

Development and dependence, developmentalism and alternatives¹

José Maurício Domingues

Introduction

Writing a paper such as this right at the peak – let us hope – of the major financial crisis the world has witnessed since the 1929 crash of Wall Street would be somehow an irony, were it not chilling. Perhaps neoliberalism is finally going under, along with global economic prosperity and growth, regardless of the relative strength of the emerging East. But as the offhand character and fall of the package of help intended by the United States government shows (although it involved billions of dollars and the future of a number of generations through state debt), no articulate alternatives have even been suggested beyond emergency measures. It seems to be just a debacle that which is befalling the global economy. In any case, while it is doubtful whether deeper changes will alter neoliberal economics and social policy, as well as the widening inequality they entailed, a finance-led model of accumulation has proved untenable and will have to be changed to unburden the ‘real economy’ processes, wherein technological change and capital accumulation have proceeded apace in the last two decades. Somehow this is the object of the present discussion, in a more oblique fashion indeed, insofar as actual policies as well as alternatives constitute its object, with respect to development in the contemporary world.

The paper will proceed through the following steps. First I will briefly define the field of development and some basic issues to be investigated. I shall be dealing with two mainstream contemporary constructions about development – ‘human development’ and ‘sustainable development’ –, adding a third, critical angle to the discussion, through the recovery of dependency theory. Then I will take up such issues

in relation to Latin America. Economic development, underdevelopment and dependence as well as social conditions and social policy more generally will be outlined and discussed in both general and specific dimensions. Backwardness in technological terms and a dependent insertion in the world economy, increasingly via re-primarization, but also to some extent a turn towards domestic demand-led development and targeted social policy, with some improvement of overall social conditions, will be encountered, but not in terms of environmental care. Finally, I will concentrate on the situation of Brazil in particular, raising a number of more far-reaching issues from its examination. Ways to tackle this problematic situation will then be briefly considered, including discussions of 'alternative' or 'post' development perspectives. The overall conclusion is not especially positive, although it evinces mixed reflections and feelings, and pessimism is not the motto of the paper.

Development: in general and in Latin America

Development is a large field, presently in crisis. From 'colonial economics' and the issues raised by late comers to industrialization, through especially modernization and dependency theories as well as developmentalism, up to present-day neoliberalism and prospects to surpass it plus the human development approach and 'alternative' as well as 'post'-development perspectives, there have been many ways of posing the issues the field has dealt with. Lately in the so-called 'South', the failure of development policies to achieve its envisioned goals in terms of life conditions and global inequality has gone hand in hand with a 'profound impasse of development thinking'. Neoliberalism was an answer to the impasses of global Keynesianism and the developmental state limited success in Latin America (though not in Asia), while other approaches have tried to go

beyond economic growth. This is the case of alternative development perspectives or approaches based on human needs and social problems, such as the 1970s 'basic needs' doctrine or the United Nations (UN) Human Development Index (HDI), which includes basic welfare measures as a yardstick of development (Pieterse, 2001: ch. 1, 94-110; Kiely, 2007; Domingues, 2008: ch. 2).

At a general, absolute and very basic level there have been some improvements in the conditions of life of the poor in the world (especially in urban areas). While this is arguable as regards income and is certainly not the case with global inequality,² access to some services such as water and sanitation, health care including vaccination, nourishment, child mortality, gender equity, etc., seem to have improved a bit, as envisioned and projected by the UN Millennium Development Goals as well as documented by the global evolution of the HDI, although a number of problems do not abode well for the future. The spread of slums (wherein one third of the world's population dwells) stand out in this regard, but the slow pace of change in all aspects is visible. This is dramatized by the fact that what the UN consider as changes for the better in the last few years, in terms of income and poverty reduction, depended so much on a favourable economic situation of growth, which may be coming to a halt and includes a rise in the price of commodities. This is true as for climate change too, via global warming, which is not decreasing and will affect disproportionately the poor. All in all, the UN recognizes that the millennium agenda will not fulfil its 'commitments' (United Nations, 2003, 2008a). Moreover, the power of finance capital and of transnational corporations as well as the specialization of so-called 'southern' countries in (primary or even industrial) products of low added value brought the issues the discussions of underdevelopment and dependency theory once underscored to the forefront, but the theories of dependence which, as such, had criticized this state of

affairs thirty years ago have not really made a comeback (Kiely, 2007; Roitman Rosenmann, 2008: ch. 2).

