

The genealogy of the decolonial perspective in Latin America: the Center-Periphery antinomy

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Abstract. The article recovers the importance of the decolonial critique of the social sciences to underscore a relatively unknown origins of its categories in Latin American economic thought. The notions that give life to the categories which govern the decolonial drive can be traced to what today is commonly refer as post Second World War development theorists as the «Latin-American structuralist school» in the anglosaxon or european academy, mostly renowned by the names Raúl Prebisch and Celso Furtado, amongst many other intellectuals. I initiated the description of the discursive genealogy following W. Mignolo classic article. Notwithstanding, a strand of the decolonial movement in Latin america stopped short of a full-blown critique of the occident's perspective, accepting the pertinence of the nineteenth century political economy conception of the labor theory of value.

Keywords: Latin American structuralist, decolonial thought, Walter Mignolo, Raúl Prebisch, Celso Furtado.

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Resumen. El artículo subraya la importancia de la crítica decolonial de las ciencias sociales para subrayar ciertos orígenes de sus categorías relativamente desconocidas. Las nociones que dan fuerza a las categorías que gobiernan el impulso decolonial puede encontrarse en lo que es comúnmente referido como la «perspectiva estructuralista latinoamericana» del desarrollo posterior a la Segunda Guerra Mundial en la academia anglosajona o europea, de renombre especial Raúl Prebisch y Celso Furtado, entre muchos otros intelectuales. Inicié la descripción de la genealogía del discurso siguiendo el artículo clásico de W. Mignolo. No obstante, una rama del movimiento decolonial en América Latina se paralizó antes de realizar una completa crítica a la perspectiva occidental, aceptando la pertinencia de la teoría del valor trabajo decimonónica de la economía política clásica.

Palabras clave: estructuralismo latinoamericano, pensamiento decolonial, Walter Mignolo, Raúl Prebisch, Celso Furtado.

Within the present-day generation of participants of the decolonial movement *vis-à-vis* western centric discourse, one of its most important author Walter D. Mignolo, following Anibal Quijano, has centralized the issue around the importance: «To extricate oneself from the linkages between rationality/modernity and coloniality» (Mignolo, 2011:45) discourse. Therefore, it requires a «delinking» theoretical and political strategy from «western» and/or «Anglo-Saxon» categories.

I pointed to today's generation, because unwittingly a specific strand of Latin American economic thought, during the 1950's and 60's posed similar critiques and theoretical developments, aspects of which have been lost, or are relatively unknown within the decolonial movement. The term «lost» is strategic since we could alternatively have used, «displaced» or «hegemonized by alternative discourses», an aspect which then requires an explanation for this so called «unknown» process despite today's dissemination of names like Raúl Prebisch, Celso Furtado, amongst others. So paradoxically their actual «presence» and diffusion within the Anglo-Saxon academic community (economics, sociology) requires underlining, retracing the development of a «discursive formation» (M. Foucault), antagonistic to the western centric orbit, emphasizing how its most stinging theoretical decolonial aspects have been domesticated, both in Center and Periphery alike. Although this confirms the trivial idea that discursive formations are not autogenerated and harmonious totalities, but rather antagonistic ensembles product of the war of interpretations, whether in its «western» versions of «rationality/modernity» or of the «decolonial» type, a description-explanation of the topsy turvy evolution of the theoretical and political process is required to underline the «decoloniality» characteristics of «Latin American Structuralism» and simultaneously accentuate certain theoretical flaws

which needs to be «superseded» (Mallorquín, 2021). Mostly these arise, paradoxically, from stopping short of the «whole nine yards», given its on-going «links» to «classical political economy» through the labor theory of value. These categorial residues demonstrates the existence of the political and theoretical struggle for the discursive hegemony within the decolonial movement and the Western centric orthodoxy on the role and importance of social transformations. Therefore, discourses require certain institutional and political scaffolding.

The first part briefly («Doing ‹business› in the «undeveloped» periphery: Post-Second World War reconstruction») describes the advent of the political governmental «disciplinary» ensembles in post-World War II, followed by the description of the rise of the «Center-Periphery» narrative («Beating our own drums with our own drumsticks»)¹

Elaborated by Raúl Prebisch, describing his early days and the break with western-centric discourse, also including Celso Furtado's own decolonial brand narrative. In the last segment (The Decolonial impasse: ¿History or Economic Theory?), an attempt is made to supersede certain limits of the delinking process presupposed by the decolonial movement.

«Doing ‹business› in the «undeveloped» periphery: Post-Second World War reconstruction».

The powerful financial «centers» did not wait for the expiration of the World War II: in 1943 they prepared at Bretton Woods a well-organized

¹I am appropriating Zongwe's brilliant metaphor (Zongwe, 2022).

deception: calling for a collective reunion to established new rules for international finance and commerce. Some 44 countries participated, many of whom were disillusioned, unable to offer an opinion on the creation of the new conditions and rules of international trade: as for example Mexico credited, although Cosío (1976) having announced that México would vote against one of its articles, managed the stipulation that Latin American countries would have two permanent representatives in the governing committee of both the World Bank and the IMF, notwithstanding the voting rights which were related to the volume of capital contributions. Equally, the power asymmetry among the participants is doubly well defined by the *par excellent* colonialist and racist depiction by Keynes depiction of the Bretton Woods participants in 1944 as «the most monstrous monkey-house assembled for years» (quoted in Thornton, 2017:150). In the last instance, the nations were to be crucified in a «cross of gold». The international exchange parity established Gold as its privileged asset, which masqueraded the dominance of the dollar and the new financial centre situated in the USA and the decline of the British pound.

Thereafter, Latin American countries promptly started looking for organizing the region, searching for alternatives from USA's Pan Americanism (twenty members countries of Latin America, «The Pan-American Union») which was to become the Organization of American States (OAS) in 1948. Previously in 1946, *The Pan-American Union* had for the first-time installed a Latin American as Director, the Mexican Pedro de Alba followed by the Colombian Alberto Lleras Camargo, who lasted until the *The Pan-American Union* gave way to (OAS) (Caravacca, 2021).

On the other hand, the creation of the United Nations opened the gate to the creation of various Regional Economic Commissions, with the

intent to reconstruct post-war ravaged Europe (Marshall Plan), during the process of which the United Nations Economic Commission for Europe was created. A group of Latin American nations used the episode to propose the creation of a Latin American regional economic commission to support its development. They had taken seriously the possibility of taking the future in their own hands, having found that the potential conflagration between the USA and the USSR, opened political routes previously inexistent. The creation of an analogous regional economic commission for the reconstruction of Europe was called for, against the reiterated objections by the USA, but defeated on this occasion, giving life in 1947 to the Economic Commission for Latin America (ECLAC), with the amendment that the commission was to have a trial period of three years, when its permanency was to be reconsidered. But in 1952, USA's policy to oppose the incorporation of ECLAC to the United Nations as a permanent body was defeated by a well-organized alliance among Latin American countries and France, and since then it has become part of the family of United Nations. Nonetheless, ever since the USA's policy has rarely stopped hounding ECLAC. The creation of the OAS in 1948 was in part a fail-safe move by the USA to curb Latin American's hope of a more independent economic strategy.

The so called «Cold-War» between the USSR and the USA had already been dominating world politics and bombing Hiroshima was just a short clear answer of what was portrayed of the future and struggles for world dominance and colonialist power. Meanwhile, decolonization movements burst asunder throughout the globe.

