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CRISIS IN THE PERIPHERY: THE CONCEPT OF “CRISIS” IN LATIN AMERICAN DEVELOPMENTALISM AND RAÚL PREBISCH, 1929-1980S

*It is rather comforting to remember that crises are frequently strong intellectual
revulsives. New ideas are needed. New ideas and new forms of action.”*

Raúl Prebisch, At the Second Third World Lecture delivered in New York on
2 April 1981, The Third World Prize Presentation Ceremony (Prebisch, 1981a).

Crisis is a concept that we almost intuitively use to depict contemporary Latin American history, politics, and society. Moreover, in our times we have witnessed an “inflationary use” of the concept of crisis, and Latin America is no exception (Koselleck, 2012: 131). We speak of crisis of the economy, of the environment, of political representation, crisis of hegemony, of neoliberalism, of populism, of education, of security, of gender relations, of social ties, among other examples. At the present time, the COVID-19 virus emergency presents Latin America and the globe with a crisis of historical proportions. In this context, this article revisits the meanings and social experiences of crisis in twentieth-century Latin America: What are the meanings attached to the concept of crisis in Latin American contexts? What chronological and temporal boundaries are related to the concept of crisis? What horizons of expectations, if any, emerge from historical crises? It also offers a critical review of the usages of the concept in the context of Latin American social mentality, particularly within the context of Dependency Theory and Development Sociology.

In western languages, particularly in Latin ones, the concept of crisis retains a significant part of the Greek “*krisis*,” which originates with the Ancient Greek verb *krinō*, which means to decide, to separate, to judge. Following Reinhart Koselleck’s (2007: 241) entry of “*krise*” in the *Geschichtliche Grundbegriffe: Historisches Lexikon zur politisch-sozialen Sprache in Deutschland*, the etymology of the term “*crisis*” speaks to the requirement of judgment. According to Pierre Chantraine, *Κρίνω* [*Krino*] hypothetically derives from the Indo-European root, *Kri-v-y e/o-*, which means to separate, to decide, or to choose (Chantraine, 1970: 584-585). Henry George Liddell and Robert Scott (1883) agree on the meaning of the verb *Κρίνω* [*Krino*]. However, Liddell & Scott specifically study the noun *Κρίσις* [*ī*], *εως, ἤ.*, which refers to the following meanings: 1. a separation, a power of distinguishing; a decision, judgment; a choice. 2. In a legal sense, a trial, condemnation; a trial of skill or strength; a dispute, a lawsuit. 3. The event or issue of a thing to be decided, a war; or the turning point of a disease (Liddell & Scott, 1883: 846-847). Franco Rendich dissects the Indo-European root in two parts: K which refers to a cosmic movement that represents the creative energy of the universe, such as the one that radiates onto the human heart. Rendich adds *rī*. *Krī* = K + *rī*, in which K means to “move around” and *rī* means “to decide,” “to judge,” or “to compare” (Rendich, 2010: 68-69, 92). Adding up all these elements, it can be suggested that crisis introduces an idea of an event, a turning point, a pivotal moment, as well as decision and creativity. Going back to Koselleck (2007), the Greeks used the concept in different spheres, clinical, but also theological, juridical, and political. The concept mainly retained its medical application, referring to a pivotal clinical moment between life and death that urges some decision and course of action. Koselleck shows how, in the seventeenth century, the concept was “*metaphorically expanded*” to politics, economy, and finally, history. Since the eighteenth century, crisis became a *historical concept*; and since 1780 it became the expression of a new experience of time, related to rupture and revolution (Koselleck, 2007: 241)¹. It is important to note that, prior to this shift, crisis did not apply to a specific time; it did not signify historical dates or junctures. This reference to the etymology of crisis makes perfect sense since the contemporary concept retains all these ancient meanings, coexisting with modern ones. The concept preserves all of its potential, and its multiple meanings become manifest in different contexts. For example, today, the Greek notion of crisis in the medical sense has been forcefully reemerged.

In the following pages, I reconstruct the meaning of the concept of crisis in the context of Latin American developmentalism. This conceptual study includes twentieth-century authors identifying the remarkable work of Raul Prebisch as a starting point and narrative thread, followed by the iconic intellectual products from Development Sociology and the Economic Commission for Latin America and the Caribbean (ECLAC/CEPAL)². On a methodological level, the paper is structured following many of the premises of

Reinhart Koselleck's conceptual history, understood as a heuristic tool for historical and historiographical research. The *Begriffsgeschichte*, conceived as a critique and hermeneutics of historical sources poses the challenge of selecting the most adequate documents to grasp the meaning, trajectories, and displacements of concepts in specific historical contexts. Considering this task, the focus of this article is centered on the trajectory and meanings of the concept of crisis in Latin American's twentieth-century developmentalism, which has problematized and redefined crisis. CEPAL and developmentalism are here understood as communities of knowledge, that is, institutionalized spaces in which a system of concepts becomes meaningful and effective (Bödeker, 2013: 27). I have reconstructed the historical path of the concept of crisis in the context of this community considering the works of a range of authors, starting from Prebisch, followed by representative sociologists concerned with the problem of crisis and development. Some of them directly interacted with Prebisch and/or CEPAL: José Medina Echavarría, Fernando Henrique Cardoso, Enzo Faletto, and Jorge Graciarena. Others, including Gino Germani, Florestan Fernandes, and Theotônio dos Santos are more distant, but they have all proposed significant redefinitions of the concept of crisis which have permeated or even put into question, from a Marxist and revolutionary perspective, Latin American developmentalism (Fernandes and Dos Santos), hence their inclusion in this article.

Admittedly, this methodological route poses some tensions with the traditional method of the history of concepts, centered precisely on concepts and the relations between them in a wide array of sources of historical research – dictionaries, parliamentary debates, diplomatic briefs, press, journals, treaties, pamphlets, letters, diaries, etc. (Abellán, 1991: 283) – rather than on systematic or theoretical works. However, following Hans Bödeker's (2013) interesting adaptation of Koselleckian history of concepts, it is possible to reconcile conceptual history with the history of theories, produced by authors and schools of thought. The history of concepts is not a factual history of events or ideas, but it repeatedly encounters them since past realities and events are entangled with concepts, which in turn interact with specific theories or schools; in this case, the Latin American developmentalism. If, along with Koselleck we understand concepts as “vehicles of thought” the history of concepts also encompasses the complex interaction between models of interpretation, appropriations of concepts, schools of thought, and intellectual debates.

Therefore, rather than following the premises of Koselleck's history of concepts as an “intellectual straitjacket,” this research adapts its precepts to the study of the interaction of concepts with Latin American theories and contexts. Following Koselleck, the history of concepts, the actual history itself, operates between spaces of experience and horizons of expectations (Koselleck, 1993: 337). Following this dialectical proposal, this paper considers crisis as an

old concept redefined in Latin American contexts based on a “space of experience” – the 1929-1930s crisis itself – which triggers the counter-new-concept, *development*, a concept oriented towards the future, which in turn constitutes a “horizon of expectations” in twentieth-century Latin America.