Development implied to a great extent and in particular, in its most articulated versions, or at least in the Latin American context, a shift in the power balance within countries as well as between countries in the global arena (Sunkel and Paz, 1974). Neoliberalism has effectively displaced this view, which had the structuralism of the UN Economic Commission for Latin America (ECLA) as its underpinnings, that is, harked back to classical political economy. Neoclassical economics, with the supposition and celebration of perfect markets and unfettered economic development (meaning simply growth), has got now the upper hand, at least until the recent global financial crash. Although it has phrased development beyond Gross Domestic Product (GDP) and proposed a more ‘human face’ to actual neoliberal practices, the human development approach and its HDI, based on Sen’s capability approach, does not question. It sits at least comfortably with that economic orthodoxy and its ‘best practices’, indeed has a close alliance with it, advocating free markets and targeting its efforts merely at the poorest people, whose future may be become a little less poor. This stems from Sen’s and similar views of development, with a specific and highly individualistic conception, plus a fragmenting notion of freedom, which gives a gloss of philosophical legitimacy to such a political strategy (Sen, 1999; and, for a critical argument, Domingues, 2006b). Internal entrenched and globally increasing inequalities – whose evolution is totally independent from absolute and minor positive evolutions of the HDI – disappear in this picture, and so do the attempts to overcome them.

In any case, this has been the world in which we have been living for two decades. We are likely to remain there. This is what, to take examples which do not actually involve the former ‘Third World’ or the ‘South’, we can see in post-real

socialist Eastern and Central Europe. Patrimonial, underdeveloped capitalism (such as in Russia), plus perhaps a sweatshops economy based on cheap labour (as in Estonia), or more developed but ‘associated and dependent’ capitalism driven by transnational corporations (with a good technological level and good jobs) for the happy few which made it through the transition due to particularly lucky conditions (Czech Republic, Poland, Slovenia) are the paths taken in the course of their transition back to capitalism. Social conditions vary accordingly, being significantly better in the latter (King, 2001; Bohle and Greskovits, 2007). While then the central countries of capitalism – the US, those of northwest Europe, Japan – carry on as the engines of innovation and accumulation within the global system, despite the recent financial crisis and a possible dislocation of capitalism axis to Asia (China and the Southeast region), much of the world follows on without any actual change in its relative position in the international division of labour. Worse still, perhaps it is going backwards in this regard, the evolution of social conditions in principle replicating economic prowess, although this is not always the case, insofar far as it can vary independently to some extent (Castells, 1998; RICYT, 2005). The periphery dreamt of catching up with the West. Perhaps in East Asia this will be the case, through its varied but mostly successful developmentalist states, and some Eastern European countries can perform well, albeit dependently, so as to get closer to a central or, more likely, to a very strong semiperipheral condition (e.g., the Visegrad countries). In most of the world since the 1980s, however, this is clearly not possible, at least for the foreseeable future. Small wonder, therefore, development thinking is in such a bad shape.

Things do not look bright either when we focus on one of the foremost innovations in the field in the last decades: ‘sustainable development’. This began as a general prospect that questioned the possibility of conciliating the health of the planet

with development and population growth in the Club of Rome 1972 *Limits to Growth* document, to end up, in the 1987 Brundtland report for the United Nations, *Our Common Future*, with an accommodation between the two terms of the pair, sustainability and development. They had to be brought together due to the desires and demands of developing countries, but also of course thanks to the expansive dynamics of capitalism. A rather vague notion resulted from the whole discussion and was institutionalized without greater impact over actual economic and social developments in global terms (Nobre *et al.*, 2002). And, as the Millennium Goals themselves show, the single most dramatic symptom of the pressure growth has had upon the Earth's living infrastructure, global warming, has not deserved the resources and the needed changes in order that it would really be averted (United Nations, 2008a).

All that said, how does Latin America as a specific region fit into this frame? The basic thesis of this paper regarding contemporary Latin America runs as follows. Modernity has, in the subcontinent as well as in the centre of the global system, evolved thus far through three phases, in which the latter has been the main dynamic force. After a liberal restricted phase and a following one organized by the state (in Latin America's typical case a developmentalist state), we have entered globally a third phase in which high technology and networked firms (often with state sponsorship) lead the process of capitalist accumulation. Economic growth has indeed been steadily in the region in the last four years, in average above 3 percent, something that did not happen since the late 1960s. However, in contrast to important parts of Asia, Latin American countries have been once again confined to the role of peripheral or semiperipheral economies, often stuck by and large in the position of primary commodities exporters. This has been in fact reinforced more recently and is true even in the case of Brazil, much stronger industrially, as we will see below. While Mexico is dependent for its exports on

assembling industries of foreign origin – the ‘maquiladoras’ –, which usually add little value to the parts brought together there, drawing upon cheap labour, Argentina and especially Chile were de-industrialized by the military dictatorships of the 1970s-1980s and export basically primary products. Brazil’s exports are also highly dependent on commodities, albeit not only of a primary type (soya beans, iron, steel, meat, etc.), which are completed by low aggregate industrialized products. Social conditions have overall improved recently whereas pressure over natural resources has steadily intensified (Domingues, 2008: *passim*, especially ch. 2; Cepal, 2008b: 13, 19).