In Latin America, ECLAC's direction was to be resolved by handing the first Secretariat's General post to the Mexican Gustavo Martínez

Cabañas, a Law graduate in the Autonomous National University of Mexico, with post graduate studies in Public Administration in a North American university. It was only after various refusals by Prebisch and Victor Urquidi to head the regional organization of ECLAC that Prebisch caved in and accepted a post, but only as an «external» adviser for three months with the objective to elaborate an introduction to the Latin American Economic report to be presented in the Havana reunion in 1949. In the meantime, the USA through its OAS directorate strove to wooed Prebisch away, without success, from becoming ECLAC's second secretariat of the organization, offering him all sorts of financial rewards and funds to undertake his research under the OAS's mantle.

In 1949, while writing his report, Prebisch heard in January 20th that countries of the region had been consigned among those «underdeveloped areas» in the inaugurating speech of the newly elected President of the United States of America Harry S. Truman (Truman, 1949). The speech boomed promised to help develop those «underdeveloped» nations which advocated «freedom» and «liberty». A couple of months later that year Prebisch's (1949b) report to ECLAC *The economic development of Latin America and its principal problems*² started circulating, becoming a classic in the Latin American social sciences literature on the prognosis of the «Periphery's» «development» and «growth»³ *vis-à-vis* the «Center».

² The title of the original text, *El desarrollo económico de América Latina y sus principales problemas*, (*The economic development of Latin America and its principal problems*) is not qualified by the term «some» («algunos») when cited by many specialists. Did Prebisch himself change the title, or was it due to an error that could not be altered, given the lightning speed with which it was published everywhere? I am in debt to doctor Víctor Urquidi for giving me a copy of the original manuscript.

³ Symptomatically, Prebisch rarely uttered the term «underdevelopment» («subdesarrollo») until the 1970s; he used «developing» economies; in process of «development».

The text, branded by Hirschman (1981), since its inception as the Latin American «manifesto» for development, flourished worldwide in most languages. It was his 1949 report which culminated in the reiteration to reconvene his decision to take the post as General Secretariat of ECLAC.

Beating our own drums with our own drumsticks

From a very early age, the life of Raúl Prebisch (1901-1986) seemed cast to prominence. Arrived to the capital Buenos Aires of Argentina in 1918, from the periphery, from the province of Tucuman. The University of Buenos Aires offered an Economics syllabus which was perhaps unique in its stature in Latin America, whose Economics departments would have to wait until the 1940's to surface. Among the teachers its worthwhile to name Luis Roque Gondra, who offered a fully clothed mathematical course of general equilibrium economics. A faculty that although dominated by the works of Pareto and Barone, simultaneously incorporated an intellectual ambience with the works of socialists of all species for example G.D.H. Cole, Hobson, or Juan B. Justo, the first translator of Marx's *Capital* into Spanish. The «pluralism» that reigns can be gauged by the possibility that Prebisch had in accessing the literature of the North American institutionalists, a relatively hegemonic force then in the North American universities. Equally, although certain course or seminars were obligatory, students could skip attending modules but obliged to undertake their exams at the end of the semester. The university was undergoing the changes generated by the recent reforms installed by the University of Cordoba movement in 1918 which was to blossom into a regional phenomenon.

Prebisch must have heard from his teachers early on, that the national congress at the end of the 19th century witnessed the incumbent Minister of the Economy defending the notion that policies were established on principles of universal applicability. Participants insist that «economic science is Universal», is not «Pampa, Guaraní or Tehuelche» «if its applicable in Europe, in America too» (Caravacca, 2011:35). Again, according to Gondra, in 1914 a «hilarious parliamentary incident» (Gondra, 1919:103) occurred. He reminded students in 1919 of the «hilarious» episode, portraying the discussion which took place in the congress over the labor theory of value in classical political economy. An although Gondra's mastery of the history of political economy on the topic of the labor theory of value, totally debases one of the contestants, Saavedra Lamas, the contrasting views between David Ricardo, John Ramsay McCulloch, underlined by Gondra, served the purpose to expose the misapprehension («hilarious») among discussants, but also to insist that economic science is well established. Simultaneously, he insisted that the so-called German debate on the «method» between the «German historical school», between Carl Menger and Roscher, Hildebrand and Knies, responded to a misunderstanding of the latter by confusing «history» with «political economy» (1919:103). It generated the «erroneous idea that there are no laws» a product of their inadequate «knowledge» of the «classical doctrines» (1919:102).

Today's decolonial strategy discussions apparently seem to bring to light the apparent conflict between «economic theory» (of whatever type) and «history», mentioned above, to which we will return, since the evolution of the decolonial categories revert to privileging specific current social practices or struggles vis a vis a totalizing entity called «capitalism» without an explicit categorial transformation of the social relations

in question. Hence, the main center of contention to be resolved within the categorial development relates to the extent to which history of current decolonial local struggles can be portrayed as «theory free», or if the notion «anticapitalism» is sufficient to counterpose the colonialist «rational» discourse.

So let there be no mistake, during his student days, Prebisch's theoretical categorial formation transcended simultaneously the infinitesimal calculus of marginal utility («ophelimities») of the rational subject, the «historical German school», as well as the classical labor theory of value, among them Ricardo and Marx. But the evolution was not done in one fell swoop: on the contrary, his work as the head of the Statical Department of the Nation and his historical economic studies and statistical series for Argentina during the thirties and subsequently his post of General Manager of the Central Bank of Argentina (1935), gave no indicator that by the mid 1940's he was to start reexamining and denying the «universality» of western «economic theories».

So a few words are needed to understand the titanic existential and theoretical personal transition in question. Early, at the Faculty of Economics, he was incorporated as part of the teaching process, becoming an assistant to Alejandro Bunge, who was developing «cost of living indexes» a problematic which he discussed with Irving Fisher. This facet of Prebisch's early university studies was to dominate his work during the 1920's.

Another was his theoretical interest on the evolution and history of the financial calamities of 19th century Argentina. Hence by 1929 he was well known among the States' bureaucracy workforce and political circles. The 1930 *coup d'état* under the leadership of General José Félix

Uriburu, deposed the president Hipolito Yrigoyen, and in the interim reorganization of the Economics Ministry he was named undersecretary of the Economy for a short period, during which, he proposed to Uriburu, in personal conversations (who was a distant in-law through his mother) to undertake one of the first fiscal reforms, as well the re-organization of the budget, the former, gauged very positively by Prebisch reminiscences: a «slap in the face» to the «reigning oligarchy», the latter an «orthodox» measure par excellence of the worst kind, a consequence of typical «technocrats» delusion that shoulder of responsibility rests on their superiors.

As today the term goes, known as «workaholic», the ideal person to undertake the reorganization of the Central Bank of Argentina and become its first general manager, responsible in great part for the details and documents to be displayed for the reforms needed to institute the bank in 1935, but under the «advice» of Otto Niemeyer, the «invited» functionary of the Bank of England. Also, earlier on during the early 1930's, was included as a member of the Argentinian committee which discussed, with the British authorities in 1933, the financial and economic agreement after the British government delinked the Stirling from gold.

It was during this period that Prebisch became known among the administrative and international functionaries which culminated with his designation as general manager of the Central Bank of The Republic of Argentina, until 1943, when he was deposed with no explanation, given that his post was a nomination by the Directorate of the Bank, an event exemplifying the rising power of Peron.

His long ties to the Faculty of Economics were to be severed also by 1948, his proposed reforms in the Faculty of Economist were defeated by Peron's followers, never hiding his dislike for the peronist movement.

Suddenly, in 1943 he found himself totally marginalized in the academic and political world: the oligarchical ties had been severed, and his work at the faculty was soon to become an impediment to the theoretical work he was undertaking. In the meantime, he undertook work as an international adviser to undertake reforms to create the Bank of Paraguay (1944), and in Venezuela (1946), with a period during which a depression illness ensued.

