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Introduction

The Global Political Economy of Raúl Prebisch: Past, Present and Future

Matias E. Margulis

Raúl Prebisch (1901-1986) was a highly influential thinker and actor in the global political economy of the 20th century. His contributions are too numerous and diverse to summarily list but let us consider two of the most well-known. Prebisch generated one of the most powerful economic theories, the Prebisch-Singer terms of trade thesis¹, which showed that the gains from international trade were unequally distributed between developing countries exporting mainly primary goods and developed countries exporting manufactured goods. His insights into the basic structural inequity in the world economy still hold true today and continue to shape theory and policy on trade and development. Prebisch was also an influential leader of developing countries, advocating for a fairer international trading order. As the first Director General of the United Nations Conference on Trade and Development (UNCTAD) in the late 1960s, he orchestrated the Third World’s challenge to Western dominance over the norms and rules of the world economy. Yet despite Prebisch’s importance and influence, I argue that Global Political Economy (GPE) has ‘peripheralised’ Prebisch by treating his ideas as not forming part of the intellectual core of the field. Reading contemporary GPE scholarship one is unlikely to be alerted to his significance or relevance to key debates about power in global economic governance. If a reader does come across Raúl Prebisch in GPE works, he is likely to be presented as an historical figure without relevance to contemporary events or incorrectly portrayed as a Latin American advocate for economic autarky.

This volume starts from the position that Prebisch’s peripheral status in GPE is problematic. Not only is GPE veering towards an erroneous account of Raúl Prebisch, the field is also obscuring his wider contributions to the study of GPE itself. As I will demonstrate in this introductory chapter, Prebisch had a tremendous influence on the development of GPE as an academic field. However, Prebisch’s importance and influence is rapidly being erased, partly through accidental forgetting due to the passage of time but even more so as a by-product of the recent rewriting of GPE’s intellectual history. Peripheralising Prebisch in GPE has larger implications. It matters seriously for analysing contemporary developments in the world economy for which GPE has been far behind the curve and where Prebisch’s ideas and past actions offer considerable insight, such as debates about the long-term consequences of the recent commodities supercycle.

The introductory chapter is organized as follows. I first provide a brief overview of Raúl Prebisch and his multiple roles in the real-world global political economy of the 20th century. The next section draws on the cross-cutting themes of ideas, agency and institutions to explore Prebisch’s role in constructing the global political economy that we occupy today. I then show

how Prebisch has been peripheralised in GPE, followed by a discussion of how reengaging with the issues and topics he alerted us to can enrich the field's empirical scope and analytical capacity. The final section describes the three thematic sections of the book and provides a summary of the individual chapters contained therein.

Who was Raúl Prebisch?²

The above might read like an innocuous question, but who Prebisch 'was' depends largely on whom you ask. Quite simply put, Prebisch had an extraordinary career without parallel, holding positions of influence at the national, regional and international levels that placed him at the frontlines of key events in the world economy. But Prebisch was more than a high-level functionary. He was also a critical, innovative theorist of the global political economy, who published widely in academic and other venues, and whose ideas diffused across the world.³ Prebisch's life is meticulously chronicled elsewhere (see Dosman 2008); here I provide a selective outline of his career, focusing on the most relevant elements for GPE.

Although Prebisch is most closely associated with international trade, he in fact first came to international prominence in the field of finance. In the mid-1930s Prebisch was appointed chief officer of the Central Bank in his native Argentina, an institution he had designed and built from scratch. In this role Prebisch pioneered an activist, counter-cyclical monetary policy and import controls that revived the Argentine economy after the Great Depression. Prebisch's unconventional yet successful policies transformed him into a national and international figure, celebrated as one of the leading financial thinkers of his time, and commanding equal respect and praise among the economics profession and central and private bankers. A changed political climate in Argentina forced Prebisch out of the Central Bank in 1943. This event prompted Prebisch's first forays into international policy diffusion; for several years he advised Latin American countries keen to replicate his successful monetary policies. This included a money-doctoring mission to Paraguay in 1945 on behalf of the US Department of Treasury to aid the country in setting up its central bank (see Helleiner, this volume). Money-doctoring missions in the 1940s, which included legal and technical support to establish central banks in developing countries, were pivotal to paving the way for the Bretton Woods international financial order.

Prebisch spent the latter part of the 1940s teaching economics at the University of Buenos Aires, during which he worked on numerous studies of economic growth, trade and money. Yet by 1949 Prebisch was back in the economic policy game, this time at the regional level, when the UN tasked him with first setting up and later leading the Economic Commission for Latin America (ECLAC⁴) in Santiago, Chile (a position he held until 1962). It was in this context that Prebisch presented his ground-breaking study, *The Economic Development of Latin America and its Principal Problems* (1949) that laid out the Prebisch-Singer thesis. Prebisch's theory was highly original because it showed that commodity-exporting developing countries experienced declining terms of trade over the long-run, meaning that the economic gap between core and periphery countries would grow rather than narrow over time. The Prebisch-Singer thesis was highly controversial as it challenged the theory of comparative advantage and the assumption that developing countries should specialize in commodity production in order to benefit from free trade (Kay 2005). He ushered in a new approach to the study of the world economy, structuralism, which was based on the experience of developing countries (unlike most other

social science that generalized exclusively from the experience of the West) and centred on the inherently asymmetric relationship between core and peripheral economies. These ideas literally changed the world with Prebisch's new analysis of international trade providing a theoretical and empirical foundation to support state-led rather than market-led economic development in the developing world (Hirschmann 1958; Toye and Toye 2003; Kay 2005). At ECLAC, Prebisch and his team provided the theoretical justification and designed the blueprints for state-led import-substitution industrialization (ISI), which was widely implemented across Latin America throughout the 1950s to 1970s. Less appreciated is the wider reach of Prebisch's analyses and prescriptions to other regions of the world, most notably to the East Asian Miracle, where governments most closely followed the path actually prescribed by Prebisch – initial selective ISI followed by a gradual shift toward export-oriented industrialization – with remarkably successful results (Amsden 2004). Prebisch's structuralist approach, which established the concepts of core-periphery and development-underdevelopment, also had a deep influence on the production of knowledge, with many aspects of his approach later adapted and extended across the social sciences.⁵

