

**Dominance, Dependence and Modernisation, with specific reference to  
Southern Africa\***

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**Abstract**

In this working paper an attempt is made to distinguish among various usages and conceptualisations of the concepts 'dominance', 'dependency', and 'modernisation' as they appear in social science literature. Briefly the paper sets out to trace the origins, intellectual traditions and applications of two paradigms used in comparative analysis of the so-called Third World – that of dependency and modernisation. The paper concludes with a critical reflection on both of these two paradigms. However, the paper makes no claim to comprehensiveness in the treatment of these topics.

**PART I**

**VOICES FROM THE PERIPHERY – an overview of the dependency paradigm<sup>1)</sup>**

The dependency paradigm as we know it today evolved in Latin America during the 1960s. The 'development' history of the Latin American and Caribbean region is arguably both quantitatively and qualitatively different from any other. Its beginning was marked by far greater destruction, deprivation and enslavement of the resident population than elsewhere; its period of colonial rule saw the development of both the notorious plantation system and the *hacienda* system. Although its political revolution came soon after the North American one, the sequel to it was markedly different, being a period of renewed economic colonialism (or imperialism) from without; its modern phase of reform and revolutionary change is encountering intensified resistance from both local ruling classes and external forces. No other major region has this sort of colonial legacy; it is therefore hardly surprising that Latin America and the Caribbean has been in the forefront of a whole school of new thinking on the processes operating in so-called 'development'. (Brookfield, 1975 : 133).

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1) The concept "paradigm" is used as was originally intended by Thomas Kuhn, namely as "models which give rise to particular coherent traditions of scientific research". (Kuhn, 1962: 10). The usage of the concept 'paradigm', however, does not imply that 'dependency' has acquired a status as a general theory seeking to explain underdevelopment.

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Most scholars agree that there is no single theory of dependency, but rather as Roxborough, remarked:

“... the notion of dependency defines a paradigm rather than a specific theory.”  
(Roxborough, 1979 : 43)

The intellectual roots of dependency are both varied and complex. On one level they are to be found as a response to, and as a consequence of, the extreme economic naïvete and implicit metropolitan bias of many of the studies and theories presented under the rubric of “the sociology of development” in general, and the notion of diffusionist capitalist development, in particular. After the Second World War, it was increasingly evident that this diffusionist approach was not capable of resolving the problems of the less developed nations.<sup>2)</sup> The intellectual reaction that followed this realization – principally from the less developed nations – included differing perspectives, both non-Marxist and Marxist.

On another level the dependency paradigm, denotes the obverse side of a theory of imperialism. In this sense, dependency theories would seek to explain the social and economic processes occurring in the ‘imperialised’ or dependent countries. Implicit in this formulation of dependency as the other side of imperialism was the conclusion that, just as there existed several, mutually inconsistent theories of imperialism, so there would also be several theories of dependency. (Bodenheimer, 1970 : 10).

The question as to the nexus between imperialism and dependency, is of considerable theoretical importance, especially because the development of the latter cannot be understood without reference to the writings of Hobson, Lenin and Luxemburg. In fact, some view the dependency paradigm as a serious theoretical attempt to account for the effects of imperialism in the social structures and patterns of economic development of the countries of the Third World. The dominant theoretical positions at the time were the non-Marxist stages of growth and diffusionist theories, and the rather mechanical position adopted by most Communist parties : a position that generally advocated an alliance of the working class and peasantry with the ‘progressive national bourgeoisie’ against feudal or semi-feudal oligarchies and comprador bourgeoisies allied to imperialism.

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2) This approach to development is premised on the proposition that the diffusion of capitalism, will resolve the problems of poverty, hunger, health, education, and the like.

It was in polemics with these theories that the paradigm of dependency was developed. The argument advanced by the dependency theorists proceeded as follows:

“the mode of articulation (to use a fashionable phrase) of the underdeveloped economics with the world economic system may result in a transfer of resources from the periphery to the centre and/or this articulation, may give rise to various ‘blocking mechanisms’ which hold back or ‘distort’ the economics of the periphery, thereby preventing an allocation of resources, which will produce economic growth”. (Roxborough, 1979 : 63)

The transfer of value (resources) and the ‘blocking’ and ‘distorting’ effects can operate independently of each other, though in concrete cases they are likely to be connected in complex ways. Moreover, the mechanisms by which value is transferred from periphery to centre are manifold. Value may be transferred by direct plunder, through unequal exchange,<sup>3)</sup> through the exchange of productive goods for non-productive goods, via a monopoly of trade and markets, through control over prices, etc. The same holds for the mechanisms that produce ‘blocking’ and ‘distortion’. They also are many and varied.

