

Revolutions and the Cold War

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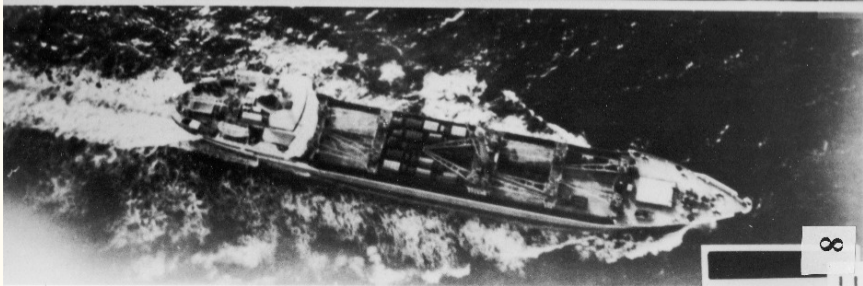
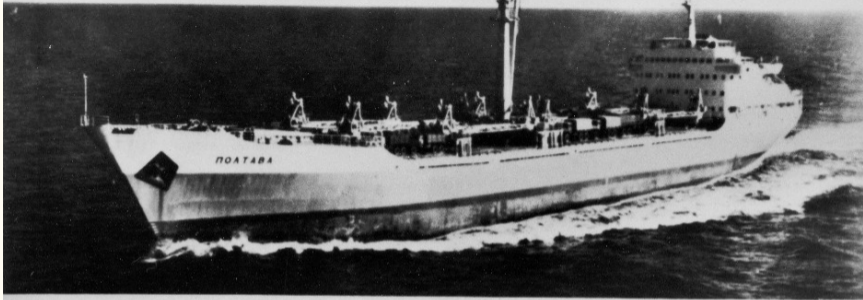
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The Cold War in Latin America

- A Cold War between the U.S. and the Soviet Union quickly follows the end of World War II.
- The Cold War has a profound influence in Latin America:
 1. The Cold War is superimposed over deep ongoing processes of political and economic transformation within the region (state consolidation, demographic change, industrialization, the arrival of mass politics, etc.).
 2. Some of these processes are independent of the Cold War.
 3. And yet, the Cold War “supercharges” them: the Cold War is a competition between two modernization projects fighting for their hegemony in emerging economics.
 4. Cycle of political polarization, revolution, and authoritarian reaction. Democratic reformism becomes extremely difficult.
 5. Latin America becomes the center of global history, even if briefly.
- These influences decisively shape economic policy and performance.

SOVIET SHIP POLTAVA ENROUTE TO CUBA

15 SEPTEMBER 1962



The traditional historiographical view

- Big factor: the U.S.
- Expansionary ambitions since Monroe doctrine and Mexican War (1846-1848).
- War of 1898, Platt Amendment, and gunboat diplomacy.
- After 1945, on the one hand, the U.S. cares relatively little about the region: focus on Eurasia.
- On the other hand, the U.S. is worried about Soviet influence and supports authoritarian regimes (e.g., Pérez Jiménez in Venezuela) over reformist democratic governments.
- This leads to multiple U.S. interventions (Guatemala, Dominican Republic, ...), inconsistent changes in strategy (e.g., Alianza para el Progreso), and generally bad outcomes (e.g., Escuela de las Américas, coups, ...).







THE KILLING ZONE

THE UNITED STATES WAGES COLD WAR IN LATIN AMERICA

Stephen G. Rabe

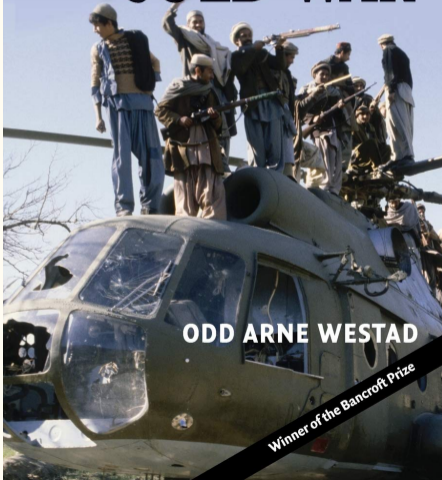
SECOND EDITION

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A new historiographical view, I

- Latin American actors had agency:
 - Local elites used the U.S. as much as the U.S. used them.
 - Most of the coups in Latin America would have probably happened anyway without U.S. intervention. Local elites have agency and capability.
- Both the U.S. and Latin American countries were multi-agent actors. Different actors had diverse goals and strategies:
 - FDR's Latin America policy was very different from Kennedy's, despite both being democrat presidents: no U.S. armed intervention in Latin America between 1933 and 1954.
 - CIA passed \$50,000 to Castro's guerrillas and the *New York Times* coverage is key for Castro's victory.
 - Most other U.S. media (e.g., CBS) also positively covered Castro's guerrillas.
 - War on drugs.

THE GLOBAL COLD WAR



HAL BRANDS

Latin America's Cold War



A new historiographical view, II

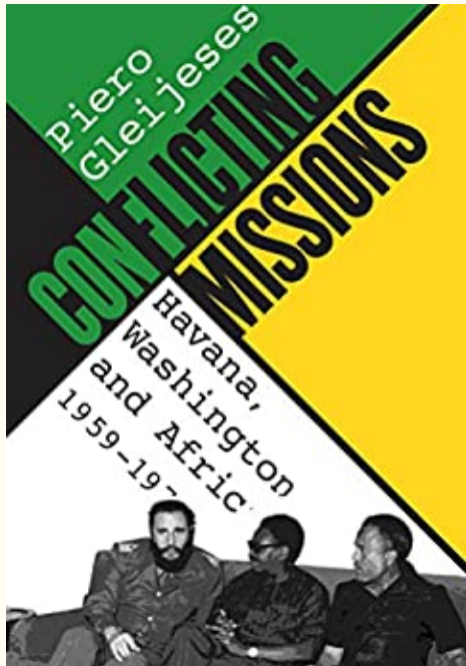
- The U.S. influence in the Caribbean and Central America was much stronger than in South America (and even Mexico). Think about the responses to different nationalizations.
- A more general point: different Latin American countries reacted to the same challenges created by the Cold War in very heterogeneous ways. There was no “typical” Latin American response.
- Influence also went in the opposite direction.
- A growing understanding of the role of Soviet Union intervention, the role of Cuba in Africa and the rest of Latin America, and Cuba’s manipulation of the Soviet Union: fight about “focos” in 1967-68.
- Plenty of non-transitivities: Franco in Spain and Castro in Cuba keep a warm relationship.

AGRARIAN CROSSINGS

*Reformers and the Remaking of
the US and Mexican Countryside*

TORE C. OLSSON





- Other actors:
 - France's influence in Argentina's military.
 - Trujillo's terrorism in the Americas.
 - Brazil and Cuba's intervention in Chile; Brazil's influence on Paraguay.
 - German multinationals in Argentina and Brazil.
 - China's influence.

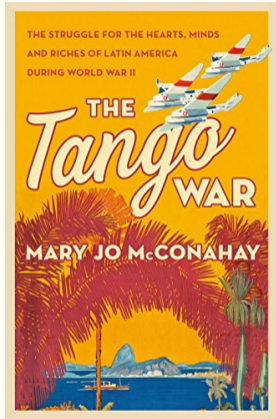
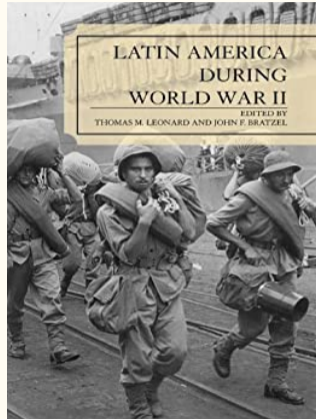
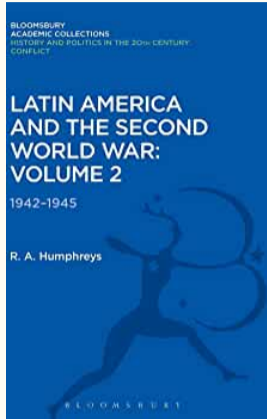
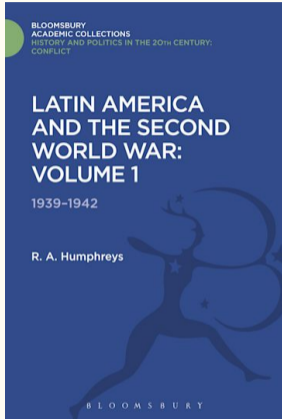