I argue that, historically, the concept of crisis has expanded from a concrete temporal modern application referring to specific historical critical moments or *junctures* – a usage inherited from the nineteenth century, e.g., the crises of 1808-1810, the crisis of 1890, the crisis of the 1930s – to a *structural* meaning, which became pivotal by the late 1950s with uses such as crisis of hegemony, of the oligarchic regime, of populism. By using conceptual history methodology, this article links the concept of crisis to different conceptions of historical time within the context of Latin America. This includes the temporal triad of the Annales School: specific crisis *junctures*, such as the 1930s, 1960s, 1980s, 1994, and 2001; long term and *structural* applications, such as crisis of the oligarchic regime; and crisis as an *event*, such as a rupture, catastrophe, natural disasters. Considering other notions that also appear in Latin American contexts, we could extend the concept of crisis to cases, such as cyclical crisis, permanent crisis, and crisis as an opportunity or new beginning.

CRISIS IN THE TWENTIETH CENTURY

In the mid-1980s, Rosemary Thorp (1988) edited the influential volume *América Latina en los años treinta. El papel de la periferia en la crisis mundial*, which she opened by observing that Latin America had suffered from a severe crisis since 1975 in response to international economic events. In such perilous context, she claimed, it was necessary to “return to the last great crisis, the crisis of the 1930s, to see what we can learn from comparison and contrast” (Thorp, 1988: 7). The same can be said of the present time. The fact is that, since the Great Crisis of 1929, the concept of crisis became central in Latin American historical experience, with the vocabulary of time and analyses enduring into the present. It seems that, Latin America has since been caught in different forms of crisis linked to specific *junctures*, events, or structural forms of decline. In our days, while still facing the effects of the economic crisis that erupted in 2008, from which Latin America simply does not seem to have recovered, we are now being hit by the global health emergency due to COVID-19. It appears urgent to reflect on the concept of crisis, revisiting the relevant bibliography produced during those two historical decades fixed to crisis, the 1930s and the 1980s.

However, perhaps because of historians’ obsession for the *longue durée* and Braudel’s lasting influence in the 1980s, Thorp’s edited volume explicitly questions interpretations of the crisis of the 1930s as a rupture, discontinuity or as a “before and after.” Instead, she underlines “historical continuities”

and the gradual and long-term increase of State relevance which preceded the 1929 crisis (Harris, 2004). In her view, a more radical break in world economy was provoked by World War I. She does not neglect that the Great Depression had great impact; nonetheless, she claims that it actually gave new impulse to trends that had begun in the 1920s: industrialization, State intervention, and the development of new financial institutions. This attenuated effect of the crisis is also evidenced by her interpretation of the remarkably fast recovery of Latin American peripheral economies, a recovery “from within” fueled by State expenditure and import substitution with low wages and prices (Thorp, 1988: 14).

This article is based on the opposite claim. My contention is that, even though many of the economic trends and policies that had begun in the 1920s were confirmed and well established during the Great Depression, in the Latin American mentality and, most importantly, the Latin American experience of historical time, there is a deep crack, a break, that signals a “before and after” the crisis. The crisis of 1929 and the subsequent Depression of the 1930s bluntly came to mean “a new beginning” in terms of the organization of the State, political regime, policy, and institutions; it meant the founding of a new “socio-political matrix” in Latin America (Cavarozzi, 1991; Garretón, 2000). However, Thorp’s influential volume does set the time frame for this article, which considers the conceptualizations of crisis triggered by the two more critical moments of crisis in Latin America: the 1929 crisis, which extended at least until the mid-1930s, and the crisis that Thorp identifies since 1975, which extended throughout the 1980s.

CRISIS IN THE PERIPHERY: THE EARLY WORKS OF RAÚL PREBISCH, 1927-1948

The starting point of a study on the concept of crisis in twentieth-century Latin America should be Dependency Theory and the Theory of Development, the most significant regional contributions to global social and economic theory in the twentieth century. In the context of such intellectual sphere, the theory and trajectory of Raúl Prebisch suggests an extremely fruitful entry point to this community of knowledge, considering that he is the forerunner of such theories in Latin America and the inventor of its language and many of its concepts. However, largely influenced by his theory of development and its conceptual apparatus, in my view, interpreters – with the significant exception of Tulio Halperín Donghi (2015) – have overlooked the tremendous significance of the concept of crisis in his works. Conventional readings maintain that, dictated by his idea of development and technical progress, Prebisch basically lacks a concept of crisis. Others have dismissed it by observing that his conception of crisis refers *only* to the crisis of 1929. I essentially agree with this second interpretation; however, my unease is with the dismissive *only*. Even though Prebisch’s *early* conception of crisis applies

to this concrete event or historical moment: “the great crisis,” “the world crisis” of 1929, its significance and reach cannot be underestimated. In my view, the crisis triggered in 1929 can be regarded as a *constituent moment*, both in theory and praxis, of Prebisch’s theory of development of peripheral capitalism.

True, Prebisch initially understands crisis as strictly *economic*, and as a crisis that takes place at a specific historical juncture. However, crisis, for Prebisch, is different from a normal economic cycle, even in its lowest descending moment, both in duration and scope (Prebisch, 1933, 1962)³. He mostly refers to “the great 1929-1930s crisis,” which had a tremendous impact on the world economy for more than a decade. Moreover, in his view, the crisis signals a turning point in Latin American history and above all it leaves “the lesson” of an urgent need to shift ways, revise and reinvent neoclassical economic theory, promote industrialization and import substitution, as well as “technical progress,” and to deeply restructure the role of the State and economic policy in the region. Rather than referring strictly to the 1929-1930 great economic crisis, the significance of such crisis should not be underestimated, since Prebisch’s redefinition and unorthodox unravelling of the crisis based on such experience represents the cornerstone of Prebisch’s work.

In a fundamental reflexive essay on his own work, written in 1982 and presented in a seminar organized by the World Bank on the ideas of “development pioneers,” Prebisch (1984: 175) states:

When I started my life as a young economist and professor during the 1920s, I was a firm believer in neoclassical theories. However, the first great crisis of capitalism--the World Depression--prompted serious doubts regarding these beliefs. It was the beginning of a long period of heresies, as I tried to explore new views on development matters. The second great crisis of capitalism, which we are all suffering now, has strengthened my attitude.

