

UNLEARNING LANGUAGES
OF DEVELOPMENT:

From Rhetoric to Realism in Recent Studies of Latin America

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LATIN AMERICA: CAPITALIST AND SOCIALIST PERSPECTIVES OF DEVELOPMENT AND UNDERDEVELOPMENT. By Ronald Chilcote and Joel Edelstein. (Boulder, Colo.: Westview Press, 1986. Pp. 175. \$32.00.)

PROGRESS TOWARD DEVELOPMENT IN LATIN AMERICA: FROM PREBISCH TO TECHNOLOGICAL AUTONOMY. Edited by James L. Dietz and Dilmus D. James. (Boulder, Colo.: Lynne Rienner Publishers, 1990. Pp. 232. \$32.50.)

LATIN AMERICA'S ECONOMIC DEVELOPMENT: STRUCTURALIST AND INSTITUTIONALIST PERSPECTIVES. Edited by James L. Dietz and James H. Street. (Boulder, Colo.: Lynne Rienner Publishers, 1987. Pp. 303. \$35.00 cloth, \$19.50 paper.)

PATTERNS OF DEVELOPMENT IN LATIN AMERICA: POVERTY, REPRESSION, AND ECONOMIC STRATEGY. By John Sheahan. (Princeton, N.J.: Princeton University Press, 1987. Pp. 399. \$47.50 cloth, \$12.95 paper.)

A REVOLUTION IN ARREARS: THE DEVELOPMENT CRISIS IN LATIN AMERICA. By Leland M. Wooten. (New York: Praeger Publishers, 1988. Pp. 207. \$39.95.)

In his award-winning documentary entitled *A Private Universe*, Matthew Schneps makes a simple but brilliant observation: we cannot truly understand why things happen until we discard our own preconceived notions about their occurrence.¹ In order to learn, we must first "unlearn." With Harvard students and faculty serving as guinea pigs, Schneps demonstrates that what prevents most of us from understanding something as straightforward as why the seasons change are the privately constructed, competing accounts we carry embedded in our consciousness even before we get to the classroom. No matter how logical and coherent the scientific theories of seasonality or even how skillful the

1. "A Private Universe," written and produced by Matthew H. Schneps for the Smithsonian Institution at Harvard University, distributed by Pyramid Film and Video, Santa Monica, Calif., 1989.

teachers in presenting these ninth-grade-level explanations, if we cannot first discard our own misguided understandings of the process, we will be unable to learn why seasons change. Moreover, we will work hard at creatively modifying such well-proven theories to make them fit our own preconceived ideas. The end result, generally, is nonsense, although most of us are hardly even aware of the source.

Development studies are obviously a far cry from the natural sciences. As in all the social sciences, much more room exists for subjective interpretation of so-called facts. Moreover, little consensus has emerged as to what Latin American development is, let alone what causes it. Indeed, those involved in development studies would have a hard time finding a topic comparable to the theory of seasonality that everyone agrees can and should be "learned." Yet precisely because subjectivity and disagreement prevail in the field, scholars may have to take even more care in preventing preconceived ideas and infelicitous propositions from complicating our attempts to understand contemporary Latin America and its prospects for development. To the extent that most researchers come to the study of development with preliminary impressions about the root causes of poverty, inequality, and economic success, a serious commitment to unlearning may in fact be an absolute necessity.

The preconceived notions that scholars are likely to hold may be based on personal or national experience, ideological allegiances, ignorance, or past ways of perceiving and theorizing. This is not to say that commonly held theories or visions of Latin American development have no basis in fact or in some particular developmental experience. Yet neither is it to say that positions become commonly held because they are better able to take the facts into account. As Schneps noted in his film, the exact same alternative explanations can emerge with shocking regularity, even when unfounded in fact, precisely because they are somehow consistent with preconceived notions and private understandings. For example, the number of Harvard students and faculty who think seasonal changes derive from variations in the earth's distance from the sun is astonishing.

Given the probability that scholars as well as students approach the study of Latin America with some conceptual baggage, the development field today faces three serious challenges. One is to identify the concepts, categories, and theoretical propositions about Latin American development that dominate the literature and to determine the extent to which they have persisted despite mounting evidence to the contrary of their utility. Another is to trace the historical or ideological origins of these notions and theoretical propositions, not only to understand why they still prevail but also to ascertain whether and why certain languages of development resonate more readily with preconceived ideas and popular understandings. The third and perhaps most important challenge is to

unlearn the preconceived notions and prevailing discourses that make it more difficult to see the complexities of development in Latin America.

Whither Complexities?

Five relatively recent books in the field of Latin American development will be helpful in rising to the challenge. Four push us forward in meeting our objectives. The exception, I fear, is Leland Wooten's *A Revolution in Arrears*. If this book is any indication of the state of the literature (which I must say I doubt), development scholars are in dire need of some serious unlearning and fast. Wooten's main argument is that the development trajectories of Latin American countries and their current economic problems primarily reflect the failures of their entrepreneurial classes. Latin America's truncated development is simply a matter of mismanaged resources, and nothing short of a "managerial revolution" will set it straight (p. 39). Wooten is savvy enough to put his eggs in more than one basket, however. In addition to managerial practices, he also identifies government and international policies as determinants of the development dilemma facing Latin American countries. Yet he always comes back to the entrepreneurs.