Structural changes, II

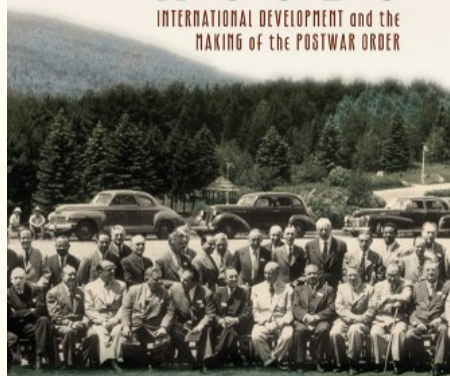
An uncertain future

- As we saw in previous lectures, the 1914-1945 cycle of world wars and depressions unhinges the Latin American model of export-led growth.
- While Latin America did not see any combat operation during World War II (beyond some naval engagements close to the coast), the war economy disrupted traditional economic and social structures.
- Commodities, planning, the substitution of imports: short-run absence of conflict between export and ISI interests.
- Furthermore, the end of World War II leaves many open questions regarding the future of the international economic organization (despite Latin America's role in Bretton Woods).
- Also, the U.S. focuses its development aid in Eurasia: William Clayton at the Chapultepec Conference in 1945.
- Let us look at some figures.



FORGOTTEN FOUNDATIONS of
**BRETTON
WOODS**

INTERNATIONAL DEVELOPMENT and the
MAKING of the POSTWAR ORDER



ERIC HELLEINER

Table 4.2. *Growth and structural characteristics of different phases of LDCs' economic development, 1870–1990 (annual average compound growth rates)*

	1870–1913	1913–50	1950–73	1973–90
GDP	2.1	2.6	5.2	3.9
Latin America (unweighted)	2.9	3.2	5.1	2.7
Latin America (weighted)	n.a.	n.a.	5.3	2.8
GDP per capita	0.9	0.8	2.6	1.5
Latin America (unweighted)	1.1	1.4	2.5	0.6
Latin America (weighted)	n.a.	n.a.	2.6	0.5
Africa	n.a.	1.2	1.9	-0.3
China	0.3	-0.5	3.7	5.7
NICs ^a	n.a.	0.1	5.7	6.3
Rest of Asia	0.4	-0.3	1.6	3.3
Volume of exports				
Latin America	4.6	1.8	3.6	5.9
Productivity				
Latin America				
Labour	n.a.	n.a.	3.4	0.3
Capital	n.a.	n.a.	-0.6	-1.4
Joint factor productivity	n.a.	n.a.	1.3	-1.1
NICs ^a				
Labour	n.a.	n.a.	4.3	5.1
Capital	n.a.	n.a.	2.2	-1.0
Joint factor productivity	n.a.	n.a.	2.4	1.4
Employment structure (%)	1950	1973	1980	1990
Latin America				
Agriculture	50	32	29	24
Industry	24	30	26	28
Services	26	38	45	48

Note: ^a Refers to South Korea and Taiwan only.

Table 3.4. *Latin American economic indicators, 1945-55^a*

	GDP in 1970 dollars ^a 1950	Commodity exports annual growth rates at constant prices %		Annual growth of real GDP per capita		Industry as % GDP			Cost of living (1945 = 100)	
		1945-50	1950-5	1945-50	1950-5	1945	1950	1955	1950	1955
Argentina	14018	5.0	-8.8	1.6	1.0	25	24	25	255	585
Mexico	12926	11.7	3.3	3.0	2.7	19	19	19	148	248
Brazil	12309	8.1	-3.3	3.3	3.4	17	21	23	173	384
Colombia	4325	17.5	4.0	1.8	2.0	11	14	15	193	242
Chile	3499	2.2	6.1	1.0	1.5	23	23	23	252	1438
Venezuela	3360	23.1	5.3	6.9	5.2	15	11	13	122	130
Peru	2518	8.8	2.6	2.4	3.9	13	14	15	236	333
Cuba	n.a.	10.0	-1.0	1.0	1.0	26 ^b	26 ^b	30 ^b	118	118
Uruguay	1867	10.7	-10.4	4.1	2.4	18	20	23	129	220
Guatemala	885	16.1	1.7	-0.9	-0.3	13	11	11	156	166
Ecuador	796	17.0	4.3	6.9	2.3	18	16	15	n.a.	n.a.
Bolivia	698	-1.2	-2.7	0.0	-0.8	n.a.	12	15	188	2,525
Dominican Republic	533	n.a.	n.a.	5.0	3.0	n.a.	12	12	116	125
El Salvador	512	21.7	4.1	6.7	2.0	12	13	14	130	167
Paraguay	410	3.1	-2.6	0.0	-0.9	16	16	16	229	2,057
Honduras	323	22.4	-5.4	1.7	-0.2	7	9	12	115	144
Costa Rica	298	30.1	3.0	4.2	4.3	12	12	12	133	125
Nicaragua	239	16.8	23.1	4.1	5.2	11	11	11	95	165
Panama	217	29.8	4.6	-2.5	1.1	6	8	10	110	113

Notes:

^a Ranked by size of 1950 GDP. Cuba ranked on basis of current price 1950 figures, since no estimate exists at 1970 prices.

^b Non-sugar manufacturing as per cent of total material production, i.e. the total is less than GDP.

Table 4.3. *Latin America: growth of gross domestic product (GDP), 1950-90^a*
(annual average compound growth rates)

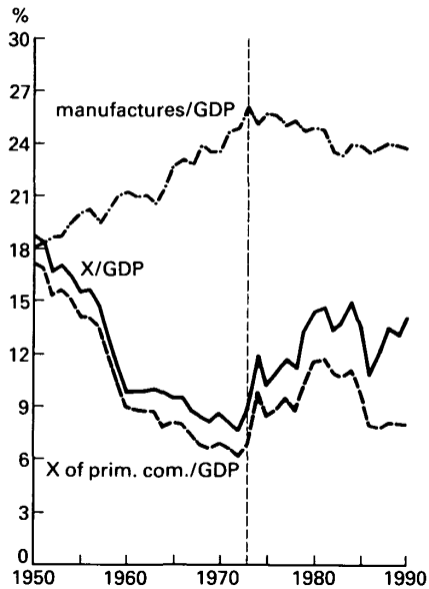
	1950-60	1960-73	1973-81	1950-81	1981-90	1950-90
Argentina	2.8	4.0	1.2	2.9	-0.6	2.1
Brazil	6.8	7.5	5.5	6.8	2.3	5.8
Chile	4.0	3.4	3.6	3.6	2.5	3.4
Colombia	4.6	5.6	4.5	5.0	3.9	4.8
Mexico	6.1	7.0	6.6	6.6	0.8	5.3
Peru	5.5	4.8	3.8	4.8	-1.7	3.3
Venezuela	7.6	4.7	-0.1	4.4	0.6	3.5
Small countries ^b	3.6	5.4	4.3	4.5	1.2	3.8
LATIN AMERICA	5.1	5.9	4.5	5.3	1.3	4.4
Oil exporters ^c	6.1	6.1	4.8	5.8	0.4	4.6
Oil importers	4.2	5.8	4.2	5.0	2.1	4.3

Notes:

^a Figures for the 1950s and 1960s are measured in US\$ 1970, and from 1970 to 1990 in US\$ 1980.

^b Includes twelve countries, ^c Includes five countries.

Figure 4.1. *Latin America: Shares of manufactures, exports and exports of primary commodities in GDP, 1950-90 (%)*



A demographic revolution

- Fast population growth.
- Much heterogeneity.
- Birth rates usually fall later than death rates.
- Thus, very young population.
- Life expectancy and infant mortality improve but still lagged those in advanced economies.