According to Prebisch’s own account, the first stage begins in 1943 when he was forced to resign from the Central Bank by the military regime in Argentina and returned to the academic field. As a result, he derived some theoretical views from his experience in public service during the great crisis. The second and third stages evolved thereafter, during his years within CEPAL, in which Prebisch identifies two moments: a first moment focused on import substitution and development, and a second, more critical, phase driven by an emphasis on the need of further industrialization, exports of manufactures, and international cooperation. The fourth stage relates to his work in the United Nations Conference on Trade and Development (UNCTAD). The fifth stage corresponds to a final period when, free from executive responsibilities for the first time in many years, he was able to revise and advance systematically in his thinking (Prebisch, 1984: 175). Following his account, crisis triggers two of the five intellectual phases that Prebisch recognizes in his own intellectual enterprise: The great crisis of

1930s, at the outset, and the mid-1970s crisis, at the end of his career, Prebisch's most self-reflexive and critical moment. These two phases encompass the time frame delimited for the purpose of this article. Interestingly, these two crises also coincide with two phases of his public service to his country, Argentina; the first phase during the presidency of Hipólito Yrigoyen and the conservative military regime of the 1930s, and the last one, as an economic adviser to president Raúl Alfonsín, with the return of democracy in Argentina in 1983. He was also economic adviser to the *Revolución Libertadora* in 1955, where he proposed the rather orthodox *Plan Prebisch*. Let me now turn to the first moment.

In his wonderful biography of Raúl Prebisch, Edgar J. Dosman (2008: 63-64) outlines his youthful professional years. In this early period that spans from 1921 to 1948, Prebisch combined academia and public service. Between 1927 and 1930 he was Chair of Economic Research in the Banco de la Nación Argentina (BNA). In this office, Prebisch edited a journal, the *Revista Económica*, a publication in which he took to the task of analyzing the international economic crisis and recommended policy responses to protect Argentina. Initially, Prebisch and his team wrongly interpreted the 1929 crisis as yet another economic cycle in its descendant phase. For example, the *Revista Económica* in January 1929 asserted that there was no reason to panic despite the dramatic downward turn of wheat prices, critical for the Argentine economy. Six months later, the editors of the journal mistakenly claimed that the worst was over. However, by December 1929 Prebisch had to accept that rather than a normal economic cycle, the world was facing an international depression of perhaps unprecedented proportions. In June of 1930, the optimistic tone of *Revista Económica* had changed as they began pointing out the collapse of export prices of Argentina's agricultural products and the acute *deterioration of its terms of trade*. In fact, following Prebisch's own account, this notion, which was later pivotal for Dependency Theory, was formulated for the first time in Argentina, and probably in Latin America in these articles (Prebisch apud Magariños, 1991: 63). At the time, the journal became essential reading within economic and financial circles, and Prebisch emerged even more influential in policymaking in his country.

The international crisis hit Argentina during times of political weakness of president Hipólito Yrigoyen. Political turmoil, an elderly president, strong congressional competition, the government's incapacity to find solutions to the economic depression, and the threat of communism added up to an extremely fragile and unstable political scenario. A sense of terminal failure of the *Unión Cívica Radical* regime was evident at the turn of the decade. Like in many other Latin American countries, a coup led by General José Felix Uriburu, a second cousin of Prebisch's mother, overthrew the government. During the military regime of the 1930s, Prebisch was appointed Vice Minister of Finances and, as part of the provisional government elite, had the responsibility of

tackling the crisis that had dramatically deepened in Argentina. Initially, Prebisch attacked the crisis with an orthodox adjustment package intended to attract capital and stabilize the economy. This of course failed to stimulate the economy. However, an important turn in Prebisch's approach occurred after Britain abandoned the gold standard. He recommended exchange controls; the exchange rate was pegged, and the distribution of foreign exchange was rationed. These measures allowed Argentina to respond in its own terms to the competitive devaluations in the global economy (Dosman, 2008: 72-73).

Moreover, in January 1932 Prebisch launched a progressive income tax (*impuesto a la renta*). A law-decree was reluctantly agreed on by General Uriburu, as a "sign of abnegation in such difficult times for the country." It was "a reform of the tributary system in Argentina, meant to make the rich pay more. Oddly enough, as has happened so many times, it was a conservative and reactionary government that made the reform." (Prebisch apud Magariños, 1991: 67-69). This reform meant a key victory for Prebisch. His two years as Vice-Minister, in the midst of the world crisis, were decisive: he became convinced that the only way out of such an economic emergency and political decay was in the hands of State intervention engineered by a technical elite capable of modernizing the economy (Prebisch, 1984: 175).

Prebisch resigned after the November 1932 controlled elections won by General Agustin P. Justo and returned to his office at the National Bank. He took up again the *Revista Económica*. Prebisch was soon nominated to work in Geneva with the League of Nations Preparatory Commission for the forthcoming World Economic Conference to be held in London. In 1932, he had published an article addressing the crisis, asking whether the cycle had already reached its lowest point, and if the world economy was already showing signs of recovery, or tending towards extended depression (Prebisch, 1932: 115-119). In Prebisch's (1932: 79) analysis, the depression showed very few signs of possible immediate upturn. A gloomy international trade scenario in a downward spiral of protectionism and competitive devaluation, made things terribly difficult for the Argentine economy, entirely dependent on annual harvests and international prices of commodities.

In the summer of 1933, Prebisch attended the World Economic Conference in London⁴. While preparing for the conference, he wrote a piece on the expectations around such meeting amid the crisis (Prebisch, 1933). An important aspect of this piece is his emphasis on the political, which in his view was not aiding recovery (Prebisch, 1933: 86). Despite dark circumstances during this period in Europe, he encountered the works of Keynes, who in the *Times* recommended the World Economic Conference to take initiatives stimulating demand and cleaning overburdened financial markets. Prebisch recollects (apud Magariños, 1991: 100):

Keynes' ideas conquered me, and they reached fertile ground, because during those days in London I felt guilty for supporting in 1931 and 1932 as under minister of finances in Argentina an orthodox policy. It was an adjustment policy based

on austerity measures, budget and salary reductions, etc. And after thinking of such experience and the prolongation of the world crisis [...] I began to hold serious doubts on my orthodox theory. And I began to think of an expansive policy.”

After his European tour, Prebisch was convinced that pre-1914 *laissez faire* principle and global trade had been damaged beyond recovery. He experienced utter rupture with neoclassical economic theory. The only possible solution to the crisis, if any, was political, and it fell on the State⁵. Prebisch's interpretation of the 1929-1930 crisis entailed a new meaning and historical reference of an old word. This reinterpretation implied a deep transformation of society (mainly of the economic model and the state) and created new future expectations (Abellán, 1991: 282). The 1929 crisis urged decision and action, retaining the decisional element of the Greek concept of crisis. However, the crisis also implied an orientation towards the future, a necessary opening of a new “horizon of expectations,” signaling that Prebisch's concept of crisis also entails an opportunity (Koselleck, 2004: 270)⁶. According to Prebisch, during the Great Depression of the 1930s, “a combination of national and international factors opened an opportunity for policy innovation in Argentina paralleling that in Washington under Roosevelt.” (Prebisch, 1933: 100)⁷. Industrialists were clamoring for help, the homeless were desperately looking for shelter and food, and President Justo, although reluctantly, agreed that there was an urgent need of a new venture, breaking with the orthodoxy of the 1920s.

