LECTURE 4

CLASSICAL DEVELOPMENT/UNDERDEVELOPMENT PARADIGMS

DEPENDENCY THEORY

What is dependency?

➢ The reliance on a person or something for support, survival or enhancement.

➢ In development studies dependency speaks to a situation in which a particular country or region relies on another for support, ‘survival’ and growth.

Q: So, is the dependency critique of world development relevant today?

Dependency Critique:

It is a neo-Marxist perspective that maintains that the developing countries are underdeveloped because of the activities of the developed countries. They argue that underdevelopment is primarily due to historical evolution of a highly unequal international capitalist system of rich-poor country relationship. Rich countries are intentionally exploitative or unintentionally neglectful.

The dependency theory holds that the ‘condition of underdevelopment is precisely the result of the incorporation of the developing economies into the capitalist world system which is dominated by the West and North America.

This theory emerged in the 1950s and is a critique of modernization. The theory argues that the classical theorists failed to recognize that imperialism, colonialism and neo-colonialism and sorely responsible for the development of the first world and the subsequent underdevelopment of the developing countries.
Features of the dependency theory.

- The existence of a capitalist world system.
- In this system, countries are divided into:
  - Metropoles and satellites
  - Core and semi periphery and periphery.
- The core countries or the metropolis are the rich industrialized countries of the world whose GDP and per capita income growth exceed 7% per annum.
- The semi-peripheries are the newly industrialized countries such as China, Taiwan, South Korea, Brazil, Venezuela, Mexico, Indonesia etc.
- The capitalist system operates in such a way that the peripheries/satellites provide raw materials for the core/metropole countries that process it and sell as manufactured goods. This forms the basis for dependency and underdevelopment.

Two underlying assumptions

- The international economy is conceived as a hierarchically ordered system of dominance with various mechanisms through which inequality is reproduced.
- The character of the periphery’s development has largely been a function of the way in which it was incorporated into the international division of labor.

A “new wave” of dependency writing focused on the relationship between state and foreign and local firms. There are two main lines of arguments.

- There is a transnational class coalition, which is “a triple alliance” of states, foreign firms and local firms.
- Foreign firms are the most powerful. Their power vis-à-vis local firms in the market and their dominant position in the economy constitute a fundamental constraint on national policy, thus resulting in a restriction
of choice among local development options.

**Historical perspective of dependency**

- It all begun with the emergence of Europe’s drive to capital accumulation beginning around 1500AD.
- This drive led them to colonize Latin America, the Caribbean, African and East Asian States.
- There was a lot of wealth extraction (in the form of natural resources and capital) from the colonies that resulted in stagnation.
- The subsequent transfer of wealth to Europe facilitated industrialization and development. *(Refer to Walter Rodney: How Europe underdeveloped Africa)*.
- Even after independence, there is the persistent culture of dependency; with the developing world being mainly products of raw materials while the developed countries being manufacturers.

In general, the theory of dependence holds that both political and economic dependency are inversely and significantly related to economic prosperity, that is the more dependent countries are, the less prosperous they are.

**Solution:** In order for those underdeveloped countries to develop, they must disassociate themselves from all relations with the first world.

**Criticism of Dependency**

- The theory views economic growth as the main component of development.
- If Western Colonialism and Imperialism are the main reason for underdevelopment in the poor countries, what about China and Ethiopia who were never colonies of the west?
- The idea of underdeveloped countries dissociating themselves form the
The first world is impractical: their relationship is not dependent but interdependent! How about globalization.

- The theory does not explain the relevance of the situation of the new international division of labor.

Is the dependency theory relevant in the world development today? Yes / No.

More importantly the theory explains that development does not occur in isolation, but a number of internal and external factors condition it.

**Weaknesses of dependency perspectives**

- Dependency can also be a result of national policies. The conduct and performance of MNCs is only an intervening variable between policy choices and economic outcomes.
- The view overestimates the importance on foreign direct investment (=MNCs) and rests on extremely restricted view of how international system constrains state behavior.
- Dependency theory is too economistic and apolitical. It ignores political and military considerations which also influence national policy.
- Dependency theory neglects the significance of domestic politics and the wide variation in state responses to similar situations of dependency. Its structuralist focus draws attention away from an examination of political forces shaping national policies.
Modernization Theory and the Culture of Dependency among Third World Democracies

Modernization theory is a description and explanation of the processes of transformation from traditional or underdeveloped societies to modern societies. Gaining popularity in the 1950s, modernization theory has been one of the major perspectives in the sociology of national development and underdevelopment. Its primary attention was focused on ways in which societies become modern (or westernized) through economic growth and change in social, political, and cultural structures. Eisenstaedt (1996) states that, “Historically, modernization is the process of change towards those types of social, economic, and political systems that have developed in Western Europe and North America from the seventeenth century to the nineteenth and have then spread to other European countries and in the nineteenth and twentieth centuries to the South American, Asian, and African continents (p. 1).”

At its core modernization theory contends that advanced industrial technology produces not only economic growth in developing societies but also other structural and cultural changes. As societies become modern, proponents of modernization believe that its institutional structures and individual activities become more highly specialized, differentiated, and integrated into social, political, and economic forms as characterized by advanced Western societies. (The-Crankshaft Publishing, 2010). Development through the prism of modernization theory envisioned the diffusion of modern
values through education and technology transfers to non-western elites (Leys 1996).

