Article:
Kvangraven, Ingrid Harvold orcid.org/0000-0001-8606-1717 (2018) Book Review: The Global Political Economy of Raúl Prebisch. Review of Radical Political Economics. 1. ISSN 0486-6134

https://doi.org/10.1177/0486613418776973

Review of Radical Political Economics

Book title: Review of the Global Political Economy of Raul Prebisch
Book editor: Matias E. Margulis

Journal:	*Review of Radical Political Economics*
Manuscript ID	RRPE-17-0164.R1
Manuscript Type:	Book Review/Essay
Keywords:	N/A, political economy, economic development
Jel Classifications: To view Jel classifications, please click here.:	N/A, o
Abstract:	Book title: Review of the Global Political Economy of Raul Prebisch Book editor: Matias E. Margulis

The Global Political Economy of Raul Prebisch.

By Matias E. Margulis, ed. London and New York: Routledge, 2017. 218 pages.

Cloth $135. E-book: $54. ISBN: 978-1-138-21977

This edited volume by Matias Margulis examines Raúl Prebisch's ideas, agency and influence in an interdisciplinary manner, with a particular emphasis on his relevance for Global Political Economy (GPE). This interdisciplinary approach reminds the reader that Prebisch was indeed much more than just an economic theorist and that his influence on development policy was profound.

An important contribution of this book is the emphasis on how Prebisch's ideas changed over time, partly in result of the failure of his political projects, first in Argentina and later in ECLAC. With time Prebisch became more acutely aware of the importance of political power, not just economic capabilities, for shaping institutions as well as for forming the rules of the world economy. This is important to emphasize, as Prebisch's work is sometimes criticized for being overly economistic (see e.g. Palma 2016, Shivji 2016), which is not a valid critique for his work during the last part of his life.

There is a clear parallel to be drawn between what Margulis calls the *peripheralization of Prebisch* in GPE and the role of Prebisch's ideas in the Economics field (see e.g. Kufakurinani et al. 2017). With the term *peripheralization* Margulis is referring to the transformation of Prebisch from providing intellectual leadership in international development in the 1950-70s, to being relegated to a 'historical footnote' in the 1980s. Prebisch also disappeared from the Economics curricula in the 1980s as suddenly, and perhaps more completely, as he disappeared from GPE (Kvangraven 2017).

Although his core ideas may be found in mainstream economic history literature such as Kenneth Pomeranz's (2000) *The Great Divergence* or Sven Beckert's (2014) *Empire of Cotton,* such authors tend to not cite Prebisch as a source, perhaps because they are unaware of the origin of the concepts they employ in their analysis. ECLAC itself also explicitly abandoned Prebisch's main ideas in 1994 in favor of a policy of 'open regionalism' (ECLAC 1994).

Furthermore, Margulis' observation of Prebisch often being incorrectly portrayed in GPE (e.g. as an advocate for economic autarky) is also paralleled in Economics. This can partly be attributed to the rewriting of the intellectual history of these fields[1]. Eurocentricism in both GPE and Economics is another possible reason for the exclusion of Prebisch from the field[2].

Prebisch as a political architect and theorist

The first section of the book deals with the role of Prebisch's theories and ideas in shaping thinking and practice on international development. First of all, the Prebisch-Singer Thesis (PST) published by Prebisch and Hans Singer separately in 1950 literally changed the world. First, their contribution was unique because they based their analysis on the experience of developing countries, unlike most other social science that generalized based on experiences of the West. Second, their analysis was centered on the inherently asymmetric relationship between core and periphery. This type of analysis later became important for the UN Conference on Trade and Development (UNCTAD), which was Prebisch's

[1] Reinert (2017) provides a good example of the inaccurate portrayal of history of economic thought that economics students consume.

[2] See e.g. Reinert et al. (2016).

brainchild. Margulis points out that several of Prebisch's ideas are still highly influential today, although we do not always recognize them as stemming from Prebisch. Examples are the political ideas of non-reciprocity in trade and policy space for development.

The chapter by P. Sai-wing Ho offers an important challenge to the mainstream narrative of Prebisch as an ideologue of ISI. Ho points out that the work of Prebisch tends to place more emphasis on indigenous technological development, rather than simply ISI promotion. It is refreshing to read how Ho links Prebisch's thoughts to new developments, such as the rise of global value chains. Ho recognizes that a move into manufacturing of low-value added goods is not what Prebisch had in mind in terms of cultivating an economy's technological densities. Similarly, Jose Briceno Ruiz's contribution links Prebisch's work to past and current debates on regionalism, and he also illustrates how Prebisch's view evolved over time, as he spearheaded ECLAC's work on regional economic integration.