Table 1.1. *Population of the world's main regions, 1930-90*

	1930	1990 ^a	1990/1930
World	2,008	5,292	2.64
Latin America ^b	110	448	4.07
North America	134	276	2.06
Europe ^c	540	813	1.51
Africa	155	642	4.14
Asia	1,069	3,113	2.91

Table 1.2. *Latin America: total population and population growth rates by country, 1930-90*

	In thousands				Average annual growth rate		
	1930	1950	1970	1990 ^a	1930-50	1950-70	1970-90
Total	107,408	165,880	285,695	448,076	2.17	2.72	2.25
Argentina	11,896	17,150	23,962	32,322	1.83	1.67	1.50
Bolivia	2,153	2,766	4,325	7,314	1.25	2.24	2.63
Brazil	33,568	53,444	95,847	150,368	2.33	2.92	2.25
Chile	4,424	6,082	9,504	13,173	1.59	2.23	1.63
Colombia	7,350	11,946	21,360	32,978	2.43	2.91	2.17
Costa Rica	499	862	1,731	3,015	2.73	3.49	2.77
Cuba	3,837	5,850	8,520	10,608	2.11	1.88	1.10
Dominican Republic	1,400	2,353	4,423	7,170	2.60	3.16	2.42
Ecuador	2,160	3,310	6,051	10,587	2.13	3.02	2.80
El Salvador	1,443	1,940	3,588	5,252	1.48	3.07	1.91
Guatemala	1,771	2,969	5,246	9,197	2.58	2.85	2.81
Haiti	2,422	3,261	4,535	6,513	1.49	1.65	1.81
Honduras	948	1,401	2,627	5,138	1.95	3.14	3.35
Mexico	16,589	28,012	52,771	88,598	2.62	3.17	2.59
Nicaragua	742	1,098	2,053	3,871	1.96	3.13	3.17
Panama	502	893	1,531	2,418	2.88	2.70	2.29
Paraguay	880	1,351	2,351	4,277	2.14	2.77	2.99
Peru	5,651	7,632	13,193	21,550	1.50	2.74	2.45
Uruguay	1,704	2,239	2,808	3,094	1.37	1.13	0.48
Venezuela	2,950	5,009	10,604	19,735	2.65	3.75	3.11
Others ^b	4,519	6,312	8,665	10,898	1.67	1.58	1.15

Table 1.3. *Latin America: Crude birth (CB) and death (DR) rates for selected five-year intervals, 1930-85*

	(Births, deaths per 1000 population)							
	1930-5		1945-9		1960-5		1980-5	
	BR	DR	BR	DR	BR	DR	BR	DR
Argentina	28.9	11.6	25.2	9.6	23.2	8.8	23.0	8.7
Bolivia	-	-	*47.1	24.1	46.1	21.5	44.0	15.9
Brazil	-	-	*44.6	15.1	42.1	12.3	30.6	8.4
Chile	40.2	24.5	37.0	17.5	31.6	12.1	24.2	6.3
Colombia	43.3	22.5	43.4	20.8	41.6	11.5	29.2	6.3
Costa Rica	44.6	21.5	42.7	13.2	45.3	9.2	30.2	4.1
Cuba	31.3	13.3	30.0	8.7	35.1	8.9	16.0	6.3
Dominican Republic	-	-	*50.5	20.3	49.4	14.8	33.6	7.5
Ecuador	48.5	25.7	45.9	20.0	45.6	14.3	35.4	8.0
El Salvador	46.5	32.7	44.8	22.8	47.8	14.8	38.0	11.1
Guatemala	46.2	31.7	49.1	26.5	47.8	18.3	42.3	10.5
Haiti	-	-	*43.5	27.5	41.9	22.2	36.6	14.5
Honduras	42.0	21.7	44.5	10.0	51.2	18.1	42.3	9.0
Mexico	44.1	26.7	44.5	17.8	45.5	11.3	31.7	6.3
Nicaragua	-	-	*54.1	22.7	50.3	17.1	44.2	9.7
Panama	37.4	15.1	38.3	10.8	40.8	9.6	28.0	5.4
Paraguay	-	-	*47.3	9.3	42.3	8.1	35.8	6.7
Peru	-	-	*47.1	21.6	46.3	17.6	34.2	10.5
Uruguay	22.3	11.6	19.7	9.1	21.9	9.6	18.3	10.0
Venezuela	39.9	21.9	43.6	16.1	44.2	9.1	33.0	5.5

Table 1.6. *Total fertility rates, 1950-5, 1960-5, and 1980-5*

	Births per woman 15-49			Ratio of columns	
	1950-5 (1)	1960-5 (2)	1980-5 (3)	(2)/(1)	(3)/(2)
Total	5.8	6.0	3.9	1.03	0.65
Argentina	3.2	3.1	3.1	0.97	1.00
Bolivia	6.8	6.6	6.3	0.97	0.95
Brazil	6.2	6.2	3.8	1.00	0.61
Chile	5.1	5.3	2.8	1.04	0.53
Colombia	6.8	6.8	3.5	1.00	0.51
Costa Rica	6.7	7.1	3.5	1.06	0.49
Cuba	4.1	4.7	1.9	1.15	0.40
Dominican Republic	7.4	7.3	4.2	0.99	0.58
Ecuador	6.9	6.9	4.8	1.00	0.70
El Salvador	6.5	6.9	5.2	1.06	0.75
Guatemala	7.1	7.0	6.1	0.99	0.87
Haiti	6.3	6.3	5.2	1.00	0.83
Honduras	7.1	7.4	6.2	1.04	0.84
Mexico	6.8	6.8	4.2	1.00	0.62
Nicaragua	7.3	7.3	5.9	1.00	0.81
Panama	5.7	5.9	3.5	1.04	0.59
Paraguay	6.8	6.8	4.8	1.00	0.71
Peru	6.9	6.9	4.7	1.00	0.68
Uruguay	2.7	2.9	2.6	1.07	0.90
Venezuela	6.5	6.5	4.1	1.00	0.63

Source: United Nations, *World Population Prospects 1990*, (New York, 1991), Table 41.

Table 1.4. *Population under age 15 and age-dependency ratio:
1960 and 1985*

	Per cent of population under age 15		Age-dependency Ratio* (per cent)	
	1960	1985	1960	1985
TOTAL	42.5	37.6	85.3	72.7
Argentina	30.8	30.5	57.0	64.1
Bolivia	42.9	43.8	85.3	88.5
Brazil	43.6	36.4	86.9	68.7
Chile	39.4	31.5	79.0	59.5
Colombia	46.4	37.8	98.4	71.4
Costa Rica	47.4	36.8	102.4	68.7
Cuba	34.2	26.2	64.8	52.7
Dominican Republic	46.7	39.7	98.8	75.2
Ecuador	44.8	41.4	95.4	82.2
El Salvador	45.5	46.0	92.5	97.7
Guatemala	46.0	45.9	94.9	95.5
Haiti	39.4	40.5	80.0	80.9
Honduras	45.1	46.3	90.3	98.5
Mexico	45.4	40.9	94.8	80.2
Nicaragua	47.9	46.8	101.3	97.1
Panama	43.5	37.6	90.5	72.5
Paraguay	47.6	41.0	103.9	80.1
Peru	43.3	39.9	87.8	76.9
Uruguay	27.9	26.8	56.2	60.7
Venezuela	46.1	39.5	94.4	75.1

Note: *Sum of the population under 15 and over 64 divided by the population aged 15-64.

Table 1.5. *Life expectancy and infant mortality, 1950-5 and 1980-5*

	Life expectancy ^a		Infant mortality ^b	
	1950-5	1980-5	1950-5	1980-5
Total	51.9	66.7	126	61
Argentina	62.5	69.7	64	32
Bolivia	40.4	53.1	176	110
Brazil	51.0	64.9	135	63
Chile	53.8	71.5	126	20
Colombia	50.7	68.3	123	40
Costa Rica	57.3	74.7	94	18
Cuba	59.4	75.2	82	15
Dominican Republic	46.0	65.8	149	65
Ecuador	48.4	65.4	150	63
El Salvador	45.3	62.2	175	64
Guatemala	42.1	62.0	141	59
Haiti	37.6	54.8	220	97
Honduras	42.3	63.9	169	69
Mexico	50.8	68.9	114	43
Nicaragua	42.3	63.3	167	62
Panama	55.3	72.0	93	23
Paraguay	62.7	66.9	106	42
Peru	43.9	61.4	159	88
Uruguay	66.1	72.0	57	24
Venezuela	55.2	69.6	106	36

Notes: ^aAt birth, number of years; ^bdeaths per 1000 live births.

- Fast urbanization: Mexico City, Buenos Aires, and Sao Paulo become large metropolia.
- Structural transformation.
- Changes in gender roles.
- Education.

