

STRUCTURALISM AND DEPENDENCY IN PERIPHERAL EUROPE: Latin American Ideas in Spain and Portugal¹

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Abstract: The related Latin American doctrines of structuralism and dependency had important repercussions in Spain and Portugal, two nations of the European "periphery" in the postwar era. This paper establishes the influence of the two Latin American ideas in those countries, focusing on the moments of their greatest impact—the 1950s and the 1970s. It explains such influence as a result of three factors—the previous existence of local traditions of structuralist thought, to which the Latin American doctrines could be assimilated; the relevance of Latin American ideas and techniques to pressing economic issues; and the utility of such ideas for foreign policy. It also illustrates that structuralism and dependency were perceived as closely related, and mentions the impact of the two doctrines in another country on the European Periphery, Romania, in the same two decades.

Seldom have ideas originating in Latin America had repercussions outside the region, and perhaps least frequently in Europe. This essay focuses on two closely related intellectual movements that had such an effect in the Iberian peninsula. Both were associated with the U. N. Economic Commission for Latin America and the Caribbean (ECLAC, but usually known by its Spanish acronym, CEPAL²). The first of these, structuralism, was pioneered 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. Focusing on the problems of the Periphery, the school emphasized structural unemployment, owing to the inability of traditional export industries to grow and therefore to absorb excess rural population; external disequilibrium, because of higher propensities to import

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2. Comisión Económica para América Latina y el Caribe. I will use "CEPAL" throughout.

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.³ These ideas were first sketched out in *The Economic Development of Latin America and its Principal Problems*, CEPAL's "manifesto" (Prebisch, Spa. ed., 1949). The weakness or absence of market forces, such as segmented labor markets and monopolies in land tenure patterns, were in many cases inherited from the colonial past. These ideas were elaborated, tested, and propagated by a team of CEPAL economists in the 1950s and 1960s, and Prebisch went on to project his views on a world stage as the first Secretary General of UNCTAD, the U. N. Conference on Trade and Development. Prebisch's reports at the first two conferences (1964, 1968) reflected CEPAL's analysis of world trade, including the thesis of the deterioration of terms of trade for primary goods.

Though widely influential in Latin America in the 1950s and 1960s, Latin American structuralism's impact in "peripheral" areas of Europe is much less understood. Structuralism's distinction between center and periphery was adopted more broadly when reinforced by dependency analysis. The British economist Dudley Seers and others applied a center-periphery approach in *Underdeveloped Europe* in 1979,⁴ after his earlier association with CEPAL, and two Hungarian economists took a long-term view of center-periphery relations in Europe three years later.⁵

In this essay I wish to examine the influence of the Latin American school from the 1950s to 1980s in two national contexts of "peripheral" Europe.⁶ I consider Spain under both the Franco dictatorship (1939–75) and the constitutional monarchy that followed it. I treat Portugal in a

3. 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.

4. Dudley Seers, Bernard Schafer, and Marja Lissa Kiljunen, *Underdeveloped Europe: Studies in Core-Periphery Relations* (Atlantic Highlands, NJ: Humanities Press, 1979). Seers' debt to CEPAL is evident from his article, "Los estudios sobre el desarrollo en Europa occidental," in José Molero, ed., *El análisis estructural en economía: Ensayos de América Latina y España* (México, D.F.: Fondo de Cultura Económica [Lecturas 40], 1981), 200–7.

5. Ivan Berend and Gyorgy Ranki, *The European Periphery and Industrialization: 1780–1914* (Cambridge, Eng.: Cambridge University Press, 1982). The authors took their organizing scheme from Immanuel Wallerstein's *Modern World System* 8 (1974). In turn, Wallerstein was heavily influenced by dependency analysis. Daniel Chirot and Thomas D. Hall remark, with some exaggeration, that Wallerstein's World System theory "is in most ways merely a North American adaptation of dependency theory. . . ." Chirot and Hall, "World-System Theory," in *Annual Review of Sociology* 8 (1982): 90.

6. As classified by Berend and Ranki, *The European Periphery and Industrialization, 1980–1914* (see previous note).

similar period of transformation, during the dictatorships of António Salazar (1928–68) and his successor Marcelo Caetano, who continued the “Estado Novo” dictatorship until his fall in 1974. Just as free-market policies could appeal to both democratic and authoritarian governments, so Latin American ideas could appeal to social scientists and ideologues in more than one form of regime. In both countries, I hypothesize that interest in structuralism and dependency arose for three reasons: (1) the existence of underlying domestic traditions of structuralist thought, which helped legitimate the imported doctrines in the host countries; (2) the perceived relevance of structuralism and dependency to local problems; and (3) foreign policy needs and opportunities that could employ the Latin American ideas.

THE SPANISH CASE

In Spain, the currency of a number of structuralist approaches in economics laid the groundwork for the reception of the CEPAL manifesto in the early 1950s, and a native structuralist tradition had been firmly established by the interwar years. The Spanish tradition had deep roots in German social science. German influence in philosophy can be traced back to the *krausismo*⁷ in the 1860s, and in the early twentieth-century German scholarship also became a major influence in the social sciences in Spain. Spanish economists frequently studied in Germany, and more of them had studied in German institutions than in those of any other foreign country by mid-1930s.⁸ In Germany the dominant approach in economics was the Historical School (originating with Friedrich List in the 1840s), which perforce considered time and space and therefore structures. By the early twentieth century, the school was in its third generation (the neohistoricists), led by Gustav Schmoller. Both Schmoller and Adolf Wagner, the public finance theorist who tried to steer a middle course between the historical and neoclassical schools, influenced a rising generation of Spanish academic economists.⁹

7. Named for a minor neokantian, Karl Friedrich Krause, whose ideas on the harmony between the individual and the natural order of the universe, allowed reformist Spanish intellectuals to reject the alleged materialism of French philosophy in favor of a moral regeneration they associated with Krause. Krause’s leading enthusiast in Spain was Francisco Giner de los Ríos. See Raymond Carr, *Spain: 1808–1939* (Oxford: Oxford University Press, 1966), 301–4.

8. Salvador Almenar, “The Development of Economic Studies and Research in Spain (1939–95),” in Alfred William Bob Coats, ed., *The Development of Economics in Western Europe since 1945* (London: Routledge, 2000), 192.

9. Notably, Antonio Flores de Lemus. Juan Velarde Fuertes, “Un escolarca: Flores de Lemus” in Velarde, *Introducción a la historia del pensamiento económico español el siglo XX* (Madrid: Nacional, 1972), 112. Flores had studied with Wagner in Berlin, according to Almenar, 192.

Schmoller, who engaged Carl Menger of the Viennese neoclassical school in the celebrated *Methodenstreit*, rejected the universal laws of timeless, spaceless, neoclassical economics.¹⁰ His opposition to unrestricted market economics found sympathizers in Spain, as did *Kathedersozialismus*, the conservative reform program associated with Schmoller, Wagner, and several other establishment economists of Wilhelmine Germany. The orientation toward economic nationalism and government intervention in the economy of the neohistoricists also met with sympathy in Spanish academic circles.¹¹

The most important structuralist writer in Spain during the interwar years was the Valencian Román Perpiñá Grau, who had studied in Germany and would later become a professor at Madrid and Salamanca. Working with Bernard Harms, the editor of *Weltwirtschaftliches Archiv* at Kiel, he was also influenced by *Struktur und Rhythmus der Weltwirtschaft* (Structure and Rhythm of the World Economy),¹² by Chilean-born Ernst Wagemann, the trade cycle theorist who founded Germany's Institute for Business Cycles Research in 1925. But Perpiñá was an eclectic, who also admired Austrian (neoclassical) trade theory.¹³ Perpiñá's interest in spatial aspects of economics led him to study the works of early German contributors to central place theory.¹⁴

10. Neoclassical economics was so denominated to distinguish it from the classical school of Smith, Ricardo, and Mill, and developed more or less simultaneously and independently in the work of Stanley Jevons, Leon Walras, and Carl Menger in the 1870s; it was synthesized, systematized, and advanced in Alfred Marshall's *Principles of Economics* in 1890. The neoclassical school dispensed with the labor theory of value of the classicals, to focus on demand at the margin as the basis of value, and was more formalized and mathematized than its classical predecessor. Neoclassical economics (or "marginalism") held that the relationship between use values and exchange values was proportional to the relationship between the marginal utilities of consumers for given goods and the prices at which those goods exchanged. Thus, "given quantities produced, relative prices are exclusively determined by marginal utilities, independently of the costs of production of commodities." Antonietta Campus, "Marginalist economics," in John Eatwell et al., eds., *The New Palgrave* (rev. ed., New York: Macmillan, 1991), vol. 3, 320.

11. Juan Velarde Fuertes, *La vieja generación de economistas y la actual realidad económica española* (Madrid: Universidad Complutense, 1989), 59.

12. Berlin, 1931. On Perpiñá's interest in Wagemann, see Velarde Fuertes, "El movimiento estructuralista español," in José Molero, ed., *El análisis estructural*, 177.