In Wooten's view, not only have Latin American entrepreneurs failed to innovate sufficiently in the last two decades, they "have been too cautious about debt and have not borrowed enough" (p. 4). Entrepreneurs, moreover, have been too willing to play games with clientelistic governments and to continue investing in traditional import-substitution industries (pp. 43–44). They have also misjudged the most appropriate economies of scale by staying too small or too large (pp. 46–47) and have failed to "attract needed external resources" from foreign firms (p. 55). Accordingly, past failures and future successes rest in entrepreneurial hands. To correct these mistakes, Wooten claims, entrepreneurs merely have to amend their course of action by choosing the proper exports, redirecting private investment away from import-substituting industries and into more productive sectors, fostering the growth of medium-sized firms, linking up with foreign investors, and maybe even borrowing lots more money.

If the solution is so easy, why haven't we seen more positive results? Do Latin America's managers need to take Wooten's business classes at Southern Methodist University? Seriously, however, Wooten is not entirely wrong. Many Latin American entrepreneurs have been reluctant to challenge protectionism or to move away from import-substitution industrialization into promoting exports. By and large, their products have been less competitive internationally, and they have tended to concentrate investment in activities with low rates of productivity. The basic

problem with Wooten's argument is that he does not always get the facts straight.

For example, evidence indicates that many entrepreneurs in Latin America already have moved away from traditional import-substitution industrialization into new activities,² many have been willing recipients of foreign capital and foreign investment,³ and many have borrowed quite heavily, so much that their governments have often had to bail them out.⁴ Also, smaller and medium-sized firms are proliferating in Latin American countries in ways that would stir envy among proponents of flexible specialization.⁵ Moreover, it is precisely these patterns that have generated—rather than solved—many recent problems in Latin America.

For example, moving away from import substitution has frequently meant shunning industrial production altogether and entering into banking and finance.⁶ The general result has been steady growth in inflation, which makes problematic economic growth, trade balances, and repayment of foreign debt.⁷ In addition, sustaining small and medium-scale production units usually means remaining in traditional import-substituting industries, exactly what Wooten wants to discourage,⁸ while opening doors to foreign investors (as Wooten proposes) generally disadvantages these much lauded smaller firms because foreign capital frequently gravitates toward larger firms that compete with smaller, more traditional industries.⁹ Efforts to facilitate foreign investment can also

2. The prospects and possibilities of this route are detailed in Leopoldo Solis, *Economic Policy Reform in Mexico: A Case Study for Developing Countries* (New York: Pergamon, 1981). See also Bela Kadar, *Problems of Economic Growth in Latin America* (New York: St. Martin's, 1980).

3. Some of these patterns are discussed in Alejandro Foxley, *Latin American Experiences in Neoconservative Economics* (Berkeley and Los Angeles: University of California Press, 1983). See also Peter Evans, *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil* (Princeton, N.J.: Princeton University Press, 1979).

4. I am thinking especially of Grupo Alfa and the Mexican government's Chrysler-like bailout in the late 1980s. For an overall picture of conditions that led up to this outcome, see Dale Story, "Sources of Investment Capital in Twentieth-Century Mexico" in *Statistical Abstract of Latin America, 1984*, edited by James Wilkie and Adam Perkal (Los Angeles: Latin American Studies Center, University of California, 1985).

5. See for example Mariluz Cortes, *Success in Small and Medium-Scale Enterprises: The Evidence from Colombia* (New York: Oxford University Press, 1987).

6. One of the best case-study accounts of this pattern is found in Clark Reynolds, "Why 'Stabilizing Development' Was Actually Destabilizing (with Some Implications for the Future)," *World Development* 6 (1978):1005-18.

7. Some of these problems are discussed in John K. Thompson, *Inflation, Financial Markets, and Economic Development* (Greenwich, Conn.: Jai Press, 1979).

8. One classic article by Albert Hirschman touched on the relationships between firm size (and family ownership) and the predominance of import-substituting industrialization. See "The Political Economy of Industrialization in Latin America," *Quarterly Journal of Economics* 82, no. 1 (Feb. 1968):1-32. These issues are also discussed by Flavia Derossi in *The Mexican Entrepreneur* (Paris: Development Centre for the OECD, 1971).

9. For a comprehensive analysis of how this process worked in one industry, as well as its political and economic implications, see Douglas Bennett and Kenneth Sharpe, *Transnational*

bring foreign exchange rates unfavorable to exporters and create new channels for capital outflows, both of which limit local capital available for Wooten's desired investment and growth strategy or diminish debt repayment capacities or both.¹⁰ In short, to reform according to one dimension of Wooten's management plan generally means to intensify problems in another.