Table 1.7. *Urban population in Latin America, 1930-80*

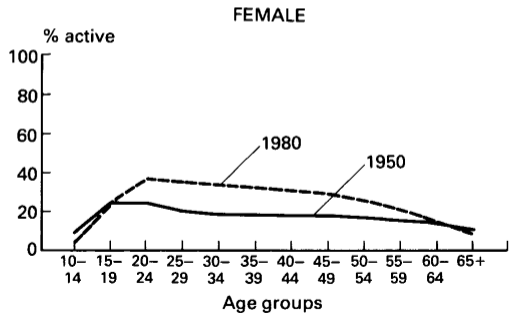
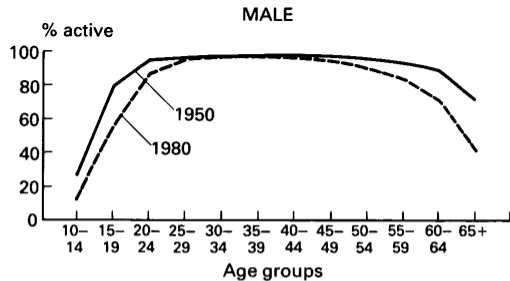
	1930 ^a	1950 ^a	1950 ^b	1980 ^b	Urban growth rate 1950-80
Total	17	26	41	65	4.1
Argentina	38	50	65	83	2.5
Bolivia	14	19	38	44	2.9
Brazil	14	20	36	66	4.8
Chile	32	43	58	81	3.1
Colombia	10	23	37	64	4.5
Costa Rica	20	18	34	43	4.1
Cuba	26	36	49	68	2.7
Dominican Republic	7	11	24	51	5.5
Ecuador	14	18	28	47	4.7
El Salvador	7	13	37	42	3.3
Guatemala	11	11	30	37	3.6
Haiti	4	5	12	24	3.9
Honduras	n.a.	7	18	36	5.6
Mexico	14	24	43	66	4.5
Nicaragua	14	15	35	53	4.5
Panama	27	22	36	50	3.7
Paraguay	11	15	35	42	3.4
Peru	11	18	36	65	4.7
Uruguay	35	53	78	84	1.1
Venezuela	14	31	53	83	5.2

Notes: *a* Per cent in cities with 20,000 or more residents, 1930 and 50. *b* Per cent in areas officially defined as urban, 1950 and 1980.

Table 1.8. *Sectoral distribution of labour force 1950-1980; secondary school enrolment rates, 1960-1981*

	Percent of labour force by sector				Secondary school enrolment rate*	
	1950		1980		1960	1981
	Agriculture	Industry	Agriculture	Industry		
Total	53.4	19.5	31.8	25.9	n.a.	n.a.
Argentina	25.2	31.8	13.1	33.8	23	59
Bolivia	61.4	20.0	46.5	19.7	12	34
Brazil	59.8	16.6	31.2	26.6	11	32
Chile	34.3	30.2	16.5	25.2	24	57
Colombia	57.2	19.7	34.3	23.5	12	48
Costa Rica	57.6	16.7	30.8	23.2	21	48
Cuba	42.7	20.5	23.8	28.5	14	75
Dominican Republic	72.8	11.2	45.7	15.5	7	41
Ecuador	65.4	15.4	38.6	19.9	12	40
El Salvador	65.4	15.5	43.2	19.4	13	20
Guatemala	68.4	13.8	56.9	26.1	7	16
Haiti	85.6	5.7	70.0	8.3	4	13
Honduras	72.3	8.9	60.5	16.2	8	30
Mexico	60.4	16.8	36.6	29.0	11	51
Nicaragua	67.9	15.2	46.6	15.8	7	41
Panama	56.4	13.6	31.8	18.2	29	65
Paraguay	56.0	20.0	48.6	20.6	11	26
Peru	57.7	18.3	40.1	18.3	15	57
Uruguay	24.4	28.0	15.8	29.2	37	70
Venezuela	42.9	21.4	16.1	28.4	21	40

Note: *Enrolment rate is population aged 12-17 divided by number enrolled; data for c. 1960 and 1981.



Source: International Labour Office, *Economically Active Population, 1950-2025* (Geneva, 1986)

Table 5.4. *Educational levels of economically active population six Latin American countries, 1960, 1970, 1980 (%)*

Country	Census year	Number of years of study						No info.
		None	1-3	4-6	7-9	10-12	13+	
Argentina	1960 ^a	6.9	24.4	45.8	4.7	9.6	4.4	4.2
	1970 ^b	0.0	15.8	20.3	36.7	13.1	5.9	8.2
	1980 ^c	-	29.4 ^d	48.4 ^e	16.9 ^f	-	5.3 ^g	-
Brazil	1960 ^b	41.6	30.6	19.2	1.9	3.0	3.2	0.5
	1970	36.0	27.6	22.9	6.1	4.9	2.3	0.1
	1980 ^b	27.2 ⁱ	24.7	28.1	10.1	6.8	3.1	0.1
Colombia	1960	-	-	-	-	-	-	-
	1970 ^j	21.6	31.1	27.8	10.0	5.6	2.8	1.1
	1980 ^k	11.5	49.2 ^l	-	29.8 ^m	-	7.7 ^b	1.8
Chile	1960 ^j	14.1	21.3	35.2	12.3	10.0	2.3	4.8
	1970 ^j	8.2	15.4	31.6	13.0	13.5	4.0	14.3
	1980 ^o	4.9	11.3	25.9	14.9 ^p	33.3 ^q	9.7	-
Mexico	1960 ^j	35.4	32.0	24.3	4.6	2.1	1.6	0.0
	1970 ^j	27.1	30.3	29.7	5.9	3.7	3.3	0.0
	1980 ^y	16.2	22.1	34.7	16.2	4.6	6.2	-
Peru	1960 ^r	32.8	- 52.2 -	-	- 11.6 -	-	2.5 ^r	0.9
	1970 ^o	19.3	27.3	28.1	7.9	9.4	4.8	3.2
	1980 ^o	12.4	24.2 ^l	18.4 ^u	13.1 ^v	13.8 ^w	12.1 ^x	6.0

A new politics

Deep change in politics

- Democratic spring:
 1. Electoral victories of Teodoro Picado in Costa Rica (1944), Ramón Grau San Martín in Cuba (1944), José Luis Bustamante in Peru (1945), Mariano Ospina Pérez in Colombia (1946), Juan Perón (1946), and Gabriel González Videla in Chile (1946).
 2. Democratic forces oust quasi-authoritarian regimes in Guatemala (1944), Ecuador (1944), Venezuela (1945), and Bolivia (1946).
 3. End of *Estado Novo* in Brazil (1945).
- Fast reversion: Colombia, Peru, Cuba, and Guatemala between 1948 and 1954.
- Complex set of political movements:
 1. More conventional welfare states: Uruguay and Costa Rica.
 2. Popular Fronts: Chile (1937-1941; with a slightly different name until 1947) and Ecuador.
 3. Populist movements.

LATIN AMERICA
BETWEEN
THE SECOND
WORLD WAR
AND
THE COLD WAR
1944-1948



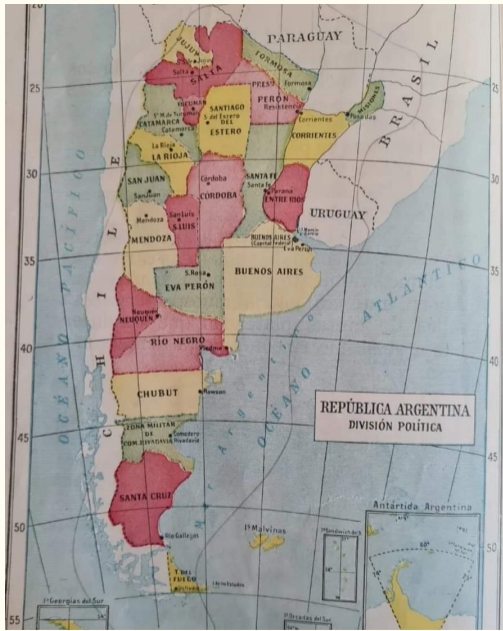
EDITED BY LESLIE BETHELL
AND IAN ROXBOROUGH

- Nationalism and revolutionary movements.
- Most famous examples: Lázaro Cárdenas (1895-1970), Raúl Haya de la Torre (1895-1979), José María Velasco Ibarra (1893-1979), and Jorge Eliécer Gaitán (1903-1948).
- Often called “populist.”
- Tricky label; often “populist” means “I do not like this politician.”
- Nonetheless, a useful term if used carefully.

