Development
Stages of development

Pre-1810 (colonial)
• Specie, indigo, sugar
• Spain and Portugal are main markets

1810-1870 (Chaos)
• Bauxite, metals (e.g., copper), fertilizers (nitrates)
• England main market

1870-1929 (Liberal era)
• coffee, copper, bananas, tin, leather, beef; railroads
• England still main market; U.S. becoming main market
• Foreign investment increasing; trade increasing

1930-82 (ISI era)
• Depression, forced autarky, import-substituting industrialization (ISI)
• Steel in more developed countries (Mexico, Brazil, Argentina)
• Multinationals: autos, chemicals, oil, petrochemicals, etc.
• U.S. main market

1982-? (Neoliberal era)
• Debt, austerity and adjustment
• “Lost decade”; most countries just now catching up

## Theories of Latin American development

<table>
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<th>Question</th>
<th>Answer</th>
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<td>Racist</td>
<td>Why are some countries more developed than others?</td>
<td>Genes</td>
<td>Many until 1945; few since</td>
<td>Ha!</td>
<td>Human Genome Project, etc.</td>
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<td>Cultural</td>
<td>Why are some countries developed?</td>
<td>Values; “social capital”</td>
<td>Weber, Sowell, Putnam</td>
<td>Immigrant groups in U.S.; Protestants in C. America; Asia</td>
<td>Central America overall; Asia now</td>
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<td>Modernization</td>
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<td>Late start</td>
<td>Lerner, Lipset, etc.</td>
<td>Growth rates in developing world, post-1945</td>
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<td>Dependency</td>
<td>Why is Latin America underdeveloped?</td>
<td>Exploitation</td>
<td>Dos Santos, Wallerstein, Cardoso (then)</td>
<td>Colonialism; commodity prices, 1940-60; true periphery</td>
<td>Scandinavia, ANZ, Asia; failure of autarky</td>
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<td>Neoliberal/</td>
<td>Why do some countries grow faster than others?</td>
<td>Property rights; gov’t policies</td>
<td>Williamson, North, Sachs, Cardoso (now)</td>
<td>Predatory states; failure of ISI; Chile, etc.</td>
<td>Bolivia, etc.</td>
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<td>Institutional</td>
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Use of the materials should be cited as follows: Chappell Lawson, MIT OpenCourseWare (http://ocw.mit.edu/index.html) course materials for 17.55J/21A.430J/21F.084J (Introduction to Latin American Studies, Fall 2006), Massachusetts Institute of Technology, downloaded on [Insert Date].
The orthodox Marxist model

“Superstructure”

“Base”

Technology

Means of production

Class structure

Political structure

Ideology and culture
The dependency theory model

"Superstructure"

"Base"

"Mode of insertion into The international economy"

Means of production → Class structure → Political structure → Ideology and culture