

International Political Economy Series

Series Editor

Timothy M. Shaw , University of Massachusetts Boston, Boston, MA,
USA;

Emeritus Professor, University of London, London, UK

The global political economy is in flux as a series of cumulative crises impacts its organization and governance. The IPE series has tracked its development in both analysis and structure over the last three decades. It has always had a concentration on the global South. Now the South increasingly challenges the North as the centre of development, also reflected in a growing number of submissions and publications on indebted Eurozone economies in Southern Europe. An indispensable resource for scholars and researchers, the series examines a variety of capitalisms and connections by focusing on emerging economies, companies and sectors, debates and policies. It informs diverse policy communities as the established trans-Atlantic North declines and ‘the rest’, especially the BRICS, rise. NOW INDEXED ON SCOPUS!

More information about this series at
<http://www.palgrave.com/gp/series/13996>

Aldo Madariaga · Stefano Palestini
Editors

Dependent
Capitalisms
in Contemporary
Latin America
and Europe

palgrave
macmillan

Editors

Aldo Madariaga
School of Political Science
Universidad Diego Portales
Santiago, Chile

Stefano Palestini
Institute of Political Science
Pontifical Catholic University of Chile
Santiago, Chile

ISSN 2662-2483

ISSN 2662-2491 (electronic)

International Political Economy Series

ISBN 978-3-030-71314-0

ISBN 978-3-030-71315-7 (eBook)

<https://doi.org/10.1007/978-3-030-71315-7>

© The Editor(s) (if applicable) and The Author(s), under exclusive license to Springer
Nature Switzerland AG 2021

This work is subject to copyright. All rights are solely and exclusively licensed by the
Publisher, whether the whole or part of the material is concerned, specifically the rights
of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on
microfilms or in any other physical way, and transmission or information storage and
retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology
now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc.
in this publication does not imply, even in the absence of a specific statement, that such
names are exempt from the relevant protective laws and regulations and therefore free for
general use.

The publisher, the authors and the editors are safe to assume that the advice and informa-
tion in this book are believed to be true and accurate at the date of publication. Neither
the publisher nor the authors or the editors give a warranty, expressed or implied, with
respect to the material contained herein or for any errors or omissions that may have been
made. The publisher remains neutral with regard to jurisdictional claims in published maps
and institutional affiliations.

Cover credit: Rob Friedman/Stockphoto.com

This Palgrave Macmillan imprint is published by the registered company Springer Nature
Switzerland AG

The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

To our families

PREFACE

The idea of this book was conceived in Santiago de Chile in early 2019. After several years living out of Chile, we met to catch up about our lives and families and to discuss possible collaborations in topics of shared interest. After chatting for a while, one project was clearly taking shape: the commemoration of the 50 years since the publication of *Dependencia y Desarrollo en América Latina. Un ensayo de interpretación sociológica*, by Fernando Henrique Cardoso and Enzo Faletto. It is not only a book that has accompanied us since our studies in sociology and later in political science but it has become a classic of Latin American social thought, with enormous influence across disciplines inside and outside the region. It contains some of the fundamental assumptions of the dependency research program.

The project was clear: to gather international scholars in Santiago to discuss the book by Cardoso and Faletto, in the light of the most recent advances in contemporary social and political sciences. The idea was not just to pay tribute to a classical work, but to critically examine to what extent its theses still resonate among students of contemporary global capitalism. The interest shown after publishing a call for papers confirmed our view that dependency theory was very much alive in social sciences. After a tough selection process, which left many excellent proposals out due to our budget constraints, we set the date of the workshop for early November 2019.

But our preparations and plans were thrown over. Just a few days before the meeting, on October 18th, an unprecedented social uprising took place in Santiago. Several Metro stations were set on fire, a wave of spontaneous riots sparked all over Santiago and main cities of Chile. The state responded with police violence and repression, swiftly declaring state of emergency and calling the military on the streets. The image of Chilean cities controlled by the military brought back the memories of the dramatic events occurred in those very same streets in 1973. Days later, on October 25th, around one million people marched on the streets of Santiago—the probably largest demonstration in Chilean history—pressing for radical changes to a socioeconomic model perceived as deeply unfair. Smaller demonstrations, street violence, and state repression continued until the Covid-19 pandemic imposed a sudden, but probably temporary, pause on the street fights. Amidst the pandemic, in August 2020, Chileans voted for a constitutional assembly with an overwhelming majority and turnout.