Prebisch's global profile reached its height in the late 1960s after he took up the helm of UNCTAD. The institution, which was Prebisch's brainchild, was instrumental in unifying developing countries into a cohesive political bloc on international economic issues (Toye and Toye 2005; Dosman 2008). Under Prebisch's leadership, UNCTAD became a new site of multilateral trade negotiations that provided developing countries with a credible threat of exit from the General Agreement on Tariffs and Trade (GATT). As a result, according to Robert Hudec (1987: 42), the inter-institutional competitive dynamic resulted in a 'permanent shift in the emphasis of the GATT's relationship with developing countries' with the GATT agenda eventually shifting to accommodate developing countries' priorities for market access. Moreover, Prebisch also transformed UNCTAD into an agenda-setter by instilling the institution with an activist bureaucratic culture geared toward challenging rather than maintaining the status quo of the international economic order. This involved norm-generating work such as elaborating the principle of non-reciprocity in trade relations; it is the idea that developed countries should be treated differently and have less obligations due to their lower level of economic development. In addition, Prebisch initiated forward-looking, evidence-based policy research, including the first-ever studies on the restrictive business practices of transnational corporations (TNCs). In turn, many of the ideas generated by UNCTAD on trade, such as special and differential treatment, became incorporated into the rules of the GATT (see Hannah and Scott, this volume). It was also during this dynamic period of UNCTAD's history that Prebisch coined the idea of a New International Economic Order (NIEO). As is well known, the efforts to construct the NIEO became the first major North-South political contest over control of the world economy. Prebisch's ideas had a major influence on the demands of developing countries, many of which were based on a structuralist interpretation of the world economy, and his leadership positioned UNCTAD as the main institutional vehicle for negotiating a North-South compromise for fairer economic relations (Kay 2005: 204; Dosman 2008).

This recap of Raúl Prebisch's career shows us that he played different roles – central banker, money-doctor, scholar, diplomat, UN functionary, and leader of the developing world, to name but a few. As a result of these varied professional experiences, the question of who Prebisch 'was' cannot be simply reduced to any single answer. This forces us to think of Prebisch differently than how he is typically presented in GPE, which is solely as a development economist. This is too narrow because Prebisch remains far more than a development economist.

Only by treating his multiple roles and influence as a collective whole does it become possible to identify and situate Prebisch's diverse contributions.

Constructing the Global Political Economy: Prebisch seen through the prism of ideas, agency and institutions

Prebisch stands out because he straddled roles as a theorist and practitioner, often simultaneously. As such, he was an individual who directly contributed to *constructing the global political economy* we inhabit today. The use of the term 'constructing' here has a double-meaning. This first use of the term is a deliberate reference to Constructivism, acknowledging the importance of ideas and inter-subjectivity in shaping beliefs, expectations and shared understanding of the material world 'out there'. Many of Prebisch's ideas are associated with his time working for the UN; and one of the UN's major contributions is the generation of ideas (Jolly, Emmerij and Weiss 2009). I have already discussed above how Prebisch's structuralist approach changed how the world economy was understood. However, from a GPE perspective, what makes Prebisch's ideas particularly significant is that they influenced the real-world policies and practices of states and in the process of doing so *altered the structures* of production and trade. For example, his prescriptions for state-led industrialization resulted in policy change and economic restructuring across Latin America (Hirschmann 1958; Cardoso 1977; Pérez-Caldentey and Vernengo 2007), East Asia (Amsden 2004; Wade 2010) and the African continent (Adebajo 2013). Likewise, his formulation of the concept of non-reciprocity influenced the norms and rules of the multilateral trading system (see Ho, and Hannah and Scott, this volume), leading to material changes in world trade flows. In other words, Prebisch's ideas not only transformed understandings of how the world economy worked, but they also ultimately changed how the global political economy actually worked in practice.

The second use of the term constructing the global political economy is in the literal sense – the act of building or designing. Prebisch was not only a leader of organizations such as ECLAC and UNCTAD, he was the driving force in articulating the need for these institutions, convincing states to support their establishment, working to define their institutional goals and missions, and fostering an activist approach for their bureaucracies to redistribute the world economy's benefits to the global South. The fact that ECLAC and UNCTAD came into being despite major Western resistance, and secured ambitious mandates, is a testament to Prebisch's ability to successfully mobilize developing countries into an effective political bloc for the first time in history, and navigate and surmount the politics of the UN machinery, Cold War rivalries, and a fragmented Third World (Dosman 2008; Toye and Toye 2005).

Ideas, Agency and Institutions

Prebisch's contributions span ideas, agency and institutions. An analytical 'prism' that considers the role of ideas, agency and institutions as cross-cutting themes permits us to better flesh out Raúl Prebisch's significance for GPE. Just as a glass prism disperses light to reveal its constituent spectral colours, the analysis of ideas, agency and institutions is a means to bring into focus different core elements. This approach fits well with contemporary GPE scholarship, which employs a diverse conceptual toolset that permits us to study ideas, agents and institutions, either in isolation, as relational, and/or as constitutive of one another.

Prebisch was a highly productive and important generator of ideas. He produced both academic ideas that explained features of the world economy – such as the concepts of core-periphery and the declining terms of trade for commodity exporters – but also ideas that were directed towards changing international norms, law and practices. In the case of non-reciprocity, this was an idea that Prebisch significantly advanced as a concept and worked to translate into a norm of the multilateral trading system. States were slowly socialized over time to accept non-reciprocity as appropriate behaviour in international economic relations, through a process that Prebisch orchestrated while at ECLAC and UNCTAD, and that eventually, after fractious political contests between developing and developed countries, assumed the form of specific principles and rules at the GATT. Today the norms of non-reciprocity and special and different treatment are deeply ingrained in the practice and study of international economic relations. Indeed, recent attempts to reverse this norm in the context of international trade and investment agreements has resulted in renewed North-South conflict (Shadlen 2005; Chang 2006; Gallagher 2011). Prebisch's ideas have also become part of everyday, taken for granted knowledge. This is evident, for example, in the framing of debates about economic globalization. Oft heard critiques of the built-in unfairness of the world economy or the inordinate power that TNCs exert over developing countries – these concepts have their origins in Prebisch's pioneering work. Indeed, Prebisch's ideas, though rarely acknowledged, continue to shape anti-systematic critiques and animate transnational advocacy seeking to tame economic globalization (see Broad and Heckscher, this volume).

In addition to a generator of ideas, Prebisch was also an agent of change in the global political economy. He was a leader of developing countries who had the ability to persuade key actors (such as heads of state, foreign ministers, and the UN leadership) to support his vision and plans for global economic governance. Prebisch exercised a strong form of agency because he enjoyed both expert authority – developing country governments acknowledged him as a key thinker who understood and tried to solve their economic problems – and moral authority – because as a UN leader he was a vocal critic of the unfairness and hypocrisy in North-South economic relations. Prebisch's leadership of international institutions stands out because it was highly activist and sought to change the status quo. He challenged the commonly held view at the time that the UN should be neutral in order to be an honest-broker. In the context of stark economic and political asymmetries among developed and developing countries, he concluded that passive neutrality was nothing less than hubris that worked towards entrenching existing power relations. It is precisely Prebisch's style of Southern-led, activist leadership in global economic governance that Western states subsequently made a priority to suppress. They have done so actively since the late 1970s by limiting the appointment of UN senior officials to those with Western-friendly views and resisting pressure to open up the leadership of the Bretton Woods to non-Western candidates (see Wade this volume, as well as Weiss 1985; Pollock 1998; Bello 2000).

