
REVIEW ESSAYS

AFTER DEPENDENCY: Recent Studies of Class, State, and Industrialization

Peter Evans
Brown University

THE NEW BOURGEOISIE AND THE LIMITS OF DEPENDENCY: MINING, CLASS, AND POWER IN "REVOLUTIONARY" PERU. By DAVID G. BECKER. (Princeton: Princeton University Press, 1983. Pp. 419. \$35.00 cloth, \$9.95 paper.)

REFLECTIONS ON THE BRAZILIAN COUNTERREVOLUTION: ESSAYS BY FLORESTAN FERNANDES. Edited by WARREN DEAN. (Armonk, N.Y.: M. E. Sharpe, 1981. Pp. 187. \$25.00.)

THE LIMITS OF STATE AUTONOMY: POST-REVOLUTIONARY MEXICO. By NORA HAMILTON. (Princeton: Princeton University Press, 1982. Pp. 391. \$36.00 cloth, \$8.95 paper.)

CAPITALIST CONTROL AND WORKERS' STRUGGLE IN THE BRAZILIAN AUTO INDUSTRY. By JOHN HUMPHREY. (Princeton: Princeton University Press, 1982. Pp. 258. \$22.50.)

CLASS, STATE, AND INDUSTRIAL STRUCTURE: THE HISTORICAL PROCESS OF SOUTH AMERICAN GROWTH. By FREDERICK STIRTON WEAVER. (Westport, Conn.: Greenwood Press, 1980. \$28.50.)

The dependency approach transformed the study of the Latin American political economy in the late sixties and early seventies. Over the past fifteen years, it has proven its heuristic worth by stimulating a wide range of theoretical debates and empirical investigations. No longer an upstart challenger from the periphery, the dependency ap-

proach has established itself as one of the primary lenses through which scholars, both North American and Latin American, analyze the interaction of classes and the state in the context of an increasingly internationalized economy. Because trying to supersede established paradigms is one of the goals of social science, scholars must begin to ask, "What comes after the dependency approach?"

A group of five books is hardly a sufficient sample for the projection of future trends in theoretical and methodological approaches to Latin American development. Nonetheless, the disparate collection of books considered here does reveal something about the durability of the dependency approach and the likely relation of future work to the dependency tradition.

Dependency Rejected

David Becker addresses the question most directly in *The New Bourgeoisie and the Limits of Dependency: Mining, Class, and Power in "Revolutionary" Peru*. He characterizes dependency "theory" as "deficient in explanatory power and unable to stand up to empirical tests" (p. 342), and he calls for "a new paradigm and not just a modified analytical framework" (p. 12). Becker has provided a study of how transnational corporations, local classes, and the state interact in a Latin American mining sector, a study that is easily the best since Moran's classic 1974 study of copper in Chile¹ and is arguably better than any of its predecessors. One is therefore tempted to accept his judgment. Closer examination of Becker's work, however, suggests that it is not as devastating to the dependency approach as he would argue. To the contrary, it appears quite supportive of the position of more sophisticated *dependencistas*.

To begin with the pre-1968 behavior of the mining transnational corporations (TNCs) in Peru provides a classic illustration of exactly the kind of behavior expected by a dependency analysis. Foreign-owned mining companies coexisted in comfortable harmony with a state dominated by the landed oligarchy, taking advantage of tax incentives to fill corporate coffers in the United States rather than expanding capacity in Peru (pp. 38, 53–54). The TNCs, with the exception of Cerro (which Becker does not consider to be a modern TNC), consistently refused to invest in refining capacity that might have enabled Peru to move away from its dependence on primary exports and initiate a process of industrialization.

Becker's work also demonstrates with admirable thoroughness one of the other central propositions of the dependency approach—that the local private bourgeoisie in dependent countries will not and cannot play the economically "revolutionary" role that is assigned to it by theo-

ries (including Marxist ones) based on the supposed history of industrialization in currently advanced countries. Peruvian private capital has been unable, both before and after the 1968 “revolution,” to penetrate large-scale mining (*gran minería*). Prior to the Velasco period, *gran minería* remained the preserve of foreigners; subsequently, it was dominated by the state operating in cooperation with the TNCs. Furthermore, both smelting and refining, which are critical areas if mining is to provide linkages to manufacturing, proved beyond the reach of local private capital.

