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# Inflation and Underdevelopment: ideas from the context of ECLAC's creation

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## Résumé

This article intends to explore the links between inflation and underdevelopment through the analysis of texts published amidst the context of ECLAC's creation, particularly in Latin America and Brazil. The post-war situation was not comfortable for most Latin-American nations that faced international trade imbalances, capital shortage and rising inflation. Authorities from the region had the perception that the global order established by the Bretton Woods system would be unfavourable to backward nations, forced to face an occidental leadership that performed continuous trade surpluses. The Economic Commission for Latin America and the Caribbean was created as a response to the demands of Latin-American delegations in the United Nations, and produced celebrated works on the characteristics of underdevelopment. The first ECLAC's publications set the center-periphery relation characteristics and described the deterioration of terms of trade in primary-exporting nations. Prebisch's analysis advanced on the consequences of this trend to economic stability and, in particular, to the internal price behavior. Price movements would be intrinsically connected to terms of trade fluctuations, largely affecting nations dependent on international trade. In the first section, this article depicts the context that originated the ECLAC and the debates on how to foster post-war Latin-American development. The second section analyses the first two ECLAC's publications – the Singer Report and the Latin-American Manifesto – with regards to the causes of inflation in peripheral nations. The last section analyses the repercussion of those publications in Brazilian and Latin-American debates over inflation and its relations with underdevelopment. The article uses a history of economic thought approach and quotes original contributions from the period under analysis.

**Mots-Clés:** Inflation, Underdevelopment, Latin, America, ECLAC, Prebisch

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