Prebisch contributed to creating international institutions that actively sought to remake the global political economy. If the International Monetary Fund (IMF), World Bank and World Trade Organization (WTO) are in Ngaire Woods' (2006) formulation 'globalizers' seeking to free markets, then ECLAC and UNCTAD have served as counter-weights seeking to civilize globalization. While ECLAC and UNCTAD have undergone many internal and external changes since Prebisch's time, these institutions remain outposts for the production of alternative ideas to neoliberal orthodoxy. Even decades later these institutions continue to regularly offer heterodox prescriptions on economic policy and governance. This is visible, for example, in ongoing

contests over the future of special and differential treatment in the multilateral trading system. This was an issue Prebisch put on the international agenda. Disagreements among developed and developing countries over the future of special and differential treatment have been the most contentious issue in the WTO Doha Round. UNCTAD has played a major role in these contests by articulating the need for developing countries to retain policy space in order to achieve economic development; developing countries have successfully employed the concept of policy space at the WTO negotiations in order to maintain existing trade flexibilities and also negotiate for new ones (see Hannah and Scott, this volume).

GPE today: ‘Peripheralising’ Prebisch?

A central claim of this book is that that GPE has peripheralised Prebisch. While he is not entirely ignored, the field does not treat Prebisch’s ideas as having made a significant contribution or as central to the study of the global political economy. This is evident in examining how Prebisch has been presented in the teaching of the field and in the field’s own narratives about its historical development and contemporary status.

One way the peripheralisation of Prebisch takes place is through how the field is presented in GPE textbooks. Textbooks matter because they offer the neophyte a stylized treatment of the history of the field and the state of the so-called big debates. I analysed the main GPE textbooks on the market for undergraduate and graduate teaching.⁶ Six out of the nine textbooks discuss Prebisch, suggesting a majority view that Prebisch is part of the study of GPE. The most typical representation of Prebisch is as a key Latin American thinker who was the precursor to, or in some accounts part of, the Dependency School and other related critical approaches. While it is correct that Prebisch’s concepts of core-periphery and development-underdevelopment were extended and adapted by subsequent generations of scholars, in fact, he stands apart from this group because his approach was not Marxist or anti-capitalist but always rooted in economic liberalism.

Also problematic in the GPE textbooks is a misrepresentation of Prebisch’s ideas and their relevance to major debates in the field. Despite the ubiquitous association of Prebisch with ISI, often forgotten in the retelling is that he held strong reservations about this policy. Prebisch advocated ISI as a pragmatic response to the specific historical realities faced by developing countries in the post-war order. He correctly identified the fact that the North’s selective liberalization and continued use of tariffs and other trade distorting measures limited the opportunities for export-led industrialization by the South. Prebisch himself indicated that ISI was a suboptimal option, which would ideally be implemented on a temporary basis to enable developing countries to jump up the development ladder by fostering infant industries and enabling them to compete internationally (see Ho, this volume; see also Sprout 1992). Presenting Prebisch as a proponent of autarky is thus erroneous, because what he in fact advocated was a developmental state that would plan and lead industrial development towards the goal of export competitiveness.

In addition to incorrectly portraying Prebisch’s views on ISI, GPE also tends to trivialize his ideas. There is a general tone of dismissiveness towards ISI in GPE textbooks, which typically portray this period of state-led economic policy experimentalism as a failure. However, this account is highly problematic, given major disagreement in the literature over how to measure the success or failure of ISI.⁷ Contrary to the predominant narrative of failure, ISI

policies in Latin America ushered in decades of growth, promoted industrial catch-up, and improved the general standard of living (Birdsall et al. 2010). In East Asia, ISI was foundational to the gradual transition to export-led growth and the rise of the newly industrialized countries such as Taiwan and South Korea (Amsden 2004). While ISI policies went out of favour in the late 1970s and 1980s, and even Prebisch himself was highly critical of governments that did not transition from ISI to exports, to suggest that ISI on the whole was a failure is disingenuous. The ISI era remains one of the few times when large numbers of developing countries were able to successfully narrow the economic gap with the West. This demonstrates how rare and difficult catch-up is. Nor should it be forgotten that most countries that abandoned ISI ended up performing worse under neoliberal policies (Bayliss, Fine and van Waeyenberge 2011; Saad-Filho 2013; UNCTAD 1997; UNCTAD 2012).

The danger in presenting ISI as a failure is that GPE is uncritically reproducing a neoliberal discourse designed to delegitimize structuralist scholars such as Prebisch and undermine the state-led development paradigm. Neoliberal accounts attribute the economic decline of Southern economies primarily to ISI, however, they understate the significance of external factors, such as the energy price shocks and petro-dollar fuelled debt crisis, in the deterioration of developing countries' macroeconomic conditions. In other words, it was the combination of both internal and external conditions, not just ISI, that caused developing countries to abandon state-led development in exchange for structural adjustment. The neoliberal revolution was not just about dismantling the welfare state in the North but a global project seeking to discipline and unmake the developmental states of the global South (Bair 2009). In short, standard accounts of ISI in GPE textbooks too readily treat an ideological narrative as 'fact'.

Looking beyond teaching GPE, there are several other ways Prebisch has been peripheralised. Prebisch does not fit easily with recent work to narrate a common intellectual history of the field. Kicked off by Benjamin Cohen's (2008) pioneering work on the transatlantic divide between American and British GPE, a major debate ensued over who constitute the key thinkers in the field, and the epistemological, ontological and methodological differences between transatlantic traditions as well as those of other schools (Blythe 2009; Murphy 2009; Phillips & Weaver 2010; Chin et al. 2013; Johnson et al. 2013; Hobson 2013a).