Becker does show that the local bourgeoisie has found an economically secure niche in the operation of middle-sized mining enterprises (*mediana minería*). But in copper at least, the scale of the “middle-sized” enterprises is tiny in comparison to the giant undertakings of the TNCs. The total value produced by the fifty or more middle-sized firms (including some that are foreign controlled) is roughly equal to the output of the remaining TNC giant, Southern Peru Copper (pp. 126, 173). Moreover, the “middle-sized” mining companies depend on the TNC or the state to smelt, refine, and market their output.

This statement does not imply that the local private mining capital is economically marginal or that it comprises some kind of “lumpen-bourgeoisie.” Becker argues convincingly that at least the top few firms of the *mediana minería* are healthy economic entities. In addition, the close ties between local private capital and the state sector created by shared interests, shared ideology, and personal interconnections make it almost inconceivable that either the state or the TNCs would purposefully try to undercut the position of *mediana minería*. Finally, the local companies of the *mediana minería* are protected by the politically hegemonic position of the bourgeoisie as a whole (including those members of the class playing entrepreneurial roles within the state apparatus).

Like his analysis of local private capital and the TNCs, Becker’s analysis of the role of the state is an extremely useful contribution. In general, it confirms the assertion common to most recent works in the dependency tradition that a more active, more ‘relatively autonomous’ state is an essential element in moving the development of dependent countries forward. Becker chronicles the crucial initiatives undertaken by the post-1968 state in shaping the plans of mining TNCs or taking them over when they proved too recalcitrant. He documents the ways in which the state has moved to fill critical developmental gaps, most notably in the creation of refining capacity that TNCs were unwilling and local private capital was unable to fill (pp. 217–18, 221–22).

Overall, *The New Bourgeoisie* suggests persuasively that Peru’s progress in accumulating capital and differentiating the productive apparatus in the mining sector has required the construction of a “triple alliance” of state, local, and transnational capital. The question is

whether once having achieved this goal, Peru should still be considered “dependent” or whether it has entered a situation of “postdependency.” Becker takes the latter position, but his conclusion is built on a set of interpretations that at the very least should be subjected to critical examination.

One of the cornerstones of the ‘postdependency’ assertions is the claim that there is “no necessary inconsistency” between the interests of the modern, oligopolistic TNC and host governments. Becker’s claim that the Cuajone project offers an excellent example of how the TNCs and the host government may be able to discover shared interests in local capital accumulation is certainly well founded. Nor would anyone who has a passing familiarity with the literature on Third World mineral development want to deny the general assertion that TNCs and producing countries have certain important interests in common. But none of this thinking refutes the hypothesis that fundamental differences separate global profit makers and those primarily interested in national development. In fact, Becker’s study contains ample evidence to support this hypothesis. First, there is the fact that the Peruvian government found it necessary to nationalize not just the “colonial company” (Cerro) but also Utah International’s Marcona project (not to mention cases from other sectors like Grace and IPC). Additional evidence is the refusal of even the cooperative Asarco to yield on the question of building a refinery. Here Becker readily admits that “company and government interests stood in total opposition” (p. 102).

If one steps back and looks at the situation in the international copper industry more generally, the contradictions between company strategy and country interests and the extent to which reliance on a single primary export implies vulnerability to the international economy are even harder to ignore. In copper as in other minerals, mining TNCs have recently begun a “concerted effort to develop new mines in politically ‘secure’ areas, even if it meant mining higher-cost poorer ores” (Shafer 1982, 103). As massive sunk costs have been incurred in developing copper capacity in Australia, Canada, and South Africa, the situation of Third World copper producers has become increasingly tenuous. Since 1979 and 1980, the last years for which Becker has data on the profitability of Peruvian mines, the price of copper has dropped by about a third.² Correspondingly, relying on copper exports as a basis for development seems less like “bonanza development” and more like a situation of dependency (pp. 61–70).