Equally important, initiating all these changes in one fell swoop, as Wooten implicitly recommends, means exacerbating serious political tensions among entrepreneurs themselves, as firms pursuing these kinds of reforms come into conflict with the "unenlightened" old guard. Sparks fly when importers and exporters, manufacturers and finance capitalists, foreign and national firms, small industries and large ones all struggle to guarantee state-policy support for their contradictory entrepreneurial strategies. And when the state is caught in the middle of such conflicts, little maneuvering room for effective policymaking can be found.¹¹

The question is, why did Wooten not recognize that some of his desired policy changes are already occurring, let alone see the serious economic and political problems that may result? One possible answer may be found in his nonscholarly approach and methodology. Wooten talks about Latin America without even giving lip service to the fundamental historical differences between countries that may help explain why some countries would be more or less likely to benefit from his proposed policies. Moreover, he picks and chooses evidence from one country after another with little concern for systematization, and he relies mainly on newspaper accounts and political or corporate commentaries published in nonscholarly journals to make his case about obstacles to development.

Another possible answer may be that Wooten clearly fancies himself an iconoclast, a David struggling against the economists' Goliath. This mind-set becomes clear when he labels his development propositions as "heresies" and lambasts economists with a vigor bordering on anti-intellectualism. The answers to the development problematic, Wooten

Corporations versus the State: The Political Economy of the Mexican Auto Industry (Princeton, N.J.: Princeton University Press, 1985).

10. Some of these problems are discussed in *Foreign Investment, Debt, and Economic Growth in Latin America*, edited by Antonio Jorge and Jorge Salazar-Carrillo (New York: St. Martin's, 1988).

11. Some of these conflicts within and between classes and the state are addressed in articles included in two recently edited volumes: Barbara Stallings and Robert Kaufman's *Debt and Democracy in Latin America* (Boulder, Colo.: Westview, 1989); and William L. Canak's *Lost Promises: Debt, Austerity, and Development* (Boulder, Colo.: Westview, 1989). For more detailed discussion of political tensions and their negative impact on economic policy and macroeconomic conditions in the context of a particular country, see Roberto Newell and Luis Rubio, *Mexico's Dilemma: The Political Origins of Economic Crisis* (Boulder, Colo.: Westview, 1984); or Sylvia A. Hewitt, *The Cruel Dilemmas of Development: Twentieth-Century Brazil* (New York: Basic Books, 1980).

proclaims, cannot be found in a closer view of the “structural problems in the region’s economies or . . . the damnable character of world capitalism,” which are merely good as “exquisite seminar topics” for economists’ roundtables (p. 3). What is needed is to “take the economist away from the podium and replace him with the entrepreneur” (p. 3). Presumably, economists’ ideas, concepts, and theories should also be chucked.

Setting aside the self-righteous criticisms of economists, something far more insidious lurks beneath Wooten’s arguments than a Horatio Alger mentality and proud anti-intellectualism. It is no less than an implicit theory and language of development grounded in a reification of the free market and the wonders of nineteenth-century capitalism that embed Wooten’s understanding in the American experience of economic development and a theory of the firm.

What Wooten has done, in short, is bring to the study of Latin America preconceived notions of what makes for an individual firm’s economic successes, drawn partly from Schumpeterian theory and as viewed in the American context: noble entrepreneurs who learn from and “embrace the market system as a vehicle for development” (p. 108). This bias is evident in the language of entrepreneurialism that permeates *A Revolution in Arrears* and comes to life in Wooten’s managerial solutions. This conceptual and linguistic baggage is then stretched to fit into a general theory of Latin American development. If Wooten had come to his study of Latin America without being so wedded to theories of entrepreneurialism and American patterns of success, he might have achieved a more accurate understanding of the complex problematic of Latin American development.

From Rhetorics of Capitalism to Socialism

Ronald Chilcote’s and Joel Edelstein’s *Latin America: Capitalist and Socialist Perspectives on Development and Underdevelopment* is a revision that expands on their 1974 volume, *Latin America: The Struggle with Dependency and Beyond*. Unlike Wooten’s book, it recognizes first that different interpretations exist on how capitalism has made its historical impact on Latin America. Second, it acknowledges that the future development of Latin America is highly uncertain, with no simple or easy answers readily available. In contrast to Wooten’s suggestion that one of Latin America’s problems is the absence of a capitalist project (p. 45), Chilcote and Edelstein take as their starting point the penetration of capitalism. Their concern lies with showing that the impact of capitalism in Latin America has been highly contested by scholars and Latin Americans themselves. The authors take great pains not to dismiss any particular view of development for ideological or rhetorical reasons, an approach best seen in their careful treatment of the diffusion and dependency models of develop-

ment. Moreover, Chilcote and Edelstein recognize that capitalism may unfold differently in Latin America than it does in advanced capitalist contexts.

What I liked best about this book, however, is that it can be seen as a conscious and relatively successful attempt at unlearning. The critical notion that the authors are attempting to “unlearn” is the idea that guided their original 1974 work: that capitalism in Latin America leads to a common state of underdevelopment, an argument best known in the form of dependency theory. Chilcote and Edelstein affirm in the introduction to their new book that back in 1974,

we suggested two alternative models of development and underdevelopment. One viewed the diffusion of capital as the means for promoting development, and the other suggested that this diffusion leads to underdevelopment. At the time we favored the second of these models, despite its inherent defects. . . . Today, however, . . . neither model offers a necessarily correct understanding of the origins and evolution of capitalist development. Instead of defending the dependency model, as many people tended to do during the 1970s, we [now] believe the readers should use the contrasting explanations as a means of seeking a new interpretation. . . . (Pp. 5–6)

To suggest that Chilcote and Edelstein are “unlearning” dependency theory is not to say that they are abandoning their critique of the diffusionist theory of capitalist development or their discussion of capitalism’s undeniably negative impact on Latin America’s political and economic independence. Their textual treatments of poverty, inequality, class struggle, authoritarianism, and political instability are thorough and insightful, a welcome respite from the stifling rhetoric of other development economists. What they are trying to do is to shed simple and preconceived theoretical notions that in the past pushed scholars to see Latin American development trajectories in stark, black-and-white terms: either capitalist or dependent, parasitic or generative, exploitative or liberating. Chilcote and Edelstein’s argument suggests a transcendence of tired old languages of development as well as the empirical focus that either theory originally presupposed.