During Prebisch's long trip in Europe, President Justo changed his cabinet, appointing Luis Duhau as Minister of Agriculture and Federico Pinedo as Minister of Finances. Both offered Prebisch their respective vice-ministries, but he refused since he did not want to disappoint any of his friends. He formally maintained his position at the Banco de la Nación, while becoming adviser to both, coordinating policy between the two Ministries. This moment, Prebisch recalls, meant “a radical change in Argentine political economy, and I believe I had a very important participation” and Prebisch recollects (apud Magariños, 1991: 91):

The situation was very difficult in Argentina. In the midst of the crisis, prices kept falling, wheat could not be sold, there were many difficulties for corn, and beef exports were minimal because Britain kept contracting its imports. However, they did not discriminate against us due to the treaty [He refers to the polemical Roca-Runciman deal in which he participated] ... the situation could not be more critical. In November 1933, I remember a telegraph to the Banco de la Nación stating that the people would not harvest their wheat because the price was so low that it was not even worth it.

In such critical context, Prebisch contributed to the creation of a Keynes-inspired National Economic Action Plan (*Plan de Acción Económica Nacional*), which covered a vast sector of the economy. It included a Grains Regulation Board (*Junta Reguladora de Granos*) to raise prices and regulate the market, exchange rates were also regulated creating differentiated rates for imports and exports, public debt was converted, and there was a significant expansion

of public works, “because there was great unemployment in Argentina. I recall something that left a great impression on me. I lived in Belgrano, and for the first time, young people asked for food in our homes. In the port of Buenos Aires, the piers were used as shelters for the homeless” (apud Magariños, 1991: 94).

In London, while waiting for the World Economic Conference, Prebisch had met Otto Niemeyer, the acknowledged expert on Latin America from the Bank of England. Conversations with Sir Otto convinced him that a Central Bank was fundamental for Argentina’s future (Dosman, 2008: 90). Between 1935 and 1943, he was appointed to organize the Central Bank of the Argentine Republic (Hodara, 1987). However, for Argentina, Prebisch envisioned a stronger and more heterodox version of a Central Bank than the guidelines recommended by the British financier. In what constitutes one of the best analyses of Prebisch’s works, Joseph Hodara (1987: 64) rightly points out that, intellectually, the moment when Prebisch was setting up the Central Bank was crucial for conceiving the ideas that he would later propose in his more systematic writings, which he authored during his Economic Commission for Latin America (ECLA/CEPAL) period. In fact, Hodara (1987) and Adolfo Gurrieri (2001) are among the few commentators that pay such attention to the initial stages of Prebisch’s career⁸. Hodara underlines the significance of his writings in the *Memorias Anuales* of the Central Bank, which anticipate the founding ideas and exposing methods of his later CEPAL documents. In particular, the ideas of his famous paper *El Desarrollo Económico de América Latina y algunos de sus principales problemas*, which was labeled as the *Latin American Manifesto* by Albert O. Hirschman (1968), the other great theorist of development⁹. The language of *Memorias Anuales* suggests a balance in the aftermath of the 1929 crisis referring to a *learning process*, and the lessons that should be drawn from the Depression: “The crisis had shattered the structure of credit, and meant a grave risk for the stability of the whole banking system and the great mass of engaged deposits. The danger has been overcome and the current situation of our banks is satisfactory in liquidity terms.” (Prebisch, 1942: 2). Central concepts are used in these writing, such as the “periphery,” which refers to the position of primary goods producer countries in the international economic system, and the “cyclical” timing of Latin American economies. However, it should be underlined that the crisis is the trigger of his policy proposals¹⁰. Moreover, Prebisch (1942: 2) states, “what is happening to our economy, by the way, does not have a mere episodic meaning. A large-scale transformation is taking place.” For Prebisch, one of the main lessons that had emerged from the crisis was the need to mobilize monetary resources as a compensatory measure. Through a “Foreign Exchange Fund” (*Fondo de Divisas*), in the Central Bank, Prebisch regulated credit policy according to international fluctuations of Argentine economy. In the “descendent phase” of the cycle, credit should be made available, and during recovery, the opposite. Since abundance periods were restricted, reserves should be accu-

mulated and rationalized¹¹. With the *Fondo*, Prebisch was setting up the foundations of State monetary interventionism in Argentina: the state must intervene to attenuate the effects of economic crises.

The 1943 coup in Argentina forced Prebisch to resign his post as General Manager of the Central Bank. During those hard years he was circumscribed into academia and then exile. This moment is, for Prebisch his “first intellectual stage.” After many hectic years in public service, “important theoretical problems emerged in my mind. Why must I depart suddenly from well-entrenched beliefs? Why was it necessary for the state to play an active role in development? Why was it that policies formulated at the center could not be followed at the periphery? These and other reflections paved the way for the next stage.” (Prebisch, 1984: 176). The next stage corresponds to the CEPAL moment.

HOW TO OVERCOME THE CRISIS? DEVELOPMENT AND THE CEPAL PROGRAM, 1949

In the period that spans from 1950 to 1962, Raúl Prebisch was Secretary Executive of the *Comisión Económica de las Naciones Unidas para América Latina y el Caribe*. His trajectory within CEPAL is oriented by his theory of development, which, as I have previously noted, somehow overshadowed the concept of crisis. However, my argument is that development theory is built upon the concept of crisis, and more precisely, the question of *how to overcome the crisis in Latin America*. Latin America as a unit of analysis was a novelty for social and economic analysis. Moreover, it can be said that “Latin America” as an analytical regional category for the social sciences was a CEPAL innovation. Celso Furtado even claimed that it was Prebisch’s invention (Iglesias, 1999: 153). I have previously mentioned that Prebisch’s concept of crisis encompasses a notion of opportunity, a vision towards the future, a “horizon of expectations.” Such horizon is development. In this context, what Prebisch proposes during his first years at CEPAL is a program that rested as much in scientific knowledge as in institutions capable of producing and circulating ideas to transform the reality of Latin American economics (Gurrieri, 1982: 13). The CEPAL, organized under the auspices of the United Nations, was meant to be such institution.