One may also ask whether Peru has escaped the long-term consequences vis-à-vis its social structure that were postulated to result from dependency, most specifically levels of inequality that are extreme in comparison to those found in developed countries. Becker argues that “at the current stage of Peru’s development, the economic advance

of labor is quite compatible with a modernized bourgeois domination" (p. 319). But he is talking about the advance of labor in mining, whose share of the nonagricultural work force has been cut in half since 1967 and now comprises only 2.3 percent.³ When consideration is extended to Peruvian society as a whole, the possibilities of including the mass of the Peruvian population among the beneficiaries of "modernized bourgeois domination" seem dim. Although the Velasco period witnessed some movement away from the extreme inequality that generally characterizes dependent development in Latin America, in 1973–74 the top 5 percent still received a higher share of the national income in Peru than in most major Latin American countries (p. 306). In Becker's own assessment, the rapidly growing urban marginal groups personify the contradictions of Peruvian development (pp. 339–40).

In view of the correspondences between Becker's portrayal of Peru and dependencista assertions, why does Becker make such a "harsh" judgment on dependency theory (p. 341)? The primary targets of his animosity are several theses often associated with the dependency approach, theses that Becker justifiably feels are strongly contradicted by his work. The thesis that capitalist development is impossible on the periphery is clearly more difficult to sustain as a result of *The New Bourgeoisie and the Limits of Dependency*. So is the thesis that the accumulation of capital in peripheral countries depends fundamentally on the "superexploitation" of local labor. This thesis simply does not square with the history of the Peruvian mining sector as set out in Becker's work. Perhaps most important, Becker provides a compelling refutation of the thesis that local bourgeoisies in dependent countries have ceased to be an active social force. His analysis of the political strength of the local bourgeoisie, especially as based on the integration of the incumbents of managerial positions in state firms and private firms, is one of his most original contributions to the understanding of Latin American political economy.

What Becker does not seem to appreciate is that rejection of these theses does not necessarily separate him from the dependency tradition. Fernando Henrique Cardoso, generally acknowledged as one of the founders and principal theoreticians of the dependency school, attacked each of the three theses mentioned above with vitriolic effectiveness ten years before the publication of Becker's book.⁴ Disassociation from the dependency approach is not entailed by Becker's analysis or findings but rather by the way in which he defines the approach. Had he chosen to focus on Cardoso's "historical-structural method," as Gary Gereffi did in his recent work on the pharmaceutical industry (1983), Becker could have fit his study comfortably into the dependency tradition.

Dependency Subsumed

Nora Hamilton's richly detailed historical study of the Cárdenas period in Mexico, *The Limits of State Autonomy: Post-Revolutionary Mexico*, is a major contribution to the literature on the role of the state in dependent capitalist societies. Like Becker's book, Hamilton's work is a superb case study with a strong theoretical orientation. Even more than Becker's, Hamilton's work can be considered a model of the "historical-structural" method advocated by Cardoso and Faletto (1979). But Hamilton's way of dealing with dependency theory differs markedly from Becker's. While she is generally sympathetic to the dependency approach (see pp. 15–23), she considers dependence to be only one of several theoretical considerations that must be taken into account in order to explain the extent and limits of state autonomy. Dependency theory is subsumed as part of a more general theory of the state in capitalist societies.

Hamilton's aim is to explain the Mexican state's autonomy by using a framework that makes the dependent capitalist state simply a subcategory of capitalist states in general, a subcategory that demands treatment in terms of its own historically specific issues to be sure, but also one whose investigation should contribute to a better understanding of other cases, including advanced capitalist societies. Class relations and processes of class formation are the prime determinants of state autonomy in peripheral societies like Mexico just as they are in advanced capitalist societies. The fact of dependency influences class formation and conflict, but so do a number of other factors.

In *The Limits of State Autonomy*, Hamilton goes beyond the normal scope of dependency analyses substantively as well as theoretically in the extent to which she focuses on the actions of subordinate classes. Dependencistas have often been guilty of focusing too exclusively on elites (for example, foreign and local capital). Hamilton's analysis includes the working class, not just as victims of historical circumstance or as a political constituency manipulated by other actors but as an active participant in the drama. The increasing mobilization of the working class was an important element in Cárdenas's original break with the policies of the Maximato (pp. 125–27). The role of the working class is also particularly clear in the expropriation of foreign petroleum companies in 1938. The petroleum workers not only instigated the conflict with the petroleum companies that eventually resulted in nationalization, they also surmounted the problems created by the exit of foreign technicians, thereby enabling the state to stand by its initial decision to nationalize (p. 231).