We can thus even speak, despite the recent wave of growth, of the re-entrenchment of (dependent) ‘underdevelopment’ if we recover specifically Cardoso and Faletto’s (1970: especially 25ff) classical statement of the issue. This is plausible if we take underdevelopment as being characterized by the lack of differentiation of the economy in comparison with developed ones within the encompassing system, in fact when we compare the central countries to the periphery or even to the semiperiphery, where ‘associated (and dependent) development’ occurred formerly via the transplantation of relatively old Fordist industries catering mainly for the middle classes. Even those more advanced countries lag behind today, nevertheless, insofar as such industries of the 1970s-1980s are no longer in the forefront of global processes of accumulation (in fact when transplanted they were about to exhaust their expansive drive). Whereas this was so due to the lack of industry and especially of a section based on the production of means of production (a thesis supported by contemporary Regulation School, cf. Boyer and Saillard, 2002), today the same may be said in relation to the lack of technological development in the periphery and even in much of the semiperiphery, in contrast to what goes on in the centre of the system, especially in

relation to microelectronics, information technologies and telecommunications, the dynamic core of contemporary capitalist accumulation (Castells, [1996] 2000).

The gap has actually been widening in this regard, since investment in Science & Technology (S&T) and Research & Development (R&D) is concentrated in the US, Western Europe, and some parts of Asia (including China, which departs from a very low position, though). In 2003, global expending in S&T and R&D reached \$860 billion dollars, an increase of amazing 82 percent in relation to 1994. While Latin America slightly increased its expenditure, its share of global expenses decreased from a tiny 3.1 to 2.5 percent (even we use purchasing parity power terms – PPP, which improves a little the picture). In 2005 (again according to PPP terms), North America as a whole invested 35.1 percent of the total worldly expenditure in S&T and R&D, Europe declined to 25.7, with Asia improving its share up to 34.4. Latin America's position worsened, decreasing to 2.5 percent – an almost residual value indeed. Other data help us draw the picture: while in 2005 the US invested 2.6 percent of a huge GDP and Japan 3.33 percent in the field, with Europe average reaching 1.74 and China, 1.34 percent, the Latin American countries came very much behind. Brazil, at the regional top, invested 0.82, Chile 0.68, Cuba 0.51, Argentina and Mexico both 0.46 percent, a steady average for the former, despite a difficult period in 2001-2002, due to its major economic crisis, and with such numbers meaning an increase in fact in the latter's resources for research and formation. Latin America's average was 0.54 percent. The private sector is largely absent from the frame, contrary to what happens in central countries. The rate of researchers by inhabitants is low even in those countries (0.7, 0.8 and 1.7 for 1.000 people, respectively for Mexico, Brazil and Argentina – where qualification is however lower – compared, for instance, with 6.9 in France and 9.0 in the US) (all data here are extracted from the Iberian-American and Inter-American

Network on Science and Technology Indicators – RICYT, 2005, 2008). There are very few innovation clusters in the region (basically only in Brazil) and universities by and large remain distant from productive processes (Bortagaray and Tiffin, 2002). Moreover, there is virtually no cooperation between Latin American countries, with Argentina and Brazil, within the Mercosur, constituting a small exception to this. High technologies are missing, except for actual exceptions, mainly in Brazil, often linked to agriculture. We can clearly see the disparities at stake here once we realize that the per capita investment in R&D the US reaches 1.146 dollars in PPP terms, while in the case of Brazil it is merely 92 (China's being in turn even lower, 66) (data for 2006 in OECD, 2008: 39).

The dynamic centres of global accumulation remain the US, Western Europe, and to a smaller extent some Asian countries. Import substitution industrialization (ISI) and state-led development were abandoned and dependence is now reproduced through a renewed international division of labour, the power of transnational corporations, finance capital, international organizations and bodies such as risk assessment agencies. In all these aspects, Latin America remains in a subordinate position. (Kiely, 2007; Domingues, 2008: 61-4).