As laudable as this objective may be, *Latin America: Capitalist and Socialist Perspectives on Development and Underdevelopment* could have been executed more consistently. Although the critique of past ways of seeing is raised in the preface and introduction, it rarely resurfaces in the text, where most sections closely resemble the 1974 version. The scant discussion of development in any Latin American country after 1975 (except for an illuminating chapter on reformist and revolutionary strategies of development) attests to the fact that few major modifications were made of the original text. If the authors had been more serious about their critique of dependency theory and previous ways of analyzing development, more revisions would have been apparent in the text.

Yet Chilcote and Edelstein seek to do more than argue that Latin American development is neither vibrantly capitalist nor structurally dependent, a point already made by others.¹² They also want to make the fundamental epistemological point that “contrasting perspectives lead to different questions, analyses, and conclusions,” and thus “the search for theory is a constant process” (p. xi). In terms of actually offering an alternative theory of development that can transcend the conceptual and linguistic weaknesses of both diffusion and dependency theories, Chilcote and Edelstein do not go very far. But in terms of initiating the important process of unlearning—shedding rigid and theoretically unproblematic macroscopic frameworks along with constraining languages and ideas in order to begin to see the gray complexities of development—this work is a wonderful beginning.

If only the commitment to unlearning previously dominant rhetorics had been extended to the treatment of capitalism and socialism, to which the book’s title speaks. Because Chilcote and Edelstein are ready to question the diffusionist-dependency dichotomy as conceptually forced and somewhat obfuscating, this reader wishes that they had taken the same critical approach to the capitalist-socialist dichotomy they posit in the book’s final sections. The occurrence of this thought may be partly due to historic world events that have transpired since 1990, however, and it is only fair to keep in mind that this book was published in 1986, long before the crisis in Eastern Europe and the electoral defeat of the Sandinistas called into question the prospects for organizing national economies on the basis of popular support for socialism. Thus the authors cannot be faulted for not taking into account developments of which they had no knowledge. Yet when reading their assessment of the prospects for Latin America’s future development at the end of the book, it is mildly disconcerting to find the options portrayed in dichotomous terms more reminiscent of the forced diffusionist-dependency dichotomy, abstract theory, or even wishful thinking.

I raise this issue not as a criticism of the book’s concerns with social justice or Chilcote and Edelstein’s scholarship or style of argumentation. The authors prudently avoid rhetoric in discussing both capitalism and socialism. Also, their heuristic preoccupation with theoretical concepts and categories absolves them of some responsibility for addressing the messy problematic of development today. Rather, the point is raised as a general word of warning about the uses and abuses of languages of development.

12. See for example Fernando Henrique Cardoso, “Associated-Dependent Development: Theoretical and Practical Implications,” in *Authoritarian Brazil: Origins, Policies, and Future*, edited by Alfred Stepan (New Haven, Conn.: Yale University Press, 1973); Evans, *Dependent Development*; and David Becker, *The New Bourgeoisie and the Limits of Dependency: Mining, Class, and Power in ‘Revolutionary’ Peru* (Princeton, N.J.: Princeton University Press, 1983).

It may be worth remembering here that some of the best work in the field has employed concepts and categories reflecting the hybrid Latin American experience: corporatism, state capitalism, and bureaucratic authoritarianism, to name a few.¹³ Accordingly, even though struggles for socialism and capitalism in Latin America have been ongoing, analysts concerned with economic development trajectories in Latin America might also want to begin looking for other concepts and theoretical propositions that capture precisely the hybrid experience and the problematic struggle of peoples as they negotiate their way between capitalist and socialist alternatives—rather than using old ones that seem to simplify the Latin American experience as following one or the other trajectory.

Transcending Dichotomies

The problems inherent in distorting dichotomizations and the possibilities of transcending them are also clear in two other recent books, both coedited by James Dietz. The first is *Latin America's Economic Development*, which Dietz coedited with the late James Street. The second is a collection of essays in honor of Street entitled *Progress toward Development in Latin America: From Prebisch to Technological Autonomy*, edited by Dietz and Dilmus James. Both works attempt to move beyond the structuralist-institutionalist dichotomy in economic development theory.