Dependency analysis is also subsumed into a broader set of issues by John Humphrey, but the scope of *Capitalist Control and Workers'*

Struggle in the Brazilian Auto Industry is quite different than Hamilton's book. For Humphrey as for Hamilton, issues of dependency are seen as being subsumed by issues of class. But Humphrey's book is not intended to speak to general theories of class formation or class conflict in the same way that Hamilton's *Limits of State Autonomy* speaks to general theories of the state. Humphrey's aim is first of all to explain the evolution of class relations in the Brazilian auto industry and then to examine the relationship between the autoworkers and the rest of the Brazilian working class. The autoworkers as a group are not just an actor in the drama but the principal actor.

How important is "dependency" in Humphrey's analysis? If dependency is defined as external determination of the internal pattern of class relations and capital accumulation, it is surprisingly unimportant. Without reference to transnational capital, one obviously cannot understand how São Bernardo (a suburb of São Paulo) was transformed from a town employing four thousand manufacturing workers in 1950 to one employing seventy-five thousand by 1970 (pp. 128–29). But despite the fact that all of the auto assembly companies are transnational corporations, that production technology is imported from center countries, and that an increasing share of the industry's output is exported through the TNCs' own marketing channels, Humphrey's story is primarily one of domestic class relations.

Despite his focus on internal dynamics, one of the main tasks that Humphrey sets for himself is to confront a hypothesis that has been important to dependencista views of labor. Taking the autoworkers as his case, Humphrey argues strongly against the position that workers employed in oligopolistic, capital intensive, foreign-owned firms constitute a Third World "aristocracy of labor" with interests opposed to those of workers in more traditional industries. He argues that difficult working conditions, lack of job stability, and low wage levels in the Brazilian auto industry make the aristocracy label inappropriate. Even more important in determining the political position of the autoworkers is the relation to the authoritarian state that they share with the working class as a whole.

Given Humphrey's focus on labor relations in a single industry in a single town, the centrality of the state in his analysis is at first as surprising as the relative unimportance of external economic ties. It is not simply that the Brazilian state apparatus is thoroughly involved in industrial relations, which it is, but that as the workers' struggle intensified, the state became their major protagonist. Furthermore, the willingness of the autoworkers to "take on the state" placed them at the forefront of the overall struggle to move Brazil in the direction of "redemocratization" (pp. 176–207). Given the substantive focus of Becker's and Hamilton's works, it is hardly surprising that the state was a central

actor. The fact that in *Capitalist Control and Workers' Struggle in the Brazilian Auto Industry*, Humphrey also had to place the state at the center of his analysis suggests that increasing attention to the role of the state as an institution and a social actor will be a constant in future work on Latin American industrialization.

Humphrey's work, like Hamilton's, is methodologically consonant with the spirit of Cardoso's historical-structural method. *Capitalist Control* is a careful case study of the action of one segment of a class that is designed to show how the structure of capitalist class relations shapes the dynamics of political and economic change in a particular historical moment. Like Hamilton, Humphrey has historically specific interests but at the same time attacks theoretical issues that are relevant to advanced capitalist countries as well as to dependent capitalist countries (in his case, dual labor market theory, 57–63). One of the refreshing things about these studies is that they do not “ghettoize” the analysis of dependent countries but manage to focus on general theoretical themes while simultaneously respecting the historical specificity of their cases.

Frederick Stirton Weaver's *Class, State, and Industrial Structure: The Historical Process of South American Growth* is more ambitious. Issues of dependency are subsumed into the attempt to build a comprehensive theoretical framework for interpreting the history of capitalist development, not just in Latin America but in general. Surprisingly, given the scope of the task, the work is neither pretentious nor excessively abstract. Weaver has provided in fact a readable and focused economic history of Latin America (more precisely South America) that would nicely complement other general economic histories like Celso Furtado's *Economic Development of Latin America* (1976).