Prebisch has the great merit of proposing an alternative historical explanation of the development of modern economy (Furtado, 2014: 131). For Prebisch, development refers to technical progress and its payoffs (Gurrieri, 1982: 15). The starting point of development theory is the international distribution of such technical progress. Empirical evidence shows a considerable income inequality between industrial countries and those producing and exporting commodities. This imbalance, in Prebisch’s view, shatters the basic premises of the international division of labor, in which Latin America,

being part of the periphery of the world economic system, has the specific role of producing the primary goods used by the rich and powerful industrial core. (Prebisch apud Gurrieri, 1982: 100). Prebisch and other CEPAL analysts noted that the terms of trade, combined with an imbalance between the price of manufactures and primary goods, had tilted steadily over the decades in favor of industrialized countries. The industrial labor force had also been able to secure better salaries. The international picture was completed by the central control of finance and transportation systems, creating a further disadvantage and dependency for peripheral economies. Within this conception, which had predominated in Latin America until the crisis of 1929, there was no room for the industrialization of new countries.

However, Prebisch (1982b: 99) argues, “Two world wars in a single generation and a great economic crisis between them, have shown Latin American countries their opportunities, clearly pointing the way to industrial activity.” Thus, crisis and war had triggered fundamental shifts, many of which policymakers, including Prebisch, were not fully aware of as they implemented them in the heat of events. Prebisch (1982b) theorizes, in a more systematic fashion, what became known as his inaugural 1949 CEPAL program. In this program, development rises as the counter-concept of crisis. Import substitution was not enough and further industrialization was necessary, as well as achieving 1) the accumulation of capital and investment; 2) an increase in labor productivity; 3) the implementation of anti-cyclical policy through public investment as a compensatory measure, which could mitigate the effects on domestic economies of sudden declines in exports. The only way to escape the existing pattern of crisis and economic stagnation was through a broader and more intense Latin American participation in world industrialization¹².

STRUCTURAL APPLICATIONS OF THE CONCEPT OF CRISIS: THE ENCOUNTER WITH SOCIOLOGY, 1950-1976

One of the main features of CEPAL is that, historically, it has been an interdisciplinary community of knowledge that brought together the social sciences, mainly economy and sociology, through the aegis of Latin American development. The trajectory of twentieth-century Latin American sociology, up to the 1980s, shows at least three moments (Solari et al., 1976: 21). The first moment corresponds to the moment of the “thinkers” or “intellectuals” and has the essay as its main form of expression. There is a great variety of free thinkers of ideas of “the social” and “the political” in Latin America, beginning with José Enrique Rodó, José Vasconcelos, José Carlos Mariátegui, among many others. The second moment begins in the aftermath of World War II, when there is deep renovation of the discipline, showing a novel interest in methods and empirical research. This moment is marked by the pioneer of scientific sociology, Medina Echavarría (1941), followed by Gino

Germani (1964) and the “Germani School” in the 1960s, in Argentina. Brazilian sociologist Florestan Fernandes (1970) completes this paramount group of scholars. However, in my view Fernandes’ theoretical and heterodox work can be considered in between scientific and critical sociology, which is the third moment of Latin American sociology.

From this group of sociologists, Medina Echavarría is of chief importance. Not only is he recognized as one of the founders of the Latin American Sociology of Development, but he spent twenty-five years in CEPAL in Santiago, from 1952 to 1977. In CEPAL he was responsible for introducing a sociological approach to understanding development. Until then, he had understood sociology in more economic and formal terms. Like Prebisch, Medina Echavarría’s starting point is crisis; but a crisis of another sort. As a Spanish republican that escaped the Franco regime, first to Poland and then to Mexico, Medina Echavarría’s (1943, 1945) writings from his first years in exile propose a reflection on *the crisis of modernity*, expressed by the rise of totalitarianism, mass society, and war. In his 1943 essay *Responsabilidad de la inteligencia*, he depicts a crisis of Western civilization (Medina Echavarría, 1987). While crisis is a concept that captured the European situation in *development*, Medina Echavarría found his theme in Latin American (Morales Martín, 2010). The work of Medina Echavarría has inevitably been linked to Max Weber. Not only because Latin American Sociology owes Medina Echavarría for the early translation of *Economy and Society* into Spanish, but also because his work deploys many Weberian principles: the *verstehen* methodological approach, the use of ideal types, an emphasis on values and the spirit of an epoch, and a historical perspective (Weber, 1944, 1949). These ideas enriched CEPAL’s approach to development, mainly through his notion of the “structural porosity.” Through this notion, Medina Echavarría (1963) explains the coexistence of traditional and modern elements in Latin American social structure, a coexistence that is not necessarily contradictory nor problematic, but frequently entails an obstacle for economic, cultural, and political development. Medina Echavarría (1967), who was also influenced by Karl Mannheim (1946), also firmly believed that democracy was part of the developmental horizon. Social change had to be led and institutionalized by the State; however, democracy, in his view, was the best scenario for this transformation and a setting for open critique, debate, and dissent.

Gino Germani’s work is even more permeated by the concept of crisis. Since 1930, when he was arrested by fascist police in Italy, he was convinced that there was a historical crisis of democracy, and, like Medina Echavarría, he believed in the even deeper crisis of modernity itself. From his first theoretical article published in 1944, *Anomia y desintegración* (Germani, 1945), in which he outlines what he calls the “contemporary crisis,” to his last work, *Democrazia e autoritarismo nella società moderna* (Germani, 1985), the main concern was the crisis of modern democracies and its obscure drive towards fascism and authoritarianism (Germani, A., 2010: 22). During his exile in

Argentina, his courses and writings expounded on the theme of crisis and its structural and psychosocial features; the possibilities of democracies in large societies; and the accelerated processes of change from traditional to modern societies. Thus, his lifelong scientific project and question tackled the complex relationship between democracy, development, and the various forms of modernization that frequently led to authoritarian political forms, such as the analytical framework of his groundbreaking works on Peronism and what he calls the *nacional-popular* regime in Argentina (Germani, G., 1962)¹³.

Florestan Fernandes' academic trajectory lasted from 1945 to 1969, beginning with his tenure as a professor at University of São Paulo until his dismissal by the military government. In relation to the dialectics between crisis and development, Fernandes has the great merit of tackling the issue of Latin American elites, a topic of major relevance for the present time. One of his major works, *A revolução burguesa no Brasil* (Fernandes, 1975) focuses on the discussion of the specificity of the historical formation of class society and bourgeois revolution in Brazil, from its independence to the 1970s, seen through the lens of the misguided formation of a bourgeois rationality. In contrast to its European counterpart, Brazilian bourgeoisie was not a revolutionary class. Mostly dedicated to commercial activities focusing on the domestic capitalist market, they were however incapable of disentangling themselves from the logics of the past. Thus, Brazilian bourgeoisie never achieved autonomy from the oligarchy, but rather merged with retrograde social forces and failed to implement liberal democracy (Arruda, 2018). Thus, in contrast to its European counterparts, the Brazilian bourgeoisie was not a fundamental agent of capitalist transformation and modernization. In Brazil (as in other large Latin American countries), rather than the bourgeoisie, the State was the promoter of change, modernization, and industrialization, a process which also had monopolistic and autocratic consequences. In short, for Fernandes the crisis in Brazil actually comprises the *crisis of the bourgeoisie*.