Not unlike Chilcote and Edelstein's book, the overall purpose of Dietz and James's *Latin America's Economic Development* is to contrast different theoretical perspectives on economic development, a primarily heuristic intent. The editors claim that "contrasting the structuralist and institutionalist perspectives with orthodox economic analysis is a pedagogically useful way, whatever one's theoretical perspective, to make clear the essential differences, strengths, and weaknesses of competing economic theories. Students learn to think more critically and analytically" (p. xii). As a study intended primarily for classroom use (like Chilcote and Edelstein's), the eminently readable Dietz and Street volume succeeds in its objectives. It includes classic articles in development economics written in the 1960s, 1970s, and early 1980s by such authors as Paul Streeten, Albert Hirschman, Gustav Ranis, William Glade, and Alejandro Foxley. The book convincingly demonstrates that neoclassical

13. On corporatism, see James Malloy, *Authoritarianism and Corporatism in Latin America* (Pittsburgh, Pa.: University of Pittsburgh Press, 1977); and Howard Wiarda, *Corporatism and National Development in Latin America* (Boulder, Colo.: Westview, 1981). On state capitalism, see E. V. K. Fitzgerald, "State Capitalism in Peru: A Model of Economic Development and Its Limitation," *The Peruvian Experiment Reconsidered*, edited by Cynthia McClintock and Abraham Lowenthal (Princeton, N.J.: Princeton University Press, 1983). On bureaucratic authoritarianism, see Guillermo O'Donnell, *Modernization and Bureaucratic-Authoritarianism* (Berkeley: Institute of International Studies, University of California, 1973).

economic thinking is not the only way to understand the problematic of Latin American development and that structuralist and institutionalist approaches offer much in the way of a theoretical alternative.

Latin America's Economic Development begins with a decent overview of Latin American economies, moves on to the capacities of structuralist and institutionalist theories for accounting for Latin America's developmental peculiarities, presents a series of solid articles on the ways that Latin American structures and institutions work in practice, and concludes with a brief consideration of the political and economic consequences of neoclassical economic experiments in Latin America. The articles on the last-named topic, which include discussions of the Chilean experience and the debt crisis, are among the most recent and offer a powerful rationale for the originating objective of the book in accounting for the disaster wrought by monetarism and neoclassical stabilization policies.

What gives this collection life and coherence is its method of contrasting neoclassical economics with the institutionalist-structuralist alternative. Here is an example of dichotomization in some fashion, but it is not disingenuous in my opinion. The reasons have to do with the ways in which the alternatives are conceptualized and presented but also with the editors' willingness to see the two alternative approaches (structuralist and institutionalist) to neoclassical economic theory as tools for examining and prescribing development trajectories rather than as comprehensive and self-containing theories of development. Stated simply, neither structuralism nor institutionalism is suggested as *the* theoretical alternative to neoclassical theory. Rather, the neoclassical comparison is used mainly as a sounding board for analyzing the similarities and differences between the structuralist and institutionalist perspectives, both of which were developed in opposition to neoclassical approaches. A particularly illuminating contribution is Street's "The Latin American Structuralists and the Institutionalists: Convergence in Development Theory."

At times, unfortunately, it is difficult to identify the players without a scorecard. Structuralist and institutionalist theory are presented by Dietz and Street in contrast to neoclassical economics, in the same way that dependency theory was presented in contrast to diffusionist theory by Chilcote and Edelstein. Several articles in the volume underscore the idea that structuralist and institutionalist perspectives overlap with dependency, while others suggest that they are theoretically distinct. Inclusion of authors identified to some degree with the dependency perspective (Peter Evans and Gary Gereffi, for example) adds to the confusion. And when terminologies such as "heterodox economics" slip into the text, one really begins to wonder whether the myriad of competing vocabularies may obscure more than illuminate the reader's capacity to understand development trajectories.

In any case, *Latin America's Economic Development* is more an at-

tempt to lay out the real obstacles to economic development in Latin America than to present clear allegiance to any single theoretical perspective. Substantively, this goal is evident in the essays by Victor Tokman, William Glade, Peter Evans and Gary Gereffi, and Street himself. All of them are more concerned with understanding the impact of certain structural or institutional patterns (such as transnational corporations, technology scarcities, and values) on specific developmental problems (like debt, employment, and unequal development) than with positing an overall theory of development according to a structuralist or institutionalist approach.

That this volume does not attempt to promote the theoretical superiority of one specific development theory—or any singular analytic framework for charting development trajectories—is both its strength and its weakness. Although one can laud the nonrhetorical stance embodied in the acknowledgement that both structuralism and institutionalism contain valuable insights, the reader is left wanting something more solid to grasp. Moreover, one finishes the volume wondering why both structuralism and institutionalism exist as separate approaches if they are so compatible with each other and other theories and if their objectives in counteracting neoclassical theory are so similar.

Some of these problems may stem from the dated nature of the articles in *Latin America's Economic Development*. In the 1960s and 1970s, when most of these articles were written, institutionalist and structuralist perspectives were still relatively new to American academe. Not until later did the debate between institutionalists and structuralists reach a point where scholars from both perspectives began to push for greater theoretical integration. To the extent that the second collection, *Progress toward Development in Latin America* edited by Dietz and James, brings the institutionalist-structuralist debate up to its most current state, it probably should be read in tandem with Dietz and Street's *Latin America's Economic Development*. Only then does the point become clear about the extent to which the institutionalist-structuralist debate has transcended dichotomization.