With respect to 'who counts' as a key thinker in GPE, Prebisch has never been considered in this category. Yet the fact is Prebisch was an original and influential theorist of the global political economy. Prebisch developed an analytical framework to understand the global economy as a single unit; thus, he offered insights into the structural asymmetries faced by all developing countries. He also wrote extensively on unequal gains from international trade, argued for the developmental state, diagnosed the unfairness built into multilateral trade rules, analysed the implications of global economic crises for developing countries, and launched research agendas on the power of TNCs (including how to regulate them) and the role of technology transfer in fostering development. Because the field has tended to view Prebisch as a development economist, the field has largely ignored many of his later works and thus the degree of his intellectual affinity with GPE has not been appreciated. In later works such as *Capitalismo Periférico*, Prebisch incorporated an analysis of US hegemony, social classes and financial deregulation to explain structural outcomes in the world economy (see Rivarola Puntigliano, this volume; also Sprout 1992). His consideration of such political factors shows that Prebisch's own work addressed themes that we would today recognize as engaging in similar terrain to that of Realist and neo-Gramscian traditions in GPE. Prebisch should be considered a key GPE thinker

because he both contributed foundational ideas that have shaped how the field understands the world economy but also because his intellectual trajectory evolved to eventually encompass a truly GPE perspective incorporating the interrelationship of economics and politics.

GPE has not counted Prebisch as one of its own. Part of the reason for this may stem from Eurocentric tendencies in the field; GPE has difficulty looking beyond the West for its intellectual origins (Hobson 2013). As a Southern and critical scholar, it is not surprising that Prebisch has been overlooked as being among the field's core thinkers given that GPE has a history of relegating Southern, critical scholarship to the margins of the field (Murphy 2009). For GPE, publishing English-language books and articles and holding a tenured post in the universities of the North are criteria used to determine who counts. This excludes thinkers such as Prebisch who do not fit the mould of the conventional scholar; he spent most of his career outside academia and spoke to a large and diverse audience. Prebisch's exclusion as a key GPE thinker signals the continued challenges involved in fostering a more global and representative field (see Philips 2005).

Prebisch is also peripheralised by GPE's ongoing efforts to subdivide and compartmentalize the field into discrete nationally/regionally-based traditions. Whereas the initial 'schools debate' was myopically focused on the transatlantic divide among British and American schools of GPE, subsequent work has sought to pluralize GPE by incorporating a wider range of traditions such as Canadian, Chinese, Latin American, and African GPE (see Blyth 2009; Chin et al 2013; Cohen 2014). While such efforts to move beyond transatlanticism should be commended, there is something artificial about lumping diverse thinkers together based on geography. In Prebisch's case, there has been a recent tendency to place him into a 'Latin American school' of GPE, which overemphasizes Prebisch's early writings on structuralism and his role as an originator of this approach (Palma 2008; Love 2009; Cohen 2014). The structuralist school is often associated with the ISI era during which ECLAC was a highly influential voice. The region's subsequent pendulum shifts towards neoliberal economic policies in the 1980s and 1990s and the renewed vigour of the commodity export model since the 2000s are taken as evidence that structuralism as a paradigm is today irrelevant and, by extension, so are Prebisch's ideas. However, this interpretation is conflating two different things: GPE should be careful to differentiate between structuralism as an analytical framework – which continues to offer insights for understanding asymmetric relationships among states in the global political economy – and the historically-specific epistemic community that was housed within ECLAC and provided economic policy prescriptions for Latin America.

GPE's selective account of its own origins also works in subtle ways to peripheralise Prebisch. The conventional story told about the origins of GPE is that it emerged in the late 1970s/early 1980s because of a dissatisfaction with International Relations' (IR) inability to explain the economic dimensions of world politics. In reality, what spurred the development of GPE was not so much a 'gap' in the IR literature but instead a reaction to unprecedented changes taking place in the politics of the world economy at the time – the energy crises and Southern assertiveness in the form of the NIEO. In other words, GPE's appearance as an intellectual project had a lot to do with scholars seeking to come to grips with the world Prebisch had constructed (see Cox and Jacobson 1973; Cardoso 1977; Cox 1977; Ruggie 1982; Jacobson et al 1983; Murphy 1983; Krasner 1985; Sikkink 1988). To illustrate this point let us consider some of the key first-generation GPE thinkers and books. Stephen Krasner's (1985) influential realist contribution, *Structural Conflict: The Third World Against Global Liberalism*, centred on the great North-South encounter around the politics of the NIEO. Krasner acknowledged the

extraordinary and pivotal role of Prebisch in the global South's critique of the *Pax Americana* and, in particular, UNCTAD's role in fostering a coherent Southern discourse challenging the hegemony of the dominant liberal worldview of the time. Prebisch similarly occupied a prominent place in Robert Cox and Harold Jacobson's (1973) *Anatomy of Influence*, in which they analysed his role in transforming UNCTAD into a pressure group for developing countries to contest the international economic policy preferences of the North. Let us not forget that the global South's challenge to Western control of global economic governance through UNCTAD and the NIEO was one of the most significant turning points in the global political economy. It was this historically-specific juncture that gave rise to *the central problematique* of the nascent field of GPE, whose point of departure became the discord and conflict animated by the NIEO. Today it may be ever more difficult to fully appreciate the importance of these events, due to the NIEO's eventual collapse, but it was these events that provided the context that shaped the intellectual puzzles and research agendas that forged the field of GPE. This is not only evident in the works mentioned above but also in other prominent examples such as Robert Keohane's (1984) *After Hegemony* and in Susan Strange's work on structural power. Contemporary GPE has not sufficiently appreciated the link between Prebisch's contributions to constructing the global political economy and the emergence of GPE as an academic field of study. Prebisch's shadow looms large over GPE's origins and its subsequent development, and this should be recognized.

Extending GPE's analytical scope

A consequence of GPE's peripheralisation of Prebisch is that many of his insights have receded from the collective memory of the field. In practical terms, this means that GPE pays far less attention to topics and problems that Prebisch identified as central to understanding the workings of the global political economy. Yet, it is not that these topics and problems have gone away. In fact, quite the opposite is true, with the key issues that animated Prebisch's work – including both his intellectual outputs and political activism – once again highly significant in the global political economy. Below, I discuss two prominent examples, the recent commodities supercycle and the re-emergence of alternative, Southern-led global economic governance.