Rosa Luxemburg’s analysis suggested that this transfer of value between different modes of production was the central element in imperialism (Luxemburg, 1951). According to her, twentieth-century imperialism involved primarily the expansion of capitalist modes of production into pre-capitalist modes of production. The dynamic behind this process was an attempt to avert a realisation crisis by finding a ‘leak’ in the capitalist economic system. This ‘leak’ was found by exchanging commodities at the boundary of the system with other modes of production. This notion of exchange between two modes of production is central

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3) The notion of the equal exchange of commodities is central to Marxist economics. In *das Kapital*, Marx presupposes the equal exchange of equivalents, that is, a commodity embodying X hours of socially – necessary labour-time will exchange with another commodity embodying the same amount of socially-necessary labour-time. The critical assumption is that the value of commodities can be measured in terms of average number of average man-hours needed to produce it, with a given level of technology. If we violate this assumption, then we have the conditions for unequal exchange. There are various theories of unequal exchange. What they have in common is the proposition that labour is rewarded unequally in different parts of the world and hence identical commodities may embody different amounts of socially-necessary labour-time. When one commodity is exchanged for another behind the economic transaction is an exchange of a greater quantum of socially-necessary labour-time for a lesser. The exchange is unequal and works to the disadvantage of the underdeveloped economies.

to some of the theories of dependency, in particular those that argue that a central mechanism of imperialism consists in unequal exchange.<sup>4)</sup>

We will return to this conceptualisation of dependency shortly, but let us first focus on the development of the dependency paradigm – both non-Marxist and Marxist – in Latin America during the 1950s and 1960s so as to trace its various uses and applications. We start with the tenets of the structuralist school associated with Prebisch and Singer, which served as a force-runner of the dependency paradigm.

### **The structuralist school – Prebisch and Singer**

This non-Marxist reaction, very much a product of a particular context and historical period, sprang from the economists associated with the United Nations Economic Commission for Latin America (ECLA), under the aegis of Raúl Prebisch of Argentina. This was a response to the ‘monetarism’ of neo-classical economists which guided policies the International Monetary Fund was requiring many Latin American governments to follow.

The basic argument of the structuralists, notably Prebisch and Singer, was that a new indigenous commercial and industrial bourgeoisie, would emerge as a supporter of national interest in the face of foreign penetration into the domestic economics of the less developed countries. ECLA thus assumed a nationalist yet anti-imperialist stance. Economists working under the auspices of ECLA, notably Prebisch and Singer, divided the world into an industrial centre and a periphery producing raw materials and assumed that both could benefit from the maximising of economic production, income, and consumption. This bifurcation of the world stimulated an interest in underdevelopment as well as in development. (Chilcote, 1981 : 288)

One of the central tenets of the structuralist school was that the underdevelopment of Latin America was due to its reliance on exports of primary products, principally raw materials and agricultural commodities, which were subject to terms of trade that both fluctuated in the short term, and deteriorated in the long. This so-called Prebisch-Singer thesis, constituted

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4) Lenin (1967), of course, conceived of imperialism as a stage in the development of capitalism. Imperialism, then, was a concept used for a stage in the development of capitalism characterised by five features : (1) the dominance of monopolies; (2) the dominance of finance capital; (3) the export of capital (rather than the export of commodities); (4) the formation of international monopolies, and (5) the partition of the world between the various imperialist powers.

a major justification for import substitution and industrialisation behind protective tariff walls, which would, it was believed, reduce the dependence of Latin America on foreign manufacturers, and thus on the industrial countries, especially the United States.

Such protective barriers, it was expected, given structural unemployment and underutilization of capital, assist the optimal allocation of resources. It was further argued that industrialisation had to be assisted by the state, and in particular by state economic planning. Later, ECLA argued the case for the creation of a Latin American Common Market to achieve economies of scale. This strategy became known as import-substitution industrialisation because it was based on setting up industries which would satisfy demands previously met by imports. The underlying assumption was that this would lessen the demand for imports and therefore help the balance of payments.

Since the sixteenth century Latin America has relied on exports of raw materials and agricultural commodities in its pursuit of national development, but this strategy of outward *desarrollo hacia afuera* or development was undermined by a decline in export earnings especially in the depression of the 1930s. Under the directives of ECLA, the economic strategy turned to inward development, or *desarrollo hacia adentro*. (O'Brien, 1975 : 5). The new strategy was premised on the achievement of national autonomy through state control and planning of the political economy under the bureaucrats and the industrial bourgeoisie. Under the modernizing state the bourgeoisie would become progressive and a supporter of national interests as capitalist development diffused itself into rural areas and as economic and political policies restricted the penetration of foreign interests.

The ECLA approach was premised on two central propositions. Firstly, that the developing nations are structured into dual societies, one advanced and modern the other backward and feudal. Under the capitalist state and the growing autonomy of national interests, an infrastructure of roads, power, and other essentials could be established to ensure the road toward industrialisation. The second proposition, divided the world into an industrial centre and a periphery. Under unrestrained competition the centre tends to appropriate most of the increment in world income to the disadvantage of the periphery. (Dos Santos, 1973 : 12–13).

The central argument of the ECLA economists was an attack on traditional theories of international trade, in which specialization is assumed to convey equal benefits to its participants, the primary producer (the periphery) no less than the industrial centre. This led in three main directions: first, an analysis of trade relations among countries on the basis of 'centre-periphery' imbalance, most specifically in regard to the 'terms of trade'; second, a strong emphasis on industrialization with the objective of rectifying this imbalance; third, a concentration on the

social and structural problems of underdevelopment. Other avenues of analysis included the financial problems of external financing and inflation, and the advantages of regional economic integration in order to enlarge markets for industrial produce.<sup>5)</sup> (Brookfield, 1975 : 140).

The basis of the 'centre-periphery' thesis, in this context, was that technical progress has concentrated at the 'centre' and has had the effect there of diminishing the share of primary inputs in the value of end products.<sup>6)</sup> This has resulted in a progressive deterioration in the 'terms of trade' experienced by the periphery, so that for the latter a given unit of manufactured imports has come to cost larger and larger measures of primary exports. The economic gain from increased primary production has therefore been appropriated in the economics of the capitalist 'centre', and this situation has further been augmented by the tariff policies of the advanced countries and by the differentially strong bargaining power of workers in the industrial countries, whose income gains are paid for by the importers of industrial produce. Balance-of-payments difficulties are created for the primary producers of the periphery, and these have inflationary effects. (Brookfield, 1975 : 140).