Weaver's theoretical framework, which relies primarily on a typology of competitive, finance, and monopoly capitalisms, is useful in focusing the material. It also serves to direct attention back to classic Marxist arguments regarding the consequences of the organization of capital, arguments that are often neglected in studies of dependent development. It does not, however, possess the kind of explanatory or hypothesis-generating power that would make it a likely candidate for a new theoretical paradigm. For example, it is hard to see how reference to Weaver's schema would have enhanced the theoretical effectiveness of any of the three case studies discussed so far. What *Class, State, and Industrial Structure* suggests is that specific case studies like those by Becker, Hamilton, and Humphrey—rather than attempts at constructing new general frameworks—may now be the best way to advance theoretical understanding of class, state, and industrialization in Latin America.⁵

The final book to be considered here, *Reflections on the Brazilian*

Counterrevolution: Essays by Florestan Fernandes subsumes the dependency approach in quite a different way. Florestan Fernandes might be considered in some way responsible for the dependency approach because his students (Cardoso, for example) have been so instrumental in its development. Yet he began his intellectual career at a time when functional and modernization theories had barely begun their ascendancy in Brazil and still possessed the potential for playing a progressive role. Fernandes played a leading part throughout the period of political turmoil that accompanied the heyday of the dependency approach, and one expects that he will still be going strong if and when dependency falls from favor. In short, Fernandes has subsumed dependency theory into a life of intense scholarship, which is at least partially reflected in this set of essays.

The bonds that link Fernandes to other dependencistas can be seen clearly in the book's principal essay, "The Autocratic Bourgeois Mode of Capitalist Transformation." Using Brazil as an example, Fernandes aims here to set out the reasons why the dominant capitalist elites in dependent countries do not have the affinity for democracy that is classically attributed to the bourgeoisie. It is equally clear in this essay, however, that the theoretical framework that Fernandes is using is a general Marxist one. The fact that capitalist development in Brazil is dependent is a key element in the analysis, but it is only one element in what is essentially a Marxist analysis of class relations.

A second aspect of Fernandes's work that links him to the dependency approach is the intensity of his political engagement. While political engagement is hardly unique to dependencistas, their explicitly normative concern with the political and social outcomes of development was one characteristic that set them apart from their "value neutral" predecessors (compare Becker, p. xxiii). Fernandes's essay on "the lost generation" is a monument to the durability of his "political obsession" (p. 147). Although the "political obsession" of scholars from the metropole must obviously take a different form, this sampling of the younger generation of scholars working on Latin American industrialization—David Becker, Nora Hamilton, and John Humphrey—suggests that political engagement is one aspect of the dependency approach that is likely to be preserved.

Conclusion

What then seems likely to come after dependency? If these books can be taken as indicators of the future and not as merely a sample of the recent past, what comes next will be very much in the tradition of the dependency approach but without the dependency label. The case studies by Becker, Hamilton, and Humphrey, which are probably the

best indicators, all conform to Cardoso's admonitions in favor of the "historical-structural method." They all exemplify the kind of political economy approach that was hard to find in North American studies of Latin America before the dependency approach became so influential. They emphasize the "historical transformation of structures by conflict, social movements and class struggles" just as Cardoso would have them do (Cardoso and Faletto 1979, xiv-xv).

Why then is the dependency label likely to disappear? The answer is simple: because the term now carries too much theoretical baggage. "Dependency" is too closely associated with simplistic hypotheses of external determination, the impossibility of either capitalism or democracy on the periphery, and the hopelessly *entreguista* nature of the dependent capitalist state. These hypotheses served a useful intellectual purpose in early polemics with modernization theorists. They provided the "anti-thesis" that facilitated the more sophisticated syntheses of current works. But these hypotheses do not represent the ideas of those currently working in the historical-structural tradition, and the most effective way of disavowing them is to shed the label.

This conclusion does not imply that current or future work has entirely abandoned the substantive assumptions of earlier dependency analysis. Capitalist development occurs on the periphery, but it remains fraught with the same problems that dependency theorists first enunciated. Alliances may be formed with TNCs, but fundamental conflicts between the interests of transnational capital and national development remain, just as the dependencistas argue. None of the authors considered here argue, as did modernization theorists and some Marxists, that capitalist development on the periphery will replicate capitalist development in the center. Weaver even goes so far as to turn Marx on his head and argue that "the less industrially developed (but not developing) nations show the more developed some indication of their futures" (p. 186). Recognition of the special nature of dependent capitalist development, which was after all what dependencistas were fundamentally striving for, has been achieved.