- Mechanism of political modernization from oligarchic regimes to modern mass democracies.
- Similarities and differences with European social democratic parties.
- Hard to classify along the left-right continuum of Western democracies.
- For example, Perón in Argentina is opposed both by the conservative and socialist parties, and there is a left- and a right-wing Peronism.

Main features

1. Strong, charismatic leader that appeals to “people” bypassing the “oligarchy” and formal institutions.
2. Blame underdevelopment on corruption, oligarchy, multinationals, U.S.
3. Nationalists are adept at running modern electoral campaigns (newspapers, radio, later TV) and forge a coalition of working- and middle-class.
4. Urban electoral base. Rural voters often vote for more traditional parties.
5. Multi-class alliance (or at least pretense): “el pueblo,” not the “clase obrera.”
6. Creation of clientele networks based on loyalty to the movement.
7. Economic policy based on aggressive, short-run redistribution, not long-run reform.



Argentina: Peronism

- Peronism is the most dynamic of populist movements: still in power in Argentina as of March 2023!
- Perón is a nationalist army officer. Influenced by Italian fascism (both in form and content).
- He is an expert in talking to each interlocutor in the language they want to hear.
- After a period as Minister of Labor (1943-1945), president from 1946-1955.
- Ousted by a coup.
- Exiled in Spain, he returned briefly in 1973 for a third presidential mandate.
- Much of Argentinian politics from 1955 to today is about how to accommodate/handle the consequences of 1955.

Juan Domingo Perón (1895-1974)



LORIS ZANATTA

LA INTERNACIONAL JUSTICIALISTA

AUGE Y OCASO DE LOS SUEÑOS
IMPERIALES DE PERÓN



Cambridge Latin American Studies

**THE
POLITICAL
ECONOMY OF
ARGENTINA
in the
TWENTIETH
CENTURY**

Roberto Cortés Conde

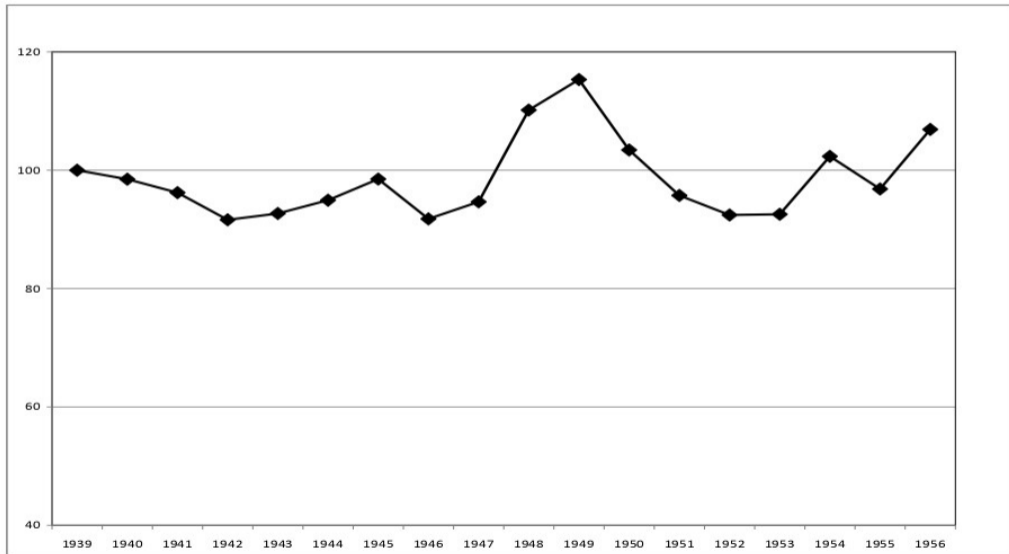
The economic policy of Peronism, I

- Perón believes World War III is most likely and wants to avoid globalization.
- Role of Miguel Miranda (1891-1953), first from the central bank and later from the national economic council.
- Labor market regulation and increase on real wages.
- Five-year plan of fast industrialization oriented toward the internal market. Related but different from Federico Pinedo (1895-1971)'s 1940 plan.
 - <http://cdi.mecon.gob.ar/greenstone/collect/planesde/index/assoc/HASH0143.dir/doc.pdf>.

Miguel Miranda (1891-1953)



Real wages in Buenos Aires





The economic policy of Peronism, II

- Nationalization of the central bank, railroads, utilities, airlines, telecommunications, harbor and navigation companies, and reinsurance.
- Break with the old export interests represented by the (old) National Autonomist Party (*Partido Autonomista Nacional*) and later the National Democratic Party (*Partido Demócrata Nacional*).
- Creation of the *Instituto Argentino de Promoción del Intercambio* and exchange controls.
- By 1949, there is a 87% difference between the official and black market exchange rate.
- Expansionary fiscal and monetary policy.
- Price controls (e.g., rent control, electricity, gasoline).
- Financial repression.



Con la
argentización
del sistema bancario
y la creación del I.A.P.I. la
Argentina afirmará su potencia-
lidad sobre pilares de oro, y alcanzará
la plena manifestación de su grandeza.

The macroeconomics of populism

- Boom-and-bust cycle described by **Dornbusch and Edwards (1992)**:

Phase I: Fast increases in public spending, real wages, and employment. Output grows, low inflation and imports provide slack at the cost of reducing reserves or higher debt. Mainstream economics is “proven wrong.”

Phase II: Inflation starts to increase and output growth stops. Bottlenecks lead to price and exchange controls. Government deficit skyrockets.

Phase III: Inflation out of control (often hyperinflation), capital flight, and decline in tax revenue combined with high inflation results in large budget deficits (Tanzi effect). Stabilization attempts by reducing subsidies and devaluation lead to a drop in real wages.

Phase IV: A new government implements orthodox policies to stabilize the economy. The economy is stabilized, but the new government is highly unpopular as wages have fallen lower than before Phase I (“austerity is bad”). The government is kicked out (usually through elections), and we return to Phase I.



**THE MACROECONOMICS OF
POPULISM IN LATIN AMERICA**



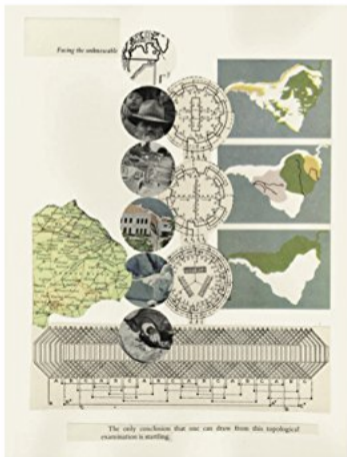
*Edited by
Rudiger Dornbusch and Sebastian Edwards*

- Perón's Argentina is the paradigmatic example of the macroeconomics of populism.
- After a few years of fast growth, the economy peaks in 1949 and reaches a balance of payments crisis.
- Also, inflation jumps in 1945 and becomes a chronic problem in Argentina.
- Alfredo Gómez Morales (1908-1990) replaces Miguel Miranda as the key economic policymaker.
- Even after the coup, economic policy keeps many of the Peronist ideas.
- The new military government asks Raúl Prebisch to prepare a study about the situation of the Argentinean economy.

Vito Tanzi

ARGENTINA,

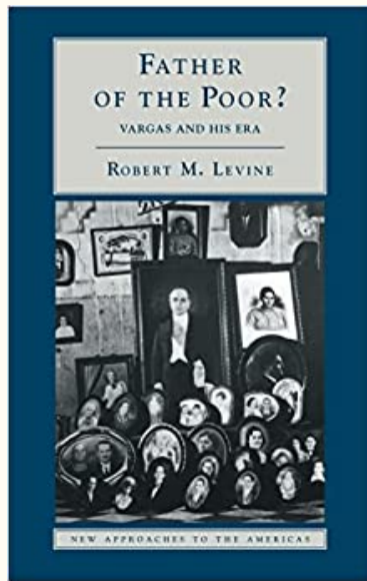
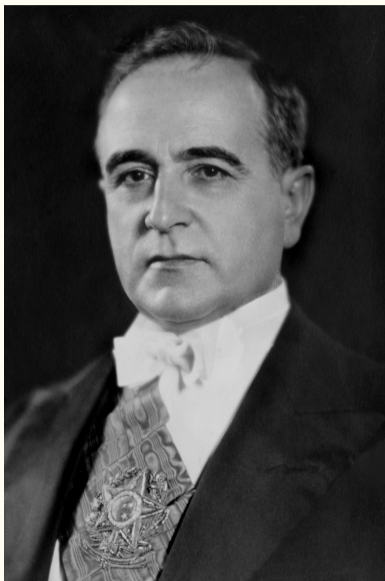
from PERON to MACRI
An Economic Chronicle



Brazil: Getúlio Vargas

- Weaker movement.
- President 1930-1945 and 1951-1954.
- First period is close to fascism (*Estado Novo*), the second period is closer to “classical populism.”
- Focus on nationalist economic policies.
- Creation of *Petrobras*.
- Followed by Juscelino Kubitschek (1956-1964): “fifty years’ progress in five.”
- By the 1970s, 28 of the largest 30 firms in Brazil are state-run.
- Fast economic growth combined with macroeconomic instability.