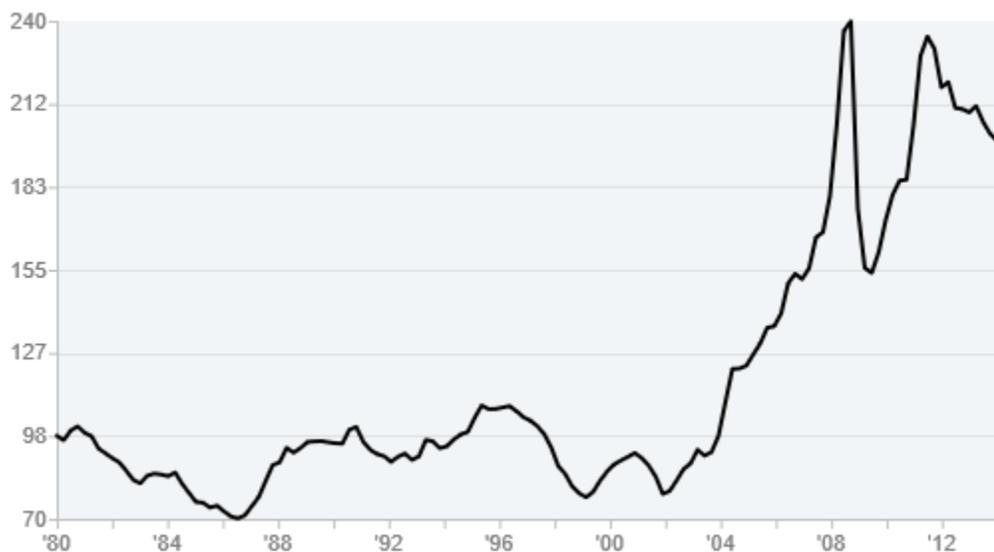
The Commodities Supercycle and Global Economic Restructuring

GPE can take several cues from Prebisch's macro-historical approach to the study of world production and trade in order to improve and refine the field's capacity for understanding structural changes in the world economy. Understanding structural change is an area of contemporary GPE scholarship that Robert Keohane (2009) has identified as a major weakness. Keohane's observation rings especially true in the case of the 21st century commodity supercycle. Prebisch was keenly interested in supercycles, which are highly significant for the study of GPE because they portend structural changes in production, trade and the global distribution of wealth and power. Earlier supercycles, such as the 1935-1960 supercycle of the war/post-war economy and the 1970s supercycle, associated with high food and energy price crises, each significantly reshaped the structure of the world economy and subsequently its politics. Prebisch studied supercycles because he was interested in how longer-term changes in commodity prices redistributed economic and political power among states. He was also

interested in the role of global economic governance institutions in shaping the rules that structure commodity trade at the global level.

The recent supercycle, which began in 2003 and lingers at the time of writing, is characterized by major price increases in energy, metals and agricultural commodities (Erten & Ocampo 2013). The supercycle went through a boom (during 2003-2007, with commodity prices at historical peaks), a bust (in 2008 coinciding with the global financial crisis) and then a period of recovery with prices for commodities below the peak but remaining above pre-2005 levels (see Figure 1). The commodities supercycle is widely recognized as a significant event in the world economy and associated with the return of the primary sector as once again a major driver of national economic growth. The causes of the supercycle have been heavily debated, with the key drivers identified being China's urbanization and industrialization and the sharp rise of financial speculative activity in commodities markets. Predicting the bust of the supercycle is a major concern within financial circles (see McKinsey Global Institute 2013) with the financial press frequently, and often incorrectly, pronouncing its end. For economists, the supercycle has revived interest in the Prebisch-Singer thesis with several recent studies confirming the continued deterioration of the terms of trade for tropical commodity exporters (Arzeki et al 2013; Erten and Ocampo, 2013; UNCTAD 2014). It has been argued that the recent supercycle is different because of the stickiness of prices above their pre-crisis levels (Canuto 2014) and a broad consensus that a 'new normal' of structurally higher commodity prices will be a feature of the world economy for the foreseeable future. Despite major policy, academic and popular interest in the supercycle globally, GPE has barely registered its existence, let alone made significant intellectual interventions.⁸ GPE's relative silence on such a major event in the world economy is troubling. It confirms Clapp and Helleiner's (2012) observation that the field today exhibits a diminished capacity to study commodity-related developments. This is in sharp contrast to GPE in its earlier days when scholars followed commodity problems with interest.

Figure 1: Commodity Price Index for all major commodities 1980-2014 (Jan 1980 = 100)⁹



Source: McKinsey & Company (2015)

The current supercycle has made *reprimerization* an attractive national economic strategy in both the global North and South (Veltmeyer 2012; Ayelazuno 2014; Kröger 2014; Grinspun and Mills 2015). Since the start of the supercycle, high commodity prices have incentivized a diverse group of states to shift their economic priorities toward scaling-up investments in resource production and extraction. This has not only altered domestic political economies but also had global ramifications with states such as Brazil and Russia translating resource wealth into international political influence (Wilson 2015; Hopewell 2016). Reprimerization has also been integrated into the global development agenda with the Group of Eight (G8), World Bank and UN system, now increasingly working with the private sector, encouraging developing countries to refocus on primary exports. This is most highly visible in agriculture, which for decades was regarded as the ‘backwards sector’, but where recent high food prices have made steering investment and biotechnology into developing countries an international policy priority in the name of economic development and food security (Lang & Barling 2012; Margulis et al 2013; World Bank 2008; FAO 2012). Drawing on Prebisch’s insights, this raises major questions about how the turn to reprimerization will shape the global political economy going forward: will an eventual bust trap commodity exporters into new relationships of dependency or, if global resource scarcity intensifies, will this enhance their structural power and ability to claim benefits from the global political economy (see Pérez Caldentey and Vernango, Kaplinsky and Farouki, this volume)?

A second aspect where GPE would be strengthened by paying greater attention to the supercycle is the changing relationship between commodities and financial markets. It is well documented that the supercycle’s 2006-2008 boom immediately followed a sharp spike of financial investment in commodity futures. A major debate among economists on the financialization of commodities has ensued, especially whether speculative financial investment was the most significant cause driving food prices to record-level highs (Baffes & Haniotis 2010; Gilbert 2010; Mayer 2012; Cheng and Xiong 2014; Henderson et al. 2014; Tadesse et al. 2014; Ederer et al. 2016). A trickle of GPE-oriented analysis has engaged with this debate, largely in support of the financialization of commodities thesis but also shedding light on other crucial dynamics, such as how the global financial crises eroded developing countries’ access to credit to finance food imports (Gosh 2010) and the increased presence and power of financial actors in commodity futures trading and global supply chains (Clapp and Helleiner 2012; Clapp 2014; Isakson 2014). The linkage between commodities and finance has wider implications for how we understand the present supercycle and the politics of its governance. Prebisch argued that a supercycle’s boom and bust, and hence the economic prospects for commodity exporters, were largely determined by the business cycle of the core economies. In other words, real demand was viewed as the most important factor influencing commodity prices and trade. However, the recent supercycle has demonstrated that financial activity now plays a significant role in mediating commodity prices. This calls for updating our understanding of the dynamics of supercycles to better incorporate the role of financial markets and actors in determining the direction, intensity and duration of price swings.

