

HISTORY OF ECONOMIC THEORY AND POLICY OF THE 20TH CENTURY

CeHistMet – CENTRE FOR THE HISTORY AND METHODOLOGY OF ECONOMIC SCIENCE

NOVEMBER 26, 2020

18:00H

**DEVELOPMENT ECONOMICS AT THE ‘PERIPHERY’:
IMPORT SUBSTITUTION, INFLATION AND INCOME DISTRIBUTION**

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Cedeplar/UFMG

RISE AND DECLINE

- Growing ambitions
 - The UN's 'decade of development'
 - Dudley Seers (1963): "a major revolution in doctrine looming ahead"
 - Developed economies as a 'special case'
 - Beyond neoclassical and Marxist economics
- Trouble ahead
 - Setbacks in the underdeveloped world
 - Scrutiny of the political-military-scientific nexus
 - Deteriorating economic conditions



А.В. Чayanov

The Theory of Peasant Economy

With a New Introduction by Teodor Shanin

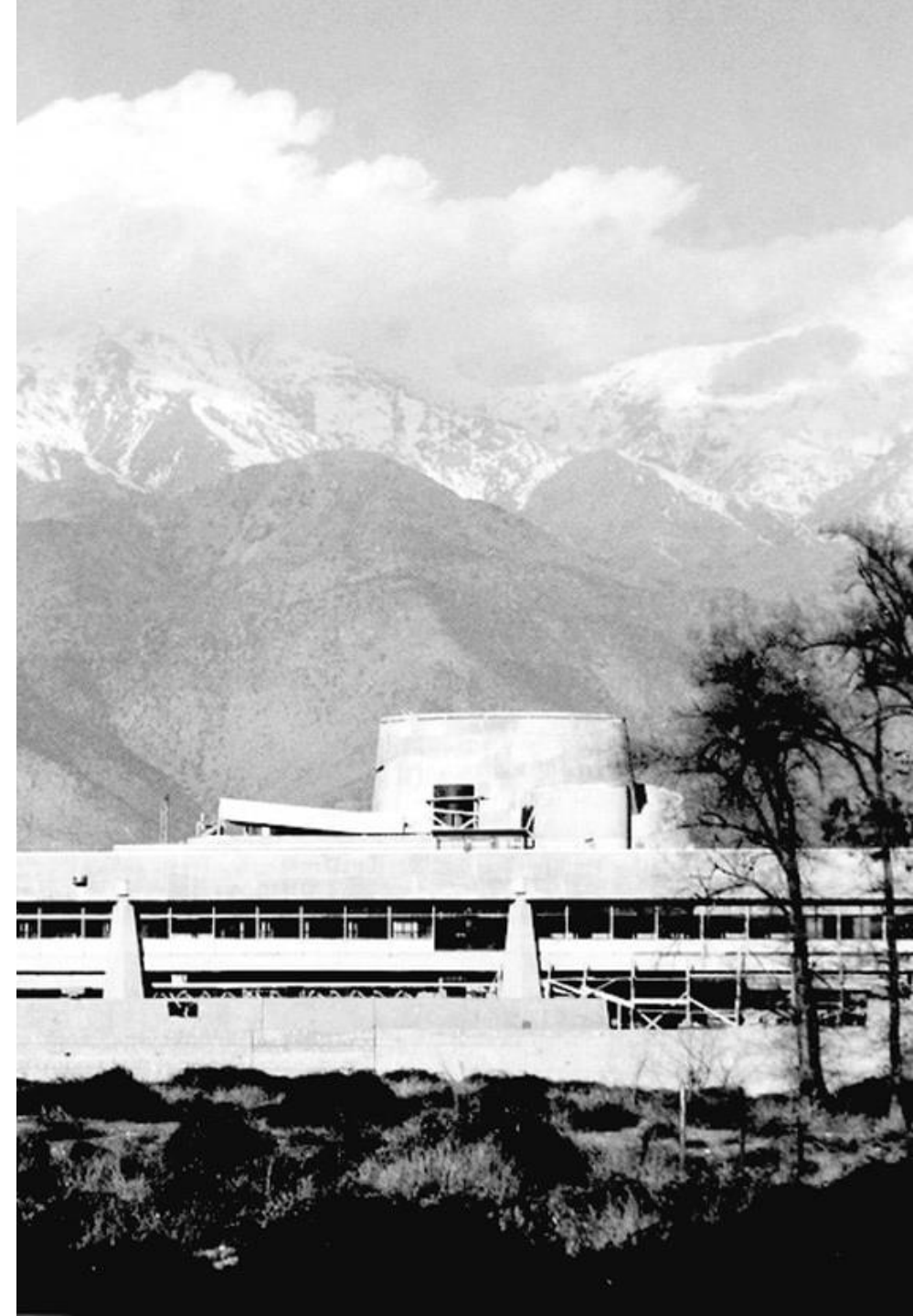


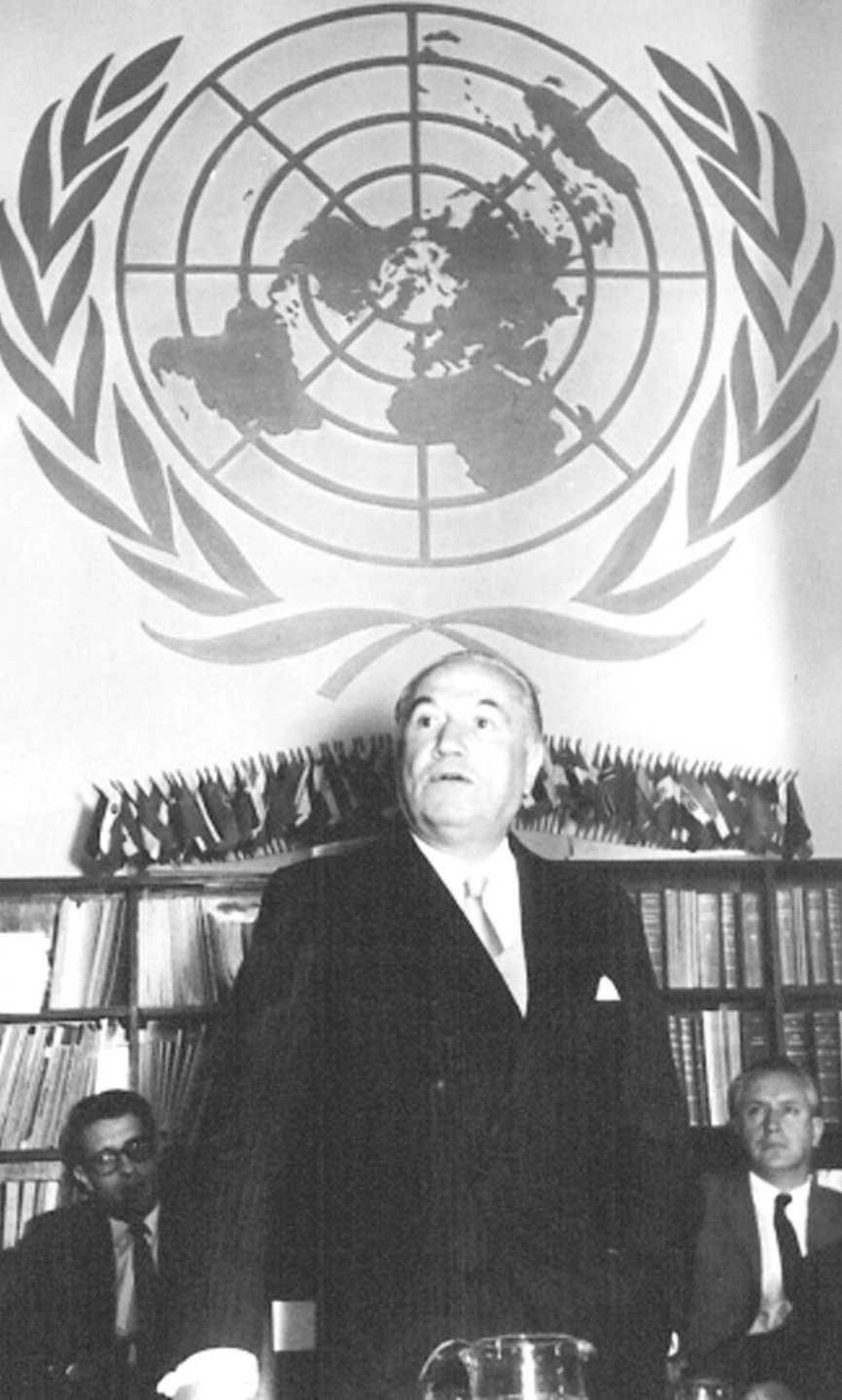
INTELLECTUAL EMANCIPATION

- The voices of the marginalized
 - The Russian *Narodnik* movement
 - Manolescu and agrarian Romania
 - The ECLA school
- An openly critical perspective
 - Mutual benefits?
 - Beyond neoclassical and Marxist economics (encore)
- Limited degrees of freedom
 - The United Nations framework
 - Center-periphery exchanges

STRUCTURALISM

- The center-periphery dichotomy
 - Structural relations in the global economic system
 - Large-scale dualism
- A methodological framework
 - Sociological functionalism
 - Statics vs dynamics
- Bringing history back in
 - Gerschenkron, not Rostow
 - The 'historical-structural method'
 - Rigidity + movement = discontinuities





INTERNATIONAL TRADE