Getúlio Vargas (1882-1954)

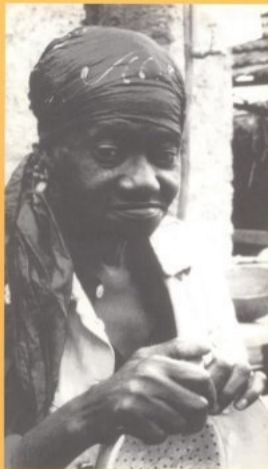


Brazil's State-Owned Enterprises

A Case Study of the State as Entrepreneur

Thomas J. Trebat

CAMBRIDGE



The
Unedited
Diaries
of
Carolina
Maria
de
Jesus

Edited by
Robert M. Levine and José Carlos Sebe Bom Meihy
Translated by Nancy P. S. Naro and Cristina Mehrrens

Revolution and reaction

A new cycle

- Despite the electoral success of populism, much of the next decades in Latin America will be shaped by a cycle of revolution and reaction.
- Consequence of many complex reasons, well beyond what we can consider here.
- Interestingly, the first act happens in a small, peripheral country: Guatemala.

- The Jorge Ubico (1878-1946) regime is thrown away on July 1944. Followed by Federico Ponce Vaides (1889-1956).
- October Revolution (1944) led Jacobo Árbenz (1913-1971) and Francisco Javier Arana (1905-1949).
- Presidency of Juan José Arévalo (1945-1951): “spiritual socialism.”
- Deep unhappiness with the position of the United Fruit Company in Guatemala, vagrancy laws, and repression:
 1. Labor reform (*Código del Trabajo*).
 2. Creation of the Guatemalan Institute of Social Security (*Instituto Guatemalteco de la Seguridad Social*).
 3. Creation of the National Indigenist Institute (*Instituto Indigenista Nacional*).

Jacobo Árbenz Guzmán (1913-1971)



Árbenz's presidency

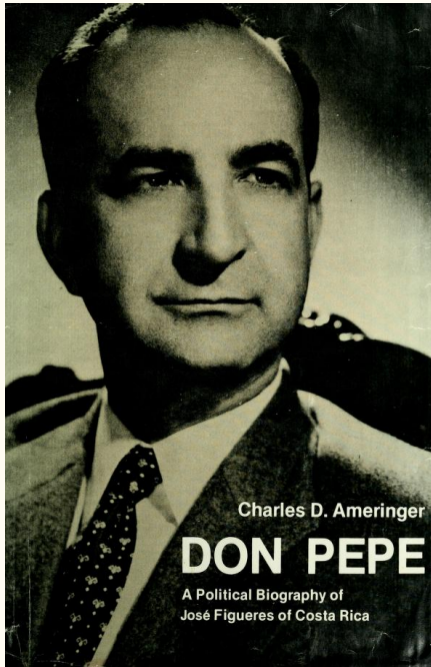
- Jacobo Árbenz wins the presidential election in 1950 with a large majority.
- Strong nationalist rhetoric.
- Three pillars for the development of a modern economy:
 1. Land reform (Decree 900). The land is given to farmers in usufruct (different from previous agrarian reforms in Mexico and Bolivia) and payment to landowners in interest-bearing bonds. Similar to reform in Taiwan.
 2. Public-owned utility based on the hydroelectric Jurún Marinalá.
 3. Transportation (new road and port Santo Tomás de Castilla in the Atlantic).

The 1954 coup

- Coup of 1954. Role of the Dulles brothers.
- Followed by harsh repression.
- Impact all across Latin America: *Cuba no es Guatemala*.
- A three-part documentary (a bit biased and uncritical):
 1. <https://youtu.be/kIaIe8Nb0So>.
 2. <https://youtu.be/gNGPj1tyrzQ>.
 3. <https://youtu.be/nYJL9eHFuYw>.
- Interesting comparison with Costa Rica and the role of José María Figueres Ferrer (1906-1990).

A great novel





Charles D. Ameringer

DON PEPE

A Political Biography of
José Figueres of Costa Rica

The Cuban Revolution, I

- January 1, 1959: Fidel Castro's troops from the 26th of July Movement enter Havana.
- "Triumph of the Revolution": barely two years after landing on December 2, 1956.
- Paradox: revolution triumphs in one of the richest countries of Latin America:
 1. Roughly comparable to Italy or Spain.
 2. More unequal, though, especially along the urban/rural and white/black axes.
- Also, highly dependent on sugar and tourism (Mafia in Havana).

**CHE, FIDEL,
AND THE
IMPROBABLE
REVOLUTION**

*"Dramatic, human, and illuminating."
-PAUL THEROUX, author of *The Great
Railway Bazaar**

ICUBA ★

**THAT
CHANGED
WORLD
HISTORY**

LIBRE!

TONY PERROTTET



APPENDIX TABLE 1
CUBA IN PERSPECTIVE FOR 1955 AND 1925
(U.S. = 100)

	PPP Adjusted			1925 Extrapolations	
	Income per Capita	Output per Worker	Consumption Capita	Income per Capita	Output per Worker
Belgium	53	56	52	68	67
Denmark	51	45	54	52	48
France	49	46	51	57	41
Germany FR	51	46	48	54	41
Italy	29	29	29	31	27
Netherlands	47	51	43	56	55
Norway	55	56	54	43	41
United Kingdom	57	52	59	65	56
Argentina	31	32	35	40	40
Bolivia	7	7	8	—	—
Brazil	9	11	9	8	9
Chile	23	27	28	32	35
Colombia	12	15	14	11	8
Costa Rica	16	21	18	19	21
<i>Cuba</i>	27	33	35	45	54
Dominican Republic	9	11	8	—	—
Ecuador	11	13	11	—	—
El Salvador	10	12	11	10	11
Guatemala	10	12	12	13	14
Haiti	3	3	4	—	—
Honduras	7	9	8	13	14
Mexico	17	23	23	20	24
Nicaragua	10	12	12	12	11
Panama	15	19	18	—	—
Paraguay	9	11	11	—	—
Peru	12	15	12	11	12
Uruguay	34	35	41	36	33
Venezuela	28	36	22	11	14

INCOME PER CAPITA AND SOCIOECONOMIC INDICATORS

	Europe	Latin America	United States	Cuba
Income per capita relative to United States, 1955	49	15	100	27
Passenger cars per 1,000 persons, circa 1955	44	8	314	20
TVs per 1,000 persons, 1960	81	11	308	73
Radios per 1,000 persons, 1960	269	96	941	152
Infant mortality rate, circa 1955	32	105	26	33
Life expectancy at birth, circa 1955	71	50	69	64
Doctors per 10,000 persons, circa 1955	11	4	13	10
Literacy rate, circa 1955	98	58	99	79

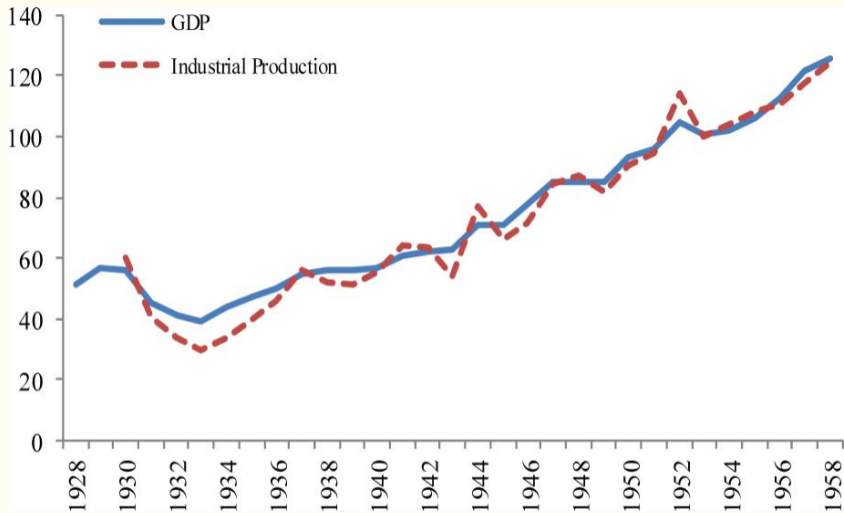


FIGURE 3
INDUSTRIAL PRODUCTION AND OVERALL OUTPUT
(1953 = 100)