In terms of overall scope and historic significance as a handbook of seminal articles by some of the sharpest minds representing structuralist and institutionalist development thought throughout the United States, the earlier volume, Dietz and Street's *Latin America's Economic Development* is still the superior of the two. In fact, the later Dietz and James collection, *Progress toward Development in Latin America*, repeats many of the same ideas of the 1960s and 1970s about the structuralist and institutionalist approaches. It also focuses a little too much on the role of technology in development. Technology is a critical issue in economic development, but in a book whose title suggests a concern with the long sweep of trends in development theory, devoting three of ten articles to technology seems a

bit unbalanced. Moreover, the preoccupation with technology tilts *Progress toward Development* away from the evenhanded treatment of structuralism and institutionalism achieved in the Dietz and Street collection and much more into the institutionalist camp, which views technology (defined as ideas, tools, and skills) as central to the development process.

Four outstanding articles in the newer Dietz and James collection make it worth examining nonetheless. Two are by Osvaldo Sunkel, another is by James Cypher, and the fourth is contributed by the coeditors, Dietz and James. Sunkel's engaging "Structuralism, Dependency, and Institutionalism: An Exploration of Common Ground and Disparities" is a fascinating analysis of how and why institutionalists and structuralists engaged in battle with neoclassical theorists and even with each other. Far more than a discussion of structuralism and institutionalism as mere ideas (as seen in Street's article on theoretical convergence in the Dietz and Street volume), Sunkel's essay is grounded in an implicit understanding of the geopolitical and institutional origins of these different strains of thought, the attendant possibilities for overlap, and the limits. Sunkel makes a parallel point about historically grounded differences in development thought in his other contribution, "Reflections on Latin American Development." In this piece, he identifies the hegemony of econometrics in U.S. universities as having practically eliminated the U.S. contribution to the contemporary development debate in Latin America, given that "the problems of development are too complex to be dealt with in mathematical formulas" (p. 140).¹⁴

James Cypher's "Latin American Structuralist Economics" follows a similar line of argument but also discusses dependency theory, structuralist theory, neoliberalism, and developmentalism (of the Walt Rostow variety). One of Cypher's main purposes is to analyze "the ideological distortions" that have played a role in determining the conflicts and debates between these different perspectives (p. 43). Taken together, the Cypher and Sunkel articles provide insight into the varying conceptual baggage and different experiences that scholars bring to bear on their study of economic development in Latin America. Moreover, they show how scholarly debates—particularly dichotomized ones—can emerge out of preconceived notions or theoretical positions that are themselves grounded in different institutional and developmental experiences or ideological proclivities.

Thus, transcending dichotomies like dependency versus developmentalism or institutionalism versus structuralism and moving forward

14. To the extent that the mathematical equations dominating the work of U.S. economists can be seen as a completely different language from the qualitative discourse in Latin America, in making this point Sunkel also links his understanding of different theoretical perspectives to different languages of development.

in formulating a development theory for Latin America entails recognizing the social origins of different theoretical approaches as well as testing their applicability in the Latin American context. One might say that it requires understanding the historical groundedness of language and ideas as well as the development experience itself, and achieving this understanding can help scholars in the unlearning of infelicitous approaches. This point is made—albeit implicitly—in the concluding essay by Dietz and James in *Progress toward Development in Latin America*. They argue for “neostucturalism” as a heterodox-style theoretical synthesis of institutionalism and structuralism that moves beyond previous dichotomies.

Beyond Normative Prescriptions

Does all this discussion suggest that neostucturalism, as the synthetic reformulation of previously dichotomized theories, should be perceived as the cutting edge of economic development theory these days? Not necessarily. For all neostucturalism’s merits in moving analysts beyond the dichotomies of structuralism and institutionalism and consciously attempting to take into account politics and class power, its normative and policy-oriented character limits its potential as a theory of Latin American development. That is, neostucturalism is primarily a strategy, more a body of propositions about appropriate (or inappropriate) economic interventions to be pursued than a theory about why Latin American economies are the way they are today. This limitation is made clear when Dietz and James argue that neostucturalism “must place considerably more emphasis on short-term policy measures that exercise greater control over monetary, fiscal, and balance of payments variables” and that both market and planning forces should be considered as important tools in this regard (pp. 204–5).

This statement is clearly a normative proposition. Its being a prescription for what to do and not a theory about what has happened is further evidenced by the recognition that internal and external political conditions and class relations rarely have allowed such “neostucturalist” actions in Latin American countries in the past (or many of the problems they face today would not exist). One must wonder whether things will be much different in the future either, even with a team of economists arguing that their own past studies of the deficiencies of structuralism and institutionalism support this synthetic approach as the most appropriate and beneficial one.

The point here is not that an understanding of both structural and institutional factors cannot be instructive as to why Latin American countries are plagued by sectoral imbalances, capital flight, foreign debt, and poverty, to name just a few of their problems. Nor is it to say that normative concerns should be shunned altogether in the field of develop-

ment. Rather, it is to claim that any understanding of Latin American development trajectories should be accompanied by a view to past and future interactions within and between state actors and social classes, inside and outside national borders, and not just to appropriate policy prescriptions. I am suggesting here that even if one is concerned with identifying strategies that would foster greater development in Latin America, one must first understand how and why past strategies have not worked. That means one has to be concerned with much more than the internal consistency of the ideas or prescriptions themselves. As Sunkel notes in the Dietz and James volume, any new advances in the field of development “should be founded on a new pragmatism, based on the critical assessment of the failures and successes of the two main strategies followed up to now, with a realistic appreciation of the international conditions that exist at present and will surely continue to exist for the next few years” (p. 151).