As originally put forward, the ECLA thesis rested on two key propositions. The first concerned the role of demand. It asserted that the income elasticity of demand for raw materials and foodstuffs was less than one. That is, any increase in the income of consumers would result in an increase in consumption of raw materials and foodstuffs, but not to the same degree; so that as people became richer, they would spend a smaller and smaller proportion of their income on raw materials and foodstuffs even if their absolute levels of consumption rose.

The second key proposition put forward by ECLA economists had to do with wage levels in the 'centre' and the 'periphery'. In an earlier version of what later came to be known as a theory of unequal exchange, ECLA claimed that the gains from productivity increases were unequally distributed between 'centre' and 'periphery'.

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5) A useful summary statement is to be found in ECLA and C. Quintana (1970). An analysis of the international centre-periphery system, carrying forward Prebisch's work to the present, is contained in A. Pinto and J. Kñakal (1971/1973). The notion of 'centre-periphery' was first advanced by Prebisch in 1949.

6) As a corollary it was argued that the agricultural protection policies of industrial 'centre' would discriminate against imported agricultural produce from the 'periphery'; and technological advances in the 'centre' would diminish the demand for raw materials as synthetic substitutes became available.

By the late nineteenth century, so the argument went, productivity increases at the centre were matched by increases in wages as a result of union pressure. In consequence, manufacturers raised their prices. This was possible owing to the monopolisation of the economy. In the countries of the periphery, however, the mass of available labour meant that there existed a highly competitive labour market and wages rose above subsistence levels. Hence, increases in productivity were not matched by increases in wages, and there was therefore no tendency for the prices of the products of the 'periphery' – foodstuffs and raw materials – to rise. (Roxborough, 1979 : 27–41).

These views have been hotly disputed, both on grounds of the data themselves – for the meaning of 'terms-of-trade' is far more difficult to specify in practice than in theory – and also on grounds of the weight given to this single factor in interpretation of underdevelopment. The debate has been highly inconclusive. ECLA economists, notably Prebisch and Singer, have also been castigated (especially by more radical scholars) for ignoring the class struggle in Latin American politics. However, their key breakthrough in rupturing the old paradigm of capitalist development was the focus on the fact that Latin America had developed as an integral part of the expanding world economy. ECLA asserted that there was an immediate and direct link between changes in the industrialised economics of the centre and the underdeveloped countries of the periphery.

The ECLA thesis, although anti-imperialist and with a preference for autonomous capitalist development, was not without political or intellectual influence. The social democratic politicians of the time, notably Haya de la Torre of Peru,<sup>7)</sup> and Arturo Frondizi of Argentina, echoed the notion of autonomous capitalist development. The intellectual legacy of ECLA influenced the writings of two important dependency theorists, namely Celso Furtado and Osvaldo Sunkel, although both elaborated and improved on the original ECLA position.

In the end it was the harsh economic and political realities of Latin America that exposed the limitations of the ECLA model of autonomous capitalist development. Import-substitution industrialization had not in fact lessened dependence. Income distribution seemed to be growing more unequal, and a large segment of the urban and rural population remained marginal. Cultural alienation was widespread while most polities still continued as divisive and fragmented as before. National policies for industrialization – for which ECLA provided the theoretical justification – had succumbed to the multi-national corporations, and industria-

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7) Haya de la Torre a Peruvian politician was the founder of the influential *Alianza Popular Revolucionaria Americana* (APRA).

lization was primary being undertaken by foreign investors. Finally, military rule was entrenched in many Latin American countries. The dependency paradigm emerged as an attempt to explain this failure.

**Underdevelopment as autonomous process : Celso Furtado –  
a reformulation of the ECLA thesis**

Deterioration of the terms of trade, the failure of import – substitution industrialization, the inroads of the TRANCOS – transnational companies and conglomerates – and the growing volume of debt repayment and repatriated profits that were coming to exceed the volume of capital inflow and foreign aid, all led to a growing emphasis on the disabilities of the Latin American economics as ‘dependent’ rather than merely ‘peripheral’. Given this shift of meaning, it became easier for the new approach to ally itself with other intellectual traditions, including the Marxist tradition.

Though the real flowering of ‘dependency economics’ took place relatively late in the 1960s, the underpinnings of the new integrated perspective, stressing both the internal and external structures of dependency, can be traced back more than a decade earlier. The bulk of this literature is in Spanish and Portuguese, and has not been translated into English. By the late 1950s, however, and much more substantially in the 1960s, the works of a selected group of authors were translated. One of the most influential of Latin American writers in the period has been the Brazilian, Celso Furtado. At the beginning, Furtado was a revisionist. As an ECLA economist, Furtado remained strongly in favour of industrialization and means to achieve this objective. At one stage, indeed, he seems to have considered a self-sustaining industrial dynamism to have been achieved, at least in Brazil. But a series of collected essays published in the early 1960s (Furtado, 1961/1964) exhibits at once a growing concern with the historical analysis of underdevelopment as a discrete process, and also his problems in isolating the structural insights of Marxism from its unacceptable teleology, on the one hand, and of the value of Keynesian economics in opening up new vistas of the role of the state as an economic entrepreneur, while concealing the necessary structural transformations on the other. It was in this collection that he advanced a ‘theory of underdevelopment’ which relies on the manner in which the disequilibrium of the dependent economy, is maintained. A point from his 1952 paper recurs:

If underdeveloped countries had the chance of investing with an eye to the external market, there would be no problem. The fundamental question, therefore, is the absence of an expanding external market .... [also] .... A market is small only in relation to something. And, in the case in question, the market of underdeveloped countries is small in relation to the type of equipment used by developed countries. (Furtado 1952 : 312).