Whether fable or real, Prebisch's accounts of his worst existential period was his destitution as the Central Bank's Manager in 1943: «The single most painful experience of his life» (Dosman, 2001:89), but simultaneously he also mentions a «liberation» which destined him to rethink economics. And yet by mid 1945, Prebisch was reviewing much economic theory and its history.

Let's appraise his theoretical and categorial evolution prior to 1949. By December 1943, Prebisch had already made an important decision to seek financial backing to research and write a book entitled *La moneda y el ritmo de la actividad económica* (Prebisch, 1943). Argentina's publishers rejected his proposal, but Prebisch went ahead with his plan «while he was teaching at the faculty» (Dosman, 2001:94). The content of the following year's talks to the Bank of Mexico (*Conversaciones en el Banco de México S.A.* (Prebisch 1944b in Prebisch, 1991c and 1993), and *La moneda y los ciclos económicos en la Argentina*, (1944a in Prebisch, 1991c and 1993) bears this out.

Early in the 1940's the guiding thread of his investigations centered around the notion of the cycle which culminates in reconfiguring economic ideas through the incorporation of the notion of «time». In fact, *La moneda y el ritmo de la actividad económica* (1944a) composed and written some months *after* the *Conversaciones*, Prebisch's position favored

«adapting» «our ideas» to «the development of a national monetary policy» (Prebisch, 1991c [1944b]:228) in the Periphery, with a whiff of «modificat[i]ng theories», while posing in *La moneda y los ciclos económicos en la Argentina*, «formulating new ones» about the «reality» of his «country» (Prebisch [1944a] in Mallorquín, 2006:54-55). Indeed, references a year later described the limitations of western categories through cartographic metaphors: «Geographical charts» or «old maps» that should be put right by contrasting them to specific realities (Prebisch [1945], 1991c:443). A «task of revision» accentuating «its major successes» and amending «its many errors» ([1945], 1991c:444), but *La moneda y los ciclos económicos en la Argentina*, does not suggest breaking with the traditional explanation of «monetary phenomena of big countries» (Prebisch [1944b], 1972:256-257), since they «coincide» —albeit only «partially»— with the phenomena of peripheral countries.

There is a theoretical «ambiguity» in the theoretical delinking process, since on the one hand, he was still not for «ditching the gold standard as a monetary regime in our country, but about finding a way to adapt its workings to our needs, to our economic and monetary reality» ([1944a] in Mallorquín, 2006:54);⁴ on the other, he rejected that classical theory of the gold standard as «universal», such a regime represented the «experience of the Center», of «industrial and creditor» countries, and not «the experience of the countries in the Periphery» (Prebisch [1944a], 1993:19).

The discrepancies in the theoretical transition are transparent: openly confessing (*La moneda* [1944a], 1991a:286) that he is presenting for the «first time» the theoretical explanation about the cycle while simultaneously

⁴The stance of *Conversaciones* and *El patrón oro...* are similar: «to perfect», «to correct», «not to destroy» the gold standard in «our countries» (Prebisch, 1991a:233).

trying to supersede previous elaborations: this is «a hypothesis that should be checked»; in other words, «the nature of the income circulatory process at the monetary Center to and from the countries of the Periphery» (1944a in 1993:30). There is a new appreciation of the international ensemble especially since the Bretton Woods Meeting and Agreements had already taken place. Despite the shortcomings, Prebisch is consciously claiming a «proximity» to the «classics», since the latter aimed to observe «reality», «scientifically» (1944a in 1991a:286) in contrast to those who just merely replicate it.

By the same token, the *descriptions* of the evolution of the cycle that had for some time been devised under the assumption of a «system of communicating vessels» are clearly inadequate:

For this reason, the theory is incomplete, and incorrect on fundamental points, for one part of the system could not have been theorized about while disregarding the other fundamental part. Which is why I believe that the international theory of the gold standard has to be revised to give it a general character covering the Center, the countries close to the Center, and the countries of the Periphery (Prebisch, 1944a in 1993:19).

A year later Prebisch (1945) insisted that it was not necessary to look for «two orders of theories», a cycle in the Periphery, and another in the industrial Center,

«as two phases are involved, two different aspects of the same international phenomenon. But it is inadmissible to apply the interpretation of one phase to the events of the other —to the obverse, (...) domestic and international

economic activity manifested in a continuous process of circulation of income» (1945 in 1991c:446).

The sterilization of foreign currencies or gold in the upward phase of the cycle, may diminish the effects of continuous drainage of gold reserves, but do not totally prevent it, particularly if the «gold standard regime» is followed to the letter.⁵ This arrangement, which in the long term concentrates gold within certain borders, contradicted the idea that gold was merely a vehicle for carrying out transfers and supporting foreign trade. Prebisch endorses theoretically the existing asymmetry of power through the idea of the «expansion coefficient», which, according to him, is not the same as the concept of the Keynesian «multiplier» (Keynes/Kahn), as they are each «based on substantially different theories» (Prebisch, 1944a in 1991c:350). Whereas for Keynes the «multiplier» is a constant indicating the amount by which investments or original income have been reproduced, Prebisch holds that his idea of the «expansion coefficient» has «limits». These «limits» have nothing to do with the amount of «saving» assumed by Keynes's theory (1944a in 1991c:358), but with the «time» elapsing between the beginning of a productive cycle and the generation of fresh income. This period is determined by two elements: «the number of times the money changes hands to produce the income» (*i.e.*, its rate of circulation), and the «amount of money lost at each exchange in imports payment» (1944a in 1991c:358). What this attempts to explain is, on the one hand, the loss of income leaving the circulatory process via imports in

⁵ «There exists therefore incompatibility between an expanding domestic policy or maintenance of domestic economic activity in a downward phase caused by falling exports, and the monetary stability inherent in the gold standard regime» (1944a in 1991c:315).

economies like Argentina's; and on the other, the rate at which different economies generate their own income. It is precisely the time factor that explains a certain asymmetry or «disparity» in Prebisch's terms, in the concentration of gold: economies with low import coefficients that «take a long time» to put back a proportion of their income into the international market, which generated «gold holdings» within their borders, progressively amplified over various cycles. Thus, Prebisch suggests that it is the relationship between «total profit» —the rate at which they are generated— and foreign trade, that explains the process. If we accept that, in «the upward phase» of the cycle «exports grew faster than imports, and the balance of payments was positive, whereas in the downward phase exports fell more rapidly than imports» (1944a in 1991c:320-321), then the different rates of circulation of the income and sums leaving some borders would explain the circular accumulative process.⁶

By the year 1948, the theoretical evolution, finds Prebisch (1948 in 1991c, and 1993), after shortly finishing his book on Keynes (Prebisch 1947),⁷ superseding the conceptual vocabulary of the early 1944's. He rebuilds «classical» or «traditional economics» and proposes «to see things with one's own mind» and «to detach oneself from certain foreign theories» (Prebisch, 1948 in 1991c:495), indeed a full-frontal assault on the whole apparatus of economics as a discipline is displayed.

The decolonial impulse then moved to a critique of classical and Keynesian thought. The notion of time is central to demystify the history of economic thought whose unscientific practice forgot its importance with its

⁶ «I can thus prove numerically what I have so often said, namely, that in the downward phase, imports fall less steeply than exports» (1944a in 1991c:354).

⁷ *Introducción a Keynes*. Fondo de Cultura Económica, 1947, México y Buenos Aires.