Clearly, one other important notion to unlearn if one wants to understand development trajectories may be the preoccupation with normative prescriptions. In light of this point, Chilcote and Edelstein’s insistence on discussing development alternatives as either socialist or capitalist might be further challenged precisely because their dichotomy also draws partly on normative concerns. Of course, normative concerns will naturally continue to be the starting or ending point for many scholars of Latin American development. Abhorrence of poverty, inequality, and repression all have prompted scholars to analyze the Latin American context and seek explanations, if only to prevent similar outcomes in the future. Yet the leap from knowing why these conditions occur to actually changing them is an immense one, not the least because development trajectories are the cumulative result of the actions of many different peoples and groups with diverging normative objectives and degrees of power: the state, classes, foreign actors, and other powerful groups. Thus scholars must be clear that theory—how and why things happen—is but a distant cousin of normative prescriptions for action or of utopian ideals that may drive such actions.

Moving toward Realism

Several of these points are made clearer, albeit somewhat unself-consciously, in a marvelous book by John Sheahan, *Patterns of Development in Latin America: Poverty, Repression, and Economic Strategy*. This groundbreaking study deserves serious attention because it takes giant steps forward in helping analysts unlearn the distorting dichotomies, blinding rhetorics, and normative prescriptions that have characterized past development discourses. The book is divided into two parts, the first being a discussion of general trends in Latin America, including poverty, employ-

ment, inflation, and patterns of ownership. The second half charts different patterns of national development pursued by four pairs of Latin American countries. In a brief conclusion, Sheahan also raises questions about the role of the United States in Latin American development.

Patterns of Development begins with a chapter entitled "Ways of Looking," which raises several pressing concerns in the field today. One is the "tension between a wish to formulate universally valid principles and a wish to bring out the great variety of actual possibilities" (p. 5). The other concern is the ongoing tension between structuralism and institutionalism. Sheahan then identifies his book as an attempt to "construct bridges between the world of generalized interpretative models . . . and specific policy-oriented studies of economic development" (p. 6). He argues for integrating Marxist (or what Chilcote and Edelstein might call socialist) perspectives with the policy orientation of structuralist and instrumentalist approaches, citing a need for a closer focus on social classes and the state in the field of development today (p. 14).

In many ways, Sheahan's overall objectives are not that different from those of Chilcote and Edelstein, who also take a broadly defined Marxist approach, or even from Dietz and James's to the extent that the latter pair also wish to move beyond institutionalist and structuralist approaches. But the analytic focus that Sheahan uses to cut across the various theoretical and policy perspectives differs markedly, and it is here that his study shines. Rather than hermeneutically constructing a textual hybrid of past theories, as Dietz and James try to do, or taking a strong position on the overall advantages of capitalist versus socialist development alternatives, à la Chilcote and Edelstein, Sheahan examines several recurring problems of development (in Part I) and a range of cases (in Part II) to arrive at a general proposition about the relationships between political and economic development. By analyzing the general development trajectories of eight different Latin American countries, Sheahan argues that the "links among poverty, external economic relationships, market forces, and political repression" cut across the various theoretical perspectives and "pull those governments responsive to popular preferences into repeated conflict with efficiency criteria and considerations of macroeconomic consistency" (p. 16).

The implications of this rather simple argument are quite sophisticated. On an epistemological level, Sheahan turns away from the Hegelian tendency to view development theories as normative ideals or text to be synthesized and instead perceives development theory as emerging from a concrete, realist understanding of specific developmental experiences themselves.¹⁵ When using this approach, empir-

15. My use of *realist* here draws on the tradition of realist philosophy that attempts to move beyond the ideographic-nomothetic (or contextualizing versus law-seeking) debate. For a

ically and historically grounded case-study research is a must.

On a more substantive level, Sheahan makes two critical points that link politics and economics to each other and to development. First, Sheahan restores to analytic prominence the national and international political conditions and ongoing tensions between the state and social classes that are so frequently missing in monetarist, structuralist, institutionalist, and sometimes even dependency perspectives on development. Such circumstances frequently influence prospects for development in socialist systems as much as in capitalist ones, albeit in different ways and for different reasons. Second, by looking at linkages between these different pressures and conditions (poverty, external economic relationships, market forces, and political repression), Sheahan's approach underscores the problematic of development trajectories. That is to say, whether a country follows one path or another depends on the interaction of these four sets of factors. This dynamic in turn makes several variations on the path possible and probable.

From Sheahan's methodological and theoretical vantage point, it would be highly unlikely for any Latin American country to follow a purely capitalist or socialist path or any other of the dichotomous typologies often posited in the field, such as state versus market approaches or diffusionist versus dependency paths. It also is highly unlikely that a particular country will remain on any one set path indefinitely, given that these four sets of conditions are bound to be in constant flux. Accordingly, Sheahan's framework allows for understanding the real variations in development trajectories that occur among different Latin American countries and within specific countries at various historical moments. Such variations are frequently lost when scholars try to pigeonhole the experiences of diverse Latin American countries into one all-encompassing theoretical perspective on development.