Critical Sociology in Latin America emerged in the late 1950s addressing a critique to Scientific Sociology, mainly the postulate of value neutrality. This group of scholars and intellectuals proposed an "integral analysis," considering dimensions that, until then, had been considered separately, such as the economy, sociology, and political science. Another premise proposed by these critics is that the method should be dialectic or based on historical-structural analysis. Thus, the fundamental principle is the historicity of the object of knowledge, which means that sociology should formulate hypothesis for concrete historical analysis and avoid any attempt at formal generalizations. In the context of Critical Sociology, the volume *Dependencia y Desarrollo en América Latina* by Fernando Henrique Cardoso (Florestan Fernandes' colleague in São Paulo) and Enzo Faletto, published in 1969, stands out.

Cardoso and Faletto (2007) also deploy a historical concept of crisis, specifically referring to two historical moments: the crisis of 1929, which led to a new economic model based on industrialization through import substi-

tution, and another crisis less precisely dated around “the end of 1950s” and signaled by a deceleration of growth and exhaustion of import substitution (Cardoso & Faletto, 2007: 3). Consistently with their historical-structural analysis, however, the authors propose a structural meaning of crisis that refers to longer historical contradictions that led to the collapse of socioeconomic structures (e.g., the crisis of the export-led economy) and to shifting political relations (e.g., crisis of the oligarchic regime). In both applications, the structural crisis of the economy and politics gives rise to new ones, for example, the import substitution model and the populist regime. However, this process is not homogeneous in the region, and it is mediated by historical class enclaves and relations. Formulated in this structural fashion, the concept of crisis does not refer to specific dates and is more flexible in its historical time frame. For example, this structural concept is evident in their analysis of the “deterioration” of the oligarchic system of domination and the pressure from the middle class, which began before the great 1929 crisis. For example, this crisis has concrete historical expression in the political crisis in Argentina, which initially burst in 1890 and eventually led to the electoral reform and election of Yrigoyen; in Brazil, with the crisis that ended with the 1930 Revolution and the Getulio Vargas’ era; and, of course, in Mexico with the Mexican Revolution. These countries – where a middle class and an inchoate *bourgeoisie* had emerged – coincide with those that eventually took the import-substitution path. Nevertheless, this was not a homogeneous development in Latin America. In many countries the oligarchic regime was able to remain (e.g., Colombia, Bolivia) or reemerge (e.g., Argentina), despite the 1929 economic crisis (Cardoso & Faletto, 2007: 78-81).

Another fundamental contribution, which offers an excellent synthesis of Latin American Sociology of Development is *Teoría, acción social y desarrollo en América Latina* (Solari et al., 1976) by Aldo Solari, Rolando Franco, and Joel Jutkowitz. This volume, which should be revisited, outlines the trajectory of Latin American Sociology in the period that spans from 1940 to the mid-1970s. In this context, crisis emerges as an even more complex concept, acquiring a multiplicity of meanings. The distinctive contribution of this book to this article is that it proposes a reflexive analysis on the concept of crisis in relation to the subdiscipline of Sociology of Development. On one fundamental level, crisis retains its historical meaning, still referring to the great crisis of 1929. However, following several traditions of Latin American Sociology, the authors unfold a variety of usages of the concept, evidencing its expansion and anticipating its contemporary meaning. Beginning with Medina Echavarría’s writings in the foundational moment of Latin American scientific sociology, they refer to an epistemological “crisis of science” which also involves a “crisis of Sociology,” an actual expression of the previously described broader crisis of modernity and twilight of reason. For Medina Echavarría, the re-foundation of Sociology in scientific terms in the 1940s is a response to such a crisis (Solari et al., 1976: 36).

Crisis hits Sociology again in the late 1950s. The general frustration with the poor results of industrialization policies in Latin America, together with the impact of the Cuban Revolution, provoked a turning point in Latin America's so called "scientific sociology." Reflecting on this moment, Jorge Graciarena (1970: 196) points out that, "Sociology rapidly and profoundly reflects social crises; Sociology appropriates crisis turning it into its own crisis." By differentiating between different levels of "the Latin American crisis," Graciarena shows the epistemological movement from crisis to critique. He distinguishes four different levels of the crisis. First, there is the *objective crisis*, which refers to the problems of Latin America's underdevelopment: stagnation, poverty, inequality, and dependency. Second, he refers to a *crisis of information* and lack of a public debate of these problems. Third, he mentions a generational crisis reflected in an increasing awareness of the incapacity of the capitalist system to actually resolve the crisis, namely the rise of a *critical conscience* and a subsequent reflection of the possibilities of action of science. Fourth, this critical position on capitalist society has led to a renewal of Latin American Sociology as an agent of critique and transformation of social reality, producing a displacement of the sociological emphasis from the cognitive dimension to praxis (Graciarena, 1970: 197-198). Thus, the late 1950s crisis brought the bifurcation of Sociology into scientific sociology and the emergent critical sociology.

In the political realm, following Gino Germani, Solari et al. (1976: 246, 501) discusses in their book "the crisis of the oligarchy," a regime based on an export-led economy and a state dominated by the land-owning or mining class. Borrowing from Antonio Gramsci, Gino Germani also refers to a "crisis of hegemony" of the oligarchic and populist regimes (Germani, G. apud Solari et al., 1976: 267). Solari et al. (1976: 136-137, 271, 610) show how crisis is applied to different socio-political dimensions, such as the "crisis of liberalism" and "crisis of legitimacy" depicted by Medina Echavarría and, following Octavio Ianni, even the "crisis of democracy". Interestingly, there is no single mention of the crisis of the state, a notion that will emerge in the late 1980s and 1990s in the context of the advance of neo-liberalism in the region (Graciarena, 1984).

Finally, Solari et al. (1976: 440, 535) introduce Theotônio dos Santos' critical perspective of developmentalism, signaling the more radical trend of CEPAL embodied in Dos Santos, who refers to the "crisis of developmentalism" and "crisis of dependency theory." Dos Santos emphasizes a "structural crisis," which refers to a long-term crisis of Latin American structures. Thus, crisis is not only applied to specific socioeconomic structures (i.e., the economy, institutions, forms of power), but it manifests itself structurally as a whole. This suggests another innovative use of the concept presented by Florestan Fernandes of "chronic crisis," that is, a permanent state of being in crisis in Latin America. This last meaning subverts the temporal exceptionality of crisis, the idea of crisis as a decisive moment that calls for action, and indicates a radical re-signification of the concept as a structural or permanent state of affairs (Fernandes apud Solari et al., 1976: 322).