Chief Elements of Modernization Theory

There are three main historical elements that favoured the inception of modernization theory according to Alvin So (1991) following the end of the Second World War.

i. Rise of the USA as a super-power;

Not weakened by the Second World War, the USA became a world leader exemplifying this in the Marshall plan—a blueprint for Europe’s reconstruction. According to Novelguide (1999) To be a superpower, a nation needs to have a strong economy, an overpowering military, immense international political power and, related to this, a strong national ideology. This is basically how the USA emerged after WWII.

ii. Spread of a united world communist movement;

The former Soviet Union spread its influence across Eastern Europe, China and Korea after WWII. They engaged in rapid expansion of the national and international structures in order to make their mark. While the USA represented the ideology of Capitalism, the Soviet Union represented the
ideology of communism as reflected in the NATO and Warsaw Pact military alliances (RoseInFist, 2009).

The above roman i and ii represented a bipolar world. The two opposed each other ideologically, politically, militarily, and economically (Ibid).

iii. Dis-integration of European colonial empires;

This happened in Africa and Latin America, resulting in many new nation-states in the Third World. This posed the question of which ideology the new nation-states would subscribe to henceforth, capitalism or socialism.

**Major Assumptions**

According to J. Michael Armer and John Katsillis (2000), although there are many versions of modernization theory, major implicit or explicit tenets are that:

i. Societies develop through a series of evolutionary stages;

ii. These stages are based on different degrees and patterns of social differentiation and reintegration of structural and cultural components that are functionally compatible for the maintenance of society;

iii. Contemporary developing societies are at a pre-modern stage of evolution and they eventually will achieve economic growth and will take on the social, political, and economic features of western European and North American societies which have progressed to the highest stage of social evolutionary development;
iv. This modernization will result as complex Western technology is
imported and traditional structural and cultural features incompatible
with such development are overcome.

**Implications of the Modernization Theory on a Culture of**

**Dependency in the Developing World**

Dos Santos, (1970) as quoted in Berberoglu, 1992 notes that
“Dependence is a situation in which the economy of certain countries is
conditioned by the development and expansion of another economy to which
the former is subjected. The relation of interdependence between two or
more economies, and between these and world trade, assumes the form of
dependence when some countries (the dominant ones) can expand and can be
self-sustaining, while other countries (dependent ones) can do this only as a
reflection of that expansion, which can have either a positive or a negative
effect on their immediate development (p.26).”

Due to the nature of modernization described above, the developing
world has found itself under a form of modern economic imperialism. It
assumes a cancer-like fashion in that it grows silently. Schiller (1976) describes
this take over it as “the sum total of the process by which a society is brought
into the modern world system and how its dominating stratum is attracted,
pressured, forced and sometimes bribed into shaping social institutions to
correspond to or even to promote, the values and structures of the dominant center of the system (pg.9)."

This connects with the so called ‘big-brother syndrome’; a situation in which the developing world continuously looks up to the developed world as a lifeline to which they must hold firmly in order to be sure of their own security, economically, socially and politically. The underpinning notion is that ‘big brother’ knows what is best because he has been there and done that. This notion removes from the equation the very important element of individual empirical development experience. Without such first-hand experience, what is perceived as development actually becomes impositions impressed upon a given people.

Technological advancements in the More Developed Countries (MDC) have also pressed hard on the Less Developed Countries (LDCs). Due to globalization and the need for inter-continental interactions, the LDCs are left with no choice but to quickly adopt the more dominant technology in order to remain in touch with 'big brother'. As a result, the learning curve for local technological innovations is disrupted.

In essence, the modernization theory impresses on dominance of what is modern over what is traditional/ backward. Modernization theory therefore in an unspoken way has attempted to silence the social political and economic opinion of the developing countries at the international front. The indigenous
cultural values of many developing countries have been overshadowed by the more ‘evolved’ western systems through a cultural take-over.

Another major evidence of dependency is foreign aid. On this front, Carl Schramm (2010) strongly contends that:

“The most curious part of [aid], and sort of the tragic part of this, is, the rich countries have one form of economy, and they are hell-bent on expressing a different form of economy for poor people. And I think, in many ways, implicitly, the message in our aid program is, that the poor of the world can’t develop to be successful, they can’t be as smart as the rich of the world. It goes to the question of the dignity of the poor. And aid in many regards, while it’s terribly well meaning, the folks who advance this conception are the best of meaning people, but our record in the world is, is absolutely clear; with the best of intentions, we’ve often inflicted the worst of outcomes on unwitting people.”

Aid therefore cripples the ability of the indigenous people to be innovative and to solve their own problems. In addition to these, modernization theory largely inhibits the developing world from engaging in self-development as its main focus is on replacement of existing systems; regarded as less evolved with new and more evolved systems. This is because modernization is about adapting to economic scientific and technical development that is very closely related to the western capitalist market (Mattelart, 1979).
Conclusion

Tomlinson (1991) observes that the main task of modernization theory is to set people free, but the history and past politics show that this theory failed to do this task effectively. On the other hand, Sorensen (2001), states that even though modernization can benefit third world countries, it is not the best solution. There is a trade-off between its gains and losses but ultimately, it must be emphasised that development is not a linear predictable process as the major proponents of modernization theory such as Walter Rostow would suggest. It is dynamic and organic and therefore every participant should have a chance to conceptualise it experientially not simply through the eyes of a theorist.

References