13. Roman Perpiñá Grau, *De economía hispana: Contribución al estudio de la constitución económica de España y de su política económica, especialmente la comercial exterior* (Barcelona: n. pub., 1936), 6. In particular, Perpiñá was influenced by the Austrian Gottfried Haberler, who later taught at Harvard. The Spaniard published Haberler's *El comercio internacional* in Spain in 1936 (Ger. orig., 1930).

14. Namely, August Lösch, who taught at Kiel, and Alfred Weber. See Jordi Palafox Gamir, "Introducción," to Perpiñá, *De economía hispana y otros ensayos* (Madrid: Fundación Fondo para la Investigación Económica, 1993), xiv. Central place theory is a close relative of regional science and location theory in economics, both of which consider spatial variables.

Perpiñá, publishing his dissertation *De economía hispana* in German in the midst of the Great Depression,¹⁵ developed a model of the Spanish economy consisting of an exporting “Periphery” and an “Interior” focused on the domestic market. The former, defined as Spain’s coastal provinces, was home to Spain’s agricultural and mineral export sector and the majority of the nation’s industrial enterprises, mostly aimed at the domestic market, while the latter focused on cereal production. In simplest terms, the Periphery produced exportables—mostly agricultural, agriculture-derived or extractive—and the Interior, consumables. But for Perpiñá, only the goods of the Periphery were produced efficiently, and not all of those, including most industrial goods for domestic consumption. Perpiñá charged Spain’s long-standing policy of protectionism with responsibility for the inefficiency of the national economy. The high-cost agriculture of the Interior resulted in high food prices; and the high cost of wage goods (foodstuffs) and Spanish transport, plus protection for domestic supplies of industrial inputs, raised the cost structure of the industrial economy.¹⁶ The relatively efficient economy of the Periphery was poorly integrated with that of the Interior, and the two were rarely in equilibrium.

For Perpiñá, the growth of the national economy had been achieved through a gradual process of export substitution and export expansion. But the level of industrial output was largely a function of the absorptive capacity of the relatively wealthy Periphery, which could earn foreign exchange. Ultimately growth depended on imported industrial inputs and capital goods. Therefore, foreign exchange had played a crucial role in long-term growth, even though export earnings were a small element in the national product. Since export sales depended on foreign demand, trade with the principal industrialized powers, he held, was decisive for the Spanish economy.¹⁷

Perpiñá therefore took strong exception to the tradition of agricultural and industrial protectionism in Spain, dating from the cereal tariff of 1892, and he even termed the Spanish economy “autarkic.” He stated flatly that “the development of the Spanish economy has not been the effect of autarkic measures, but in spite of them.”¹⁸ Subsequent research on historical growth rates has shown higher rates of growth of gross domestic product in periods of freer trade, and has thus tended to corroborate Perpiñá’s indictment of traditional Spanish policy.¹⁹

15. German version in *Weltwirtschaftliches Archiv*, 1935; Spanish version, 1936.

16. Perpiñá, *De economía hispana*, 54–55.

17. *Ibid.*, 52, 62, 64, 70.

18. *Ibid.*, 7, 36, 65.

19. Leandro Prados de la Escosura compares the relatively free-trade policy of the period 1860–1890 against the protectionism of 1890–1920, in *Del imperio a la nación: Crecimiento y atraso económico en España (1780–1930)* (Madrid: Alianza, 1988), 45.

Therefore, from his structural analysis of the Spanish economy Perpiñá concluded that indiscriminate protectionism of agriculture and industry had retarded growth, because of resulting inefficiencies and the protected sectors' inability to withstand foreign competition. But Perpiñá's call for more liberal policies in 1936 had little effect in Spain until the Stabilization Plan of 1959. In the intervening years, Spain had experienced a war economy during its civil conflict in 1936–1939, followed by a period of relatively autarkic industrialization, in part the result of the Franco regime's pariah status in postwar Europe.²⁰

Spain had no home-grown theory—as opposed to policy—of industrialization, but the Franco government borrowed one from the Romanian economist, Mihail Manoilescu, whose theories were also published in Brazil and Chile.²¹ His *Théorie du protectionnisme*, having recently appeared in serial form in a Spanish journal, was published in book format in 1943. That the work had official approval is evident in the fact that it was published the Ministry of Industry and Commerce, with an introduction by Spain's Inspector-General of Trade and Tariff Policy.²²

Manoilescu, economist, politician, and ideologue of corporatism, had lectured in Spain four months before the outbreak of the Spanish Civil War in July 1936. The Romanian's argument for state-induced industrialization elicited the interest of economists in the 1940s who tended to view Spain, like Romania, as a backward agrarian country. Manoilescu recommended a concerted policy of industrialization for agriculture-exporting countries. In *Théorie* (1929), he made a frontal attack on the existing international division of labor, and argued that labor productivity in "agricultural" countries was intrinsically and measurably inferior to that in "industrial" countries—so categorized by the composition of their exports. The Romanian did not hesitate to call agricultural countries "backward," contending that surplus labor in agriculture in such nations should be transferred to industrial activities.²³ He denounced

20. Autarky was never attempted in a strict sense, Buesa Blanco points out, because Spain remained dependent on foreign capital goods. Miguel (Mikel) Buesa Blanco, "El estado en el proceso de industrialización: Contribución al estudio de la política industrial española en el periodo 1939–1963." (PhD diss., Universidad Complutense, 1983), 483–84.

21. Mihail Manoilescu [sic], *Teoria do proteccionismo e de permuta internacional* (São Paulo: Centro das Industrias, 1931); Manoilescu, "Productividad del trabajo y comercio exterior, *Economía* (Santiago) 8, nos. 22–23 (September 1947): 50–77.

22. Manuel Fuentes Irurzoki, "Prólogo" to Mihail Manoilescu [sic], *Teoría del proteccionismo y del comercio internacional* (Madrid: Ministerio de Industria y Comercio, 1943), xiv (on previous serial publication by the same ministry in *Información Comercial Española*). Fuentes was sympathetic to Manoilescu's theses, despite his familiarity with other economists' criticisms. *Ibid.*, vii–xv.

23. Manoilescu, *La théorie du protectionnisme et de l'échange international* (Paris: Felix Alcan, 1929), 61, 65, 184; *Le siècle du corporatisme: Doctrine du corporatisme integral et pur* (Paris: Felix Alcan, 1934), 28.

the international division of labor and classical theories of trade, which recommended to agricultural nations that they continue to channel their labor force into areas of what he considered inherently inferior productivity. New industries should be introduced as long as their labor productivity was higher than the national average. In a vulgarized version of his argument in *Le siècle du corporatisme*, Manoilescu asserted that the average industrial worker produces ten times the value of an agricultural worker, and that agricultural countries “are poor and stay poor” as long as they do not industrialize. Thus the international division of labor resulted in *un marché de dupes*:²⁴ Classical international trade theory “justified” the exploitation of one people by another.²⁵

Meanwhile Antonio Robert, an engineer by training and an important policy maker and ideologue of the 1940s, argued that industrialization would occur through import substitution with the objective of diminishing the “chronic deficit in the commercial balance.”²⁶ For a later commentator, Robert had the same “attitudes” as the early Latin American structuralists²⁷—but not the theory. Robert’s *Un problema nacional: La industrialización necesaria* appeared in 1943, the same year as Manoilescu’s book in Spanish translation.

The publication of the Robert and Manoilescu books in 1943 marks the transition from autarky to industrialization for its own sake,²⁸ although wartime shortages of inputs and capital, as well as agricultural groups who could also manipulate the notion of autarky, contributed to the postponement of import-substitution until 1948. Since autarky did not have a defensible rationale as an economic policy in the postwar world—bringing losses in export opportunities, technological diffusion, and efficiency in selecting proper proportions of capital and labor—it was largely defended with cultural values of nationalism and nationality during Spain’s protracted political and economic isolation.²⁹ Nevertheless, during the years 1945–1948 “industrialization” came to replace “autarky” as the watchword of the regime.³⁰

In the 1940s and 1950s engineers like Robert and Juan Antonio Suanzes, a military engineer and the first director of Spain’s industrial

24. Manoilescu, “Curs de economie politică.” (rev. mimeo. text at Școala Politehnică Bucharest [1940], 331.)

25. Manoilescu, *Théorie*, 184; *Siècle*, 28–30. For a consideration of Manoilescu’s direct influence on Prebisch, which I largely reject, see Joseph L. Love, *Crafting the Third World: Theorizing Underdevelopment in Rumania and Brazil* (Stanford, CA: Stanford University Press, 1996), 134–36.

26. Robert, quoted in Velarde, *Vieja generación*, 34.

27. *Ibid.*, 36.

28. Carlos Velasco Murviedro, “El pensamiento autárquico español como directriz de la política económica (1936–1951)” (PhD diss., Universidad Complutense, 1982), 255.

29. *Ibid.*, 959–60.