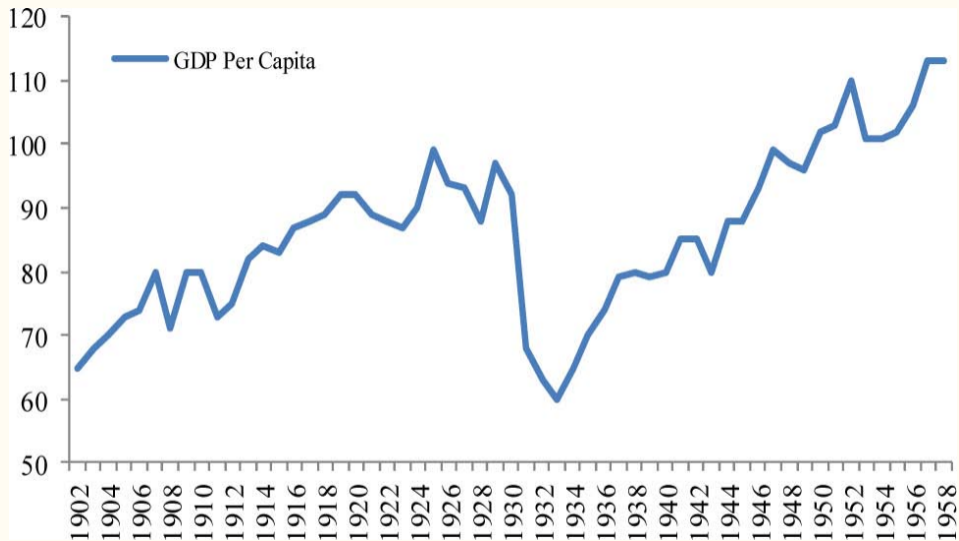


FIGURE 4
 INCOME PER CAPITA, 1902–1958
 (1953 = 100)

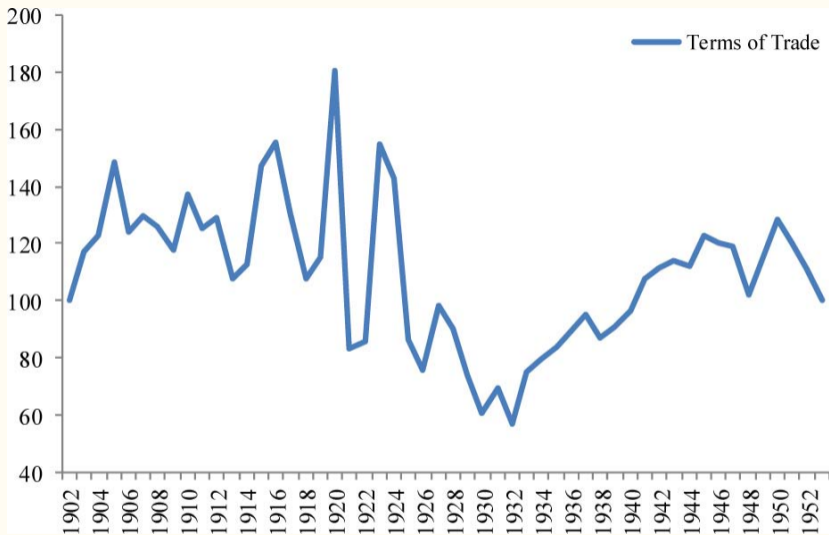


FIGURE 6
 THE EXTERNAL TERMS OF TRADE OF CUBA, 1902–1953
 (1953 = 100)



NEW YORK TIMES
BESTSELLER

HAVANA NOCTURNE

How the Mob Owned Cuba...
and Then Lost It to the Revolution

T. J. English

Author of *Paddy Whacked*

"A juicy mix of true crime and political
intrigue, all set against the sexy
sizzle of Havana nightlife."

—*San Francisco
Chronicle*

The Cuban Revolution, II

- Initially, a multi-class movement with the support of a large segment of society.
- The 26th of July Movement is one among several opposition groups.
- Revolution declared openly socialist in 1961.
- Fidel Castro later claimed that he made the decision in 1958, before victory, but was cautious.

The international impact of the Cuban Revolution

- The revolution creates enormous fascination worldwide (even in the U.S!).
- For those in favor of revolution:
 1. Guerrillas can win against a formal army.
 2. One does not need to wait until conditions are ripe for revolution. The insurrection can create them.
 3. Revolution comes from the countryside.
- Deep impact on a new generation of left-wing leaders: Venezuela, Argentina, ...
- On the other hand, the U.S. becomes obsessed with the possibility of a “second Cuba.”
- Also, it makes much of the Latin American middle class willing to support authoritarian regimes.

FIGHTING OVER FIDEL



The New York
Intellectuals and the
Cuban Revolution

RAFAEL ROJAS

SIMON HALL

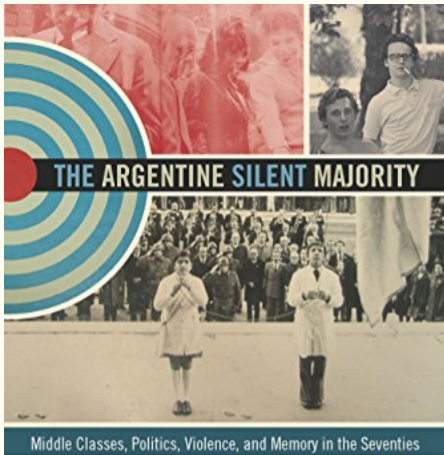
TEN
DAYS
IN
HARLEM



GUERRILLAS & REVOLUTION IN LATIN AMERICA

A COMPARATIVE STUDY
OF INSURGENTS AND
REGIMES SINCE 1956

TIMOTHY P.
WICKHAM-CROWLEY





THE ECONOMY OF SOCIALIST CUBA

A Two-Decade Appraisal

Carmelo Mesa-Lago



A TALE OF TWO ECONOMIES

HONG KONG, CUBA AND THE
TWO MEN WHO SHAPED THEM

NEIL MONNERY



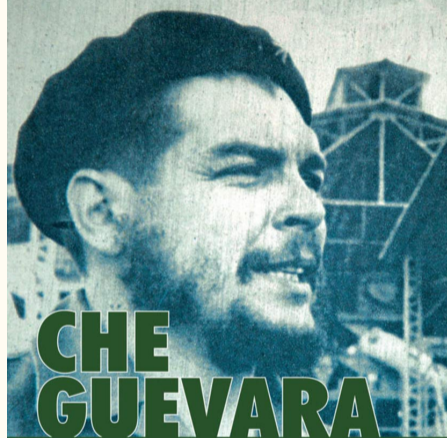
The economic policy of the revolution

- Widespread consensus in Cuba about five goals:
 1. Fast economic growth.
 2. Reduce dependency on sugar through rapid industrialization and diversification of agriculture.
 3. Reduce dependency on the U.S.
 4. Achieve full employment.
 5. Redistribute income more equally.

Two opposing views

- Key role of Ernesto Guevara (1928-1967) during the first years of the revolution:
 1. “Build the new man and woman” with an ascetic edge.
 2. “Maoist” view where consciousness and commitment can overcome material constraints.
 3. Budgetary financing system (*Sistema presupuestario de financiamiento*).
- Opposed by Carlos Rafael Rodríguez (1913-1997), who headed the National Institute for Agrarian Reform (*Instituto Nacional de Reforma Agraria, INRA*):
 1. He did have an education in economics.
 2. More conventional, soviet-style planning.
- Failure of Guevaristas policies will lead to the final victory of Rodríguez’ approach.