While witnessing and trying to make sense of what was going in Chile, when the unrest had just begun, we were expecting the first mails of cancellations from the workshop participants to come in soon. To our surprise, the day of the workshop was approaching and nobody canceled. On the contrary, all participants including those from abroad, confirmed their participation and showed excitement for coming to Santiago, precisely at this juncture. Maybe this was fitting after all: Cardoso and Faletto wrote their book in Santiago amidst turbulent events in Latin America and Chile. Social unrest, coups d'état, groundbreaking reforms were at the order of the day on the continent. As Faletto recalls, “the subject of dependence emerged in the middle of a complex experience in which conflicts and frustration abounded, but also moments of expectation and hope.”

We had to cancel workshop venues and hotel accommodations several times due to riots and demonstrations. But all participants were in exceptionally good spirits. At the end of the workshop, we even took everybody to one of the massive demonstrations that were still taking place in Santiago downtown. It was a rare opportunity for academics to continue the discussions about capitalism and global inequalities while walking together with citizens demanding social rights and *dignity* in the country where neoliberalism was born. In somehow, this constituted a connection with the experiences of the classical *dependentistas* who wrote their works

during the crucial social and political transformations in Latin American societies five decades ago.

Many of the papers presented in Santiago evolved into chapters of this volume. However, this book is more than the sum of those papers. In the first place, while the workshop focused exclusively on *Dependencia y Desarrollo*, the present book encompasses contributions that draw on the broader dependency research program. Whereas some chapters draw on Cardoso's and Falleto's version of dependency, others are closer to the work of Theotonio dos Santos, Vânia Bambirra, and Ruy Muro Marini. Secondly, through our discussions in Santiago, it became clear to us that the crucial legacies of the dependency research program are twofold. On the one hand, they lie in the accurate descriptions of the concrete manifestations of dependent capitalism with clear spatial and temporal boundaries. This was what the classical *dependentistas* called situations of dependency. On the other hand, the dependency research program offered concepts that—going beyond description—could actually explain how dependency comes about. This is what we call (causal) mechanisms of dependency. Thus, the chapters of this book focus either on new situations or such mechanisms of dependency, or both.

Our book follows the workshop in Santiago in its geographical scope. Even though the workshop was open to all possible topics as well as regions, we received only papers about dependency in Latin America and Europe. We have decided to keep this geographical focus for the book. That being said, we believe that the arguments and findings of most of our chapters can foster the interpretative and explanatory imagination also of researchers working in other regions. At the end of the day, the purpose of the *dependentistas* was to analyze dependent capitalism in the periphery in order to understand capitalism globally.

We would like to thank everybody who made this book possible. First of all, we are grateful to our authors who worked on their chapters under the difficult conditions of 2020 and the Covid-19 pandemic. All of them were extremely easy to work with, very understanding of the special circumstances, and very interested in the project. We would also like to thank our colleagues who participated in the Santiago workshop and whose ideas and criticisms contributed to shape this book: José Miguel Ahumada, John Cajas, Carolina Cepeda, Anna Kowalczyk, and Francisco Urdínez. We are also grateful to the institutions that provided valuable support and funding for the Santiago workshop: the Universidad Mayor and the Institute of Political Science of the Pontificia Universidad

Católica de Chile. Madariaga acknowledges further financial support from the Observatory of Socioeconomic Transformations (ANID/PCI/Max Planck Institute for the Study of Societies/MPG190012) and the Center for Social Conflict and Cohesion Studies (ANID/FONDAP/15130009). We are particularly thankful to Alfonso Donoso and David Altman for their support. Last but not least, we would like to thank Tim Shaw for his great enthusiasm and encouragement, and Anca Pusca and Balaji Varadharaju from Palgrave for their constant editorial assistance.