30. *Ibid.*, 745, 1019–20.

development corporation, the Instituto Nacional de Industria,³¹ rather than economists, guided Spain's industrial policy. These men failed to take into account opportunity costs, i.e., allocation of scarce resources; they pursued an engineering optimum rather than an economic optimum.³² Consequently, *productivismo* and *ingenierismo*—attitudes rather than theories—prevailed in the early years of the Franco era.³³

For a variety of reasons having to do with Civil War losses and post-war exhaustion, as well as a drastic curtailment of foreign trade, economic stagnation tended to characterize the Spain of the 1940s, and major growth in manufacturing came in the 1950s, when government policy tipped decisively toward industry; only in the latter decade did industrial output surpass that of agriculture.³⁴ Although the INI tended to support the most dynamic industries, these same industries were the most technologically dependent on foreign sources, and this fact was a constraint on growth when foreign exchange was scarce.³⁵

In the 1950s industrial protection remained strong. Antonio Robert, like Manoilescu before him, noted in 1954 that industrialized countries trade more with each other than with agricultural countries; and again echoing the Romanian, Robert argued that because industrialization raises average labor productivity, it would therefore increase Spain's foreign trade.³⁶ Higinio París Eguilaz, a physician who had absorbed some of Wagemann's structuralism while living in Berlin in 1938 and was Secretary General of Spain's National Economic Council, supported the same policies as Robert.³⁷ Moreover, París Eguilaz had devoted considerable attention to Manoilescu's theories in a book published in 1945.³⁸ But by 1961 París Eguilaz had recognized that pro-industrialization policies in backward countries led to increased demand for foreign goods, and therefore a disequilibrium in the balance of payments.³⁹ Nonetheless, in that year he still echoed Robert's position of 1954 that Spain should only enter the European Common Market when the level of Spanish

31. Modeled in part on Mussolini's Istituto per la Ricostruzione Industriale, established in 1931. See Pedro Schwartz and Manuel-Jesús González, *Una historia del Instituto Nacional de Industria (1941-1976)* (Madrid: Tecnos, 1978), 6, 15.

32. Schwartz and González, *Una historia*, 27.

33. Velasco, "El pensamiento," 932.

34. Buesa, "El estado," 465, 467; Velasco, "El pensamiento," 268-70.

35. Buesa, "El estado," 467, 476, 485.

36. Robert, *Perspectivas de la economía española* (Madrid: Cultura Hispánica, 1954), 205-7.

37. On Wagemann's influence, see Almenar, "The Development of Economic Studies," 202.

38. See Higinio París Eguilaz, *Teoría de la economía nacional* (Madrid: Consejo Superior de Investigaciones Científicas, 1945), 311-48.

39. Higinio París Eguilaz, "El futuro de España y las comunidades supranacionales," in José Larraz López et al., *Estudios sobre la unidad económica de Europa*, vol. 9: Conclusiones (Madrid: Estudios Económicos Españoles y Europeos, 1961), 22.

productivity could withstand European competition, a view that Manoilescu would surely have endorsed.⁴⁰

Structural analysis continued to unfold as a major area of research and teaching in the Spanish academy in the 1950s, in the tradition of Perpiñá.⁴¹ A neoclassical approach was meanwhile defended by Heinrich von Stackelberg, a well-published theoretician at Bonn fresh from the Russian front in 1943. His tenure at the Universidad Central (later renamed the Complutense) did much to strengthen the neoclassical tradition, despite his death in 1946.⁴² But structuralism, like “standard” neoclassical economics, also absorbed quantitative techniques, and in a major treatise, Professor José Luis Sampedro called for both quantitative and qualitative approaches to properly understand the nature of economic structures.⁴³ Sampedro claimed future Nobel Laureate Wassily Leontief’s input-output analysis for the structuralist camp;⁴⁴ and in 1960, two years after the first input-output model of the Spanish economy was published, Professor Manuel de Torres, also of the Universidad Central, used the model to reaffirm what Perpiñá had emphasized in 1936: namely, that the relatively small foreign trade sector was critical for the growth of the national economy.⁴⁵ Meanwhile, in 1959, a year before Torres made his observation, Prebisch at CEPAL had perceived that the more economically advanced Latin American countries were increasingly becoming the hostages of external events, because they had compressed their imports to the absolute essentials for the maintenance of growth.⁴⁶

40. *Ibid.*, 81; Robert, *Perspectivas*, 208.

41. Note the appearance of future chairholders in structural analysis at Madrid, Juan Velarde Fuertes, José Luis Sampedro, and Ramón Tamames. On their structuralist approach, see Velarde, “El movimiento estructuralista español,” in José Molero, ed., *El análisis estructural* (n. 4); Sampedro, *Realidad económica y análisis estructural* (Madrid: Aguilar, 1959); and Tamames, *Fundamentos de la estructura económica* (Madrid: Alianza, 1975).

42. Walter Eucken, another German neoclassical whose work was introduced in Spain by von Stackelberg, had a similar effect. Juan Velarde Fuertes, “Stackelberg y su papel en el cambio de la política económica española,” unpublished manuscript, 1995, esp. pp. 21–22. On von Stackelberg’s importance as a theorist of oligopoly, see “Stackelberg, Heinrich von,” in John Eatwell et al., eds., *The New Palgrave*, vol. 4, 469.

43. Sampedro, *Realidad*, 244.

44. Leontief developed a matrix by which, for a given output of final goods, all the required inputs could be specified. This methodological advance was obviously a boon for state planners.

45. Manuel de Torres, “El comercio exterior y el desarrollo económico español,” *ICE*, no. 328 (December 1960): 35–36.

46. Prebisch, “Commercial Policy in Underdeveloped Countries,” *American Economic Review* 49, no. 2 (May 1959): 268. Two years later he wrote, “It remains a paradox that industrialization, instead of helping greatly to soften the internal impact of external fluctuations, is bringing us a new and unknown type of external vulnerability.” Prebisch, “Economic Development or Monetary Stability: A False Dilemma,” *Economic Bulletin for Latin America* 6, no. 1 (March 1961): 5.

As París Eguilaz and Robert had considered Spain an underdeveloped country, so did the structuralist Manuel de Torres at midcentury. In an introduction to the Spanish translation of a structuralist work he much admired—Albert Hirschman’s *National Power and the Structure of Foreign Trade*—Torres pronounced Spain to be “poor” and “weak.”⁴⁷ It is no surprise, therefore, that in the Spanish journal literature, an interest in development economics appeared in the early 1950s,⁴⁸ partly because Spain was implicitly identified as an underdeveloped country. In a 1959 article, the economist Gonzalo Sáenz de Buruaga may have been influenced by CEPAL when he linked a fall in the export prices of the products of underdeveloped countries to the maintenance of high levels of consumption in developed countries. He saw the stabilization and expansion of some economies “at the cost of disequilibrium and underdevelopment of the others.” Terms of trade for the underdeveloped countries fall because of monopsony power of the rich countries, Sáenz wrote, causing deficits in the balance of payments and political disturbances in the poor ones. Such was the relationship between the United States and Latin America, he alleged, and he asked whether southern Europe (i.e., Spain) would experience the same problems under a plan of European economic integration.⁴⁹

Given the interest in development economics; Spanish economists’ frequent classification of Spain as a backward and poor country; the need to overcome powerful agrarian interests’ claims on state aid; and concern with the terms of trade and other problems of import-substitution industrialization (ISI), it is perhaps surprising that the structuralism of CEPAL did not have a greater impact in the Spain of the 1950s, arguably the decade of its greatest influence in Latin America. True, in 1960 the journal

47. Charles W. Anderson, *The Political Economy of Modern Spain: Policy-Making in an Authoritarian System* (Madison, Wis.: University of Wisconsin Press, 1970), 100 (on Robert and París); Torres, “Introducción” to Alberto O. Hirschman, *La potencia nacional y la estructura del comercio exterior*, tr. by Ramón Verea Rial (Madrid: Aguilar, 1950 [Eng. orig., 1945]), xvi. For Torres, Hirschman’s book showed how such countries might protect themselves against the economic power of stronger countries.

48. One number of the *Revista de Economía Política*—vol. 5 (May 1953–December 1954 [sic])—is entirely devoted to development economics, following a series of lectures in Madrid by Bert Hoselitz, the development economist of the University of Chicago. The articles, chosen by Hoselitz, include a sampling of prominent development economists. Prebisch is not represented, and though Hans W. Singer is, the article in question was written prior to his seminal paper of 1950 that linked his name with Prebisch’s. (The German-born U.N. economist had independently published a set of propositions similar to Prebisch’s in 1950; hence, the “Prebisch-Singer” thesis. Singer’s study was “The Distribution of Gains between Investing and Borrowing Countries.” *American Economic Review*, no. 2 [May 1950]: 473–85.)

49. Gonzalo Sáenz de Buruaga, “Desarrollo económico y capitalismo,” *Revista de Economía Política*, 10, 3 (September–December 1959): 1018–19.