Although certain of the substantive premises of the dependency approach are now sufficiently ingrained so that they no longer need to be labeled "dependency theory," the studies examined here do not represent simply a continuity of substantive interests. One of the most salient features of recent work in the dependency tradition is the extent to which interest has become increasingly focused on labor and the state. The tendency to concentrate on the interaction of foreign capital with local private elites that characterized earlier dependency work has clearly been superseded. Not only is interest growing in relations between the state and subordinate groups, but divisions within the work-

ing class (as in Humphrey) and conflicts within the state apparatus (as in Hamilton) are being examined as well.

Whether one sees the dependency approach as superseded or simply as extended and enriched, it is hard to argue that this approach has been or is likely to be replaced by some new overarching paradigm. While each has its merits, neither Becker's postdependency nor Weaver's typology of competitive, finance, and monopoly capitalisms appears likely to become the new orthodoxy. It seems more likely that studies of dependent capitalist development will increasingly be framed in terms of theoretical issues that apply to capitalist development in general, as in Hamilton's concern with theories of the state or Humphrey's interest in dual labor markets.

The most striking aspect of this engagement with general theoretical issues is the heavy reliance on perspectives derived from Marxism that characterizes all five books. While none of these authors could be considered "orthodox" in their use of Marxist theory, Marxist ideas of class relations and class conflict as central to the dynamics of industrial development pervade all five books. Dependency theory was one of the intellectual currents responsible for the reintroduction of Marxist issues into mainstream North American social science. At the same time, it helped to revitalize traditional Marxist theorizing about the nature of capitalism on the periphery. The studies considered here continue this tradition and extend it.

Dependency "theory," if such a thing ever existed, may well have had its day. But the rich tradition of work that has been associated with the concept of dependency continues to thrive and expand its horizons, both substantively and theoretically.

NOTES

1. One of the most curious aspects of the way in which Becker situates himself with reference to the existing literature in the field is the absence of any sustained comparison with Moran's work. The similarities and contrasts between the Chilean case as described by Moran and Becker's analysis of Peru are fascinating in themselves, but even more interesting are the differences between Becker's class-oriented approach and Moran's "bargaining" approach.
2. The price of silver, which is extremely important for local capital in mediana minería, has plummeted much more dramatically since 1980.
3. These figures are derived from Becker's table 10.1 and his ensuing discussion, but they refer to the whole mining sector, including small mining companies (see p. 286).
4. Cardoso's polemic was presented to a conference in Germany in 1973, then published in *Estudos CEBRAP* in 1974 and reprinted in *Autoritarismo e Democratização* in 1975.
5. The absence of any studies making use of Wallerstein's "world-system approach" among the books considered here is perhaps worth noting. The authors covered mention the world-system approach, if at all, only to note its affinities with those

aspects of dependency theory that they would like to disavow (for example, Hamilton, pp. 16–17). Even Gereffi's exhaustive review of the theoretical literature on dependency treats the world-system approach only tangentially in a footnote (1983, 8–9).

REFERENCES

- CARDOSO, F. H.
1974 "As Contradições do Desenvolvimento Associado." *Estudos CEBRAP* 8 (Apr.-June).
1975 *Autoritarismo e Democratização*. Rio de Janeiro: Paz e Terra.
- CARDOSO, F. H., AND ENZO FALETTO
1979 *Dependency and Development in Latin America*. [1969] Berkeley: University of California Press.
- FURTADO, CELSO
1976 *Economic Development of Latin America*. Cambridge: Cambridge University Press.
- GEREFFI, GARY
1983 *The Pharmaceutical Industry and Dependency in the Third World*. Princeton: Princeton University Press.
- MORAN, THEODORE
1974 *Multinational Corporations and the Politics of Dependence: Copper in Chile*. Princeton: Princeton University Press.
- SHAFFER, MICHAEL
1982 "Capturing the Mineral Multinationals: Advantage or Disadvantage." *International Organization* 37, no. 1:93–119.