Santiago, Chile

Aldo Madariaga
Stefano Palestini

PRAISE FOR *DEPENDENT CAPITALISMS IN CONTEMPORARY LATIN AMERICA AND EUROPE*

“A half century after Cardoso and Faletto penned their foundational *Dependencia y Desarrollo*, Madariaga and Palestini have done comparative political economy an invaluable service by bringing together a wide-ranging set of contributions extending and reinvigorating the dependency perspective. From Stallings’ elegant explication of the effects of China’s rise to Scheiring’s creative parsing of the connections between dependence and authoritarianism in Hungary, the volume offers an incontrovertible demonstration of the dependency approach’s continued vitality and usefulness.”

—Peter Evans, *Professor Emeritus, Department of Sociology, University of California, Berkeley*

“This book constitutes an important contribution to the intellectual comeback of dependency thinking. In addition to enhancing our understanding of the diverse mechanisms and manifestations of dependence within contemporary global capitalism, in particular within the context of Europe and Latin America, the authors shed light on the continued relevance of key *dependentista* terms such as core and periphery for making sense of intersecting, multiscalar forms of structural asymmetry and domination rooted in capitalist logics.”

—Arlene B. Tickner, *Universidad del Rosario, Bogotá, Colombia*

CONTENTS

1	Introduction: Dependency as a Research Program: From Situations to Mechanisms of Dependency	1
	Stefano Palestini and Aldo Madariaga	
	Part I Mechanisms of Dependency in Today's Global Capitalism	
2	A Dependency Perspective on the United States, China, and Latin America	29
	Barbara Stallings	
3	The Deformation of the Core by Dependency Relations: The Case of Germany in Europe	55
	Andreas Nölke	
4	Mechanisms of Dependence: Conceptualizing the Latin American Dependency Research Program for the Analysis of European Capitalism	75
	Joachim Becker, Rudy Weissenbacher, and Johannes Jäger	
5	Who Are the Super-Exploited? Gender, Race, and the Intersectional Potentialities of Dependency Theory	101
	Felipe Antunes de Oliveira	

Part II New Situations of Dependency in Latin America, Europe and Beyond		
6	The Political Economy of the Post Commodity Boom Crises in Latin America	131
	Ilán Bizberg	
7	Dependency, Development, and the Politics of Growth Models in Europe's Peripheries	157
	Visnja Vukov	
8	Situations of Dependency, Mechanisms of Dependency Governance, and the Rise of Populism in Hungary and Poland	183
	Gábor Scheiring	
9	Dependency, Rent, and the Failure of Neo-Extractivism	207
	Hans-Jürgen Burchardt, Kristina Dietz, and Hannes Warnecke-Berger	
10	Financialization and the Construction of Peripheral Business Power in the Chilean Pension System	231
	Felipe Ruiz Bruzzone	
11	Conclusions: Rethinking Dependency, Refining Our Analytical Tools	259
	Aldo Madariaga and Stefano Palestini	
	Index	269

NOTES ON CONTRIBUTORS

Joachim Becker is a Professor and Deputy Head of the Institute of International Economics and Development, WU Vienna University of Economics and Business. His research focuses on development economics, the regulation school and dependency theory, and regional integration and disintegration.

Ilán Bizberg is a Professor at the Colegio de México, and an Associate Professor of the Internationales Graduiertenkolleg “Zukunftsige Temporalitäten” at the Freie Universität Berlin. He is also member of the CEIM-UQAM, Montréal. His research interests are the political economy of Latin America, the regulation school, and the politics in Mexico.

Hans-Jürgen Burchardt is the Director of the Centre for Latin American Studies at the Universität Kassel. His areas of research are North–South relations, democracy and social inequality, theory of development, and development politics.

Felipe Antunes de Oliveira is a Lecturer in International Development and Global Governance at the School of Politics and International Relations, Queen Mary University of London. His research interests are the political economy of Latin America, global economic governance, and global South perspectives on political economy.

Kristina Dietz is a stand-in Professor at the Universität Kassel and an Associate Researcher at the Institute for Latin American Studies of the

Freie Universität Berlin. Her research interests are social inequalities and sustainable development, conflicts over land, mining and resources, climate and energy politics, political ecology.

Johannes Jäger is a Professor and Head of the economics department at the University of Applied Sciences BFI Vienna. His research focuses on critical international political economy, global finance, the theory of regulation and dependence, and European Integration and Latin America.

