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**Article**

## Note from the editor: Back to development in the XXI century

economic sociology. perspectives and conversations

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## Note from the editor

# Back to development in the XXI century

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### Mariana Heredia

Outside the major Western nations, the word “development” is often used as a substitute or synonym for progress. Both project into the future and celebrate science and technology as an outpost of civilization, both are confident of a destiny of ever-increasing improvements for humankind. As documented by Gilbert Rist (1997), the shift in the usage of one word to the other occurred at the end of World War II and was not anodyne.

For many observers, the development of a country is presented as a solitary path on which each society is inscribed at a certain stage. Stemming from modernization theory (Hoselitz 1952; Rostow 1960), this definition usually places industrialized Western nations as a model to follow, as much for the complexity and prosperity of their productive systems as for the integration and material well-being of the majorities, and as much for the respect of political institutions as for the conformation of meritocratic and professional public administrations (Pritchett et al.

2013; Portes and Smith 2010). According to this criterion, countries can be ranked according to their GDP per capita and Human Development Index and placed in more “advanced” or “backward” positions in their transit towards development. Those who trust in its virtues recommend exporting capital, technology, and organizational patterns from Western countries to the rest of the planet. Several institutions, from the World Bank to the United Nations and countless non-governmental organizations, are largely justified in encouraging international collaboration for development.

This gradualist and harmonic perspective was strongly challenged in 1949 with the presentation in Havana of the so-called Manifesto of the Economic Commission for Latin America (ECLAC). This document reinforced the need for a specific organization to address the region's social and economic problems. In it, the division between “center” and “periphery” sought to replace the use of a scale of countries at

different levels of development. From the perspective of its author, the Argentine economist Raúl Prebisch, the countries producing raw materials were facing a “decline in the terms of trade” that condemned them to backwardness. In other words, peripheral countries needed to export more and more minerals, food, or basic inputs in order to be able to purchase fewer and fewer manufactured goods produced in the center. Soon, experts throughout the region began to document their countries’ dependence on foreign currencies and international trade cycles. To overcome this dependence, ECLAC recommended directing investments to industry, reducing protectionist barriers set up by the central countries, and implementing plans tailored to the region’s needs.

As Fajardo points out (2022, 4), “CEPAL [ECLAC] swiftly became the institutional fulcrum for an intellectual project that delved into the problem of development and capitalism in and from the margins of the global economy.” In doing so, ECLAC gave itself two missions that would soon justify the deployment of social sciences in the periphery: on the one hand, the need to produce useful knowledge for transformation; and on the other, the vocation to understand the world using a decentralized approach capable of affirmatively capturing the singularity of its objects of study.

In the first case, like other transformation projects that preceded and succeeded it, ECLAC attributed a central place to the State and the experts who assisted it. Developmentalist projects delegated to the social sciences the power to define objectives, design policies, and implement them. As Evans (1995) would later emphasize, the right balance between autonomy and embeddedness was crucial. Development seemed to require exceptional interventions and came to justify numerous authoritarian regimes (O’Donnell 1972). Popularity also proved problematic: political leaders, business, and workers appropriated the “technical” proposals and altered them. Thus, after the publication of *Development and Dependence* (Cardoso and Faletto 1969), one of its authors withdrew into literary studies when he realized that their ideas were used to endorse political radicalization and the rise of the guerrilla (Fajardo 2022, 176).

As Tocqueville had anticipated with the ideals of the French Revolution, the aspirations associated with development are often in open contradiction. Not only

has the pursuit of productive renewal and growth often been to the detriment of institutions, but the demands of “fiscal responsibility” or “good governance” also often lead to undemocratic policies (Roy 2005).

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Hierarchizing among these dilemmas or deciding between sectors was not, Hirschman (1971, 680) argued early on, in the hands of any science.

ECLAC’s intellectual project had revolted against this universal and unappealable reason in its beginnings. Like the “area studies” and later the post-colonial approaches (Said 1978) or the World System (Wallerstein 2004), which are recognized as close to or heirs of that tradition, the question of development acted as a space for convergence between different sciences. First, as pointed out by Viterna and Robertson (2015, 248), these types of approaches had the virtue of addressing “how multiple social institutions and processes – including politics, markets, states, migration, families, poverty, civil society, globalization and the massive development sector itself – operate in conjunction with each other to shape the direction and intensity of social change both within and across nations.” Second, according to Timothy Mitchell (2003), studies attentive to the peripheries have the potential to “provincialize the social sciences,” and in so doing to question the ethnocentrism that nestles in the pretension of a single universal science. A perspective that, as indicated by one of the founders of ECLAC, includes analysis not only between nations but also within each one of them (Furtado [1959] 2009).

Based on the technocratic vocation inherited from developmentalism, the market policies adopted by many countries of the periphery have, since the 1970s, abandoned the hope placed in development while ascribing to economic science the authority to intervene and provoke deep social transformations (Fourcade 2006; Heredia 2018).