In any case, social conditions have improved somewhat recently in terms of schooling, nourishment, sanitation, gender equity and so on, according to HDI measures. Latin America does not perform too badly in these terms, in international comparison, having achieved 87 percent of goal 1 of the Millennium agenda (income above 1 dollar per day) in 68 percent of time. Some of its countries among the better off (Argentina, Chile, Uruguay, Costa Rica, Cuba, Mexico and Brazil) and most of them in the intermediate layer (Venezuela, Colombia, the Dominican Republic, Peru, Ecuador, Paraguay, El Salvador, Nicaragua, Honduras, Bolivia and Guatemala), although the

pattern for comparison and classification includes such deprived countries (especially in sub-Saharan Africa and South Asia) that the picture becomes highly contestable (United Nations, 2008a, 2008b; Cepal, 2008a: 64 – where a suggestion is made to broaden for the subcontinent the goals globally stated by the UN; see, however, note ii of this paper). Poverty and extreme poverty clearly grew under neoliberal governments, especially in Argentina and Bolivia, decreasing sharply after changes in economic policy in the former (with no data available as yet for the Evo Morales government in Bolivia), while Uruguay alone has been pray to a long term, systematic decadence of living conditions and income (Cepal, 2008a: 56-8).

Thus, although Latin America is still the region of the world with the highest levels of inequality, according to the UN Economic Commission for Latin America and the Caribbean (ECLAC) the income of the poor has increased, along with an improvement of social conditions. The former is directly coupled with economic growth, on the crest of the world's strong performance for some six years till 2008, as well as social policy, which has a lot to do with targeted programmes. These derive originally from the World Bank's schemes of compensation for neoliberal 'structural reform', Sen's perspective (though this is hardly acknowledged) and the need to face up to the fact that a huge number of people in Latin America live in destitution, concretely facing hunger, whose eradication was explicitly the goal of Luis Inácio Lula da Silva's Zero Hunger, Brazil's main social programme, its original outline owing however a lot to the Fernando Henrique Cardoso government. While this and similar programmes might be seen rather as a form of administration of poverty, which does not actually aim at overcoming it (Lautier, 1995), other governments in the region have implemented them – for instance Morales and his anti-neoliberal, leftwing administration in Bolivia launched the Juancito Pinto Bonus (Hardy, 2003; Domingues, 2008: 21-3; Cepal,

2008a: 110-7). Nevertheless, whether especially this decrease of inequality can follow a sustainable path, beyond the immediate favourable economic situation and the rise to government, after the radical period of neoliberal reforms, of mostly centre-of-the-left or leftist political forces is yet to be seen. Although commodity exports have played a crucial role in these economies, the domestic market has been helped by sustained growth and perhaps, to a variable extent, by such programmes of direct rent transfer, implying some synergy between the expansion of GDP and the improvement of popular income.³

In addition, it must be said that ‘sustainable development’ (in some part a Latin American proposal in the course of the debate about how to reverse environmental degradation and reconcile it with economic growth) is not in good shape in the subcontinent. There is sometimes a lot of legislation (specifically in Brazil, but also in Mexico and Venezuela and now Bolivia and Ecuador), but when push comes to shove development has got mostly the upper hand *vis-à-vis* sustainability and environmental protection. The development of agribusiness and the exploration of the regions’ mineral resources, as well as of its oil and gas, has increased the pressure upon its natural infrastructure (Domingues and Pontual, 2009).

The meaning of that improvement of market conditions for labour and especially the very poor, along with the backwardness of technological developments and a renewed pressure over natural resources, will be taken up with particular attention to the case of Brazil below. Contradictory trends will emerge from this discussion. However, they may not remain so and converge due to political decision and appropriate policy outlines.

