In 1948, just a few years after its founding, the United Nations established the Economic Commission for Latin America (ECLA, CEPAL in Spanish and Portuguese). Through extensive archival research and an elegant exploration of the interplay among national, regional, and global dynamics, Margarita Fajardo provides a new history of the institution, the principal thinkers who worked within it, and the ideas they generated. As a contextual intellectual history that explores ideas concerning trade, development, and dependency, The World That Latin America Created will be of interest to historians of Latin America, historians of international relations, and social theorists, to name just a few. It is also an eminently teachable book, which situates and explains concepts and policies of political economy, both for Latin America and international development more broadly.

As Fajardo argues, those associated with CEPAL—the cepalinos—“championed and obtained special provisions for developing countries and the cooperation of the developed world” (p. 4). They did so by leveraging Latin America’s weight within international institutions, and, in so doing, the cepalinos offered an alternative world-making project to those of the Global North. Most commonly known as “structural economics,” the analyses and policy prescriptions offered by CEPAL made it a kind of “International Monetary Fund of the Left” (p. 15). Fajardo effectively demonstrates just how influential CEPAL was in the 1950s and 1960s in Chile, in Brazil, and throughout Latin America. She also historicizes the thought of the cepalinos, locating it within the economic and political challenges they faced as public intellectuals and policymakers. Fajardo’s book breaks new ground in its exploration of the dynamics of the Cuban Revolution and the Alliance for Progress through which CEPAL and dependency theorists had to navigate, as well as the ways they were shaped by their intellectual, political, and social trajectories.

The six chapters (plus an epilogue) of The World That Latin America Created span the creation of the UN Economic Commission for Latin America, the consolidation of its agenda within national governments, and the ways different cepalinos responded to and influenced the events around them. Its main protagonists include the Argentine Raúl Prebisch, executive director of CEPAL; Brazilian Celso Furtado, director of Brazil’s development bank, or Banco Nacional de Desenvolvimento Econômico, and Minister of Planning during the João Goulart government; Fernando Henrique Cardoso, sociologist and later president of Brazil; and lesser-known economists, including
Chilean Jorge Ahumada, Mexican Juan Noyola, Cubans Regino Boti and Felipe Pazos, and many others. The book explores the development of their ideas and their application in such areas as industrialization, international trade, and inflation. Its later chapters contribute to understanding dependency theory's emergence out of this previous experience; they also more fully examine the epistemological and political tensions that complicate any facile categorization of CEPAL and those who passed through its ranks.

Chapter 1 provides an institutional history of how CEPAL came into being. Based on research in diplomatic archives and an analysis of founding documents, it centers Latin America in the post-war global order. Fajardo presents readers with Prebisch’s thinking about center and periphery that framed the institution’s thinking, as well as CEPAL’s early work in carving a space for itself in competition with overlapping authorities, notably, the International Monetary Fund (IMF).

Chapters 2 and 3 address two areas in which cepalinos’ distinct vision and policy prescriptions coalesced: the development paradox and structural approach to inflation. As Fajardo writes, “Latin America confronted a development paradox: industrialization promised to reduce dependence on exports, but it also increased the demand for imported machinery and equipment and hence the dependence on exports to buy imports” (p. 57). To finance industrialization, as the book demonstrates, cepalinos advocated for both more trade and more aid. They also denounced monetarist orthodoxy—that is, the idea that strong currency, wage-increase deferments, and budget cuts could curb inflation—by advancing a “structural approach to inflation” (p. 74). For scholars of Latin American political economy, the challenges that these thinkers and policymakers had in negotiating between growth and inequality, development and inflation, and internal and external markets are perennial. For students, these chapters masterfully explain complex ideas in easily accessible terms.

Chapter 4, in many ways the most original of the book, explores how CEPAL and the diverse group of intellectuals who contributed to it dealt with challenges to their left and to their right. In particular, the chapter considers CEPAL’s complicated relationship to Cuba, where it sent a mission in 1959-60 only to abort it, and the US Alliance for Progress, with which cepalinos became active, if frustrated, partners. Fajardo’s exploration of the allure but also limitations of Celso Furtado’s non-revolutionary Left is particularly poignant. Furtado, she demonstrates, “sought to mobilize the Alliance for Progress for his development plan,” notably, the Superintendência do Desenvolvimento do Nordeste (SUDENE), which aimed at developing Brazil’s Northeast and reducing poverty there (p. 125). While the cooperation between Furtado and the alliance proved fraught with tension and ultimately unsustainable, it is a fascinating example of what might have been. There is even a great photo of Furtado with John F. Kennedy.