Today, development is often presented as an empty signifier. It continues to justify the interventions of international organizations in the name of

vague or increasingly modest values (poverty eradication). It also serves as a label for the study of a variety of issues and countries simply because they belong to the new category of the “Global South.” In this framework, it may be fruitful to interpret the decline of interest in development as further evidence of the difficulty of Western market economies to present themselves as forward-looking societies. It is also an expression of a new world in which China, the great emerging economic power, has not followed the paths recommended by international experts, nor does it articulate the social and political values of Western societies in the same way.

In this framework, Andrew Schrank (2023, 162) concludes that economic sociology has made major contributions and left some gaps. Among the former, he points to detailed studies of firms, agencies, families, and communities in developing countries. The gap lies, in his view, in the difficulty of aggregation: the lack of a theory capable of offering a renewed synthesis of the subject. In the face of the generalized confusion about the future and the intellectual challenge launched by the author, this dossier proposes revisiting the problem of development to question its validity and its possible updating in the 21st century. To this end, development experts coexist with economic sociologists who do not ascribe their research to this problematic, but whom we invite to revisit their objects from this angle.

Andrew Schrank’s paper approaches development as a contested form of categorization. For some, it embodies the hope that, with resources, it is possible to achieve human welfare. For others, it is nothing more than the ideology that justifies Western dominance, the process of acculturation and exploitation to which the peripheries are subjected. Between these two positions, the author notes the strong performative power of the notion that not only motivates individual behaviors and legitimizes demands and actions but also contributes to regulating the practices of diverse agents. If Eyal and Levy (2013) underlined that one of the most persistent forms of economic discourse is the creation of categories of valuation, Schrank invites us to pay more attention to who participates in this dispute in which economic sociology has much to offer.

Considering this disputed categorization, the recent history of Chile analyzed by Jorge Atria is particularly relevant. Having been the cradle of ECLAC and socialism by democratic means with the victory of Salvador Allende in 1970, Chile, with Pinochet’s dictatorship in 1973, held out the promise of becoming a developed country with a minimal State. The Chilean “success,” evidenced by its growth rates, stability, confidence, and low poverty, became an export product.

In his piece, Atria reviews the notion of development and its weaknesses. He warns of the high inequality and vulnerability of the Chilean majorities, the persistence of a concentrated economy without competitive markets, and a tax system that is efficient but innocuous in tempering inequalities.

The work of Iagê Miola and Gustavo Onto complements Atria’s: it shows to what extent not entire countries, but some institutions on the periphery manage to align themselves with international imperatives and gain the respect they confer. The point the authors make is that, on closer inspection, these labels can become completely meaningless. Based on a study of the Administrative Council for Economic Defense, Brazil’s anti-trust agency, they reveal a paradox: How can a legislation and an entity against economic concentration be judged successful in a country that, by all accounts, remains heavily cartelized?

The same relational view animates the paper of Horacio Ortiz, who addresses a sector neglected by development theorists: global finance. He analyzes how international organizations promote and support certain forms of development and categorization, in this case in the expansion of open capital markets and the classification of these markets according to the reliability of states as creditors and sources of profit. Through his study, Ortiz reconstructs how hierarchical relationships between states are recreated and uses the “bet” on electric vehicles and the growing interest in lithium to illustrate how these global capital markets also privilege certain sectors and genders.

Focusing on the case of Brazil and Argentina, Matías Dewey’s contribution revisits a persistent dilemma faced by peripheral countries in the search for development: the quest to integrate more subjects into the logic of the market and generate greater wealth versus the consolidation of a more predictable and universal rationality based on respect for the law. Through the analysis of large informal markets, Dewey shows how non-compliance with labor, health, and tax regulations coexists in Latin America with the expansion of fintech. While economic and technological integration seems to offer solutions tailored to the needs of informal entrepreneurs, compliance with regulations appears to them a tiresome and useless burden.

Finally, Daniel Schteingart offers a unique approach to the subject in the reconstruction of his experience as coordinator of the Plan Argentina Productiva 2030. As an economic sociologist, Schteingart was called upon to coordinate a group of experts to produce a development plan for the nation. His work shows the extent to which today, as in the 1950s, the production of data and diagnoses, as well as the training of qualified professionals, is linked to the interventionist will of

states. It also illustrates the limits of any planning experience that is tied to a weak political authority and a macroeconomic organization in crisis. Finally, the paper considers the lessons learned by developmentalist experts. Under the common imperative of expanding exports and jobs, the choice was to design missions rather than plans (under the intellectual impulse of Mariana Mazzucato, 2021), to promote productive chains rather than opposing agriculture and industry, and to pay more attention to the environment, gender parity, and sustainability rather than being satisfied with the intensive exploitation of resources.

The intellectual and professional challenges posed by development mark the careers of many eco-

nomist sociologists from the periphery. Within and outside the academic field, their existence as such is often justified by their ability to contribute to a diagnosis and transformation that serves some horizon of collective progress. If that role is too important to be left to economists, what voice of their own can economic sociologists have? From the dossier's contributions we can derive some clues: a less hypocritical relationship between countries of disparate wealth, a better balance between capitalism and democracy, and a less naïve position on the uses of knowledge. Crystal clear in the periphery, these questions are also of concern to the (social) sciences in the Western nations we used to emulate.

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