Development in Brazil

Likewise what happened all over the world, development was thought of in Brazil during the second phase of modernity – when the industrialization of the country really took off – as based on a developmental state – that is, on a ‘collective subjectivity’ capable of mobilizing resources in a centralized manner. From the 1930s to the 1970s Brazil grew steadily and in some periods very strongly, without land reform and via a model of ‘conservative modernization’. Through ISI, it achieved a reasonable industrial basis, becoming, along with India, the only Third World country to build a means of production (or capital goods) sector, although this was less than sophisticated. The 1980s were a decade of deep crisis and economic paralysis, followed by neoliberal reforms. These, which implied structural adjustment and privatization, were however relatively mild, if compared to what happened in other Latin American countries. Noteworthy is the fact that, contrary to Chile and especially Argentina, Brazil never de-industrialized. Poverty and in particular inequality remained deeply-entrenched in the Brazilian society throughout the period, although to a great extent agribusiness sorted out the agrarian problem in a capitalist direction. Since the 1980s and especially with the 1988 Constitution, democracy and the full range of rights have become key factors in the political dynamics of the country. While the 1990s under two Cardoso governments advanced relatively moderate neoliberal reforms, and Lula’s first term in office did not change anything significantly, except for the refashioning and broadening of targeted social policy through the Bolsa Família programme, state investments have grown and efforts at the development of S&T and R&D have been made, without as yet an actual breakthrough in terms of steady as well as more far reaching innovations. No actual rupture with that paradigm has emerged – in fact agribusiness and primary

exports in general have been strengthened, although the domestic market has also received some impulse in the last couple of years. Pressure upon the country's natural environment has also deepened recently (see Domingues, 2006a, 2008). Let us examine this more closely.

In what regards S&T and R&D, the main numbers have already been touched upon above. While investment (close to 1 percent of GDP) is concentrated in the government hands, the private sector does not perform at all well: it pours very little money in innovation, large and export firms respond for most of the investment and there is virtually no cooperation between firms, let alone between firms and university research centres (even because this network is possible only insofar as the companies have themselves an internal structure geared towards research) (De Negri and Salerno, 2005). The government has worked to change this with funding especially through its Financiadora de Estudos e Projetos (FINEP) plus laws and policies facilitating and stimulating technological innovation and partnerships. Outcomes are, however, limited. For policy makers, intellectuals and even entrepreneurial leadership, Brazil faces daunting challenges in this field. Above all the deficiencies of the country in microelectronics are well-known, a deadlock difficult to change, although in the software branch of innovation Brazil fares a little better (Schueler and Lessa, 2008). In what regards 'sustainability' problems have been legion. Although Brazil has had the most advanced legislation and to some extent a reasonably strong administrative body to deal with the issue, agribusiness growth (especially encroaching upon the Amazon region, even in the case of sugar cane Ethanol, a cleaner sort of energy) and mega-projects of development have had a n impact in this regard, in a country whose imaginary turns it into an extension of Eden and where natural resources have been seen as basically inexhaustible – our future often regarded as assured thanks to this

particular and blessed endowment (Schueler and Lessa, 2008; Domingues and Pontual, 2009).

It is perhaps with respect to developments in the domestic market that more novelty is to be found since 2007. As noted by the Applied Economic Research Institute (IPEA) of Brazil, 2008 data reveals both a continuous process of gross capital formation (fixed as well as stocks) and a strong growth of ‘domestic demand’ for a couple of years now, with regular intensification of family consumption due to a steady level of employment, especially formal jobs, increase above inflation of minimum wages, unemployment benefits, and social policies of direct rent transfer, keeping within the market consumers with low levels of income, actually those who are most prone to consume (IPEA, 2008: 8). It is true that durable goods (e.g., cars, whose exports declined) and imports due to the dollar at a low exchange rate have pointed also to middle class consumption, which does not erase those former elements linked to popular consumption, though, adding credit expansion to them (according to IBGE – Brazilian Institute for Geography and Statistics’ data – cf. *Folhaonline*, 10/06/2008).

A conceptual digression is important here for the elaboration of the argument. Under the impact of the Club of Rome 1972 report on the environment and in dialogue with dependency theories, Furtado stated the impossibility of a generalization of Western patterns of consumption and discussed what he called ‘the myth of economic development’, opposing ‘modernization’ and ‘development’. The former was based on the diffusion of the patterns of consumption from the centre, as against the process of capital formation in the periphery, implying strong research in R&D, as against the consumption of the poorest strata of the population. This gave rise to dependency – whose core was actually ‘cultural colonization’. While initially high consumption was financed by primary exports, the substitution of imported goods by internal production

of the same products for the ‘modernized’ minority, allied to the upper classes in the centre of the global system, engendered and came also to depend on income concentration, eventually leading to the displacement of national by foreign firms, which control technological advancements. Actual ‘development’ as such would be based on the diffusion of goods for mass consumption produced with simpler technology and a much better distribution of income (and perhaps a local or state bourgeoisie) (Furtado, 1974: especially 78-97).