«static» general equilibrium models, which in turn meant that it could not explain the undulating, wavy, characteristic of «reality» of «capitalism»:

Time is a fundamental element of reality, it is not possible to eliminate it arbitrarily as Keynes does, nor to view it with the subterfuge of classical economists. A good deal of the investment that has been -and still is being- made throughout history has been via a mechanism different to the supply and demand for saving; and a good deal of the saving invested is not the result of what society may choose to do spontaneously according to one of its inclinations or tastes, or the interest rate (Prebisch, 1948 in 1993:278).⁸

The evaluation of the discipline demanded a theory of the cycle: an «absolutely endogenous theory of the cycle where it is repeated systematically through the very factors inherent in the system» (Prebisch, 1949a in 1993:458). But the theory has to have a «general» character because the capitalist economy grows in a cyclical manner: «The capitalist economy has grown but in an undulatory form, has moved but in this form and any perturbation to the whole gives an undulatory form to the movement» (Prebisch, 1949a in 1993:414).

Therefore, it presumes economics should not enclose itself in a «partial field» nor an «specialty»; the explanation of the «overall» economic movement requires including the variations and transformations of the «distribution of the income of the collectivity» (Prebisch, 1949a in

⁸ I translate «artificio» as «subterfuge». «A scientifically satisfactory economic theory would have to explain cyclical movement for us because the type of movement presented to us by reality is a wave pattern, [as well as] the reason [why] the capitalist economy does not take full advantage of its productive factors, and at the same time give us an interpretation of the periodic phenomenon of unemployment» (Prebisch, 1948 in 1993:303).

1993:415) during the cycle. Hence distribution cannot be seen outside the context of the cycle, «outside the undulatory movement» (Prebisch, 1949a in 1993:415).

The absence of the time element could be seen in the notions of capital and saving in classical and Keynesian doctrine because it was through the «subterfuge» of the interest rate that it was tackled in theory. The interest rate then was the mechanism through which the saving that «society is willing to supply» matched capitalists demand to develop capital: according to the demand for saving, the interest rate would rise or fall, and therefore the saving «required» by businessmen would emerge. But Prebisch maintains that, for any given period, the produce requires a certain time to arrive to the marketplace, and therefore, the income in process awaiting products has to be higher than the value of the production of the final consumption. These facts could clearly not be explained with Say's Law, which states that «supply creates its own demand», since it would be contradicting the idea that «demand» should not outstrip supply at the end of the productive cycle. However, classical economists explained this anomaly as being the result of a «saving» effected by the community given a certain rate of interest. The interest rate is the subterfuge that facilitates or limits what amount of saving would be used in production in any given period, namely, the total income generated at the end of the process. Any «surplus» would be explained by the existence of the relevant «saving», thus fulfilling Say's law.

Keynes, for his part, tackled the problem of time with a variety of «attitudes» (Prebisch, 1948 in 1993:275). In one case, Prebisch claimed that, with a falling «interest rate», Keynes went hand in glove with classical economists, but once marginal capital yield did not keep pace with the

interest rate (due to a preference for liquidity), then Keynes ditched classical economics. Savings were left in liquid form, not invested, and a deficiency in demand arose. Nevertheless, according to Prebisch, Keynes keeps «within the logical game» of classical economics: on one hand, he recognizes «the time factor», but uses the «subterfuge» of the «interest rate» to manage it; on the other, this subterfuge has limits after a certain point (the «preference for liquidity»). In contrast with this «attitude», in the theory of the multiplier, Keynes «denies» the role granted to the interest rate by classical economists and does so without introducing time altogether; saving becomes an altogether different phenomenon for classical economists. Here, the assumption of simultaneity between saving and investment, supposes that saving will arise out of the «income from production»: this would in turn multiply these «investments» (Prebisch, 1948 in 1993:276). The very multiplication of income —also the product of investments— would by itself generate a certain level of saving in the community. Saving is a function of the rate of income growth. Prebisch points out that, for certain investments to generate a certain income, a certain time is required, which otherwise only «confuses» the present with the future. This is precisely the theory of the Keynesian multiplier. Its «logical inconsistency» invalidates «Keynesian theory» (1948 in 1993:277), and marks the absolute rift between him and the classical school.

It is the idea of static equilibrium which should be questioned. In this «position», neither businessmen nor consumers are thought of as having any interest in «moving» —nor do savers. The amount saved is the one that businessmen demand from a specific interest rate. Wages too reflect the position where there is no further incentive to work harder or change jobs. Similarly, the price of primary commodities is high enough to keep

on working «marginal» lands where the production cost «only just» equals the «value of the products (the difference in cost in the best endowed or located lands being left as earnings)» (1948 in 1993:280). A change in any of the circumstances once again establishes a «position of static equilibrium»: «The concept of static equilibrium is a mere instrument of abstract analysis of the phenomena as viewed by classical economists to gain a better understanding of them. In classical doctrine, one can easily switch from the static to the dynamic» (1948 in 1993:281).

Thus, nothing prevents in the classical model, in which «businessmen themselves use their own saving for investment», not resorting to the market or putting pressure on the interest rate: «They may lend to each other, and if the marginal yield is lower given the interest rate (once profits are withdrawn), they will prefer to lend their saving» (1948 in 1993:296). Keynes's stance is different because, when there is unemployment, «saving» inhibits accumulation, and therefore the income multiplier. Equally, Keynes overlooks the reasoning of classical economists of the transitory period, in which wages are supposed to fall to achieve full employment. However, as «saving» is a «spontaneous» activity and requires a specific incentive to raise its total amount, there would seem to be no explanation as to how to achieve a lower interest rate to drive up investment.

Prebisch says that this is where Keynes parted company with classical economics, especially for maintaining that the *«interest rate is a conventional phenomenon and is within the reach of the banks»* (1948 in 1993:297; Prebisch's, emphasis). It can also be manipulated to reduce it and induce higher investment, which will in turn generate the corresponding savings, «until a new position of equilibrium is reached» (1948 in 1993:298). Therefore, the way of thinking about money creation, or its way of inducing a certain inter-

est rate is, according to Prebisch, a «real revolution» (1948 in 1993:298). Keynes maintained «just the opposite of what the classical school held», but through the creation of money or «using inactive money, the equilibrium of the multiplier is not reached, instead, we go through the typical phases of the cycle, which neither Keynes nor classical economists have been able to explain because their reasoning is so artificial and arbitrary» (1948 in 1993:298).

The «intimate relationship» between production and the monetary process can be visualized, according to Prebisch, in the «the cycle's upswing», where it can be seen that the

increase in the money supply tends to simultaneously expand production and prices (or stops them declining to the extent that they would fall due to falling costs arising from technical innovations, under a regime of free competition). This process gives rise to business profits, and the sequence of actions and reactions (1948 in 1993:330).

There is an explanation of the *variations* and *global quantity* of profit. Profit is a consequence of the successive processes of money creation used during different periods to form or cover the costs of forming capital. It follows a different logic than the simple use of «savings». If, for the time being, we exclude the phenomenon of swelling money filtering through to other economic spaces (geographical or sectoral), the function of money left in a given space is to «absorb» the «increase[d] finished consumer production» (1948 in 1993:332).⁹

⁹ «In other words, that part of the increase in the money supply left in the economic space is higher in the cyclical upswing than the amount of the increase in production which is gradually stored from new investment» (1948 in 1993:332).

When the net increase in the money supply «decreases», or its rate of expansion decreases and is «insufficient to absorb the increase in production, at the prevailing prices», the «decrease in prices» is not automatic. There are «obstacles», otherwise we would be back in the realm of classical economics. The situation assumed by this perspective, where profits have completely disappeared, is a stage unreachable because in the capitalist economy profits are «irreversible» (1948 in 1993:336), in other words, they cannot be «shrunk». This becomes clearer when we are told that profit does not «blossom» in the last stage of production and sale of the produce in question, but that it had been generated previously over several productive stages by various businessmen as it approaches culmination in the final consumer. In other words, Prebisch bypasses Marx's metaphor about the *salto mortale* of commodities, an event which has been superseded before reaching the marketplace: profit is materialized in product prices.