These new dynamics raise important questions for the prospects of governing commodities. Throughout the 1950s to 1970s, the main demand for international commodities governance came from producing countries concerned by low prices, and supply management schemes, such as the international commodity agreements negotiated at UNCTAD and championed by Prebisch, were the preferred response. Since 2008, the issue of price volatility and high prices, especially for agricultural commodities, has been the preeminent policy issue in

global regulatory debates (FAO et al. 2011). However, the linkages between finance and commodities makes regulation ever more difficult. As commodity markets become increasingly complex and unpredictable, in large part due to the entry of financial actors but also increasing consolidation and integration across the sector, calls for the reintroduction of global supply management of physical stocks appear less likely to be sufficient. Achieving financial reform that would minimize the volatility of commodity prices is also not a straightforward matter given the inordinate power of financial actors and their track record in blocking financial reregulation since the global financial crisis. There is also unwillingness to regulate the financial industry by key states such as the US and UK, especially in areas such as agriculture where speculative activity results in profits at home but where negative consequences are largely borne by distant food insecure populations in developing countries. All this points to the need for GPE to develop a better understanding of a *post-crisis* global political economy due to the intertwining of finance and commodities that is rescaling relations of power and dependence among commodity exporting states and financial markets. Commodities should once again be brought back into the core of GPE scholarship, and Prebisch's analysis provides a first port of call for scholars seeking to understand contemporary shifts in production and power.

Southern-led Global Economic Governance

The second area of research where GPE would benefit from greater engagement with Prebisch's ideas, work and institutional legacies is the return of the 'Third World' and accompanying new contests for control of global economic governance. GPE leads on research on the incorporation of emerging powers into global economic governance such as the displacement of the G8 by the Group of Twenty (G20), the emergence of Brazil, India and China as a new power bloc at the WTO, and increased voting shares for emerging economies at the World Bank and IMF (Wade 2011; Cooper and Flesmes 2013; Kahler 2013; Hopewell 2013, 2015). Other developments indicative of power shifts are the creation of new Southern-led financial institutions such as the New Development Bank (formerly known as the 'BRICs Bank'), BRICS Contingent Reserve Arrangement (CRA), and the Asian Infrastructure Investment Bank (AIIB) as alternatives to the Bretton Woods system (Chin 2014; Bond 2016).

There are important parallels between the current rise of emerging powers and previous efforts by developing countries to challenge the status quo in global economic governance. Whereas the new Southern-led institutions are not entirely analogous to the past (e.g., the New Development Bank is not universalistic or under the umbrella of the UN system), we can learn from Prebisch's leadership of alternative, Southern-led institutions. Consider that popular discourse paints these new institutions as direct challengers to the Bretton Woods status quo led by the North. The case of UNCTAD is instructive. Despite the highly charged North-South political rhetoric on trade issues in the 1960s and 1970s, and efforts to position UNCTAD as an alternative to the GATT, Prebisch did not regard or manage the UNCTAD-GATT relationship as solely one of rivalry but rather also as one of complementarity. UNCTAD permitted space for discussion and negotiation on issues that were not possible at the GATT due to the asymmetry of bargaining power. Making the GATT work better for developing countries was one of Prebisch's key objectives and to this end he engaged in a successful strategy of transferring norms and rules generated within UNCTAD out into the GATT. This should alert GPE that what might appear as so-called rivalry among global economic governance institutions requires further unpacking. This is not to argue that South-North rivalry is not important, but taking cues from the complexity of the UNCTAD-GATT relationship, it is suggested that a more open perspective be

taken that looks for relational dynamics such as inter-institutional transfers of ideas and norms and cooperation as well as conflict among institutions as part of a new South-North politics of co-steering the world economy.

Description of chapters

The following chapters are organized into three thematic sections that highlight the multiple contributions of Prebisch's ideas, actions and institutional legacies to our understanding and study of the global political economy. Each section includes a set of chapters organized along three overarching themes: a critical reinterpretation of Prebisch's ideas and actions; Prebisch's institutional legacy and its continued relevance for understanding the workings of power in global economic governance; and extending Prebisch's analytical framework, as well as assessing its limits, to understanding contemporary developments in the global political economy.

Prior to providing a detailed description of the chapters below it is important to flag certain characteristics of this collection. Contributors to this book come from a range of disciplinary backgrounds: political scientists, international relations scholars, sociologists, economists and historians are all represented here. There was a conscious decision to ensure that 'Prebischistas' (i.e., Latin American scholars whose research orientation is heavily shaped by Prebisch's economic theories) were represented in the collection. But no single disciplinary approach or perspective dominates the collection in order to foster new ways of looking at Raúl Prebisch's contributions and provoke debate about the state of GPE. This pluralist approach is evidenced in both the diversity of perspectives and methodological approaches used to capture the richness and complexity of Prebisch's ideas, agency and institutional legacies.

Prebisch as architect and theorist of the global political economy

The chapters in the first thematic section extend our understanding of the following two aspects of Prebisch's most well-known roles: as a theorist of the global political economy and an actor in global economic governance. A common feature of the chapters in this section is that they shed light on several of Prebisch's contributions that are less well known but of central importance to our understanding of the global political economy.

Eric Helleiner's chapter provides an alternative account of the creation of the Bretton Woods institutions: the International Bank for Reconstruction and Development (i.e., World Bank) and the IMF. Whereas the tendency for GPE scholars has been to understand this crucial post-war institutional development as an exclusively American and British affair, Helleiner demonstrates that Latin America was a principal audience for the US's plan for the post-war financial order. Indeed, the very design of the Bank and Fund were partially an extension of existing inter-American practices to the global level. Although Prebisch was not present at the Bretton Woods negotiations (the Argentine government continued relations with Nazi Germany and thus was not invited to the conference), he was directly involved in preparing the groundwork for the post-war financial order. Prebisch's cooperation with the US Treasury and money-doctoring work he undertook on its behalf helped lay the groundwork for Latin America's integration into the post-war financial order. This account of Prebisch as working in support of the Bretton Woods institutions is surprising because he is largely known for being a critic of the Bank and Fund. Helleiner's chapter shows that this criticism was not immediate nor

was it based on a straight rejection of the goals of Bretton Woods. Rather, Prebisch's criticism was born out of the failure of the Bretton Woods institutions to deliver on their development objectives in the ensuing years.