The final two chapters of The World That Latin America Created examine dependency theory, its intellectual debts to CEPAL, and its divergent trajectories. Chapter 5 analyzes the shared critiques that a younger generation made of CEPAL and that distinguished them as dependentistas. Chapter 6, “The Many Lives of Dependency Theory,” on the other hand, considers the pluralism of approaches, methods, and political prescriptions associated with the dependency paradigm. Dependency was long Latin America’s most important intellectual export, and many of the concepts associated with the paradigm continue to permeate scholarship on Latin America and the Third World. It also was and continues to be heavily critiqued. By historicizing dependency, Fajardo invites us to engage with its possibilities and limitations rather than contributing to ongoing polemics.
The epilogue explores the wide-ranging intellectual influence of CEPAL and cepalinos beyond the policy world of the 1950s and 1960s. Dependency theory, after all, went global in the 1970s. Its influence could be felt in academic circles of the North Atlantic and in the Third World, where it was picked up by such luminaries as Walter Rodney and Samir Amin. As Fajardo writes, “Perhaps the greatest legacy of cepalinos and dependentistas, beyond their impact on academic fields or intellectual activism, was on Third Worldism and international economic governance” (p. 204). But interestingly, at the very moment that dependentistathought was giving fruit to radical agendas beyond Latin America, many of its creators embarked on more reformist—even neoliberal—projects at home. Fajardo recognizes this fact. She considers both the potential and limits of her protagonists, notably, in dealing with social inequalities within their national borders. And she quite gracefully leaves open the question of how Latin Americans and scholars of Latin America might best understand the thought and work of the protagonists of her book.

In the social sciences and beyond, it is clear that CEPAL was profoundly influential. Fajardo’s examination of the institution’s emergence, its successes and failures, and its place in regional and global history is therefore more than welcome—one could even say essential. But, like the work of all intellectual history (including my own), Fajardo sometimes overemphasizes the power of ideas. On more than one occasion, she refers to CEPAL’s “hegemony in the field of economic ideas” (p. 71). She quite effectively demonstrates just how important cepalino ideas were, including for the implementation of economic policy in Brazil and Chile. Nevertheless, even at the apex of their influence, strong countercurrents and vested interests contested the real power of CEPAL’s program.

In Gramscian terms, Cuba—not CEPAL—offered the closest thing to a counterhegemony, an intellectual and cultural program rooted in working-class politics and organization. CEPAL, as Fajardo shows, aborted its mission in Cuba, partially because it was powerless to effect any change there. I bring this up not to decry CEPAL or certain strains of dependency theory as bourgeois, as some have, but instead to emphasize the weakness of ideas—especially economic ideas—without a robust movement behind them.[1] Such movements allow not only for the practical implementation of ideas but also for holding leaders accountable when they stray from them.

It appears to me that the trajectory of Fernando Henrique Cardoso demonstrates just how weak the “hegemony” of the Left-political project of CEPAL was. Cardoso was correct in stating that Brazil and much of Latin America must be considered not purely as peripheries but instead as characterized by internal differentiation and complex dynamics between domestic and foreign capital. His political solution, however, was to ally himself with Brazil’s business class and agrarian landowners—not with industrial workers or even really the working class. Indeed, a sociology of ideas would show that, if anything, the former was the milieu from which one might consider him an organic intellectual.[2] It is perhaps of no surprise, then, that his party, the Brazilian Social Democratic Party (PSDB), looks like nothing to which any social democratic movement would aspire.

Relatedly, despite Fajardo situating specific intellectuals within specific political moments, the reader sometimes may wonder about the broader politics of CEPAL. On page 6, she quotes economist Aníbal Pinto: “I considered myself a Marxist and a Keynesian but then I became a cepalino.” This and other moments, in my view, might be further unpacked to provide some more substance to what a cepalino third way might look like. One unmentioned influence on Furtado, for example, was the Frenchman François Perroux. Known as a progressive developmental economist in the postwar period, he had been a corporatist, a Catholic who...
had worked for France’s Vichy government. This is but a minor critique of a book that successfully weaves together the lives and thought of so many disparate individuals.

*The World That Latin America Created* is a tour de force of Latin American economic thinking. It is bound to generate much discussion and debate. The book is also a timely exploration of “economies of the possible” in what many are calling the second pink tide (p. 217). As I close, I have but one suggestion for future research: a closer look at the role of women within CEPAL and in dependency theory. Fajardo briefly discusses Maria da Conceição Tavares, but many others followed in her footsteps.[3] Showcasing their voices will enrich recent work on “women’s international thought”; it may also contribute in some small way to reducing inequality in Latin America and in the wider world.[4]

Notes


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