Información Comercial Española (ICE) of the Ministry of Commerce published "El desarrollo económico visto a través de la CEPAL" and an article by Prebisch, "La oportunidad y la tarea de la América Latina." The former was a survey of current conditions rather than a theoretical statement, and Prebisch's essay noted some specific development problems, such as short-term deterioration of terms of trade. But the journal published the articles with an eye toward trade possibilities rather than indicating CEPAL had anything directly to say about the Spanish economy.⁵⁰ Senior Spanish economists later expressed interest in structuralism and dependency, but the fact that Perpiñá Grau's structuralism, later endorsed in part by Torres and others, rejected the value of protectionist policies may also have diminished interest in CEPAL's theory and policy recommendations in the latter 1950s. Probably more important, however, was the fact that Franco's Opus Dei cabinet of 1957 set a neoliberal direction in economic policy for years to come.⁵¹

All the same, during the long debate over whether Spain should apply for entry into the Common Market, Manuel de Torres seemed to be employing the arguments of Prebisch's *Economic Development of Latin America and its Principal Problems* without attribution in 1954 when he made two points on the validity of David Ricardo's thesis of comparative advantage. First, Torres cautioned, in order that there be a diffusion of technological progress as indicated in Ricardo's doctrine, the country experiencing such gains must not raise wages to the full extent of productivity increases; and second, monopolistic arrangements in international trade can block diffusion of technological progress, thus denying the gains from trade to the weaker trading partner. (These were central points in the CEPAL manifesto of 1949, when Prebisch alleged that the international trading system was not working properly.) To illustrate that Ricardo's thesis did not necessarily hold in the real world, Torres stated that the United States "exploited" Latin American nations in its commerce with them through its power to manipulate prices of their

50. See *ICE*, no. 323 (July 1960): 15–46 (CEPAL) and 65–72 (Prebisch). One may also note Charles Anderson's description of the young reformist economists associated with the radical wing of the Falange during the 1950s as "the structuralists." This group, including Enrique Fuentes Quintana, José Luis Sampedro, Juan Velarde Fuertes, and Angel Rojo Duque, were all important academicians in the 1950s and later. They called for radical structural changes in the Spanish economy, including agrarian reform and income redistribution, and could do so because they had political "cover" and did not link economic to political reforms. E.g., see Velarde, *Sobre la decadencia económica de España* (Madrid: Tecnos, 1967), 607, endorsing land reform and progressive taxation. Anderson compares the group to Latin American structuralists, but there was no direct connection between the two groups. Anderson, *Political Economy*, 101.

51. Anderson, *Political Economy*, 236.

exports.⁵² His choice of examples adds credence to the suspicion that CEPAL was the source of the observations.

An important issue in the Spain of the 1950s and 1960s was inflation, so it is perhaps not surprising that the structural thesis of inflation associated with CEPAL received attention from the government-connected ICE. Although several schools of thought on inflation were represented in the August 1956 volume, the interpretation associated with CEPAL was clearly featured, and the Chilean Aníbal Pinto, one of the originators of the structural thesis, was pictured on the journal's cover. The structural thesis, in opposition to "monetarism," was developed by a number of CEPAL economists; it was never accorded recognition from CEPAL as part of its official doctrine, though at times Prebisch himself endorsed it in the agency's publications.⁵³

The basic structuralist proposition was that underlying inflationary pressures derive from bottlenecks produced by retarded sectors, especially agriculture, whose backward state yields an inelastic supply, in the face of rapidly rising demand by the burgeoning urban masses. In Chile, where the analysis was first applied, the stagnation of the export sector was also recognized as a structural cause. Repeated devaluations to raise export earnings automatically boosted the price of imports. A related cause in this view was deteriorating terms of trade, fueled by a demand for imports that rose faster than the demand for exports (see below on ISI). To a lesser degree the CEPAL economists noted as a cause of inflation national industrial monopolies and oligopolies, shielded by high tariffs, which could raise prices quickly.⁵⁴ The several "structural"

52. Manuel de Torres [Martínez], "Los tipos de economías europeas y el problema de su integración," in Manuel de Torres, ed., *Estudios sobre la unidad económica europea*, vol. 4, 2nd part (Madrid: Estudios Económicos Españoles y Europeos, 1954), 636–37. Despite the misgivings expressed by Robert, París, Sáenz and Torres, Spain applied for membership in the Common Market in 1962, only to be rebuffed two years later when the application was shelved.

53. Prebisch, "Economic Development or Monetary Stability: the False Dilemma," *Economic Bulletin for Latin America* 6, no. 1 (March 1961): 1–25, esp. 3, where agriculture is cited as a structural cause of inflation (because of antiquated land-tenure systems). Octavio Rodríguez stresses personal, rather than official, contributions of *cepalistas* in *La teoría del subdesarrollo de la CEPAL* (Mexico, D.F.: Siglo Veintiuno 1980), 4, 190. CEPAL's *El aporte de las ideas-fuerza* (Santiago: CEPAL, 1978) and *XXV años de la CEPAL* (Santiago: CEPAL, 1973) do not mention any contribution by the institution as such on inflation.

54. See Juan Noyola Vázquez, "El desarrollo económico y la inflación en México y otros países latinoamericanos," *Investigaciones Económicas* 16, no. 4 (1956): 603–18; Osvaldo Sunkel, "Inflation in Chile: An Unorthodox Approach," *International Economic Papers*, no. 10 (1960): 107–31 [orig. in *Trimestre Económico* (1958)]; Rodríguez, *Teoría*, chap. 6. In Chile, as Sunkel pointed out, prices for agricultural goods were favorable. In Perón's Argentina, one would have expected an inelastic supply in agriculture, because of government price and foreign exchange controls.

features of inflation were distinguished from “exogenous” or adventitious causes (for example, natural disasters, changes in the international market), and “cumulative” causes (action by government and private groups to raise wages and prices in a climate of inflationary expectations). It is important to recognize that the thesis did not deny that orthodox “monetarist” explanations of inflation had some validity—for example, that some supply inelasticities were caused by distortions in exchange rates and prices, following an inflationary spiral.

ICE's editors congratulated the CEPAL-associated economists for the depth of their analysis and its “realism.” Yet the journal did not explicitly endorse the structuralist thesis as valid for the Spanish economy, and against the Chilean Osvaldo Sunkel's classic article “La inflación chilena,” it opposed “Dos opiniones sobre inflación en América Latina” by the Brazilian Roberto de Oliveira Campos, a staunch monetarist.⁵⁵

Yet the main impact of Latin American structuralism in Spain would come not in the 1950s or 1960s, but in the 1970s and 1980s, simultaneous with that of dependency analysis, and not always neatly distinguishable from the latter school. By the late 1960s dependency was capturing the imagination of a new generation of Spanish economists, who wanted to adapt it for studying their own national economy. The existing tradition of Spanish structuralism led this group in the same direction.⁵⁶

For those too young to remember, the essential elements of dependency analysis are (1) a characterization of modern capitalism as a Center-Periphery relationship between the developed, industrial West and the underdeveloped, technologically backward Third World; (2) the adoption of a system-wide historical approach, and the consequent rejection of Boekean dualism and Parsonian modernization theory; (3) the hypothesis of unequal exchange, as well as asymmetrical power relations between Center and Periphery; and (4) 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.

Dependency was noted as an important intellectual movement (without necessarily applying to Spain) in *ICE* in 1971. *ICE* acknowledged CEPAL as the main source of dependency,⁵⁷ and the number included theoretical articles by CEPAL itself, and others by the Brazilians Antônio Barros de Castro and Celso Furtado. Two years later Gabriel Guzmán, a

55. “La era de la inflación,” [special number] *ICE*, nos. 396–397 (August–September 1966): 1 (“realism”). In 1974, Jesús Prados Arrarte, professor of economics at the Facultad de Derecho of the Complutense, would describe the structuralist explanations of inflation by Sunkel and Prebisch, but would critique and reject them. Prados Arrarte, *La inflación* (Madrid: La Guediana, 1974), 76–109.

56. On both points, see José Molero, “Introducción” to Molero, ed., *El análisis estructural*, 13.

57. “Segunda Independencia de América,” *ICE*, no. 460 (December 1971): 3–4.

young Spanish academic who had recently been in Chile and had contributed to the *ICE* issue on dependency, published an extract from his dissertation in which he reviewed the early contributions of CEPAL. He focused on deterioration of terms of trade as an early theorization of unequal exchange, a topic then in vogue; it ended with an endorsement of dependency.⁵⁸ Senior structuralist economists in Spain now began to acknowledge the importance of Latin American structuralism and dependency in the development literature,⁵⁹ and in 1975 Prebisch was named Doctor Honoris Causa by the Complutense. Prebisch's prestige had also risen in Spain as elsewhere, perhaps not so much from his leadership of UNCTAD, as from his use of that organization to propagate the notion of a New International Economic Order (NIEO). The NIEO, whose proponents sought to improve the conditions of trade for producers of primary goods, was an aspiration widely endorsed by Third World politicians and economists in the early 1970s.⁶⁰

On the occasion of Prebisch's award at the Complutense, three young economists working in the Spanish structuralist tradition—Javier Braña, Mikel Buesa, and José Molero—used the occasion to write an appreciation of Prebisch's Center-Periphery scheme as the font of dependency analysis, on which subject they benefited from Guzmán's stay in Chile.⁶¹

Braña, Buesa, Molero, and other Spaniards made contact with Latin American writers in a meeting on the state and economic development in Latin America at Cambridge in 1977, in which Osvaldo Sunkel, Fernando Henrique Cardoso, Carlos Fortín, and Guillermo O'Donnell participated. Several Spaniards made further contacts at the Institute of Development Studies (IDS) in Sussex, where Sunkel periodically worked, as well as Hans W. Singer, the U. N. structuralist economist;⁶² other Spaniards participated in meetings in Mexico City and São Paulo.⁶³ In 1978

58. Gabriel Guzmán, "El desarrollo desigual a escala mundial según la CEPAL," *Anales de Economía* (hereafter, *AE*), 3a. época, nos. 18–19 (April–September 1973): 99–144.