In order to eschew terminological problems, let me first note that we can think of what Furtado calls modernization and development as two distinct processes of modernization based on distinct ‘modernizing moves’ by collective subjectivities, in a more or less intended manner (cf. Domingues, 2008). Furtado’s view is in this regard perhaps dated by a confrontation with modernization theory. In any case, it is some sort of modernization that contingently comes about, activated by political will but also as the result of more encompassing and less intentional social dynamics, in one direction or another of the two possibilities he discussed. We will also come back to his problematic and in my view false opposition between advancements in S&T and R&D, on the one hand, and development proper, on the other. But to some extent he was perhaps on the right track when he stressed the role of the increase in consumption of basic goods for the mass of the population. This was of course related to the strengthening of the domestic market, which should embrace not only the upper and middle classes, but also workers by and large, even the poorest ones, in its dynamics, whereby a sort of growth linked to the overcoming of poverty, income distribution and in the end a change in patterns of consumption could be achieved – a global necessity indeed, although this is thorny especially in the centre.

This may have something to do with programmes similar to the Brazilian Bolsa Família. A sort of Keynesianism of the poor would emerge from this, a demand-led outcome, even though it is not perhaps a demand-led economic policy what was envisioned, rather feeding people decently was the main goal of the programme. While the middle classes are part of the story, since durable goods are of course consumed by them in higher levels than by the popular classes, food, clothing and other basic, non-durable and more simple goods have been produced for workers, who have been earning more and have suffered less from unemployment, thanks to economic growth, and especially for the very poor, in which the Bolsa Família programme has played a key role. A twist to development has been somehow achieved in this regard, although this is limited and it is arguable how far it can go, since the whole present situation is dependent on global growth, whose immediate future is at best uncertain. This view, moreover, is perhaps more realistic, insofar as it does not read into a desired future the actual processes of the present, than thinking about the programme as the avenue for a universal politics of minimal income or something similar (to start with because there is already a multiplicity of targeted income policies that do not necessarily harmonize with the Bolsa Família) (Lautier, 2007; Domingues, 2008: 19-20).⁴

We have thus three aspects of development in contemporary Brazil which follow distinct paths and have different signs. First, the issue of technological development, in which the subcontinent is clearly and acutely lagging behind; second, the increased pressure over natural resources, in which sustainable development is merely a pale reflection of what it proposed in its heyday; and, finally, the social policy-dependent economic growth which in the last years has helped bring especially the poorest strata into the market. Inequality has decreased also in the last years, although speaking of a huge new middle class is so nonsensical that such a thesis barely deserves discussion.

For Furtado, the first and the last aspects would be at odds, while he did not actually perceive alternatives for second. But is this really the case? Even running the risk of reproducing the problematic 'structural heterogeneity' that Pinto (1976) identified as typical of the Latin American productive tissue, both must be emphasized, regardless of whether targeted social policies are at the basis of the increase in popular consumption or more universal and inclusive measures are sought for. A change in the paradigm of production *vis-à-vis* nature should surely by no means disappear from the agenda, but it certainly depends much more on scientific development than Furtado seemed capable of appreciating (cf. Beck [1986] 1992).

If fighting inequalities in the course of development hinges on dealing with the relative position of social classes, whereby the fight against poverty can take on a new meaning, tackling it globally entails the overcoming of the devastating gap that is today patent in the relations between the centre and the periphery as well as the semiperiphery in what concerns science and technology. It does not necessarily mean, especially if we take into account the complexity and manifold possibilities that precisely this situation has posed to all contemporary societies, that all countries must dominate all productive and technological branches that can be identified at present. But if small and medium sized countries can somehow specialize in some specific niches of production either of services or of industry, a country as large as Brazil cannot give up on controlling the main sectors of science and technological development, as well as of means of production, even when inserted within regional blocks and partnerships. There is a long way ahead therefore for Brazil to tread, and for Latin America as a whole the situation is even more difficult. We can do nothing but keep trying.

Conclusion

According to the analysis carried out in the preceding pages, the balance sheet of development for Latin America and Brazil in particular is not at all convincing, rather the opposite, in spite of actual changes for the better in some dimensions in the last years. Economically, growth has not meant any improvement of these countries within the global system and division of labour, with ‘underdevelopment’ regaining ground, since internal differentiation *vis-à-vis* the economies of central countries has in fact not only not advanced but actually retreated, with the absence of the most sophisticated scientific and technological sectors (let alone the absence or limitations of industry in many Latin American countries, with the traditional means of production department – specifically capital goods – remaining underdeveloped even in Brazil). Nature has been mistreated too, with no greater improvement in this area and renewed pressure over natural resources creeping in, despite efforts by activists and sometimes governments as well as advancements in legislation. Socially, there is some progress, but this is limited, in infra-structural terms as well as in income distribution and in the combat to extreme poverty and hunger.