Peter Ho challenges the mainstream narrative of Prebisch's support for ISI. Ho argues that the vilification of ISI and Prebisch that took hold in the 1970s and continues today are problematic because they equate Prebisch with the policies and experiences of countries over which he had no direct control – something akin to faulting Karl Marx with the economic decline of the Soviet Union. Such vilification has also left in its wake an inaccurate account of Prebisch's own ideas on the role of ISI in economic development. As Ho demonstrates, based on a deep reading of Prebisch's writings, ISI was proposed as a pragmatic but short-term strategy to scale-up the availability of capital and technological innovation, which was to be followed by a gradual, sequential insertion of developing countries into the international trading system. Ho argues that this important dimension of Prebisch's views on ISI – that it was an intermediary phase to be followed by exports and international competition – challenges the neoliberal depiction of his ideas as promoting delinking from the international economy. In fact, Prebisch himself was a major critic of developing countries that used ISI to protect inefficient industries instead of fostering international competitiveness. He repeatedly warned about the 'fossilization of the state' during his time at ELCAC and UNCTAD. The chapter challenges popular misconceptions of Prebisch ideas and his views on ISI, which were far more critical than one would expect from the so-called 'champion' of ISI.

In his chapter, Andrés Rivarola Puntigliano examines a less well understood aspects of Prebisch's core-periphery schema. What Rivarola Puntigliano shows is that Prebisch's conceptualization of core-periphery changed markedly over time, from an original focus on economic variables to later including political, social and even cultural dynamics. Whereas GPE as a discipline claims its origins in dissatisfaction with the lack of consideration of economic variables in political analysis, for Prebisch, his intellectual dissatisfaction came from the lack of attention to political variables in analysis of the world economy. This 'liberation from economics' was influenced by his lived experiences at ECLAC and UNCTAD. Overtime, Prebisch placed greater importance on political and other forms of structural power, in particular 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.

The final chapter in the section by José Briceño Ruiz considers Prebisch's contribution to regionalism. He demonstrates how Prebisch launched ECLAC's work on a coordinated and collective approach to regional economic integration. The chapter thus squarely places Prebisch's ideas and institutional legacies as an important, yet acknowledged, contribution to the debates about regionalism. As Briceño Ruiz points out, Latin America has a long history of regional economic integration experiments that predates the creation of the European Community. However, the 1950s and 1960s were an important period that saw the negotiation of the Central American Common Market, the Latin American Free Trade Association and the Andean Pact. ECLAC played a major role in fostering such regionalism. It articulated a vision for a Latin American common market that emphasized regional development and social equity, and provided the technical and analytical support for states in their negotiation of regional agreements. Briceño Ruiz observes that the ascendance of the Washington Consensus in the 1980s and globalizing of Latin American economies disrupted the regional project's thrust,

prompting ECLAC to adapt and modify the Asian-Pacific idea of ‘open regionalism’ and apply it to a Latin America operating in a more globalized economy.

Power and Resistance in the Global Political Economy

The second section considers the role of Prebisch’s ideas and institutional legacies in contemporary global economic governance. Ultimately, Prebisch’s attempts to understand power asymmetries in the world economy had a social purpose: to challenge such imbalances in order to improve the material standard of living for people across the global South. The chapters in this section consider how Prebisch’s legacies remain alive today by analysing *ongoing* contestation in global economic governance.

In their chapter, Robin Broad and Zahira Heckscher situate Prebisch’s contribution to the study of GPE by embedding him in the study of transnational advocacy on economic issues. They consider three historic waves of economic integration that provoked different forms of cross-border resistance and corresponding theoretical frames employed by anti/alter-globalization movements. Broad and Heckscher argue that Prebisch’s influence on the contestation of economic globalisation is particularly important to understanding the rise of transnational advocacy in the 1970s against the global reach of TNCs and the policies of the World Bank and IMF. UNCTAD’s early work on TNCs laid the foundations for the critique of unfair business practices and the idea of subjecting them global regulation. These ideas have continued to animate the politics of alter-globalization over time, ranging from global civil society’s successful resistance to the proposed 1997 Multilateral Agreement on Investment to the 2000 UN Global Compact. While Broad and Heckscher argue that Prebisch’s ideas may be understood as part of a longer historical pattern of social critique of capitalism, they also identify specific contexts in which Prebisch’s legacy remains strong. In particular, they note the importance of Prebisch’s structuralist approach in shaping the views of prominent Southern leaders in the alter/anti-globalization movement such as Martin Khor, Executive Director of the South Centre, and Walden Bello, founder of Focus on the Global South.

Robert Wade’s chapter argues that the growing economic might of the BRIC countries has not resulted in a power shift by pointing out that the global political economy continues to be dominated by the US in terms of rule-making and its continued structural power in finance, trade and technological innovation. These conditions make it difficult for the re-emergence of activist Southern leadership associated with Prebisch. Wade offers two instructive case studies to illustrate continued Northern resistance in this regard. The first examines recent events at UNCTAD, including the US and EU blocking of a developing country proposal for UNCTAD to be mandated to address the root causes and the impacts of the 2008 global financial crisis. He also shows how Western control at UNCTAD is exerted in the appointment of senior leadership to ensure that individuals favourable to Western economic prescriptions are selected as a means of stifling dissent from the inside. The second case reveals the politics of leadership at the World Bank. Although traditionally headed by a US citizen, there were expectations among the G20 that the leadership position would be open to an international pool of candidates during the 2012 presidential search. Wade explains why two highly qualified and prominent Southern candidates – Ngozi Okonjo-Iweala (a former Bank managing director and Nigerian finance minister) and José Antonio Ocampo (a former UN undersecretary general and, like Prebisch, a former head of ECLAC) – were defeated by the relatively unknown and inexperienced US candidate, Dr Jim Yong Kim. Wade argues that the ability of the US to retain the leadership, despite a lack of

unanimous support by the Bank's Executive Board for Kim, illustrated its willingness to use unilateral power to control leadership in global economic governance.

In their chapter, Erin Hannah and James Scott argue that UNCTAD's decline may be overstated. They offer an empirical analysis that demonstrates the organization's continued generation of development-oriented ideas and policies, showing how many of these have been transferred from UNCTAD to the GATT/WTO. As Hannah and Scott remind us, the flow-through of ideas began when Prebisch was at UNCTAD. They show this legacy continues by tracing how UNCTAD-developed concepts such as policy space and the formulation of new developing country categories such as Least Developed Countries, Small Island Developing States, and Small and Vulnerable Economies were incorporated into the WTO Doha Round as the basis for negotiating special and differential treatment and additional trade flexibilities. UNCTAD-generated ideas matter since several negotiation victories by developing countries during the Doha Round have been based on demands for policy space. Despite these successes, Hannah and Scott point out the difficulties associated with putting UNCTAD's ideas into practice. This includes institutional challenges, such as implementation of special and differential treatment that often falls short of developing countries' expectations and the proliferation of regional and bilateral trade agreements that is eroding developing countries' leverage and collective bargaining power. Hannah and Scott conclude that the mounting development challenges facing the global South will increase the demands on UNCTAD to keep generating alternative ideas.