That is to say, the expanding market of the capitalist economies in their own development process is a condition without parallel in modern 'underdeveloped' economics. In the latter, the industrial sector develops in a condition of permanent competition with imports, and the technologies adopted inhibit factor transformation of the economic structure through absorption of the subsistence sector. The industrial sector can grow even while the primary-product exports sector declines, for the latter process causes exchange devaluation which spurs the demand for domestically produced manufacturers. But this process is self-annihilating. Arguments of this order are expanded upon, in an historical context, in his study of the economic growth of Brazil (1959/1963).

Celso Furtado examined the inequalities in Brazil throughout historical periods, tracing the shift of mayor economic activity and production from the Northeast to the Centre-South region around São Paulo. Before the period of revolutionary ferment, that culminated in the 1964 military *coup d'etat*, and Furtado's exile, an attempt was made to rectify the economic imbalance by Furtado as head of SUDENE, a regional agency in the northeast whose principal task was to mediate on behalf of the state the future course of capitalist development. In this way the state was to serve the masses by preventing a concentration of income in the privileged sectors, by widening the market to all segments of the population, and by influencing technological change.

The trauma of the 1964 Brazilian coup, led to a redefinition of development by Furtado. Dealing with the 'dialectic of capitalist development', he argues that the dynamic forces are the twin drives to accumulate and to improve living standards. These belong to the 'rising' class, initially the bourgeoisie but in the later stages of capitalist evolution the working class.<sup>8)</sup> This can lead to the evolution of the modern capitalist democracies, where the interaction of forces creates limitations to capitalist power, and hence institutional flexibility, ideological polyvalency and integration of the several interest groups into the body politic. But in underdeveloped societies where the preceding economy was of a colonial type, the structures have great inflexibility. Technical innovations take place in terms of the price structure of the importing sector, and not in terms of the whole economy, as in the case of modern capitalist democracies.

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8) Although, Furtado wrote largely within Marxist language and employing a dialectical form of analyses, none the less departs substantially from Marxist conclusions. It seems to represent a high point in the intellectual struggle between Marxist and liberal approaches that is evident throughout Furtado's writing, and which makes his work of particular interest.

In the Brazilian case, Furtado demonstrated, that the colonial economy was a projection of expanding capitalism based on international specialization of production,<sup>9)</sup> it broke down in consequence of the 1930s depression. However, the Brazilian government then took action to sustain the system by buying and destroying surplus coffee, thus defending the level of employment while capacity to import was declining. This created conditions for accumulation, and incentives for import-substitution industrialization. But the failure to transform the land management system led to continued agricultural inefficiency, continued constraints on the capacity to import, and hence early saturation of industrial possibilities. The export sector financed early industrialization, but in turn siphoned off the benefits, as the inflation resulting from rising but unsatisfied demand, benefited those *in command of internal supply* – who continued to be the established oligarchy. The possible emergence of a new industrial class was further weakened by dependence on foreign technology, and by foreign investment; inflation enabled foreign leaders and investors to appropriate national savings at negative rates of interest, thus adding external strangulation to internal constraints. (Brookfield, 1975 : 146).

Furtado, and others (notably A. Bianchi (1973)), have expanded and modified this view in later writing. Furtado's disenchantment with the ECLA industrialization policies became in time complete. In place of his earlier revisionism and adherence to the notion of defusionist capitalist development, he now postulated a vicious interaction between a wedge of industrial economy linked both in interests and behaviour to its external patrons, and an untransformed internal structure whose existence enabled both local and foreign capitalists to maintain high profit levels by relying on a 'reserve army of the unemployed', so that their interests became inimical to internal dynamism. The capitalist sector is not moved to resolve its own internal contradictions, and the state sustains this situation, protecting capitalists supported by the internal market from competition, upholding the position of the landowners, and providing infrastructure and a suitable 'climate' to aid the group allied to external interests. Furtado comments as follows:

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9) The *hacienda* system, and the economic system of which it forms part, are often described as feudal, especially in Marxist writings where a feudal stage precedes the bourgeois revolution, which in turn precedes the proletarian revolution. While most observers agree that the forms of the *hacienda* system are feudal, most contemporary writers insist that its formation and purpose are essentially capitalist, i.e. that its origins is in capitalist expansion, that its purposes are capitalist, and that while it employs a set of feudal activities, its appropriation takes a purely capitalist form.

In short, the social structure .... can be outlined as follows: at the top is a ruling class composed of various groups of interests, in many respects antagonistic to each other, therefore unable to form a plan for national developments, and holding the monopoly of power unchallenged; lower down we have a great mass of salaried urban workers employed in services, which forms a social strata (sic) rather than a proper class; beneath this is a class of industrial workers, which hardly represents one tenth of the active population of the country but constitutes its most homogenous sector; and finally the peasant masses. (Furtado, 1970 : 68).