Aldo Madariaga is an Assistant Professor at the School of Political Science, Universidad Diego Portales and Associate Researcher at the Center for Social Conflict and Cohesion Studies (COES). He holds a Ph.D. in Economics and Political Science from the University of Cologne and the Max Planck Institute for the Study of Societies. His research focuses on the political economy of development and sustainability, and the relationship between capitalism and democracy. He is the author of *Neoliberal Resilience. Lessons in Democracy and Development from Latin America and Eastern Europe* (Princeton University Press, 2020), winner of two honorary mentions for 2021 best book, by the IPE section of the International Studies Association (ISA), and by the Society for the Advancement of Socioeconomics (SASE).

Andreas Nölke is a Professor of Political Science at the Goethe Universität Frankfurt am Main. His areas of research are the political economy of European Integration, the politics of financialization, transnational private regulation, and varieties of capitalism in emerging economies among others.

Stefano Palestini is an Assistant Professor of International Relations at the Institute of Political Science, Pontificia Universidad Católica de Chile. He holds a Ph.D. in Social and Political Science from the European University Institute, Florence, Italy. He was a postdoctoral fellow at the Research College “The Transformative Power of Europe” at the Freie Universität Berlin. Stefano has been visiting researcher at the University of Amsterdam and at the American University (Washington, DC). His research focuses on the international and transnational aspects of democracy and authoritarianism, comparative regional integration (regionalism), and the transnational governance of development.

Felipe Ruiz Bruzzone is a Lecturer and Researcher at the Department of Sociology, Universidad de Chile and researcher at the Foundation

Nodo XXI. His research interests are the political economy of finance, social stratification, and development.

Gábor Scheiring is a Marie Curie Fellow at the Department of Social and Political Sciences at Università Bocconi, Italy. He researches the social consequences of globalization, the political economy of democratic and illiberal regimes, and the political economy of health.

Barbara Stallings is the William R. Rhodes Professor at the Watson Institute for International and Public Affairs at Brown University. She is also the editor of the *Journal Studies in Comparative International Development*. She was the director of the Economic Development Division of the UN Economic Commission for Latin America and the Caribbean. Her main areas of research are Latin American political economy, East Asian political economy, and the political economy of finance.

Visnja Vukov is an Assistant Professor at the Department of Political and Social Sciences, Universitat Pompeu Fabra. She is also a senior researcher at the Johns Hopkins University and Universitat Pompeu Fabra Public Policy Centre. Her research deals with the political economy of European integration, globalization and state transformations, and the political economy of development.

Hannes Warnecke-Berger is a senior researcher at the Universität Kassel. His research interests are international and global political economy, peace and conflict research, migrations, and development theory and policy.

Rudy Weissenbacher is a research fellow at the Institute for International Economics and Development, Vienna University of Economics and Business (WU Vienna). His research interests focus on development studies, uneven development and core–periphery relations in Europe, and the political economy of European integration.

LIST OF FIGURES

Fig. 1.1	Variants within the dependency research program (<i>Source</i> Palestini [2021])	14
Fig. 8.1	The dependency-populism causal mechanism	189
Fig. 8.2	From the situations of dependency to populism in Hungary and Poland	196
Fig. 10.1	Growth and concentration of private pension funds in Chile (<i>Source</i> Author's own elaboration based on <i>Superintendencia</i> de Pensiones [2020])	234
Fig. 10.2	Pension fund investment by institutional sector (1981–2018) (<i>Source</i> Author's own elaboration based on <i>Superintendencia</i> de Pensiones [2020])	241

LIST OF TABLES

Table 2.1	Dependency Involving the United States and Latin America, 1950–2000	37
Table 2.2	Dependency Involving China and Latin America, 2003–19	47
Table 6.1	Types of capitalism in Latin America	138
Table 7.1	Enabling and constraining factors for diverse situations of dependency in Europe	163
Table 10.1	Distribution of expenditure in the Chilean civil pension system, by type	239
Table 10.2	Revenues, expenditure, and surplus of the AFP system	240
Table 10.3	Summary of trajectory of current Pension Fund Administrators (AFP) in Chile	246
Table 10.4	Top ten business groups that receive AFP investments (2017)	249