While Eastern Europe eagerly and a-critically embraces its new, semiperipheral or peripheral position within the global system and even the European Community, as well as a highly reified view of modernity, Latin America and other parts of the world have at least raised criticisms in relation to its own patterns of development (Boatca, 2006). In South Africa, for instance, whereas government policies do not depart by any means from mainstream neoliberalism, strands within the ruling party, the African National Congress (ANC), have raised the banner of ‘alternative development’, pointing to African practices in local contexts. This has remained, however, absolutely unspecified (Greestein, 2008). As regards Latin America, this is expressed theoretically

with particular force by Escobar's (1995: especially 222ff) post-structuralist approach, within a post-development outlook, in which alternatives to mainstream development are seen as local and as having been put forward basically by indigenous peoples in forest areas. Not only are claims in this regard exaggerated, but they leave most people in the region absolutely marginalized from discussion and political decision-making. In addition, in this sort of argument the role of state is usually neglected and the local connections are undertheorized.

This is the case even of Nandy's (2003: especially 9-10, 27, 158-70, 171-81) insightful if exaggerated propositions especially about India – a continent which, possessing a powerful, pre-modern civilizational constellation, has a more complicated relation with modernity than Latin America. Drawing upon a critique of modernity that stems from dissenting views within its western core – especially the denunciation of the drive towards homogenization of its mainstream project by the Frankfurt School – Nandy is too quick to establish a connection between development in general, no distinctions within it allowed for, and a colonialism in search of a new 'civilizing mission'. He jumps then to the also unqualified affirmation that development equates underdevelopment to 'insanity', 'immaturity' and 'irrationality'. 'Alternative development' and 'beyond development' perspectives would be appropriate answers to that, pitching the concrete, non-modern traditions against development, as pathways to a 'desirable' society. Development must have its universalistic claims denied, he claims. Besides, it appears as an authoritarian project and practice – science dismissing all other knowledges and the state playing a dammed role in the top down mobilization of society, being in addition usually parasitic and self-concerned, examples in this regard consisting of Brazil, China, Japan, Taiwan, and in some part India and Sri Lanka, due to recent choices.

But which are the alternatives beyond current development agendas? It seems that for him it is resistance from ‘tradition’ what is actually at stake, as if one could rest content with that. He disregards both the allure of development for most of the population and the unchecked power of state and market insofar as no actual alternative, beyond circumscribed situations and localized resistance, is offered as a platform through which a dispute over the general direction of the process could be staged, irrespective of how hard this is, of course, let alone the very opposition between modernity and tradition he quite harshly embraces. It is strange that Nandy denounces the state and science, being critical of consumerism and fetishism, but is not really concerned with the advance of neoliberalism, which jettisoned the state and sits comfortably together with local projects and the work carried out by Non-Governmental Organizations (NGOs). It makes no sense either to denounce a supposed collusion of authoritarianism and development: many countries, just take contemporary Brazil and India itself, defy such simplistic arguments, whatever limits one may point out in their democratic dynamics, not to speak of the implicit and mistaken thesis that modernity is intrinsically and exclusively oppressive plus the fact that the collusion of authoritarianism and underdevelopment is just too easy to locate in many instances.⁵ In addition, while the diversity of knowledges that characterize humanity should be welcome and acknowledged, it is unlikely that we can go very far, facing up to the problems we face, without the widespread use of advanced science, however sensitive to the density of social life and democratic politics it must become. Should we rest content with staying at the margins of actual processes of development, appeased by the wholesome denunciation of its evil designs or can and should we go further than that?

In fact, after more than one or two decades of debate, those moves have not really offered an alternative paradigm. To be sure, one may argue that the goal was not

or, should not, be such a blueprint, since it is locally and by specific populations that things should be worked out. However, concretely alternative and beyond development perspectives may end up as merely local projects that fit well the dominant neoliberal paradigm which has dictated economic and social policies around the world, since they do not tackle large scale problems (Pieterse, 2001: 49-74ff, 104-7).⁶ Thus, if ‘alternatives to development’ or ‘alternative development’ must not be simply discarded, especially insofar as they imply social experiment with economics, social policy and forms of life, the issues that concretely involve the majority of the population of the world today to a great extent relate to the position of their countries and regions within the global system, to social conditions and inequality, plus to the relation of development and growth with the survival of the planet and the very human species. What development, in which direction, crafting which sort of modernity through its modernizing moves are questions that have become increasingly central. This likely to be heightened insofar as democratization deepens and the criticism by social movements of reified development perspectives, with its attached model of neoliberal modernity, becomes more systematic. It cannot be tackled exclusively with reference to local issues and the role of the state within it has to be re-discussed.