Therefore, what halts the continuation of the cycle, is a relatively insufficient demand, a result of a *slowdown* in the increase in the money supply in terms of the increment in production. As profit, «accumulated by businessmen», is not «confirmed», the economy contracts, and the typical phenomena of the «downward slope of the economic cycle» (1948 in 1993:338) begins. If the net increase in the money supply cannot guarantee the increase of production, according to the value of supply, one cannot turn back and reimburse the profit received: the phenomenon is «irreversible».

Therefore, the money or the final «demand» paid today relates to an income which was paid long before today's market transaction, or the actual production in process during the course of the same day. In Armando Di Filippo's words, there is an «asynchrony» (Di Filippo, 1981:54), and

therefore, «there is no automatic mechanism in the economy, however perfect free competition, that assures a perfect correlation between the time of the value formation and the time of the circulation of the income generated in the productive process when these values are created» (Prebisch, 1949a in 1993:419).

Starting out from this asynchrony, Prebisch would present the model of a world economy between the Periphery and the Center, which in turn forced him to explain expanding and contracting phases -in other words, the reason for the changing tempos of the world economy.

Equally, the wave form capitalist reality, driven by the very specific structure through which the economic ensemble grows, by businessmen's decisions, cannot be justified. We may object or not, but economics, cannot *justify* the *compulsive* mechanism of savings in action, given the non-existence of equilibrium, equality or «optimums». Certainly what can be said is that average profit is the prize of businessmen who «introduce innovations», and it is the «minimum incentive that the other businessmen require in order to go on» expanding production (1948 in 1993:360). But one cannot ascertain «how far technical competition would change technical results» or «what the minimum incentive of businessmen would be. Only experience will tell» (1948 in 1993:360).

Prebisch underlines that this «experience» forms part of the effects of specific power asymmetries between labor and entrepreneurs to establish the respective «prices». Although capitalism requires a «compulsory» mechanism guaranteeing society's savings during the «cyclical upswing», its concept of «forced savings» should not be imagined in terms of «plundering» some to «give to others» (1948 in 1993:360), for on occasions «profit» can be null and void, and it is *businessmen* who «begin to use increases

in money supply which push up prices and move consumer articles from certain sectors to others, generating profit».

During the upswing there are transfers, but it cannot be said to «what extent businessmen take from the rest of society what is due to them as a prize or incentive, and what is not due to them» (1948 in 1993:361). Therefore, Prebisch's theory does not «enable us to say what profit is justified» either; rather it compels us to undertake a political «decision» as to our postures with respect of the «Other» given the existent power asymmetries.

If we assume that economic spaces are always linked by «influx» and «exit» currents of income (Center-Periphery), another mechanism presents itself through which income filters, and reduces the «net increase» in money supply in one of those spaces. This is the thesis of «doctrinaire economists» (1948 in 1993:367) who, basing themselves on the «brilliant» —«Ricardo's theorem of comparative costs»— prove what should be imported and/or exported between certain countries, or what should be produced locally. Prebisch, however, holds that «this reasoning is only true from the static point of view», in other words, «when it is shown (...) that the protection of B [the Periphery] is an economic heresy: [for] it would use more labor, and primary income would be lost by seeking to produce directly what one can obtain indirectly under better conditions» (1948 in 1993:367).

Although the rate at which prices drop during the downswing is greater than the corresponding change of prices during the upswing, lower unitary profits per product requires considering the «distribution» antagonism between certain sectors, and/or between differing economic formations (time disparity between those incomes leaving certain areas

and the time lapsed during its return: Center-Periphery). Profits, in Prebisch's perspective, depend on two elements: the productive process and the monetary mass generated during the last and all preceding productive processes, therefore whatever antagonisms or «competition» for profit may have prevailed among entrepreneurs, it does not «alter its *quantity* or its *variations*», *only* the «distribution *within* the group of the businessmen» (1948 in 1993:355, my emphasis).

Hence, we have observed that Prebisch's theoretical evolution favored the transformation of the social and technical division of labor in the Periphery, through various mechanisms promoting the industrialization, fiscal and land reforms to reach a higher standard of living. But industrialization *per se* took on an *accompanying* role in this process, a very timid role if compared for example with «structuralists» like Celso Furtado, or in his own native land Alejandro Bunge «the first Apostol of industrialization» (Prebisch, 1983 in Mallorquín, 2006) or the Peronist movement.

Prebisch's role as ECLAC's Second Executive Secretary in 1949, initiated with the «Latin American manifesto» as coined by Hirschman (*The economic development of Latin America and its principal problems*).¹⁰ It was not the first time we find him calling for «systematic research» to understand the region's economic problematic, reminding us of his own theoretical evolution during the second half of the 1940s. Underlined the importance of dispatching economists from the Periphery to «study at the great universities in the United States or Europe», but «*insufficient*», since one of the

¹⁰ (Prebisch, 1949b) (*United Nations Department of Economic Affairs* Lake Success, New York, 1950 [1949]), original text in Spanish, april 1949.

most conspicuous faults which general economic theory suffers from, seen from the Periphery, is its *false sense of universality*. In truth, it could hardly be expected that economists of the great countries, embroiled by serious problems of their own, would preferentially dedicate their attention to other countries rather than the study their own. (...) However, do not misinterpret that this purpose is encouraged by an exclusive particularism. On the contrary, it can only be seen to be accomplished through a solid knowledge of those theories elaborated in the great countries, with their great wealth of common truths. We must not confuse a reflexive knowledge of the other with a *mental subjection to extraneous ideas*, from which we are slowly learning to be free (Prebisch, 1949b:106. My emphasis and translation).

This was highlighted by the power asymmetries between the countries and regions (Center-Periphery), which reflected Periphery's deterioration terms of trade *vis-à-vis* the industrial nations, although unfortunately on occasions was explained through structural asymmetric «elasticity» price demand for their respective products. Given the power asymmetries in question, the Center managed to preserve its price and cost levels of its products, even, and despite, the downswing in the cyclical process. It is true, as Prebisch argued, that the gains (prices) in primary products during the upswing rose at a much faster pace than their counterparts at the Center, but it is also historically correct that during the downswing, they declined and lost much more than what they had attained previously. The so-called debate on the «strange persistence of the terms of trade», and the proofs of the «deterioration» or otherwise, ever since its inception, disregarded the main contention of Latin American Structuralism, which was to question the idea that the «international

division of labor» is a «natural» phenomenon. And to top it all, since Prebisch quoted the H. Singer 1948 report on the deterioration, the thesis his name was added («Singer-Prebisch»), although Prebisch had already pointed out the same phenomena in the 1930's for Argentina with a different vocabulary: «*worsening* of its international exchange terms» (Prebisch, 1934 in 1991b:189; my emphasis).¹¹ And worse still:

I was made responsible of having formulated an immanent law of the process of economic development by which the prices of primary products tend to depreciate in relative terms with respect to those of industrial products. I have not formulated any sort of such immanent law, but I simply called attention to the phenomenon that has occurred in a determinate period of time under the pressure of certain forces. We don't know what will occur in the future, it depends on a series of factors (Prebisch, 1951:6-7).¹²

These aspects of the *knowledge power asymmetries* are crucial to understand Celso Furtado decolonial drive to deconstruct the history western economic ideas as well as the emphasis on the historical role in his brand of structuralism, incorporating the notion of time and power asymmetries we saw in Prebisch. Two aspects dominated and predetermined Furtado's theoretical and practical interests during the 1950s. On the one hand, «empirical» appreciations of the evolution and transformation of the Brazilian «economy» from its inception as a colonial entity, with particular attention given to the post-slavery period (1889); and on the other, a de-

¹¹ «empeoramiento en los términos del intercambio comercial».