BACK TO PREBISCH AGAIN: CRITIQUE, CRISIS, AND “THE LOST DECADE,” 1976-1986

The last period of Prebisch's career encompasses a moment of self-criticism over the Development Theory. This phase comprises a deep reflection on the problem of crisis in Latin America, which he frames under the notion of the crisis of *peripheral capitalism* (Prebisch, 1976). During the difficult years following Augusto Pinochet's coup in Chile, Secretary General of CEPAL, Enrique Iglesias, invited Prebisch to edit the new *CEPAL Review*. In 1975, Prebisch devoted full attention to this task, hiring the Argentine sociologist Adolfo Gurrieri as secretary, who later edited an important posthumous anthology of Prebisch's works during his CEPAL period (Gurrieri, 1982).

In *CEPAL Review*, Prebisch created a renovated sphere of debate of Latin American issues. Prebisch's (1976) post-developmental ideas on Latin America during this period can be clustered around the concept of *Peripheral capitalism*: A form of capitalism strongly driven by the imitation of consumption patterns of the center, particularly from the United States, coexisting with the lower strata of society struggling to subsist. These features are combined with low productivity and poor investment by the entrepreneurial class. Therefore, peripheral capitalism showed an imitation of high consumption habits combined with low savings, growing unemployment, undynamic economies, and cyclical crises. Prebisch (1976, 1981b) is utterly critical and points out the causes of the crisis that are inherent to peripheral capitalism, addressing questions such as: Why was development accompanied by growing disparities in income and wealth? Why was inflation so persistent and could not be controlled through conventional monetary policy? Prebisch enlarges his scope going beyond pure economic theory and incorporating a sociological approach nourished by his interactions with CEPAL sociologists, specifically with Medina Echavarría, “his great interlocutor on these issues, and on a holistic view of the world” (Iglesias, 1999: 154). This is evidenced in Prebisch's new structural concept of crisis. In Prebisch's (1984: 184) own words:

For this purpose, I went over my previous ideas very critically. Although it is true that there were some valid elements in them, they were very far from constituting a theoretical system. I arrived at the conclusion that to start building a system it was necessary to enlarge the scope beyond purely economic theory. Indeed, economic factors could not be isolated from the social structure. This was of paramount importance. It would be hopeless to seek a proper answer to these and other important questions within the narrow framework of a purely economic theory.

During the Jimmy Carter administration, there was a turn towards the promotion of human rights and economic development in Latin America, and CEPAL repositioned itself at the center of public debate. During the 1977 CEPAL Guatemala Meeting, all prospects seemed favorable for extraordinary economic growth in Latin America. Optimism was in the air. In such context, Prebisch (1977), against the prevailing opinion, warned that the region was heading to disaster: “The more I study Latin American development, the grea-

ter is my concern,” he stated in his speech’s opening remarks. Prebisch had in mind what he had already warned about in his 1970 book, *Transformación y Desarrollo: La gran tarea de América Latina*, the danger of foreign lending as a source for economic growth. International banks needed customers after the oil crisis of 1973 and Latin American countries rushed in. In the Carter era, he insisted that debt-led growth was a distortion of genuine development, and that such growth had led to bloated state enterprises and bureaucracies, what he called “*elephantiasis of the state*.” (Prebisch apud Dosman, 2008: 481). He noted that the 1970s could be regarded as a “lost decade” and that despite the apparent success of Mexico and Brazil, he anticipated the debt crisis that later exploded in 1982.

In a fundamental article published in *CEPAL Review* in 1982, “A historical turning point for the Latin American periphery,” Prebisch analyzes the crisis that most Latin American countries were facing. Analytically, he recognizes typical economic signs of the crisis, such as the reduction in the economic growth rate and the high rate of unemployment, the deterioration of the terms of trade, and the high level of external indebtedness. Moreover, Prebisch (1982a) acknowledges that behind these problems are profound and serious structural imbalances that provoke the crisis, so that the conjunctural policy must not be viewed as something isolated, but as the starting point of a new *structural development policy*. A structural crisis has to be attacked with a structural policy. Such a moment, like the 1930s, represented a historical turning point, a new opportunity in terms of policy making. In 1983, with the return of democracy in Argentina, Prebisch began working as an economic adviser to president Raúl Alfonsín. The economic situation in Argentina was, not surprisingly, dramatic: a per capita income lower than in 1970, disorganized financial sector, entrenched inflation, combined internationally with low commodity prices and high interest rates. In this context, Prebisch pointed out at an “extremely serious crisis,” indeed a “second depression,” perhaps more difficult than the first one. Prebisch recommended a wage freeze until inflation could be controlled, but this was against the Radical Party’s promises to raise lagging wages. These recommendations in a fragile political time were not followed by Minister of Economy Bernardo Grinspun. In 1985, these differences still could not be resolved with the new minister Juan Sourrouille. That year, Prebisch resigned to the Alfonsín administration, which ended in 1989 amid a historical record of hyper-inflation. In the late 1980s developmentalism mixed with corrective measures would no longer be a suitable option for policymakers; it was the time of neoliberalism following the precepts of the Washington Consensus, which, as we know, eventually led to other crises.

FINAL REMARKS: LATIN AMERICAN CONCEPTS OF CRISIS

In the context of Latin America during the nineteenth century the concept of crisis acquired a historical meaning, denoting rupture, breakdown, deep change, and even revolution. By the end of the nineteenth century, the concept was frequently used in economics and finances. Following Prebisch's work, I discussed how the "great crisis of the 1929" meant a turning point in Latin American history and, above all, left "the lesson" of an urgent need to shift predominant economic thought, revise neoclassical economic theory, promote industrialization and import substitution, as well as "technical progress," and to deeply restructure the role of the state and economic policy in the region. However, the crisis also implied a re-orientation towards the future, a necessary opening of a new "horizon of expectations." Such a horizon, was, for decades, development. Thus, dependency and development theory are built upon the concept of crisis, and more precisely, the question of how to overcome crisis.

During the twentieth century, I have shown that, in the context of developmentalism, crisis shifted from signifying a specific historical juncture – either in political or economic terrains – to a structural sociological application, for example, crisis of the oligarchic regime, crisis of the export-led economy, and crisis of populism. Crises become longer in duration and time, moreover, Latin American development and critical sociology introduced concepts, such as "structural crisis," "permanent crisis," and "chronic crisis," which emerged to characterize the region. This shift was the result of the interaction between economy and the sociology of development mainly in the context of the institutional framework of CEPAL. Finally, the concept has been expanded and applied to, more or less, every sphere of social and personal life since the 1990s. We have witnessed an "inflationary" use of the concept (Koselleck, 2012: 131). The trajectory of the concept of crisis culminates in a *spatial* use (rather than temporal), applicable to almost every sphere of social life and form of interaction, becoming more and more a metaphor rather than a concept. According to the scholar Javier Fernández Sebastián (2009: 18-20), when we are faced with the impossibility of accounting for a specific state of affairs with the available conceptual tools, we tend to solve this cognitive difficulty by using concepts borrowed from other contexts. In other words, we use a metaphor. It is in this sense that crisis, and perhaps not only in Latin America, becomes a metaphor applied in a variety of scenarios of rupture, disintegration, fragmentation, rapid change, and decision making, which somehow takes us back to the ancient and pre-modern usages of the concept.

