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Abstract

The standard characterizations of import-substitution industrialization overlooks two important aspects: its "success" and its "failure" in terms of self-evident virtues or fatal flaws. This article examines the responses to international and domestic factors that shaped the model to restore economic growth and political order and are later formalized as models. In that sense, import-substitution industrialization had significant success for a number of decades. Secondly, given Latin America's situation of dependency, international economic crises before and after World War II and the characteristics of the world capitalist economy that emerged after the war had a significant impact on the rise and fall of import-substitution industrialization. However, there was considerable variation in the timing and sequencing of this impact and the extent to which these international factors affected the rise and fall of the model in Chile, Argentina, Mexico, and Brazil. Differences in domestic factors, such as state formation, party systems, and the social coalitions that supported and opposed import-substitution industrialization, account for that variation. Moreover, the decline of the model should be understood in terms of the degree of departure from industrial policy and inclusive social policy, not in terms of some intrinsic incapacity.



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