59. E.g., see the revised edition of José Luis Sampedro and Rafael Martínez Cortina, *Estructura económica: Teoría básica y estructura mundial* (Barcelona: Ariel, 1973 [orig., 1969]), which briefly endorses dependency (662–63), and has a variety of references to the work of Prebisch, Pinto, Furtado, and Sunkel.

60. That Raúl Prebisch was the originator of the NIEO movement is confirmed in a standard textbook on development theory and in a history of that subject. See the text of Michael P. Todaro, *Economic Development in the Third World*, 3rd ed. (New York: Longman, 1985), 560, and Heinz W. Arndt, *Economic Development: The History of an Idea* (Chicago: University of Chicago Press, 1987), 141. Also on Prebisch at UNCTAD and the NIEO, see n.105 on Eduardo Sousa Ferreira.

61. Javier Braña, Mikel Buesa, and José Molero, "Raúl Prebisch: La categoría centro-periferia y el análisis estructural del subdesarrollo," *AE*, 3a época, no. 25 (January–June 1975): 229–55; Molero, "Introducción," 13.

62. On Singer and Prebisch, see n.48.

63. Molero, "Introducción," 14.

Sunkel, Fortín, and Cardoso, as well as Seers, the IDS economist who had previously worked at CEPAL, appeared at a meeting in Spain on the transnationalization of capital. This process was of obvious interest to Spaniards who saw their national economy growing rapidly with the assistance of extensive foreign investment. In particular, the team of Braña, Buesa, and Molero focused on Spain's technological dependency. They described the Franco regime in the 1950s as an instance of O'Donnell's "bureaucratic authoritarian state" in a capital-deepening phase, and applied Cardoso's category of "associated-dependent" development to Spain.⁶⁴

The three young structuralists noted the irony of the fact that the so-called autarkic policies of the 1940s and early 1950s had increased Spanish dependence on the foreign exchange bottleneck, with its rising import requirements. By comparing the foreign exchange bottlenecks in the growth process of Spain and Latin America (see above)—in which the three authors implicitly judged the analysis of Perpiñá and Torres of the former as similar to that of CEPAL for the latter—they associated the dependency perspective with Spanish analogs. For Braña, Buesa, and Molero, the similarity of processes and mechanisms of dependency in Spain and "Latin American social formations, the real Periphery" was "truly surprising."⁶⁵

In another work, they argued that when Spain's period of alleged autarky had ended in the 1950s, techniques of production were antiquated. Thus it was necessary to import technology on a massive basis, increasing dependence on oligopolistic sources. For the three, technology in the post-war era represented "a powerful and diffuse means of domination."⁶⁶ Following Cardoso on Brazil, these economists argued that foreign capital, negotiating with domestic finance capital and the Spanish state, tends to increase the degree of concentration of ownership and monopoly.⁶⁷

64. Javier Braña, Mikel Buesa, and José Molero, "El fin de la etapa nacionalista: Industrialización y dependencia en España, 1951–1959," *Investigaciones Económicas* 9 (1979): 198–200, 206.

65. *Ibid.*, 174, 176. For a historical perspective on this period and the influence of the Latin American school on the younger generation of Spanish structuralists, see Pedro Fraile Balbín, *La retórica contra la competencia en España (1875–1975)* (Madrid: Fundación Argentaria, 1998), 136–39. Fraile specifically mentions the influence of Osvaldo Sunkel's dependency-suffused structuralist text with Pedro Paz, *El subdesarrollo latinoamericano y la teoría del desarrollo*. On the Latin American emphasis on strategic sectors (petrochemicals and metallurgy), Fraile cites the influence of Fernando Fajnzylber, *La industrialización trunca de América Latina* (Mexico: Nueva Imagen, 1983). More generally on the Latin American impact in Spain, see Almenar, 202.

66. Braña, Buesa, and Molero, "Materiales para el análisis de la dependencia tecnológica en España," in Vicente Donoso, José Molero, Juan Muñoz, and Angel Serrano, eds., *Transnacionalización y Dependencia* (Madrid: Instituto de Cooperación Iberoamericana, 1980), 327–28, 347 (quotation).

67. Braña, Buesa, and Molero, "Los años 60–70: El auge del crecimiento dependiente en España," in *ibid.*, 264, n. 20; 283.

Another meeting of Spaniards and Latin Americans ensued at the La Granda campus of the Universidad de Oviedo in 1979, at the initiative of Juan Velarde Fuertes, director of the Department of Structure and Economic Institutions at the Universidad Complutense. Participants in the seminar included Aníbal Pinto, Fernando Henrique Cardoso, Osvaldo Sunkel, Guillermo O'Donnell, Enzo Faletto, Octavio Rodríguez, Edmundo Fuenzalida, Dudley Seers, and members of the older and younger generations of structuralist economists in Spain. In the prologue to the volume emerging from the meeting, Velarde recounted the structuralist tradition in Spanish economics.⁶⁸ The book was published with the support of CEPAL and the Instituto de Cooperación Iberoamericana,⁶⁹ the cultural agency of the Spanish government which had replaced the Instituto de Cultura Hispánica of the Franco era. A series of annual conferences in Madrid and Asturias was to follow.

Latin American structuralism in Spain in the 1970s and 1980s was largely restricted, however, to the research interests of the new generation of structuralists, coming to maturity about 1968, and focusing on technology. Yet technological dependence in Spain was greatest, Molero noted, precisely in the most dynamic industries, and thus technological dependence meant dependence in the overall process of growth.⁷⁰ In introducing their large study, *El Estado y el cambio tecnológico en la industrialización tardía*, Braña, Buesa, and Molero reviewed at length the contributions to development theory of both CEPAL-associated structuralism and dependency.⁷¹ The bulk of the monograph, however, was devoted to empirical research of a high caliber.

As the line of investigation continued, general works on Latin American structuralism became less frequent, and in a study by Buesa and Molero in 1989, the only Latin American author cited was the Argentinean Jorge Katz, who specialized in technological dependence.⁷² By 1990, in "Economía e Innovación (Hacia una teoría estructural del cambio técnico)," Molero failed to cite any Latin American writers at all.⁷³ By that time, as well,

68. He mentioned the work of Flores de Lemus, Perpiñá, and Torres. See Velarde Fuertes, "Prólogo" to Molero, *Análisis estructural*, 10.

69. *Ibid.*, 10.

70. José Molero, "La dependencia tecnológica exterior de las grandes empresas industriales españolas 1974–1976 (algunos rasgos fundamentales)," *Investigaciones Económicas* 13 (September–December 1980): 186, 192; Braña, Buesa, and Molero, *El Estado y el cambio tecnológico en la industrialización tardía: Un análisis del caso español* (México, D.F.: Fondo de Cultura Económica, 1984), 13.

71. Braña, Buesa, and Molero, *Estado*, 39–49 (on Latin American structuralism); 50–78 (on dependency).

72. Mikel Buesa and José Molero, *Innovación industrial y dependencia tecnológica de España* (Madrid: Eudema, 1989).

73. José Molero, "Economía e innovación (Hacia una teoría estructural del cambio técnico)," *Economía Industrial*, no. 275 (September–October 1990): 39–54.

neoclassical economics had come to dominate the discipline of economics in Spain, and structuralism of any sort was less in favor.⁷⁴

The author of the theoretical portion of *El Estado* ten years earlier, Molero in 1990 confined his citations to economists who worked more fully in a neoclassical framework. Thus it seems that Latin American structuralism had a moment of influence in Spain, one that coincided with the research agendas of a generation of economists—that of 1968—seeking to explain novel phenomena in the 1970s and early 1980s.

The final instance of the impact of structuralism in Spain was more enduring, and concerned Spanish foreign policy. Just as the Instituto de Cooperación Iberoamericana (ICI) had helped publish Molero's *El análisis estructural en economía* in 1981, so, at Velarde's initiative, the ICI undertook to launch an economics journal called *Pensamiento Iberoamericano* with the support of CEPAL in 1982.⁷⁵ Publishing articles in both Portuguese and Spanish, the journal was intended to represent all schools of Latin American economics as well as the Iberian literature, but its first editor was the structuralist Pinto; furthermore, the board of editors was largely composed of well-known structuralists. Prebisch and Velarde jointly introduced the first number, in which Furtado wrote the lead article. Sunkel later replaced Pinto as editor, remaining in that post until the journal ceased publication in 1998. According to Velarde, Prebisch wanted a journal open to all schools, but Pinto tended to view *Pensamiento Iberoamericano* as a structuralist venue only.⁷⁶ In fact, the journal became more open to other perspectives under Sunkel's editorship, beginning in mid-1987. At all events, because the readership was largely Latin American, we may assume the journal was regarded in some sense as serving the foreign policy interests of the Spanish state, as well as those of CEPAL. ICI and CEPAL also sponsored the annual meetings of Latin American and Spanish economists mentioned above, notably structuralists and others from both hemispheres.