- The Prebisch-Singer thesis
 - A critique of comparative advantages
 - Secular deterioration in the terms of trade
 - Center → oligopolistic structures and trade unions
 - Periphery → surplus labor and international competition
 - A dynamic framework: the gains of technological progress
- Import-substituting industrialization
 - Modern protectionism
 - ‘Inward looking’ development
 - Changing the composition of imports

BALANCE OF PAYMENTS

- External constraints
 - Industrialization and import coefficients
 - Savings and dollars
 - The 'two-gap' models
- Center-periphery redux
 - Export capacity as a limiting factor
 - A ceiling on growth
 - Convergence?
- A new focus for foreign aid



MARIO HENRIQUE SIMONSEN

INFLAÇÃO

Gradualismo
x
Tratamento
de
Choque



APEC

INFLATION AND INCOME DISTRIBUTION

- Monetarism vs structuralism
 - IMF: inflation as a demand problem
 - ECLA: 'structural causes' and 'propagating mechanisms'
- Inflation as a consequence of unbalanced growth
 - Supply bottlenecks and exchange devaluations
 - Inappropriate technologies
 - 'Inflation-feeding' vs 'inflation-induced' bottlenecks
- Forced savings and distributive conflicts
 - A skewed industrialization
 - Income concentration
 - Dualism yet again

DISILLUSIONMENT

- Stagnation and the limits to import-substitution

- An elusive autonomy

- Poverty amidst plenty

- Waiting for a piece of the cake

- Good and bad things can go together

- Social and political setbacks

- The old foes strike back

- Neoclassical economists: inefficiency and waste
- Dependency theorists: political naïveté