Diagnosing structural change in the global political economy

How relevant is the Prebisch-Singer terms of trade thesis today and should states favour industrialization or primary exports? The debate on the matter remains far from closed. If anything, developments in the last decade have challenged many of the fundamental assumptions that inform national economic strategies. The chapters in this section offer competing readings of the commodities supercycle and debate its consequences.

In their chapter, Esteban Pérez Caldentey and Matías Vernengo revisit the Latin American and Caribbean region's recent economic boom to show what this reveals about development trajectories. Whereas the 1980s was a 'lost decade' and the 1990s associated with weak economic growth, the region experienced its highest average per capita growth rates in history during the 2000s. Pérez Caldentey and Vernengo unpack the statistical data to show that the Latin American boom (and subsequent slowdown) was principally driven by the supercycle. Their analysis reveals a decade-long process of reprimarization, which although resulting in a positive terms-of-trade balance for the region, has produced a new dynamic of economic dependence on China and greater vulnerability to price volatility via the financialization of commodities. More strikingly, Pérez Caldentey and Vernengo observe a bifurcation of development strategies within the region with South American countries reprimarizing and Central America adopting a de facto strategy of exporting people – migrants and undocumented workers. The onset of the Great Recession, while putting an end to the Latin American boom did not, however, produce an equivalent shift in development strategies. Pérez Caldentey and Vernengo conclude that Latin American economies' reliance on exporting commodities and people are not sustainable in the long-run and demonstrates that the region has yet to overcome the very same problems that Prebisch identified more than half a century ago.

Raphael Kaplinsky and Masouma Farouki revisit the terms of trade thesis and argue that Prebisch's insights were largely correct and remain relevant. However, they point to the

emergence of China as the world's largest economy as a game changer; its industrialization and urbanization are driving the demand for commodities globally. Another significant difference is that global value chains and transnational production have practical implications for how the terms of trade might be applied as an analytical concept in the 21st century; the fragmented nature of transnational production today renders the comparison between core exports of manufactured goods and periphery commodity exports incomplete for understanding trade and its consequences. Kaplinsky and Farouki show that this matters greatly for GPE analysis since states now specialize in specific value-added activities along the global chain rather than just in specific industrial or primary sectors. Kaplinsky and Farouki argue that updating our understanding of the terms of trade in light of structural shifts in the nature of production and trade forces us to rethink the idea of commodities as a developmental dead end. They point to new data that show that resource-dependent developing countries have grown more than other developing countries in recent years. In the context of increasing global demand for commodities and the shrinking of development policy space for industrialization, commodities as a development strategy may not be the worst among limited available options. Kaplinsky and Farouki remind us of the need to take seriously a global political economy that is in a major period of structural transition where some features of the world Prebisch knew remain but many other features and dynamics of global production and labour depart in significant ways.

In the final chapter, Kristen Hopewell's considers Brazil's recent economic transformation which has been a product of agricultural exports. Hopewell traces this development as a fortuitous outcome of earlier ISI strategies. In the 1970s, the Brazilian government made substantial investments in research and development to modernize its agricultural sector. Hopewell shows that whereas the original objective of this policy was to reduce food prices in order to create enabling conditions for state-led industrialization, ISI policies met with mixed success but the agricultural transformation was extraordinary. Hopewell argues that the Brazilian case is significant as it defies both the liberal theory of comparative advantage, because it was state-led innovation that reshaped Brazil's comparative advantage in agriculture, but also Prebisch's expectation that agricultural commodities are a developmental dead-end. Hopewell shows that the key piece to this puzzle is the important role of domestic technological innovation in agriculture, yet this too departs from the well-known East Asian experience where domestic technological innovation was in the industrial sector while Brazil's was in agriculture. On the one hand, Brazil's economic fortunes remain tied to world commodity markets, and its economy has been buoyed by the recent commodities supercycle. On the other, Brazil, has developed an internationally competitive agricultural sector that is increasingly exporting its technological know-how in commercial and aid deals abroad. In this way, Brazil has generated the domestic knowledge capacity Prebisch argued was instrumental for development yet it remains highly vulnerable to external shocks in commodities markets, which Prebisch identified as the essential weakness of commodity-dependent development. Hopewell is cautious on whether Brazil's path is replicable given its unique conditions, or even desirable given the considerable associated costs to ecosystems and biodiversity that have accompanied its agricultural transformation.

Notes

¹ It is called the Prebisch-Singer thesis because both Prebisch and Hans Singer are credited with coming to similar conclusions at the same time (see Toye and Toye 2003).

² This section builds on Dosman (2006; 2008); Kay (2005) and Toye and Toye (2003; 2005).

³ For an overview, along with a comment by Jagdish Baghwati, see Raúl Prebisch (1984) “Five stages in my thinking on development”, available at: <http://www.rrojasdatabank.info/pioneers7.pdf>

⁴ ECLAC, or CEPAL (its acronym in Spanish for *Comisión Económica para América Latina y el Caribe*), originally only covered the Latin American region. The institution’s mandate was expanded to cover the Caribbean (the “C” in ECLAC) in 1984.

⁵ Beyond economics, structuralism was a building block for other critical social science approaches to studying the world economy such as Dependency Theory and World Systems Theory.

⁶ Thomas Oatley (2016) *International Political Economy* 5th edition; John Ravenhill (ed.) *Global Political Economy* 4th edition (2014), David N. Balaam and Bradford Dillman, *Introduction to International Political Economy* 6th edition (2014); Benjamin J. Cohen (2014) *Advanced Introduction to International Political Economy*; André Broome, *Issues and Actors in the Global Political Economy* (2014); Theodore H. Cohn *Global Political Economy* 6th edition (2013); Robert O’Brien and Marc Williams, *Global Political Economy: Evolution and Dynamics* 4th edition (2013); Richard Stubbs and Geoffrey R.D. Underhill, *Political Economy and the Changing Global Order* 3rd edition (2006).

⁷ On the debate on ISI versus export-led industrialization see Bruton (1988), Amsden (1989), Wade (1990), Gerrefi and Wyman (1990), Weiss (1998), and Chang (2002).

⁸ One exception is re-emerging interest in the global political economy of energy (see Hancock and Vivoda 2014).

⁹ The commodity price index includes the following commodities: coal, gas, oil, uranium, bananas, barley, beef, cocoa, coffee, corn, fish, groundnuts, lamb, oils, oranges, pork, poultry, rice, shrimps, soybeans, sugar, tea, wheat, aluminium, copper, gold, lead, nickel, phosphate rock, platinum, potassium chloride, silver, steel, tin, tungsten, zinc, cotton, hides, rubber, sisal, tobacco, timber, wool.