THE PORTUGUESE CASE

The German structuralist tradition, which had established strong foundations in Spain, was markedly weaker in Portugal, where the neoclassical tradition was also poorly understood and poorly diffused until after World War II. Portugal had no serious university-level education in

74. The dominance of neoclassical economics also meant a much weightier role for the Anglo-American literature. Almenar, 217–18.

75. See *Pensamiento Iberoamericano: Revista de Economía Política*, no. 1 (January–June 1982).

76. Velarde interview, Madrid, January 9, 1995.

economics at all until 1949.⁷⁷ In practice, as in Spain at the time, engineering optima tended to prevail over economic optima. Engineers wanted to run the country as a business enterprise: José N. Ferreira Dias, Salazar's Undersecretary of State for Commerce and Industry (1940–44) and Minister of the Economy (1958–62), valued optimism, *produtivismo*,⁷⁸ technological efficiency, and voluntarism. Although Ferreira Dias was not altogether insensitive to economic theory, he tended to see development issues as technical problems, independent of opportunity costs and the optimization of resource allocation, in the view of one historian of economic policy.⁷⁹

In the prewar era the structuralist tradition in Portugal, such as it was, was largely limited to the work of the French economist François Perroux, who briefly held the chair of economics in the Law School at the University of Coimbra in 1936. His collected lectures, entitled *Lições de economia política*, were published the same year,⁸⁰ as Perroux left Coimbra to join the faculty at the newly created University of São Paulo.⁸¹ In this text he devoted almost a hundred pages to a discussion of economic structures—not only the “morphology of economic systems in space,” but also the particular structures of the French, German, and British economies.⁸² Following the war, Perroux was probably cited as an authority on structuralism by more Portuguese economists than any other writer. For Perroux, as noted approvingly by an academic at the Centro de Estudos de Estatística Económica, a theory of structures “constitutes a necessary union between pure theory of economic activity and historical-geographical and monographic research.”⁸³

77. Armando Castro, “O ensino da ciência econômica na segunda metade dos anos trinta e a ação pedagógica do Professor Doutor Teixeira Ribeiro.” *Boletim da Faculdade de Direito de Coimbra*, número especial (1978), 8. In a similar vein, Carlos Bastien states that modern economic theory only begins in the 1950s. Bastien, “The Advent of Modern Economics in Portugal” in Coats, *The Development of Economics*, 186.

78. Cf. the same notion in Spain, described above.

79. José M. Brandão de Brito, “Os engenheiros e o pensamento econômico do Estado Novo,” in José Luís Cardoso, ed., *Contribuições para a história do pensamento econômico em Portugal*, (Lisbon: Dom Quixote, 1988); and Brandão de Brito, “O condicionamento industrial e o processo português de industrialização após a Segunda Grande Guerra.” (PhD diss., Universidade Técnica de Lisboa, 1987), chap. 2. Carlos Bastien, however, denies that Ferreira Dias altogether ignored economic theory. Bastien, personal communication, April 29, 2001.

80. François Perroux, *Lições de economia política* (Coimbra: Ed. Coimbra, 1936). Also see Castro, 7.

81. On this matter, see Love, *Crafting*, 146–47.

82. Perroux, *Lições*, chap. 2 (138–225).

83. Armando Nogueira, “O aspecto estrutural” in Instituto de Alta Cultura: Centro de Estudos de Estatística Económica, *Coletânea de Estudos*, vol. 2 (1957): 185 (quotation). Nogueira cites eight studies of Perroux in his bibliography on structuralism (187–88).

Perroux's initial influence was almost certainly enhanced by his work on, and defense of, corporatism, the official ideology of the Salazar dictatorship; but in the postwar era, corporatism was in decline as an ideology, even in Portugal. In that country corporatism's claim to be a *terce solution* between capitalism and communism was increasingly denied, as the view came to prevail that all real economies obey a single form of rationality.⁸⁴

Simultaneously, neoclassical economics began to be taught more rigorously, but was overtaken by Keynesian economics, which became a standard approach to economics in Portuguese universities during the 1950s.⁸⁵ Structuralism, as well as neoclassical and Keynesian economics—itsself a kind of structuralism—was also a beneficiary of a more professional approach to economic science in the early postwar decades. The shift was part of a broader movement within the Salazar regime away from agrarianism and toward industrialization, as well as the beginning of state planning in 1953.⁸⁶ New institutions and journals appeared on the scene, some of them independent of the corporatist entities of the 1930s and 1940s—journals such as *Revista de Economia* and *Boletim de Ciências Econômicas*. New research institutes, such as the Centro de Estudos Econômicos of the Instituto Nacional de Estatística and the Centro de Estudos de Estatística Econômica, also appeared, as well as a Department (Faculdade) of Economics in Porto.⁸⁷

Structuralism as a broad school probably reached its peak of influence in the Portugal of the 1950s. Its adherents claimed Leontief's input-output analysis for the structuralist school, just as Sampedro was to do in Spain; they also were influenced by Hirschman, whose *National Power and the Structure of Foreign Trade* had recently been published in a Spanish translation in Madrid (see above).⁸⁸ Likewise, Colin Clark's *The Conditions of Economic Progress* was seen as a structuralist contribution because of his emphasis on

Also on Perroux's authority, see Fernando Mário Alberto de Seabra (professor of economics at the University of Porto), *A industrialização dos países agrícolas: Introdução ao estudo do problema* (Coimbra: Atlântida, 1945), 68. Another interwar economist with a similar structuralist approach, Ernst Wagemann (see above), was also cited as an authority by João Pinto da Costa Leite, the chairholder of economics at the Law School at Lisbon, in his text *Economia Política*, I (Coimbra: n. pub., 1963), 46.

84. Carlos Bastien, "A emergência do pensamento econômico e teórico no Portugal contemporâneo," *Cadernos de Ciências Sociais*, no. 12/13 (January 1993): 149.

85. Bastien, "Emergência," 160.

86. Carlos Bastien, "A introdução do pensamento econômico estruturalista em Portugal (Anos 40 e 50)," in José Luís Cardoso and António Almodóvar, eds., *Actas do encontro ibérico sobre história do pensamento econômico* (Lisboa: CISEP, 1992), 409. On the content of government development plans, 1959–74, see Eugênia Mata and Nuno Valério, *História econômica de Portugal: Uma perspectiva global* (Lisboa: Presença, 1994), 210–11.

87. Bastien, "Emergência," 150; Bastien, personal communication, April 2, 2001.

88. Cited in Francisco Pereira de Moura, Luís Maria Teixeira Pinto, and Manuel Jacinto Nunes, "Estrutura econômica portuguesa: Agricultura, indústria, comércio

the importance of the secondary sector in developed economies, though Clark's stress on raising labor productivity tended to be ignored by Portuguese economists.⁸⁹ In addition, the future Dutch Nobelist Jan Tinbergen was cited for his econometric approach to economic structures.⁹⁰

Even more than their Spanish counterparts, the Portuguese economists of the early postwar period tended to see their country as "underdeveloped" in the new subdiscipline of economics, development theory. Alvaro Ramos Pereira, from the Service of Statistics and Economic Studies, took an eclectic but generally structuralist view of the problem of development in 1954, classifying the Portuguese economy as underdeveloped.⁹¹ Like Ramos, Francisco Pereira de Moura, chairholder at the Instituto Superior de Economia e Gestão (ISEG),⁹² did not hesitate to call Portugal "underdeveloped" two years later.⁹³ Pereira de Moura, the country's most important economist⁹⁴ likewise believed that Portugal suffered from disguised unemployment—affecting "hundreds of thousands of workers." The implication was to redirect them away from agricultural toward industrial employment.⁹⁵ His colleague Ramos Pereira said so explicitly, believing the process could occur "without there being any decline in the global production of the primary sector."⁹⁶

externo," in Instituto Nacional de Estatística, Centro de Estudos Económicos, *Revista*, no. 14 (1954): 198.

89. *The Conditions of Economic Progress* (2nd ed., London: Macmillan, 1951 [1940]); A. Ramos Pereira, "Portugal e o quadro das estruturas económicas sub-desenvolvidas," *Revista de Economia* 7, no. 1 (March 1954): 3; Bastien, "A introdução," 417.

90. Nogueira, "Aspecto estrutural," 181.

91. He thought Kurt Mandelbaum's prescription of state-led infusions of large capital movements for backward countries was appropriate for Portugal. Ramos Pereira, 22. However, the writer thought that Portugal differed from other underdeveloped countries in not having an absolute dearth, but a "directional insufficiency" of capital, meaning that Portugal misdirected its capital to pay off debt and to overinvest in urban property, rather than favoring industrial development. Bastien, personal communication, above. In addition, see Bastien, "Alvaro Mâmede Ramos Pereira (1920–1984)" in J. L. Cardoso, ed., *Dicionário Histórico de Economistas Portugueses* (Lisboa: Temas e Debates, 2001), 247. In his "Emergência," Bastien discusses the general recognition of the backwardness of the Portuguese economy in the decade following the war (149).

92. This institution, Portugal's chief center of economic research, was connected to the Universidade Técnica de Lisboa and went through a number of name changes. During the period under study, it was successively known as the Instituto Superior de Ciências Económicas e Financeiras and the Instituto Superior de Economia.