With Furtado and Osvaldo Sunkel emphasis on the *social structure*, became a dominant feature of the dependency school.<sup>10)</sup> Both Furtado and Sunkel attempted to reformulate the ECLA analyses of development from the perspective of a critique of the obstacles to 'national development'. Their attempt at reformulation is not merely a simple process of adding new elements (both political and social) which were lacking in the original ECLA analysis, but a serious attempt to proceed beyond that analysis, adopting an increasing different perspective. (Palma, 1981 : 42).

#### OSVALDO SUNKEL – VARIATIONS ON THE THEME OF UNDERDEVELOPMENT AS AUTONOMOUS PROCESS

Sunkel agreed with Celso Furtado's formulation on the role of the state as an entrepreneur and its giving directive to the course of autonomous capitalist development. Existing state and regional structures such as Sudene, were necessary for autonomous growth, however, participation of the masses, including the marginal population, was essential. Underdevelopment, he argued, is not a stage in the evolution of an autonomous society. In this respect, he argued as follows –

We postulate that development and underdevelopment are two faces of the same universal process ... and that its geographical expression is translated into two great polarizations : on the one hand the polarization of the world between industrial, backward, poor, peripheral and dependent countries; and on the other hand, a polarization within countries in terms of space, backward, primitive, marginal and dependent groups and activities. (Sunkel, quoted in O'Brien, 1975 : 14).

Sunkel assumed that underdevelopment is part of a process of world capitalist development, and that the manifestations of underdevelopment are normal. Centralised economic planning and control can result in structural transformations and make development possible. One of

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10) Gunder Frank, dos Santos, Marini, Caputo and Pizzorro among others, share this perspective to a lesser or a greater degree.

Sunkel's important contributions to dependency has to be seen in his notion of *internal* polarization and *colonialism* within dependent countries. In this respect his work is strongly reminiscent of the theory of internal colonialism proposed by the Mexican sociologist Pablo Conzález Casanova (1970). The same conditions of traditional colonialism, he argued, are present internally in nations today. These conditions include monopoly and dependence (the metropolis dominates the isolated communities, creating a deformation of the native economy and decapitalization); relations of production and social control (exploitation plunders the land and discriminates everywhere); and culture and living standards (subsistence economics accentuate poverty, backward techniques, low productivity and lack of services).

Roxborough's (1979) observation that the manner in which the periphery and the centre are linked is a function of the development of the centre itself, was vindicated by Osvaldo Sunkel's periodisation analysis of the development of the centre. Sunkel made a useful contribution to the dependency paradigm by offering such a periodisation for Latin America.<sup>11)</sup> His periodisation can be presented as follows:

Time (Period)	Centre	World Power	Latin America
1850–1930	Mature capitalism	Great Britain	Export economies, liberal trade regimes
1930–1950	Crisis	USA	ISI
1960–	Late monopoly capitalism; MNCs	USA	Dependent authoritarian capitalism; neo-liberal trade regimes

## POLES OF DEVELOPMENT

A derivation of internal colonialism is the theory of poles of development, first advanced by the French economist François Perroux (1968) and elaborated by the Brazilian geographer

11) If one accepts Roxborough's proposition that the manner in which the periphery and the centre are linked together is a function of the development of the centre itself, then a first step in any analysis must be a periodisation of the stages of development of the centre. Only then can a typology of Third World countries be added to the scheme.

Manuel Correia de Andrade (1969). Andrade, like Furtado and others before him, was concerned with unequal development, which, he argued, was evident between nations as between regions within a single country. The experience in capitalist nations of a concentrated growth of poles and markets in areas of natural resources and in socialist nations of planned industrial centres served as the basis of a poles-of-development theory.

This perspective assumes that underdeveloped economies are characterized by a lack of infrastructure in transportation and communication; by a dual economy, with advanced areas existing alongside subsistence ones; and by dependence upon external decisions that pertain to the production of primary products. These conditions may be overcome by diffusing capital and technology to underdeveloped centres that promise potential for industrialization. Through careful planning a balance in the dependent economy can be achieved, resulting in autonomous development. (Chilcote, 1981 : 303).

De Andrade's notion of "poles of development" influenced the Brazilian sociologist Fernando Henrique Cardoso's thinking on dependent capitalist development.<sup>12)</sup> Both authors contended with the idea that capitalism (almost by definition) promotes underdevelopment, therefore it seems logical and appropriate to introduce Cardoso's contribution here.

#### Dependent capitalist development – Fernando Henrique Cardoso and ENZO FALETTO

Fernando Henrique Cardoso challenged the idea that capitalism promotes underdevelopment. To the contrary, he argued that capitalist development can occur in dependent situations. Cardoso reasoned that dependent capitalist development has become a new form of monopolistic expansion in the Third World. Development thus takes place within the new dependency.

This development benefits all classes associated with international capital, including the local agrarian, commercial, financial, and industrial bourgeoisie and even the working class employed in the international sector, but it undermines national interests that are not linked to

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12) Fernando Henrique Cardoso completed his best known study *Dependencia y Desarrollo en America Latina*, in 1967 with the Chilean historian Enzo Faletto.

the multinational corporations, such as local entrepreneurs. The consequence is a fragmentation of interests into a structural dualism between those associated with the multinationals and those marginalized by them. Under such conditions the bourgeoisie often becomes unstable, increasing the propensity for military intervention and rule.