¹² «Problemas del Desarrollo Económico en América Latina», Third Conference, 25 of October 1951.

scription and reconstruction of the economic categories in western centric discourses (Mallorquín, 2013). Much of which can be found in his first book: Furtado, *A economia brasileira (contribuição à análise de seu desenvolvimento)*, 1954.¹³ He clearly wanted to follow the critique of economic theory to its radical roots, a process initiated by Prebisch. We find the first documented histories of economic thought focused on the problems of the so-called «backward» economies,¹⁴ demonstrating that these concepts were negative at best, and worthless to think the lineages of the specificities of an «underdeveloped economy», product of power asymmetries.

The tone and strategy of the book, underlines Prebisch's thesis of the «false universality» of the Western-centric economics orthodoxy. Some of the articles overcame the gate keepers in Western-centric international journals.¹⁵

¹³ It is ironic that a book that was dedicated to Raúl Prebisch, was to cause him so many problems at ECLAC, his views were used to put pressure on Prebisch and the Organization, but it must be remarked that it is in great part at odds with the economic categories then dominant, including Prebisch's.

¹⁴ The closest resemblance to this type of examination within Western-centric discourses can be seen in Meier, G. M.; Baldwin (1957). Prebisch's critique of economic theory, described previously, was not known outside a few groups of students in the Economics Faculty of the University of Buenos Aires.

¹⁵ M.H. Dobb reviewed *International Economic Papers* (4), in which a Furtado article appeared and writes: «[Furtado] thinks that in countries at early stages of development the income-elasticity of demand for imports is so high (in the case both of consumer goods and capital goods) that progress may be early arrested by balance-of-payments difficulties. From this he concludes that «the inflation which accompanies economic development (...) is not a monetary problem; and that while this may require structural modifications in a country's economy to increase either its export-capacity or its capacity for finding substitutes for imports, «a reduction in investments, which is the remedy usually proposed (...) will not necessarily rectify the unbalance and will not put the other troubles right». But there he stops short, and one is left with some sense of disappointment, with a sense of being brought to the threshold of an interesting problem and no further» (Dobb, 1955:515).

Simultaneously, to the description of Brazil's political and economic evolution up to 1954, the book *A economia brasileira (contribuição à análise de seu desenvolvimento)*, questions the «stagnation» suppositions of classical political economy, for whom «development» was only a fleeting event misguided by a Malthusian notion in which the process of accumulation only generated a downward tendency of the rate of profit and a more than proportional growth of population: the idea itself of «economic progress» was not incorporated conceptually into economic science; A. Smith only «describes» the process, equally Ricardo and Marx, but the latter, does not «explain» which principles govern the distribution of the surplus between consumption, capitalists and the accumulation. Finally, Furtado states that classical political economists, neoclassical and neo-Keynesian's do not focus their analysis on the problems of development. The more modern theorists: A. Hansen, J.M. Keynes, J. Schumpeter, excluding the latter, all misunderstood or did not engage theoretically on the problems of the investment process which was crucial to the reality of the Periphery.

The problematic interrogations with which he addressed western economic thought had yet to be created, aspects of which were to be the products of Furtado's own making: mainstream orthodoxy examined «backward» countries in terms of its own categories, with all the linear evolution suppositions that it entailed. In the last instance, an interesting covert strategy was used to shield his decolonial strategy, he quoted the conclusions of a Western-centric economic reunion in Chicago University in 1951 (Hoselitz, 1953), where it was resolved that the issue of «development», «evolution», and «change» in underdeveloped countries was not part of economics proper.

After 1954, Furtado's (1950) cyclical notions of capitalism started disappearing; theoretically, Furtado started thinking more in «structural» terms, «obstacles» or «structural transformations»; concepts that could reflect productive agents embedded in specific social relations and historical contexts, which meant that the «rational» maximizing entities espoused in the official and mainstream economic discourse were insufficient. By 1958, Furtado was convinced, although not yet completely theoretically armed, that the Latin American economies were specific historical entities that could not be explained with the traditional western vocabulary of mainstream economics.

It followed that a theoretical reconstruction was in order, and accordingly, «underdevelopment» could not and should not be thought of as a historical «stage» to be overcome, but rather as the consequence and outcome of the existence of a specific set of power asymmetries between and among agents, hence the «imbalances» whose effects were once thought of as cyclical phenomena were engendered by the vast social and geographical heterogeneity of the economic formations.

Thus, a specific body of conceptual tools had to be constructed and that was precisely what occupied Furtado between 1958 and 1964. Once he left his post in ECLAC, in 1958 he took a post in the National Bank of Economic Development (BNDE) and pioneered the use of the deterioration terms of trade between different *regions* (Northeast and Center-south): *Uma política de desenvolvimento econômico para o nordeste* (1959a), becoming thereon as its First Superintendent, reclaiming Prebisch's own position in these aspects. Simultaneously during this period,

he published *Formação econômica do Brasil* (1959b),¹⁶ the book came with all the appropriate reformulations with a distinctly «structural» flavor. This theoretical vocabulary did not appear in «one fell swoop», as it were. In fact, it was achieved painfully during the time when he was fighting crucial political battles to transform Brazil; first as we saw in the Northeast, as its first Superintendent (1959),¹⁷ and secondly, as the Minister for Planning (1962b).¹⁸

Between the appearance of *Formação econômica do Brasil* (1959b) and 1964, when he was exiled by the Military regime, Furtado fought on many battlefields. He produced books and articles with a clear cut political and/or academic flavor, and controversial nature within and outside governmental circles. The latter can be exemplified by the title of the book: *A pré-revolução Brasileira* (1962),¹⁹ in which the struggle for the transformation of the regional power asymmetries between the Northeast of Brazil *vis-à-vis* the Center South turned into the battle for the future of the country. On the one hand, the creation of the Superintendency fomented a fiscal mechanism to tempt certain industrial sectors from the Center South to install their production units in the Northeast, and on the other, decisive during this period, is the conspicuous vocabulary, deepening his structuralist vision of the heterogenous economy, while rejecting as

¹⁶ Mallorquín (2010) offers a detailed follow up of the conceptual changes in the theoretical vocabulary of this book in relation to its original version: *A Economia Brasileira* (1954).

¹⁷ For details, Mallorquín, 2013, 2021.

¹⁸ The three-year plan of the government *Plano Trienal de desenvolvimento econômico e social* (1963-1965), elaborated by Furtado, was attacked by all social forces.

¹⁹ The book *Dialéctica do Desenvolvimento* (1964) —english version *Diagnosis of the Brazilian Crisis* (1965)— can also be put in this tradition but it is a better and very well-developed case for the unification of the political forces against the looming regressive social forces of the right he foresaw with a Military takeover, which unfortunately turned out to be correct.

inoperant then dominant Marxist categories to discuss the development of Brazil, purporting that in «closed» societies like the Brazilian case, classical Marxism-Leninism categories (ultimately «Hegelian» according to Furtado) (Furtado, 1964; 1961; 1962a) were inoperant to understand the social process as well as the relative autonomous economic forces (classes, agents) which then guided the development process of Brazil.