HELEN YAFFE



CHE GUEVARA

THE ECONOMICS
OF REVOLUTION

Foreword by Professor Lord Meghnad Desai





1959-1971: Period of reversals, I

- Incoherent economic policy, with much *ad hoc* experimentation, but always a clear idea of moving fast to a socialist economy.
- Transformation from an economy heavily linked to the U.S. to an economy heavily linked with the Soviet Union.
- Large migration of human capital: 1.3 million, many highly skilled, including the first revolutionary prime minister (José Miró Cardona, 1902-1974).
- Outcome is disappointing, with declining productivity.

1959-1971: Period of reversals, II

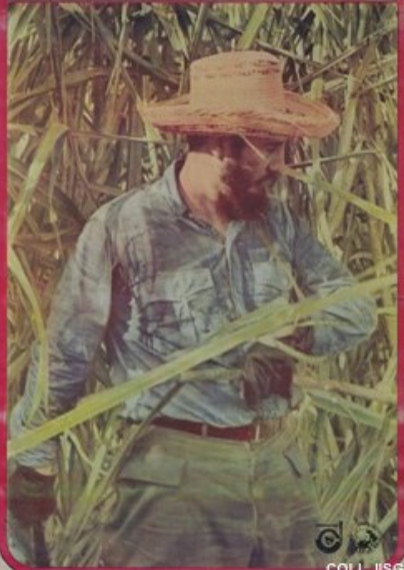
- 1959: First agrarian reform (farms > 400 hectares) and nationalization of rental housing.
- 1960: Large nationalizations and a central planning board (JUCEPLAN) is set up.
- 1961: Cuba is declared to be “socialist.”
- 1963: Second agrarian reform (farms > 67 hectares).
- 1968: Revolutionary offensive. 55,636 small businesses nationalized.
- 1969: Year of the decisive effort.
- A ten-million-ton sugar harvest, planned for January 1969 to July 1970: goal to be transformative. Enormous effort, labor recruited. Fails short (8.5), low sugar price.

Collectivization percentage

Year	1961	1963	1968	1977
Agriculture	37	70	70	79
Industry	85	95	100	100
Construction	80	98	100	100
Transportation	92	95	98	98
Retail trade	52	75	100	100
Wholesome and foreign trade	100	100	100	100
Banking	100	100	100	100
Education	100	100	100	100

y dónde estaremos el 2 de enero ?

EN LA CAÑA !



COLL. IISG

1971-1990: “belated honeymoon” with the Soviet Union

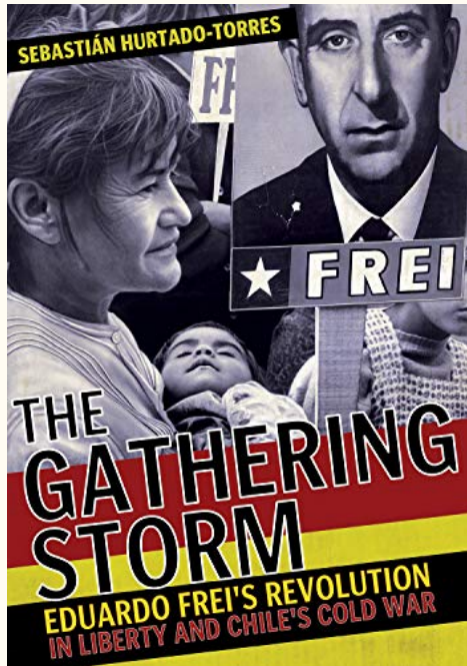
- Soviet Union was a key supporter of Cuba since 1960. Vital to get around the U.S. economic sanctions.
- However, the initial decade of relations is complicated.
- Yuri Palov: “belated honeymoon” after 1968.
- Cuba breaks with China in June 1969.
- Introduction of Soviet-style central planning.
- 1972: Cuba joins COMECON.
- Opening of farmers’ markets after the mass exodus from the Port of Mariel in the spring of 1980.

1990-2023: A never-ending “Special Period”

- 1990: Collapse of the Soviet Union: 85% of Cuban exports go to the Soviet Union and Eastern block at subsidized prices. Imports: 100% of oil, machinery, fertilizers, irons, foodstuff...
- Output probably drops by 35%..
- New sources of revenue: tourism, remittances from Cuban diaspora, small businesses, and self-employment.
- Saved by Hugo Chavez’s election: new oil subsidies in exchange for doctors and security services.
- Raul Castro’s new reforms.
- Extremely difficult to assess economic performance: no good data.
- Charles E. Lindblom: “strong thumbs, no fingers.”

A Chilean alternative?

- Salvador Allende becomes president of Chile on November 1970 after a contested three-way election against Radomiro Tomic and Jorge Alessandri. Role of Christian Democrats.
- Previous experience of Eduardo Frei (President, 1964-1970).
- “La vía chilena al socialismo” (“The Chilean Way to Socialism”): agrarian reform, nationalization of industries, ...
- Traditional boom-and-bust cycle: expansionary fiscal and monetary policies lead, first, to fast output growth but soon after that to high inflation.
- Made worse by fluctuations in the price of copper and political tensions.
- A few crazy ideas: Project Cybersyn, inspired by Stafford Beer.



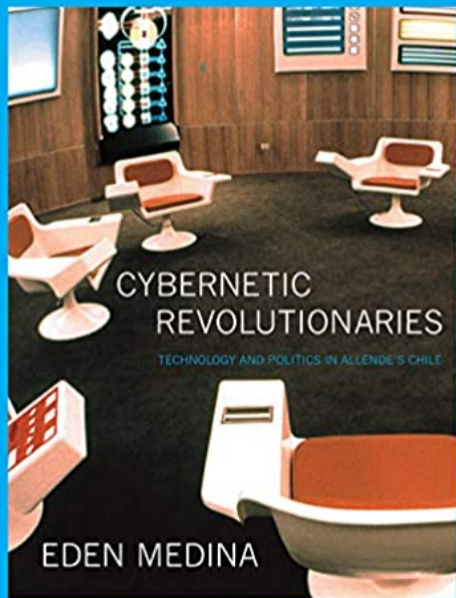
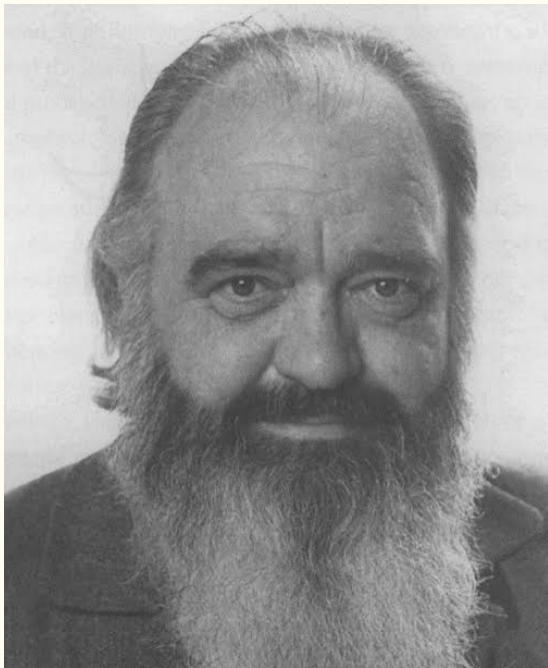
Eduardo Frei Montalva: un gobierno reformista

A 50 años de la "Revolución en Libertad"

CARLOS HUNEEUS, JAVIER COUSO
(Editores)



EDITORIAL UNIVERSITARIA



- Military coups:
 - Brazil, 1964.
 - Chile, 1973.
 - Argentina, 1976.
- New generation of military dictators: neither old-fashion caudillos (except residuals of the past such as Alfredo Stroessner, 1912-2006) nor juntas fixing political impasses, but bent on a radical and thorough re-ordering of society even if by violent means (e.g., “Proceso de Reorganización Nacional” in Argentina).
- Guillermo O’Donnell: “bureaucratic-authoritarian” regimes.
- Because the states have become so essential, the fight for their control becomes fierce.

The
MILITARY
And The
STATE
In **LATIN**
AMERICA

Alain Rouquié

Translated by
PAUL E. SIGMUND

- Large heterogeneity.
 - Juan Velasco (1910-1977) in Peru: land reform, expropriation of foreign oil and mining companies, purchase of weapons from the Soviet Union, and support of the Communist party.
 - Brazil: developmental state, nationalist support of industries.
 - Chile: aggressive market reforms (but cooper industry never privatized).
- Military rule is not better on average than democratic rule regarding economic performance.



GUARDIANS OF THE NATION?

*Economists, Generals, and
Economic Reform in Latin America*



GLEN BIGLAISER