If Sheahan's *Patterns of Development* is any evidence, then one of the best ways to move beyond distorting languages and previously dominant discourses of economic development is to bypass tired old debates and grand theoretical objectives as quickly as possible and get right down to cases. Yet in using this realist approach, Sheahan neither neglects nor obscures the role of normative orientations, nor does he employ a crude empiricism lacking any theoretical framework (although his conceptualizations of the state and classes are a bit too simplistic and uncritical for my tastes). Rather, he integrates a clear theoretical and empirical understanding of specific struggles within and between the state and classes into an

discussion of the general contours of the debate, see Roy Bhaskar, *Scientific Realism and Human Emancipation* (London: Verso, 1986). For more specific application of the concept of realism in an empirical research setting, see A. Sayer, "The New Regional Geography and Problems of Narrative," *Environment and Planning* 7 (1989):253-76.

understanding of normative concerns. Note, however, that the normative concerns that enter into Sheahan's account are not his own or those of other policy-oriented theorists as much as they are those of the state and class actors battling out development trajectories.

For example, early in his introductory chapter, Sheahan claims, "Commonly accepted understandings act strongly to shape the choice of policy in the first place," just as they "may moderate or aggravate reactions and may in particular mean that the costs of policy correctives that would have been minor in the North become traumatic in Latin America" (p. 20). Drawing on materials presented in his case studies, then, one could argue that it is precisely the presence of normative or preconceived notions about the superiority (or inferiority) of capitalism, socialism, and populism that has made the process of development in Latin America so problematic, pitting state and class actors against each other in irresolvable ways.¹⁶

Languages of Development: Where Now?

Sheahan's claims bring us back to my originating concerns, but challengingly: should scholars be unlearning commonly accepted understandings, as Schneps argues, or embracing them in studies of development? The answer appears to be that analysts must do both. To the extent that normative concepts, dichotomous categories, or ideologically bound expectations of how capitalism or socialism works interact with material conditions to influence the behavior of state and class actors in Latin America, development scholars should be able to identify them and incorporate them into theoretical understandings. Yet to the extent that development scholars allow these concepts, categories, and ideologically bound expectations to obscure a reading of what state and class actors are doing and why, then these preconceptions should be unlearned.

In short, development scholars need to cultivate a more critical understanding of these different languages of development: not only how they distort individual visions but also how they mix with material conditions in Latin America to drive the relationship between the state and classes. We need to recognize the times when these languages of development are obstacles to our understanding of Latin America, but we must not close our eyes to the ways in which they engender struggles in and over Latin American development itself.

Sheahan's *Patterns of Development* takes readers far in perceiving languages of development in these two ways, as both subject and object.

16. Sheahan notes that in Chile, for example, the structural weaknesses of the economy today are as much due to the bullheadedness with which certain actors advocated and introduced free-market capitalism as to the continual political struggles between left and right (p. 229).

Like many of the other books discussed here, however, even he brings to his study of Latin America some worn concepts and categories that occasionally constrain rather than liberate. These are worth noting briefly. Sheahan's biases are most evident in the presentation of five different "regime-groups" that typify the different trajectories of development exhibited in Latin America (p. 8). Not only does Sheahan occasionally make distinctions that rely on some of the dichotomized notions discussed earlier (socialist Marxist versus authoritarian conservative), his categorizing of regime-groups often relies on preconceived understandings of which political regimes typically correlate with which economic policies. Most important, his conceptual distinctions are least helpful for understanding populism, perhaps the most critical language and experience of Latin American development to date, and how or why it might differ in political and economic dimensions from the more radical and conservative regime types of the other four groups.

This is neither the time nor the place to analyze in detail the populist experience of Latin America. Suffice it to say that the reader will find inconsistencies in Sheahan's treatment of populism. For example, he classifies Argentina under Perón as populist but not Mexico under Cárdenas. He also patently ignores the long populist tradition of several countries, including Ecuador, Colombia, and Mexico, in labeling all of them as "reformist," a category that strikes me as having very little meaning. But these ambiguities, oversights, and weaknesses in categorization may have much to do with the conceptual constraints imposed by the languages of development that Sheahan himself employs. He is clearly caught in his typologizing somewhere between right-left political rhetorics and capitalist-socialist economic rhetorics.

This problem is not only Sheahan's. It has a lot to do with the incapacity of development scholars (and the frequent unwillingness of state and class actors) to treat the populist experience with anything but disfavor, or to acknowledge that as a language and a means of muddling through political and economic obstacles to development, populism simultaneously speaks to and transcends each of the dichotomies, albeit not always with positive results. This topic, however, is a subject for another essay.

All in all, development scholars should feel quite optimistic about the direction taken in the development literature. We *are* moving beyond simplistic dichotomies, normative blinders, and tired policy prescriptions. Much still needs to be done, and because we use words to advance our ideas and analysis, tension will always exist between learning and unlearning languages of development. Yet that is the collective enterprise in which we are involved. I, for one, look forward to the next round.