With the military *coup d'état* in 1964 came his exile from Brazil, and during these first tortuous years we find a fundamental theoretical and political change: the model of the economy culminated in its first «structuralist» denomination: diverse and heterogenous agents with distinct productive logics, as the outcome of the power asymmetries among and between them which ultimately, necessarily, generated the «economic stagnation» (Furtado, 1965) of Brazil. Paradoxically, his long and profound arguments a couple of years previously (Furtado, 1962a:16-18) with the «left» (Pericas, 2019), as to Brazil's capacity to continue its development and growth process came to a sudden end. This theoretical and political change presents two aspects which need to be underlined and kept separated, and which the rise of narrative on the «dependency» movement in the region tends to blur. As we will see, on the one hand, Furtado insisted on the existence and/or potentiality of set of theoretical propositions which evolved as the «Latin American School of thought» on development distinct from the Anglo-Saxon perspective, and on the other, the evolution of the dependency discourse itself concluded with its two specific tendencies, Marxist and non-Marxist.

Thus, between May 1964 and 1970 profound theoretical changes took place within Latin American thought, with Furtado spearheading them once again, questioning the western-centric discourses. Furtado's first

stop in exile in 1964, before reaching France in 1965, was to be a three-month period in Santiago de Chile offering a series of conferences and discussions at ECLAC offices which centered on re-reading the original developmental texts generated by the institution during the fifties. Furtado mentioned that most of the participants were those who in the following years were to become the «dependency» theorists *par excellence*, prominent amongst them Fernando Henrique Cardoso, who by 1967 had started circulating a manuscript that was to be published 1969 with Enzo Faletto as coauthor: *Dependencia y desarrollo en América Latina: ensayo de interpretación sociológica*.²⁰ Furtado's published work and correspondence exchanges during 1964-1970 (Furtado, 2021) demonstrated his task was set on convincing and developing a form of organization among the «Latin American» intellectuals to disseminate its specific perspective on development, before a rise of the Anglo-Saxon discourse regained a hegemonic status. In October he would move for a year as a researcher («invited professor») at American University, none other than Yale, and later in November 1965 took up a post as professor in Faculty of Law and Economic Science in the University of Paris.

In the meantime, he also participated in a conference organized by Chatham House in London, where he reunited with various Latin American intellectuals and decided to form a «Club» called «Bianchi», using the name of the pizza restaurant where they generally met in London. The idea was to reiterate and diffuse the existence of a school of thought which Furtado was convinced had emerged during the 1950's, within a «Latin American perspective» of development in the region.

²⁰ Furtado stayed at Cardoso's house while in Santiago de Chile.

Thus, unfortunately the will to power to identify a Latin American perspective, culminated in underlining the undergoing stagnation process in the economies of the region and more so Brazil which came to light with the publication of *Subdesenvolvimento e estagnação na América Latina* (1965) (*Underdevelopment and Stagnation in Latin America*). Apparently, this approach tended to confirm the «accuracy» of the dependency discourse articulated by its Marxist wing (M. Marini and T. Dos Santos). I use the term «unfortunately» to highlight the negative effects that its teleological component endorsed, and which generated the debates, between those in favor or against this necessary tendency, Marxist or non-Marxist alike (for example, Marini, Dos Santos, and F. H. Cardoso, respectively). This diagnostic of the economic evolution of the region, literally suppressed a theoretical discussion which I consider is much more important: the appearance of Furtado's notion and concept of a «structuralist» perspective. The dependency movement, especially the Marxist section, took flight by 1967 in Chile around Center for Socioeconomic Studies (University of Chile) (CESO), in what recently has been described as the «dependentist turn» (Cárdenas Castro; Lana Seabra, 2022), crowded by many exiles from Brazil and later Argentina. Literally a «theoretical practice» laboratory arose: the elaboration of programs and specific sets of readings and discussions of the ECLAC's literature among these was Cardoso's own brand of economic «tipologies» and dependency, still in manuscript form, a process guided by Marini and Dos Santos, reinforced with the arrival of the North American Gunder Frank whose name became, in those years synonymous for the «dependency thesis» within the western centric academy, obviously, an appreciation out of focus, which the decolonial movement took its time to question (see Kay 2022; 2004).

And yet the theoretical specification of the agents and economic process in *Subdesenvolvimento e estagnação na América Latina* (1965) does not require necessarily the «stagnation» thesis of a predetermined economy, whether in its Marxist brand or otherwise. Dos Santos definition of dependency «The Structure of Dependency» was CESO's theoretical climax in 1970:

By dependence we mean a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. The relation of inter-dependence between two or more economies, and between these and world trade, assumes the form of dependence when some countries (the dominant ones) can expand and can be self-sustaining, while other countries (the dependent ones) can do this only as a reflection of that expansion, which can have either a positive or a negative effect on their immediate development (1970:231).

These aspects of the asymmetries of power between diverse economies can be read as a continuation of Furtado's work during the sixties years, but there is also an alternative (structuralist) nonteleological discursive narrative. In other words, *simultaneously*, and consciously Furtado, established the existence of a Latin American perspective:

Economic structuralism (a school of thought that arose in the first half of the 1960s amongst Latin American economists) has as its principal objective to take into consideration the importance of the «non-economic parameters» contained in macroeconomic models. Given that the behavior of these economic variables depends mostly on these parameters they have to be the object of meticulous study (1979 [1967]:81).

Hence the importance of the emergence of economic plans, which for example, implied «land reforms» (Furtado, 1980 [1969], chapter:XXIII), so that the «structural picture» could be modified and the social agents in question be freed to take up better remunerated positions within the social and technical division of labor, which would improve the distribution of incomes and resources. It presumed then an «advancement in the knowledge of real structures, so that on many occasions it demanded the supersession of conventional economic analysis» (Furtado, 1980[1969]:297). Furtado insisted that his perspective had «no direct relationship with the French structuralist school, whose main orientation was to give importance to the synchronic axis of social analysis and establish the «syntaxes» of the disparities in social organizations» (1979[1967]:80-81)

Traditional conventional economics cannot take account of nor explain the existence of «structural obstacles» or «heterogeneous agents». Thus, there are no «homogeneous factors with the same technological time horizon» (Furtado, 1980[1969]:102). The problems of «underdevelopment» need to incorporate notions of a non-unified labor market and the simultaneity of diverse —heterogenous— production functions, depending on the «surface of the economic structure in which the productive agent is inserted» (Furtado, 1980[1969]:102). The theoretical emphasis therefore tries to systematically destroy the traditional appearance of these problems within separate compartments, be they «economics» or «history».

Thus, Furtado's own brand of «structuralism», exhibits categories ambiguously exchanged between «dependentists» and «structuralists» that can be perceived within the decolonial discursive formations, necessitating a sublation. In Chile, particularly after Pinochet's military takeover,

the dependency movement mentioned previously took México as its powerhouse, but with a slight change of hand: foreign migrants are constitutionally prohibited to make public their political opinions.

The decolonial *impasse*: history or economic theory?

The idea here is to question the general use of «capitalism» as the fountain head and explanation of social relations as a basis through which to understand the social movements theorized by the decolonial movement: economic formations are a set of heterogenous ensembles whose unity and «reproduction» are contingent.

If the concept of «markets» are an ensemble of distinct geographical spaces where we buy some products, our object is to distinguish this aspect from the «antagonistic» intensity of diverse and heterogenous agents which generate a «market»,²¹ or alternatively, they are the locus of the power asymmetries in question.²² So-called «competitive», «oligopolistic», «monopolistic» characteristics on occasions, appear to refer to «markets» in the general sense presumed by the existence or otherwise, of a broader set of producers, but then those entities «markets» are not «agents», since they don't exhibit a mechanism through which a unitary calculus decision/choice is present.²³ Agent's internal/external

²¹ On heterogeneity, see further ahead.