Finally, Eric Helleiner's chapter sheds light on Prebisch's direct involvement in preparing the groundwork for the post-war financial order, despite not being physically present at the Bretton Woods conference. Helleiner's account illustrates that Prebisch supported the goals of the IMF and the World Bank in the beginning, and that his criticism developed as the institutions failed to deliver on their development objectives.

Prebisch as a political activist

Prebisch's intellectual dissatisfaction with the lack of attention to political variables in economic analysis was a result of his lived experiences at ECLAC and

UNCTAD. Prebisch was later to place great importance on political and other forms of structural power, especially the ways in which the US used a combination of coercion and persuasion through foreign aid, military assistance, and control of international organizations to shape the rules of the world economy and constrain economic development in the Global South. This is an example of the non-economistic approach of Prebisch's later years. Prebisch's analysis of asymmetries in the world economy had social purpose, as he wanted to challenge such imbalances in order to ultimately create a better standard of living for people in the Global South.

Robin Broad and Zahara Heckscher argue that Prebisch was particularly influential in his advocacy against the global reach of transnational corporations (TNCs) and the policies of the World Bank and the IMF. UNCTAD was important in this regard, as its early work on TNCs laid the foundations for the critique of unfair business practices and the idea of subjecting them to global regulation. These ideas have continued to animate the politics of alter-globalization over time.

Furthermore, Erin Hannah and James Scott demonstrate that many of UNCTAD's ideas have been transferred to GATT and the WTO. For example, UNCTAD's new developing-country categories such as Least Developed Countries and Small Island Development States were incorporated in the WTO Doha Round as the basis for negotiating special and differential treatment. The key point by Hannah and Scott is that UNCTAD-generated ideas under Prebisch continue to matter. Several victories of the Doha Round have been based on the demands for policy space, for example.

The relevance of Prebisch today

Some competing interpretations of the relevance of Prebisch's work today are offered in the third section of the book. Kristen Hopewell and Raphael Kaplinsky and Masuma Farooki present interesting analyses of the potential of the agricultural and manufacturing sectors as propellers of development today. While their analysis is highly relevant for Prebisch's work, they both somewhat overstate Prebisch's negative view of primary commodities and positive view of manufactured goods. Prebisch did not see manufacturing as an automatic road to development; he argued that low-value added manufacturing exports would also face declining terms of trade, which are the kinds of manufacturing exports most low-income countries engage in today. In fact, Prebisch (1964) made the argument that promoting technical progress was essential for moving away from an arrangement where 'developing countries merely export simple manufactures' (Prebisch 1964: 59).

Furthermore, Prebisch's argument that developing economies would benefit from industrializing by moving into manufacturing was based on the observation that agricultural activities generally offer less scope for spillover effects and technical progress than other activities, not on the absolute claim that agricultural commodities are always a 'development dead-end' (see also Ho 2012:869). Prebisch considered both investments in technology and human capital as essential in order to increase productivity, which was essential for industrialization[3].

[3] Prebisch also reiterated the importance of both capital goods and investment in human skills in many different papers, see for example Prebisch 1954, 1962, 1976 and 1979, for example.

Therefore, Hopewell's analysis of Brazil's recent economic transformation, which has been the product of agricultural exports, somewhat overstates its break with Prebisch. The Brazilian experience as outlined by Hopewell largely supports what Prebisch would consider to be important developmental policies: the central role of the state in promoting domestic technological innovation and the development of an internationally competitive sector that is increasingly able to export its technological know-how rather than just commodities. Hopewell's analysis thus serves as an important example of technological upgrading being possible in agriculture as well as manufacturing, rather than being a complete break with Prebisch's theoretical framework.

Similarly, Kaplinsky and Farooki's argument that the fact that manufacturing no longer provides a basis for sustained income growth challenges Prebisch is somewhat misleading. However, their chapter presents an interesting discussion on the degree to which the nature of potential spillover effects and linkages has changed over the past decades.

Overall, this book offers a solid introduction to the political and intellectual legacy of Prebisch – a scholar who has almost been erased from the history of thought in his field. The contributions show different ways that Prebisch's ideas can enrich our understanding of contemporary development issues, such as the commodities supercycle and Southern-led global economic governance. The book also sows seeds for further research within a Prebischian framework.

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