One specific suggestion may be put forward here, in order to draw this article to a close. While the second phase of modernity, which corresponded to the golden years of development, had the state as a central agent of this modernizing project, the third phase has made the market its sacred cow, with all virtuous developments depending on its unhindered workings. It has been hegemonic thus far, but this does not need to be the case forever. We can envision a more complex pattern, leading to networked modernizing moves, in which state, market and specific, particular social agents come together and negotiate directions for development, without detriment to a more

universalistic and encompassing perspective (Domingues, [1999] 2003, 2008). There is no way to get rid of the market today, nor is discarding the state more than a rhetorical move. Democratization and complexity need however greater participation and flexibility (not excluding but certainly not privileging NGOs). The national and the regional levels remain crucial for the overall perspective and we cannot be sure that *realpolitik* games will not be played, consensus will always be reached and large dislocations will never occur. In any case, the local level, inclusion and debate must be given pride of place in this outline of new developmentalist practices, beyond any homogenizing perspective. Networked development, in its political, social and economic aspects, would be probably the most interesting and viable way to lend a progressive and emancipatory twist to the third phase of modernity and build a more ‘moderate’ state (as demanded by Nandy, 2003: xii, 12-4). It does not stop being an activist state, capable of mobilizing resources, but faces its far-reaching challenges and demands – searching for innovation and new relations with nature, fighting inequalities both internally and globally – through subtler and cooperative links with multiple collectivities. Universalism, social pluralism and the inclusion of particularities, underdevelopment and dependency, sustainable development and widespread creativity, inequality and social policies, industrialization and a more homogeneous diffusion of advanced technology, would all have to be tackled within such a framework, stretching from the global to the local level.

In the case this paper has focused upon, that of Latin America, the strong push towards democracy since the 1980s, with the unfolding of a true ‘molecular revolution’, a powerful modernizing move, against the neoliberal ‘transformist’ project, another such move that was implemented at the same time, at least provides ground for hope (Domingues, 2008). Within this framework, although this is not an easy issue to tackle

and the alternatives are not immediately available, the last word about development, let us hope, has not as yet been said.

NOTES

¹ Prepared for the Conference *Comparative Perspectives of Development Experiences in South America and Eastern Europe, Development and Semiperiphery*, Tallinn University, Estonia, October 2008. I would like to thank Eva Shamiran Youkhana for comments on a former version of this paper.

² The data used by the UN for its Millennium Goals, especially income, consumption and poverty reduction are partly provided by the World Bank (see United Nations, 2003b: 1-11). They are obtained with a very arguable methodology, which several authors (cf. Kiely, 2007: ch. 7), discard as biased and overtly optimistic, affirming in fact that, if China and India are excluded, there had been an increase in poverty in the world at least up to 2003.

³ It is precisely in this ‘domestic demand-led’ orientation that we find one of Pieterse’s (2001: ch. 10) few proposals for the ‘futures of development’ today.

⁴ I leave aside here the discussion of the bureaucratic form of clientelism that may be seen as crucial for this programme.

⁵ One argument is, however, especially insightful and powerful in his analysis: while all human cultures have been aware of individualism, achievement drives and competitiveness, but produced checks against such impulses, modernity has unleashed and elevated them to a superior position, with development drawing upon the same sources (Nandy, 2003: 166-67). We may be beyond the opposition between modernity and tradition here; a political programme should readily emerge from that insight.

⁶ There may be more radical perspectives, which do not necessarily involve discredited forms of socialism, opening up instead to experimentation with social life and economics. But they, too, have not gone past the stage of theoretical proposals. In a

mostly innovative discussion and platform, Unger (2006) proposes to 'rebel' against ruling orthodoxies. Changes in internal markets and global trade and institutions, cooperation and innovation in a large scale and the freeing of labour, are the main elements of his programme. They are to be sustained by a working class seen as both very general (not the unionized industrial proletariat) and more individualist than socialists and social-democrats ever imagined, without, on the contrary, antagonizing the petty-bourgeoisie. Reformed nations and styles of development, however always implying energized and institutionally open-ended democracy, feature prominently too. Experimentalism and the faith in the individual as an earthly God go hand in hand. The interest of the discussion and the brightness of the alternative have as their counterweight the disconnection of the programme from social movements and their extremely encompassing demands.

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