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NOTAS

- 1 This corresponds to Reinhart Koselleck entry of the concept of “krise” in O. Brunner, W. Konze, R. Koselleck, *Geschichtliche Grundbegriffe: Historisches Lexikon zur politisch-sozialen Sprache in Deutschland* (Stuttgart: Klett-Cotta, 1972-1998, 8 vols), vol. III, 1982, pp.617-650, translated into Spanish in Koselleck (2007: 241-281).
- 2 The Economic Commission for Latin America (ECLA) – the Spanish acronym is CEPAL – was established by Economic and Social Council resolution 106(VI) of 25 February 1948 and began to function that same year. The scope of the Commission’s work was later broadened to include the countries of the Caribbean, and by resolution 1984/67 of 27 July 1984, the Economic Council decided to change its name to the Economic Commission for Latin America and the Caribbean (ECLAC); the Spanish acronym, CEPAL, remains unchanged. In this article I will use the Spanish name.
- 3 To verify his usage of the concept of crisis see Raúl Prebisch (1962), “*El Desarrollo Económico de América Latina y algunos de sus principales problemas*” pp. 3, 9,14,17, 36, 38, 41,51, 55. For the distinction between cycle and crisis, see Raúl Prebisch (1933).
- 4 The London Economic Conference was a meeting of representatives from 66 nations, from June 12 to July 27, 1933, at the Geological Museum in London. Its purpose was to find agreement on measures to fight the Great Depression, revive international trade, and stabilize currency exchange rates. The conference failed when it was boycotted by President Roosevelt.
- 5 According to Dosman, the morning of March 16, 1933, Prebisch had opened the *Times* in London to discover the first of four articles titled “The Means to Prosperity,” by John Maynard Keynes, offering a new approach for reviving the multilateral trading order (Dosman, 2008: 85).
- 6 The notion of horizon of expectation was developed by Reinhart Koselleck (2004: 270) to show the articulation between past and future in historical time: “No expectations without experience; no experience without expectation”.
- 7 My emphasis. Translations from Spanish are mine, unless otherwise noted.
- 8 Gurrieri (2001) actually argues that Prebisch’s heterodox views began before the 1929 crisis, as early as 1921, when

Prebisch became aware of Argentina's vulnerability to industrial nations' fluctuations due to its position in the international economic system. Gurrieri, however, puts into question that the crisis meant a rupture in Prebisch's work and stresses the continuities and the pre-1929 heterodox aspects of his thinking.

- 9 The Latin American Manifesto corresponds to "El Desarrollo Económico de América Latina y algunos de sus principales problemas," published in *Boletín Económico de América Latina*, Secretaría Ejecutiva de la COMISION ECONOMICA PARA AMERICA LATINA VII, No. 1 (February 1962): 1-122. This piece is also reproduced in Adolfo Gurrieri's (1982) anthology of Prebisch's work.
- 10 In fact, Prebisch (1921-1922) uses the concept of periphery for the first time in a remarkable article "Anotaciones sobre nuestro medio circulante. A propósito del último libro del Dr Norberto Piñero, caps. I-IX".
- 11 Prebisch, *Memoria Anual*, 2.
- 12 The idea of the limits of import substitution is already stated in this document. By the late 1950s Prebisch becomes very critical of reducing industrialization to import substitution. In his view, protectionism would soon be over and insisted on exports and international cooperation among Latin American countries.
- 13 The concept of crisis is pivotal in explaining the emergence of twentieth-century populist regimes in Latin America, particularly in authors that actually address the causes of these regimes, such as Gino Germani, Torcuato Di Tella, and, more clearly, Francisco Weffort.

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CRISE NA PERIFERIA: A CONCEÇÃO DE “CRISE” NO DESENVOLVIMENTISMO LATINO-AMERICANO E EM RAÚL PREBISCH, ANOS 1929-1980

Palavras-chave

Crise;
Desenvolvimento;
América Latina;
Teoria da Dependência;
Cepal.

Resumo

Este artigo oferece um estudo sobre os usos do conceito de crise na América Latina no contexto da Teoria da Dependência e do Desenvolvimentismo. Esta história conceitual de “crise” na região durante o século XX identifica o percurso intelectual do economista argentino Raul Prebisch como ponto de partida e fio narrativo, seguido de produtos sociológicos marcantes da Comissão Econômica para a América Latina e o Caribe (Cepal), ou influenciados por ela. A trajetória do conceito de crise na região começa com uma aplicação temporal concreta referente a momentos históricos críticos ou conjunturas específicas. Prebisch demonstra em seu trabalho como uma mudança conceitual fundamental pode ser observada durante a crise dos anos 30, quando esta é conceitualizada como uma oportunidade que deixa “a lição” de uma necessidade urgente de rever a teoria econômica neoclássica, promover a industrialização e reestruturar profundamente o papel do Estado na região. Mais tarde, no final dos anos 50 e no contexto da Cepal e da Sociologia do Desenvolvimento, o conceito mudou de um significado conjuntural para um significado estrutural. O artigo aborda outras aplicações temporais, como crise conjuntural, crise estrutural e crise permanente.

CRISIS IN THE PERIPHERY: THE CONCEPT OF “CRISIS” IN LATIN AMERICAN DEVELOPMENTALISM AND RAÚL PREBISCH, 1929-1980S

Keywords

Crisis;
Development;
Latin America;
Dependency Theory;
CEPAL/ECLAC.

Abstract

This article offers a study of the uses of the concept of crisis in Latin America in the context of Dependency Theory and Developmentalism. This conceptual history of “crisis” in twentieth-century Latin America identifies the intellectual trajectory of Argentine economist Raul Prebisch as a starting point and narrative thread, followed by the iconic sociological products of, or influenced by, the Economic Commission for Latin America and the Caribbean (ECLAC/CEPAL). The trajectory of the concept of crisis in the region begins with a concrete temporal application referring to specific historical critical moments or junctures. Based on Prebisch’s work, it shows how a fundamental conceptual shift may be observed during the crisis of the 1930s, when crisis is conceptualized as an opportunity that leaves “the lesson” of an urgent need to revise neoclassical economic theory, promote industrialization, and to deeply restructure the role of the State in the region. Later, in the late 1950s and in the context of CEPAL and Development Sociology, the concept changed from a conjunctural to a structural meaning. The article tackles other temporal applications, such as cyclical crisis, structural crisis, and permanent crisis.