²² Hence, M. Kalecki's unhesitant definition of these power asymmetries (a relative notion) with the term «degree of monopoly power» (López; Assous, 2010), which should not be confused with the notion of «monopoly».

²³ Units of productive (agents), whose conditions of existence are of their «own» so to speak, may coalesce into a larger entity, a classic in this sense is Marx's sectoral description of the «concen-

antagonistic mechanism is specific: a principal source may be wage levels, *vis-à-vis* the procedural «price» calculus decision/choice moment of its administrative management (corporate or otherwise), which in turn is a construct, a practice, a habit institutionally established under certain antagonistic set of diverse-heterogenous conditions of existence. It is in this sense that *agents* are heterogenous, significantly so because they possess in separation only *certain specific* and *distinct set* of those conditions of their existence, which generates the «heterogeneity» in question, a product of the power asymmetries.²⁴ Notice must be taken that the term «competition», as contrary to «monopoly», or degrees thereof, is plainly insufficient and theoretically impertinent, to think power asymmetries: the concept of «antagonism» has a «horizontal», relational embeddedness characteristic among and between agents, which displaces the architectural base and superstructure analogies», the so called, «downward or upward reconstitutive causation». Therefore, both economic formations and agents present no necessary unified form of being and/or causality/determination. However, the presence of «markets» presupposes those «social relations» through which to think the articulation of a specific set of the conditions of existence of the agents in question, which are possessed in

tration» under one roof (one agent), those tasks which were dispersed and undertaken by diverse and distinct agents/production units, distinguishing between formal and real subsumption of capital. Significantly, today many «productive» tasks show an inverse «historical» process: the proliferation «home-office» type of jobs, or «outsourcing» reduces many responsibilities and costs of the «larger» corporations or capital.

²⁴ Hence, «classes» can be specified according to those «entities» possessed in separation (tangible or intangible; «things» or «permissions-property rights»). Obviously, a partial theoretical prelude to Latin American Structuralism was given by Marx, but superseded, in its Hegelian sense, by the former, and thus no concept of totality or necessary evolutionary process is required in a heterogenous, contingent set of social relations.

separation from each other. The agents' choice-decision horizon is undertaken within specific power asymmetries, distinct price and interest rates, and differing time-scale ranges, hence «markets» can *only* be converted or gazed upon as agents, if they exhibit unity and a mechanism to «manage» choice-decisions. Therefore, within «markets», localities, there might be several (heterogenous) agents, buyers, sellers, visitors, etc. Which does not exclude their association and construction of a sort of «monopoly».

Therefore, agents are the product of transient, contingent institutionalization patterns, of certain social antagonistic practices, generating rules and habits, which implies that the notion of «systems» or totalities seems theoretically impertinent. Through the figure of the antagonism of agents, and also between «economic formations» (not «societies»), both Center and Periphery, we can represent a privileged locus for the existence of agents, whether households, solidaristic or not, or «kinship» ensembles, which in turn have no pre-established necessary unified form. The «household» may become the fountain head of antagonisms, exhibiting either real or imaginary power asymmetries, as the feminist movement has appropriately demonstrated.

The flow of goods and people, their associations, at local (which also comprises Center-Periphery antagonisms) and «global scale» (Center-Periphery) is most effectively perceived in a «multi-scalar» complex: distinct angles of vision by agents, with respect to their own diverse set and plural *heterogenous conditions of existence*. In relative terms, these specific conditions of existence cannot be generalized. They are always transient, contingent, and culturally specific. The strategies and examination of those antagonisms, which we can call the individual-collective divide, is the object of the reform struggle: the plans for their reconfiguration (power

asymmetries) are always constitutively undecidable, given their heterogeneous situation: possession separately from a certain set of their conditions of existence must be examined from a «multi-scalar» perspective. Hence, the notion of a «non-ergodic» uncertain and «multi-scalar» perspective presupposes the heterogeneous, and plural universe described above.

Hence, the concept of «time», in Prebisch, and historical specificity in Furtado. The emphasis on the notion of time *disparity* scales is crucial since these asynchronies form part of one of those power asymmetries previously highlighted. Agents have distinct temporal interludes («time disparities», Prebisch), for example, in differing payment and cash flow dates, which explains Prebisch's notion of «time disparities», among and between agents, as well as Center-Periphery asynchrony, including those *within* the Peripheries and/or distinct economic formations: «Center-Periphery» antagonisms.

The Center-Periphery perspective understanding of the productive and financial «cycles», or circulating time periods, underlines the disparity, or «time» asynchrony under which diverse sectors and agents configure their calculations,²⁵ which presupposes the heterogeneity in question: the inherent antagonism in the process through which prices are *instituted*, that is, the differing real or imaginary profit rates perceived and constructed. These aspects reveal the problematic and uncertain consequences within contingent rules in process which agents must resolve through a series of discursive and practical «conventional» habits (the «prices») in question.

²⁵ I presume that the notion of the «rational agent» or «representative agent» and «equilibrium» of mainstream economics has no business (pun intended!) and is theoretically bankrupt, see Ackerman *et al.* (2004).

Hence as underlined in the above narrative, the antagonisms in question do not require a labor theory of value (Marxist or otherwise) which certain strands of the dependency still cling too. More even so with the rather «unique», perhaps decolonial, reading of Marx notion of the «super exploitation» of labor developed by Marini (Dussel and Yanez, 1990; Cárdenas Castro, 2016, 2018, 2022; Osorio, 2022; Feijóo, 2022).²⁶ Diverse «markup» price and cost diagnosis are possible and constitutive of a variety set of economic strategies by different heterogenous agents. The concept of exploitation then becomes the center of the struggle to reconstitute the remunerations-wages index, and other components (education, health etcetera) of the conditions of existence of the «salary». Some agents only *possess in separation* their labor. Ultimately this means that the category of «capitalism» in general is a theoretical and practical obstacle to understand the wide variety of movements (for example «Buen Vivir» «good living») which purport to represent a decolonial perspective. Some aspects of Quijano's (2011) work is interesting in this sense, since he emphasizes that the social relations, and production can be understood through the notion of «work control», insisting that the labour process has no necessary organizational unity, within and between different epochs. Specific local and regional forms of productive organizations are product of a series of institutional negotiations, which means they can be (antagonistically) constructed. The presence of the use of a «unit of account» among the repertoire of possible means (coffee beans or «money»)

²⁶ Both Prebisch and Furtado in the mid 70's unfortunately resuscitated the theoretical notion of «surplus» to rethink the periphery and with it the problems from classical political economy which their earlier work had superseded, there is no space here to develop the ambiguities and impractical consequences (on Furtado see Mallorquín 2013a; on Prebisch (Mallorquín, 2023 forthcoming).

to organize a labor process does not mean that the labor theory of value is pertinent to understand the process, consciously or otherwise. The calculative capacity of a movement to incorporate local traditions in which «price» and costs do not necessarily take the upper hand are not impossible as many anthropologists have demonstrated, or as well as the latter work of Escobar (Escobar, 2011) for example.

The above narrative wants to underline the importance of theory within what Latin American economic thought defines as «historical structuralism», especially its Prebisch and Furtado's brand, to mention only a couple of authors among them. The respective categories, the «objects» are constituted politically by a strategy to think social transformations (development): the social and technical division of labor among agents (economic formations and/or local geographies): forms of possession in separation of the condition of existence of the agents are not universal nor of the same kind hence the heterogeneity of the agents, hypothesizing the existence of an antagonistic perspective as a constitutive aspect of the latter, in this sense a renewed and superseded version of 19th century notions of struggle as a form of development.

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