rockefeller Foundation-sponsored "green revolution," which has generated rural unemployment and inequality as well as increased production and productivity. And they consider Latin American planning a commendable model for the rest of the world, even though the regimes have failed to mitigate income inequality and have relied considerably on repression to rule. Unlike Samamé, they seem not to view the full range of consequences of specific domestic and international programs, and they seem not to differentiate stated intent from the actual effects programs have.

Other authors in the volume, such as Osvaldo Sunkel, Claudio Véliz, Marcos Kaplan, Atilio Borón, and Helio Jaguaribe, are much more critical of the impact international forces have had on Latin America politically, economically, and ideologically: their analyses imply that the planning capacities of Latin American regimes are constricted by international forces. According to Véliz, in Latin America the state is coming to assume the dynamic functions historically associated with private entrepreneurs, as the international economic and political forces that historically impeded nationalist forces are being undermined and as politicians and intellectuals are becoming increasingly convinced that the northern hemisphere models are inapplicable to their societies. As the pattern of development changes, conventional models premised on distinct public and private sectors are becoming obsolete. And since state capitalism no doubt differs in certain respects from the ideal-typical capitalism on which most neo-Marxist theories of capitalist development are premised, this trend also suggests an additional issue that dependency theory must take into account.

In contrast to previously discussed authors, Kaplan, in "Multinational Public Corporations in Latin American Sub-Regional Integration," depicts regional integration neither as the cure-all for the development of Latin America nor as a ploy by which MNCs expand their sphere of influence and profits. He depicts Latin American integration efforts as a crisis instrument promoted to resolve the continent's structural problems and meet the Cuban challenge. According to him, regional integration has weakened the power of Latin American governments, and subordinated regional to global economic interests. Thus, his article further highlights the need to combine a theory of the state with a theory of dependent capitalism.

Jaguaribe, in "Dependency and Autonomy in Latin America," argues that national and regional autonomy is a possible future alternative but not the only one. According to him, by the end of the century Latin America will develop along one of three possible paths: revolutionary, dependent, or autonomous. He discusses the assumptions associated with the different development models, the consequences they tend to generate, and the classes attracted by the three models. He adds, however, that the strategy likely to prevail depends as much on U.S. as on Latin American forces. He recognizes the importance of understanding U.S. policymaking, but confuses U.S. with dominant world capitalist



forces, as do the authors previously discussed; and because of this confusion he too fails to provide an adequate framework for comprehending Latin American developmental options. Unlike the other authors he does not envision revolutionary prospects within purely national contexts: he argues that revolutions in major Latin American countries are improbable unless they occur simultaneously in different countries to offset reaction from powerful international forces. Although not explicitly, he corroborates Ché's one, two, three Vietnams dictum; however, unlike Ché, Jaguaribe emphasizes the critical role "middle class" groups must assume for any Latin American revolution to succeed.

We thus find that leading Latin Americanists, both in the northern and southern hemispheres, do not agree on what are the major problems facing Latin America, how the problems might be resolved, or what are Latin America's future prospects. They do tend to agree that the state assumes an important role in the development process and that Latin America is conditioned by its international dependence. In so doing, they reject earlier models of spontaneous and autonomous social, economic, and political development. As we now know, the earlier models were never applicable, but that inapplicability became apparent only after Latin American regimes were confronted with severe economic and political crises and responded to aborted development schemes (discussed in Candido Mendes's essay in the *Tulchin* reader) by introducing more comprehensive modes of repression. Despite claims to objectivity and scientism, to date we have come to have only a limited understanding of Latin America because of scholars' ideological biases and biases inherent in their frameworks of analysis, biases which the scholars do not necessarily even recognize. Whither Latin America and social science theory about Latin America? We still do not know, but the world political economy will no doubt have an important bearing on the continent's future, and so should be incorporated into any theory about Latin America. Ideally, on the basis of an improved understanding of the relationship between domestic and global forces, policies can and will be implemented that achieve the goal of these theories, improving Latin Americans' level of well-being.

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