Cardoso defended his approach by suggesting that modern capitalism and imperialism differ from Lenin's earlier conceptions. Capital accumulation is largely the consequence of the activities of multinational corporations rather than of financial control, and investment has been redirected from raw materials and the agricultural sector to the industrial sector. Moreover, new trends in international capitalism have resulted in an increased interdependence in production activities at the international level. He argued that international capitalism has obtained a disproportionate influence in industry in peripheral areas, but he found misleading the premise that there is a lack of growth in dependent economics because of capitalist expansion. (Cardoso, 1972 : 94).

Clearly Cardoso's approach is anti-imperialist, but is it Marxist? Chilcote (1981) argues that Cardoso probably would respond in the affirmative. In his overview of dependency and development, Palma, (1981) distinguishes Cardoso's approach as a third one within the dependency paradigm that attempts "not to develop a mechanico-formal theory" of dependency, by concentrating its analysis on 'concrete situations of dependency'. (Palma, 1981 : 42). Unlike the structuralist perspective associated with ECLA, and the development of underdevelopment view begun by Frank and continued by the 'CESO School' (CESO being the Centro de Estudios Sociales of the Universidad de Chile) and in particular by dos Santos, Marini, Caputo and Pizarro, this third approach of Cardoso tries to provide a methodology for the analysis of concrete situations of dependency.

Briefly, the salient points of this third approach to the analysis of dependency can be presented as follows:

- (1) In common with the Structuralist and Frankian approach, this third approach sees the Latin American economies as an integral part of the world capitalist system, in a context of increasing *internationalisation* of the system as a whole.
- (2) It also argues that the central dynamic of that system is to be found *outside* the peripheral economics and that therefore the economic options which lie open to them are limited by the development of the system at the centre; in this way the particular is in some way conditioned by the general. Therefore a basic element for

the understanding of these dependent societies is given by the 'general determinants' of the world capitalist system, which is itself changing through time; *the analysis therefore requires primarily an understanding of the contemporary characteristics of the world capitalist system.* (Palma, 1981 : 60).

- (3) The theory of imperialism, which was originally developed to provide an understanding of the world capitalist system, had remained practically 'frozen' where it was at the time of the death of Lenin until the end of the 1950s. During this period, capitalism underwent important changes and the theory failed to keep up with them. The depression of the 1930s, World War II, the emergence of the United States as the undisputed hegemonic power in the capitalist world, the challenge of the growing socialist bloc, the decolonisation of Africa and Asia, and the process of the transnationalisation of capitalism had all contributed to create a world markedly different from that which had confronted Lenin. Contributions as important as those of Gramsci<sup>13)</sup> and Kalecki have remained largely unintegrated with Lenin's theory of imperialism until very recently.

One feature of the third approach to dependency, has been to incorporate more successfully into its analysis of Latin American development the transformations which are occurring and have occurred in the world capitalist system, and in particular the changes which became significant towards the end of the 1950s in the form of capital movement, and in the international division of labour. The emergence of the trans-national corporations (TNC's) progressively transformed centre-periphery relationships, and relationships between the countries of the centre. As foreign capital has increasingly been directed towards manufacturing industry in the periphery,<sup>14)</sup> the struggle for industrialisation, which was previously viewed as an anti-imperialist struggle, has become increasingly the *goal* of foreign capital. Thus dependency and industrialisation cease to be incompatible and a path of 'dependent development' becomes possible.<sup>15)</sup>

- (4) The third approach enriched the analysis of dependency systems by their demonstrating of the unequal and antagonistic patterns of social organisation, showing the social asymmetries and the exploitative nature of social organisation which arise from its socio-

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13) Especially, Gramsci, A. (1971). *Selection from his Prison Notebooks*. London : Lawrence and Wishart.

14) For empirical evidence of this point, see O'Connor, 1970; Bodenheimer, 1970; Quijano, 1971; Cardoso, 1972; Barratt-Brown, 1974; and Warren, 1973.

15) This does not mean that it became possible *throughout* the periphery.

economic base, giving considerable importance to the effect of the diversity of natural resources, geographic location, of each economy, thus extending the analysis of the 'internal determinants' of the development of the Latin American economies. (Palma, 1981 : 61).

- (5) But while these theoretical enrichments are important, the most outstanding feature of this approach is that it goes beyond these points, and insists that from the premises so far outlined one arrives at a *partial, abstract and indeterminate characterisation of the Latin American historical process*, which can only be overcome by understanding how the general and specific determinants interact in particular and concrete situations.

Put differently, Cardoso and Faletto (1976/1977) argued a strong case for the study of the dependent societies *within the dialectic unity of internal and external factors*. The system of 'external domination' reappears as an 'internal' phenomenon through the social practices of local groups and classes, who share its interests and values. Other internal groups and forces oppose this domination, and in the concrete development of these contradictions the specific dynamic of the society is generated. (Palma, 1981 : 61). It is not a case of seeing one part of the world capitalist system as 'developing' and another as 'underdeveloped', or seeing imperialism and dependency as two sides of the same coin, with the dependent world reduced to a passive role determined by the other, but in the words of Cardoso and Faletto,

We conceive the relationship between external and internal forces as forming a complex whole whose structural links are not based on mere external forms of exploitation and coercion, but are rooted in coincidences of interests between local dominant classes and international ones, and, on the other side, are challenged by local dominated groups and classes. In some circumstances, the networks of coincident or reconciliated interests might expand to include segments of the middle class, if not even of alienated parts of working classes. In other circumstances, segments of dominant classes might seek internal alliance with middle classes, working classes, and even peasants, aiming to protect themselves from foreign penetration that contradicts its interests (Cardoso and Faletto, 1977 : 10–11, quoted by Palma, 1981 : 62).