93. Francisco Pereira de Moura, "Estagnação e crescimento da economia portuguesa?," *Revista do Gabinete de Estudos Corporativos* 7, no. 26 (June 1956): 186. In the mid-1950s ISEG introduced a course sequence on development economics. (Bastien, personal communication, May 4, 2001.)

94. Bastien, personal communication, April 2, 2001.

95. Pereira de Moura, "Estagnação," 186

96. He cited Mandelbaum as an authority on the thesis that the marginal productivity of labor approaches zero in peasant agriculture. Ramos Pereira, "Portugal," 6, n.13.

In this intellectual milieu, in which Portuguese economists were more willing than their Spanish contemporaries to place their nation under the sign of “underdevelopment,” Latin American structuralist writers apparently enjoyed a greater impact on policy questions than they did in Spain. In 1954, the *Revista de Economia* published an article by Celso Furtado on the techniques of planning,⁹⁷ and CEPAL’s programming techniques and standards were used by Luís Teixeira Pinto, a leading authority on Keynes, to critique Portugal’s second national economic plan (1959–64). In doing so, Teixeira Pinto pointed out that in Latin America—meaning at CEPAL—economists were required to take intensive technical courses on planning.⁹⁸ The planning referred to was “programming,” a technique developed at CEPAL in 1953. Its purpose was to construct medium- and long-term projections of aggregate and sectoral growth, using (1) projections of domestic demand, based on consumer budget studies; (2) estimates of the “capacity to import” (a CEPAL concept),⁹⁹ based on an estimate of foreign demand; (3) estimates of savings and capital-output ratios; and (4) the “application of various investment criteria and of input-output analysis.” Given a targeted rate of growth and combined with accurate and adequate statistical information, programming could be used to predict an economy’s growth path.¹⁰⁰

In a companion lecture, Pereira de Moura discussed techniques of sectoral programming developed at CEPAL, and used Mexican and Brazilian examples. He described how ISI was to be planned in Latin American circumstances, with great attention to programming projections, including estimates of the “capacity to import” in order to avoid bottlenecks (*estrangulamentos*). Pereira emphasized CEPAL’s desideratum of reserving as large a share as possible of the “capacity to import” for capital equipment. In the final lecture in the two-author series, “Significance of the technique of programming,” Teixeira Pinto concluded that Portugal, like Latin America, needed programming to achieve more rapid

97. Celso Furtado, “A técnica do planejamento econômico,” *Revista de Economia* 7, no. 1 (March 1954): 22–29, published the same year in the Brazilian journal *Revista de Ciências Econômicas*.

98. Teixeira Pinto, “Segunda Conferência” in Pereira de Moura and Teixeira Pinto, *Problemas de crescimento econômico português* (Lisboa: Associação Industrial Portuguesa, 1958), 41, n. 2. Also on Teixeira’s career and CEPAL’s influence on him, see José Luís Cardoso, “Luís Maria Teixeira Pinto (n. 1927)” in Cardoso, *Dicionário*, 267.

99. Defined as the volume of exports multiplied by the terms of trade.

100. “Planning Concepts and Experiences” from the series “Analyses and Projections of Economic Development, I: An Introduction to the Technique of Programming” in United Nations Economic Commission for Latin America, *Development Problems in Latin America* (Austin: University of Texas Press, 1970), 61–102; the summary above is drawn from Albert O. Hirschman, *Latin American Issues: Essays and Comments* (New York: Twentieth Century Fund, 1961), 17–19 (quotation on p. 18).

growth.¹⁰¹ Carlos Bastien, a Portuguese historian of economic thought, notes the influence of CEPAL's ideas and techniques on Pereira de Moura and Teixeira Pinto, and points out that CEPAL was already applying programming techniques to the evaluation of projects. But Portuguese economists were not yet doing so, in part because of the poor quality of Portuguese data: for example, there was no input-output table for the Portuguese economy until 1964, whereas Spain had one in 1958.¹⁰² In the Portuguese debate it is notable that a number of signal concepts and terms from the Latin American structuralist school were enunciated and approved. The Portuguese economists also tended to adopt the Latin American structuralists' definition of underdevelopment as structural heterogeneity, that is, situations of heterogeneous technologies and production functions.¹⁰³

Two Latin American structuralists—the most obvious ones from the Portuguese perspective—had a special influence in Portugal, namely, the Argentinean Raúl Prebisch and the Brazilian Celso Furtado. Manuela Silva, Professor of Economics at the ISEG in Lisbon, where she was Director of Economic Studies, tried to estimate Prebisch's influence in the mid-1980s based on a letter she wrote to ten prominent Portuguese economists. Silva found a significant convergence of opinions: Of the Argentine economist's various writings and theses, he was judged most important in Portugal for his initial model of asymmetric effects of international trade; his analysis of the dynamics of peripheral capitalism; his strategy of import-substitution industrialization; and his explanation of inflation.¹⁰⁴ By contrast, the importance of Prebisch on the formation of the contemporary generation of economists—that of the 1980s—was “relatively weak,” Silva judged, because of the decreasing importance of development theory; the rise of Marxist theories of dependency; and the revitalization of the neoclassical approach. Latin American structuralism was important, she concluded, during the 1950s and 1960s, as a critique of neoclassical economics and Keynesianism,

101. Pereira de Moura, “Terceira Conferência” and Teixeira Pinto, “Quarta Conferência” in Pereira de Moura and Teixeira Pinto, 71, 76, 78, 93.

102. Carlos Bastien, “Introdução,” 414–16; on Spain, see Almenar, 201. In addition, Pereira de Moura argued that one aspect of economic backwardness was a tendency toward the concentration of income in the higher strata of income-recipients, as the post-war economy expanded between 1947 and 1956. Furthermore, the “demonstration effect” caused profits to be spent on “superfluous” consumption and therefore induced a rise in imports, a position Prebisch had defended in Argentina as early as the 1930s—before the term “demonstration effect” had been coined by the Harvard economist James Duesenberry. Pereira de Moura, “Primeira Conferência,” *ibid.*, 30–34.

103. Bastien, “Introdução,” 417.

104. The last-named point, however, would more properly be associated with other structuralists, notably Juan Noyola Vázquez, Aníbal Pinto, and Osvaldo Sunkel.

and she cited especially the work of Pereira de Moura and Teixeira Pinto as evidence of Prebisch's influence.

Prebisch's overarching Center-Periphery framework had no significant impact, however, and his influence on economic policy was never of central importance. Yet there were moments, Silva asserted—notably in the multi-year Development Plans in the years before the 1974 Revolution, as well as the draft plan for 1977–80—where Prebisch's impact could be perceived. She judged that Latin American structuralism was chiefly important as an analytic and critical tool, even as structuralism engendered dependency analysis.¹⁰⁵

Furtado's impact in Portugal derived in part from his relatively greater accessibility through the medium of the Portuguese language and the Portuguese-Brazilian book trade, and possibly his presence as a chairholder at the University of Paris after 1965; but Pereira de Moura, writing in 1956, had already been familiar with Furtado's *A economia brasileira*, the first structuralist study of the history of a national economy, published two years earlier.¹⁰⁶ At all events, in Paris, Furtado influenced Alfredo de Sousa, a Portuguese economist who incorporated some of Furtado's ideas into his lectures at the ISEG and into his own analysis of the Portuguese economy. In Sousa's eclectic work, "Portuguese Economic and Social Development," published in 1969, he cited Furtado's work on Brazil, and took up several structuralist themes. These included the transformative potential of industrial development; the importance of moving excess agricultural labor into industry; the critical role of the foreign exchange bottleneck; and the importance of maintaining the capacity to import.¹⁰⁷ A year later Furtado and Sousa published a jointly authored article in the Mexican journal, *Trimestre Económico*. It concerned

105. Manuela Silva, "Vias de penetração do pensamento de Raúl Prebisch em Portugal—um balanço provisório," MS [1987?], 6 pp. typescript, courtesy of Carlos Bastien. In addition, though not directly related to the Portuguese economy, Eduardo de Sousa Ferreira, also a professor at the ISEG, pointed out in 1981 that Prebisch's thesis on international trade was of "central importance" in the first four meetings of the UNCTAD, of which Prebisch was the first Executive Secretary. According to that view, as summarized by Sousa Ferreira, the "trade gap" (in English) between the underdeveloped and developed countries impedes the further development of the former group of nations. Sousa Ferreira, "UNCTAD V: O carácter neoclássico da Nova Ordem Económica Internacional," *Estudos de economia: Revista do Instituto Superior de Economia* 1, no. 2 (January–April 1981): 157.

106. Pereira de Moura, "Estagnação," 130. Furtado's *Economia Brasileira* was an early version of his celebrated *Formação econômica do Brasil* [Economic Growth of Brazil] (Rio: Fundo de Cultura), published in the same year (1959) as Aníbal Pinto's structuralist history, *Chile, Un caso de desarrollo frustrado* (Santiago: Ed. Universitaria). Furtado's influence on Portuguese planning, noted above, also occurred in the 1950s.