This does not mean that this third approach to dependency would be capable of explaining everything, merely that it seems more productive than the two other dominant approaches, precisely because it emphasises the analysis of *specific situations in concrete terms*. It is to the approach that views dependency as a theory of underdevelopment, that we turn our attention next.



**Dependency as a theory of underdevelopment – Baran, Frank, Wallerstein, Amin, dos Santos, Pizarro and others.**

There is general agreement amongst scholars that Paul Baran (1957) is the ‘father’ of this approach. His outstanding contribution to the general literature on development perpetuates the central tenets of Marxist thought regarding the contradictory nature of the needs of imperialism and the process of industrialisation and general economic development of the underdeveloped nations. Thus he affirms at the outset that “what is decisive is that economic development in underdeveloped countries is profoundly inimical to the dominant interests in the advanced capitalist countries” (Baran, 1957 : 28).

To prevent such development the advanced capitalist nations will form alliances with pre-capitalist domestic elites, intended to inhibit such transformations. In this way the advanced countries would have access to domestic resources and thus be able to maintain traditional modes of surplus extraction. Within such an arrangement the possibilities of economic growth in underdeveloped countries would be extremely limited; the surplus they generated would be expropriated in large part by foreign capital, and otherwise squandered on luxury consumption by traditional elites. Furthermore, not only would resources earmarked for investment thereby be drastically reduced, but so would their internal multiplying effect, as capital goods would have to be purchased at escalating prices from abroad. This process would result in economic stagnation, and the only way out of this predicament would be political action.

Paul Baran’s contributions to dependency (1957 and 1966), the latter with Sweezy, are of considerable importance, precisely because they have addressed the central issue in dependency analysis, namely the *nature* of these dependent structures of advanced capitalist societies. As both O’Brien (1975 : 24) and Roxborough (1979 : 44) indicated, the ECLA economists had in effect “jumped” over the intervening level of social structure. To quote Roxborough (1979 : 44) –

“They had ignored the specific class interests and the relationships between classes which led to the continual reproduction of the structures of dependency”.

An early and influential attempt, influenced by the pioneering work of Baran, to deal with this problem was that of André Gunder Frank (1966/1967). He utilised the metaphor of a chain of exploitative relations; an extraction and transmission of surplus through a series of

metropolis-satellite links.<sup>16)</sup> While on a global scale one could visualise the relationship between the countries of the industrialised West and the non-industrialised Third World as a relationship between metropolis and satellite, this metropolis-satellite tie also characterised the relationship within the underdeveloped country between the relatively advanced capital city and the more oppressed and backward hinterland. Nor was this chain confined merely to spatial regions. One of the distinctive features of Frank's analysis has been the conflation of spatial entities and social classes, so that the relationship between the landowner and peasant is also characterised as a form of metropolis-satellite tie *exactly comparable* to the links between spatial regions. (Booth, 1975 : 78) (my emphasis).

Frank's conceptualisation of 'the development of underdevelopment' rests on a complex methodology, which operates on three levels. The first is that in which he attempts to demonstrate that areas in the periphery have been incorporated into the world economy since the early periods in their colonial history. The second, is that in which he attempts to show that such incorporation into the world economy has transformed the countries in question immediately and necessarily into capitalist economies. Finally, there is a third level, in which Frank attempts to show that the integration of those supposedly capitalist economies into the world economy is necessarily achieved through an *interminable* metropolis-satellite chain, in which the surplus generated at each stage is successively drawn off towards the centre. (Palma, 1981 : 44). On account of this he advances a corollary thesis:

If it is satellite status which generates underdevelopment, then a weaker or lesser degree of metropolis-satellite relations may generate less deep structural underdevelopment and/or allow for more possibility of local development. (Frank, 1967 : 11).

But as the weakening of the satellite-metropolis web can, according to Frank, only take place for reasons external to the satellite economies, of a necessarily transient nature, it follows that there is no real possibility of sustained development within the system. (See Frank, 1967 : 57-66). According to his analysis, the only viable alternative becomes that of breaking completely with the metropolis-satellite network through socialist revolution or continuing to 'underdevelop' within it. Some radical political thinkers in Latin America and elsewhere, not only ascribed to Frank's analysis, but used it to legitimise revolutionary action against their respective governments. In this sense Frank's contribution attained an ideological status quite apart from its theoretical status.

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16) Frank's notion of "metropolis-satellite" denotes a further development and restatement of the earlier notion of "centre-periphery".

Used, or more correctly abused, in this particular manner, Bodenheimer's (1970) notion of an "ideology of developmentalism" with reference to modernization theories, finds its counterpart in what one may term an "ideology of underdevelopmentalism". Both of these extreme positions reflect a monocausal and closed system of reasoning.<sup>17)</sup>

Frank has been criticised for neglecting to analyse the class structure in the dependent country, and how it relates to the maintenance of the satellite-metropolis network.<sup>18)</sup>

Roxborough (1979), argues that the way in which he integrates classes into his analysis, needs to be criticised. He comments as follows:

The important point is not that Frank neglects class analysis, but rather the manner in which he undertakes it. While Frank's analysis of colonialism purports to rest on class relations of capitalist exploitation, it in fact treats such relations as residual. That is to say, the conceptualisation of class relations, which is present in the theory, is accorded little or no role in the analysis of relations of domination and exploitation, which are instead conceived of as occurring between spatial categories. (Roxborough, 1979 : 46).