107. Alfredo de Sousa, "O desenvolvimento econômico e social português: reflexão crítica," in *Análise Social* 7, no. 27–28 (1969): 394, 397, 399.

the significance of the existing demand profile in determining the character of economic development, a theme of great importance in Furtado's analysis of dependency in subsequent years.¹⁰⁸

After the Revolution of April 1974, terminating the dictatorship of Salazar's successor Marcelo Caetano, Furtado's work was more frequently cited in Portugal, as dependency analysis became more popular. Furtado, with Aníbal Pinto, had not only moved structuralism from a cyclical analysis to a fully historical perspective, but had also linked the processes of development and underdevelopment as early as 1959, thereby providing the bridge between structuralism and dependency.¹⁰⁹ Determining where structuralism ends and dependency begins is something of an arbitrary process, but the structuralist economists associated with CEPAL and dependency analysis manifestly did not frame their work in a Marxist paradigm.¹¹⁰

Uniquely in the world, perhaps, professors at the ISEG established a Center for the Study of Dependency in 1975—with a dual focus on Portugal's relations with Africa, and Portugal's relations with Europe.¹¹¹ Such relations were political as well as economic, and Mário Murteira, an ISEG economist, regarded Furtado in 1974 above all as a political economist who could instructively link economic processes and political domination. Furtado held—and Murteira agreed—that understanding the functioning of the international economic system of the 1970s was less a phenomenon of the mechanics of international trade than one of control of economic decisions in a multinational arena.¹¹² In 1987 ISEG bestowed the title of Doctor Honoris Causa on Furtado just as Madrid's Universidad Complutense had honored Prebisch more than a decade earlier.

In another work focusing on problems of development in the Lusophone world, Murteira endorsed the Prebisch thesis on deteriorat-

108. Celso Furtado and Alfredo de Sousa, "Los perfiles de la demanda y de la inversión," *Trimestre Económico* 37, no. 3 (July–September 1970): 463–87. The article also appeared in Portuguese in the same issue of *Análise Social* in which Sousa's "O desenvolvimento" was published (487–511).

109. See Love, *Crafting*, 170–71.

110. The sociologist Fernando Henrique Cardoso, based at ILPES, a CEPAL-associated agency in the mid-1960s, did explicitly employ a Marxist paradigm, as did many other dependency writers of the 1960s and 1970s. Elsewhere I have tried to show that the main source of Cardoso's famous *Dependency and Development*, jointly authored with Enzo Faletto, was Latin American structuralism, not Marxism. See Love, *Crafting the Third World*, 195, and Cardoso and Faletto, *Dependencia y desarrollo en América Latina* (México, D.F.: Siglo Veintiuno, 1969).

111. The Centro de Estudos de Dependência received funding from the Volkswagen Foundation. See a description of its activities and publications in *Estudos de Economia* 1, no. 3 (May–August 1981): 395–96.

112. Mário Murteira, *O problema de desenvolvimento português* (Lisboa: Moraes, 1974), 21, 25.

ing terms of trade for “Third World” countries, but did not do so explicitly for Portugal. Murteira viewed Portugal as a dependent entity (within the European context), but not an underdeveloped country.¹¹³ In his analysis of Portugal’s foreign trade in 1984, Murteira had referred to the national economy’s “structural blockage,” and argued that Portugal must overcome its persistent balance of payments problems with (unspecified) structural change. This approach is strongly reminiscent of classic CEPAL analysis with which Murteira was familiar, among other reasons, because of his association with the Madrid-based *Pensamiento Iberoamericano*.¹¹⁴

Carlos Bastien, the historian of economic thought, holds that the three basic theses of the Latin American structuralists—regarding structural unemployment, deteriorating terms of trade, and external disequilibrium—did not significantly affect Portuguese structuralism as it developed in the 1950s and 1960s; nor did Portuguese economists adopt the Center-Periphery framework for Portugal (as opposed to “true” Third World areas). Bastien does credit the Latin American school with influencing the economists of the 1950s and 1960s on planning, and “programming” in particular. He also notes the Latin American structuralists’ influence on the salience of income distribution issues, the income-elasticity of demand, structural bottlenecks, and capital coefficients in sectoral output—though all of these notions and emphases were not unique to CEPAL.¹¹⁵ Yet, as Bastien observes, the Latin American school did have moments of influence and even a “practical” impact, in that CEPAL’s programming methodology was carefully examined for application to the Portuguese economy. In any event, Bastien was looking at the 1940s and 1950s; later echoes of Latin American structuralism, buoyed up in part by the vogue of dependency analysis in the 1970s and early 1980s, in my view raise the overall importance of Latin American structuralism in the Portuguese context. In any event, the longer-term decline of structuralism in Portugal in the face of an ever-more-dominant neoclassical school focused on North American models, as in Spain, also helped to diminish the influence of the Latin Americans during the 1980s.¹¹⁶

113. Mário Murteira, *Os estados da língua portuguesa na economia mundial: Ideologias e práticas do desenvolvimento* (Lisboa: Presença, 1988), 254; Murteira, “Estado, crise e regulação: Uma reflexão sobre a experiência portuguesa,” *Análise Social*, 3a. serie 20, 1 (1984): 30.

114. Murteira, “Estado,” 36.

115. Bastien, “Introdução,” 415, 420–21. In another work Bastien writes that the main contribution of structuralism, “as an instrument of legitimation of pro-growth attitudes, was to characterize Portuguese backwardness in a very clear and thorough way.” See his “Advent of Modern Economics,” 178.

116. *Ibid.*, 183.

CONCLUSION

In the two European countries where the influence of Latin American structuralism is under review, we may note some important similarities. That economists in both countries, early in the postwar period, tended to view their countries as “backward” or “underdeveloped” was significant. We may also note that, by mid-century, although in sharply contrasting degrees, they had developed structuralist traditions of their own. Spain assimilated the Latin American movement to these local traditions, flowing from Germany.¹¹⁷ Portugal had less of a structuralist tradition to draw on—in the interwar years, little more than François Perroux’s work—but neither was there a well-established tradition of any other kind (neo-classical, Marxist, or Keynesian) in that country. Nevertheless, Perroux’s early work and that of the German-Chilean Wagemann¹¹⁸ smoothed the path for the Latin American ideas in Portugal.

In both Iberian countries, there were two moments of importance of the Latin American ideas—in the 1950s, the era of CEPAL’s youth, and in the 1970s, when Portugal and Spain emerged from their dictatorships. In the 1950s, economists in both countries pondered this issue of whether the new subdiscipline of development economics applied to their own countries. At the time, some Portuguese economists viewed their nation as underdeveloped in the postwar sense—with fewer qualifications than Spanish counterparts would apply to their country. These Portuguese studied CEPAL’s technique of programming to help plan development in their own economy, and in this “instrumental” sense, Portugal was more affected by Latin American structuralism in the 1950s than Spain. In the 1970s, dependency analysis, especially in the versions of Prebisch, Furtado, Pinto, and Sunkel, focused on international political economy. This fact was noted with interest in both European nations. The “practical” application of CEPAL’s ideas on programming in the Portugal of the 1950s found a parallel in Spain in the 1970s and 1980s: Molero, Braña, and Buesa were less interested in theorizing about dependency at societal levels than in studying Latin American research on technological dependency, as Spanish economists sought to overcome their country’s backwardness within Europe.

117. In a diffuse way, Latin American structuralism, though eclectic, was also influenced by the German Historical School. See Love, *Crafting the Third World*, 134–37. (For Hans Singer, Prebisch’s “co-discoverer” of unequal exchange, the German influence was manifest, since he studied with Arthur Spiethoff, the longtime editor of *Schmollers Jahrbuch*. See “H. W. Singer,” in Gerald M. Meier and Dudley Seers, *Pioneers in Development* [New York: Oxford University Press for the World Bank, 1984], 273.)

118. After World War II Wagemann returned to his native Chile, taking a post at the national university and editing the journal *Economía*.

Meanwhile, Prebisch had laid the groundwork for the NIEO movement, building on his message of unequal exchange at UNCTAD. Such actions and Prebisch's international reputation helped Latin American ideas play a role in shaping ideological foreign policy in the two Iberian nations: Each country profited from ready access to a linguistic and cultural community of nations arising from its former colonial empire. In Spain, the journal *Pensamiento Iberoamericano* was aimed at the whole of Latin America, whereas Portuguese interest in structuralist ideas—and the dependency derivations from it—were aimed more narrowly at Portugal's former African and island colonies.

And did structuralism and dependency affect economic thought and policy elsewhere in "peripheral Europe"? I examine the case of Romania in a forthcoming article, but I think further study of Eastern and Southern Europe would show the Latin American movements to be more widely influential.¹¹⁹ In particular, the coincidence between Latin American influence in Iberia and Romania in the 1950s and the 1970s shows how closely, in the eyes of economists in peripheral Europe, structuralism and dependency analysis were bound together, quite apart from any Marxist provenience of dependency.

119. For example, Communist Poland, where much nonorthodox theorizing occurred in the postwar years, might yield further evidence of the Latin American impact. An early and incomplete version of my examination of the Romanian case is "Flux și Reflex: Teoriile Structuraliste ale Dezvoltării din Perioada Interbelică și Cea Postbelică în România și America Latină," *Oeconomica* 11, no. 3 (2002): 269–83.