Roxborough (1979) also criticises Samir Amin on similar grounds, when the latter argues, that:

capitalism has become a world system, and not just a juxtaposition of 'national capitalisms'. The social contradictions characteristic of capitalism are thus on a world scale, that is, the contradiction is not between the bourgeoisie and the proletariat of each country considered in isolation, but between the world bourgeoisie and the world proletariat. (Amin, 1974 : 24).

Ernesto Laclau (1971) provided one of the best critiques of Frank's work. Starting from Frank's claim that Latin America has been capitalist since the beginning of the sixteenth century, Laclau argues that Frank's conceptualisation of capitalism differs radically from the Marxist one, since it emphasises exchange and commercial relationships rather than the process of production. In particular, Frank confuses participation in the world capitalist economic system with the dominance of the capitalist mode of production in Latin America. (Laclau, 1971 : 19–38).

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17) Bodenheimer (1970) in particular criticised the notion that knowledge is built up through patient, piecemeal accumulation of new observations, which has reached its triumphant culmination in the modern data bank. (Bodenheimer, 1970 : 100).

18) In 1970 Frank sought to enrich his analysis with the introduction of some elements of Latin American class structure. This was followed by his publications in 1972, 1974 and more recently, 1977.

The historical evidence Frank employs to demonstrate that the economies of Latin America produced primarily for the market, and were from the very beginning of the conquest tied closely to the nascent world market, is not here in question. What are at issue are the conclusions drawn from that data. To conclude, as Frank does, that Latin America was capitalist from the Conquest on, raises a number of theoretical problems. (Roxborough, 1979 : 48) . Not least among these problems is the implication that if the Iberians implanted a capitalist society in the New World in the early sixteenth century, then Spain and Portugal must have been capitalist societies at that time. Moreover, to argue that capitalism – even of a dependent variety – gained predominance in satellite areas of Latin America before it gained predominance in England or Spain is inconsistent with Marx’s historical analysis of the times. (Sternberg, 1974 : 78).

Frank’s attempt to overcome this difficulty by arguing that it was the mercantile capitalist sector of Iberian society which was responsible for the implementation of capitalism in Latin America, is largely unsuccessful. However, despite these and other limitations associated with the Frankian model,<sup>19)</sup> his contribution was particularly important for three reasons. First, because he provided a definitive dissection of mainstream studies in the sociology of development. The latter is above all epitomised by Walt W. Rostow’s evolutionary modernization paradigm entitled *The Stages of Economic Growth*. Secondly, Frank provided the outlines of a macro-structural paradigm of the way in which economic underdevelopment in dependent economies is actively maintained in a spiral by the very forces – foreign economic investment and aid – which conventional economic theory held to be necessary for the development of such societies. It is this combination of his critique of the sociology of development with an alternative and suggestive theoretical orientation which accounts for the centrality of Frank’s contribution (Oxaal et al., 1975 : 1–2). Finally, Frank’s critique of the supposedly dual structure of dependent societies. Frank shows clearly that the different sectors of the economies in question are and have been since very early in their colonial history linked closely to the world economy. (Palma, 1981 : 44).

Although Frank did not go far enough in his analysis of the capitalist system as a whole, its origins and development, Immanuel Wallerstein faced this challenge in his remarkable book,

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19) For example the contributions of a number of French-speaking economic anthropologists, notably Meillassoux, Dupre, Rey and Conquery – Vidrovits. These anthropologists reflect a concern with two areas insufficiently analysed in Frank’s work. One is the problem of the structure and range of variation of the relationships between metropolitan centres and satellites, and the other is what Frank calls the problem of “continuity in change”.

*The Modern World System : Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century* (1974). The notion of a world system forms the focus of Wallerstein's work in a way that it does not in the work of other dependency theorists, notably Frank, Marini (1972), dos Santos (1969), where it serves the primary function of defining a set of external influences which explain the underdevelopment of the Third World.

With the notion of a "world system", Wallerstein attempts to resolve the question as to the exact nature of the nexus between 'internal' and 'external' factors.<sup>20)</sup> He abolishes the distinction altogether by making the world system his unit of analysis. He argues as follows —

I abandoned the idea altogether of taking either the sovereign state or that vaguer concept, the national society, as the unit of analysis. I decided that neither one was a social system and that one could only speak of social change in social systems. The only social system in this scheme was the world system (Wallerstein, 1974 : 7).

Like Frank's analysis, Wallerstein's understanding of the nature of the world system implies a shift in the concept of mode of production.<sup>21)</sup> He reaches a similar conclusion to that of Frank, namely that all the component parts of the world system are equally to be characterised as capitalist. Wallerstein too is open to Laclau's point that participation in a world economy is not a *sufficient* reason to define something as capitalist.

The point seems that there is no easy resolution of the question of the unit of analysis, simply because the real world is neither a perfectly integrated system nor a loose collection of autonomously functioning national systems. The boundaries of any given unit of analysis are, therefore an historical question and cannot be decided upon beforehand by theory except in the most abstract way.

Another scholar which views dependency as a theory of underdevelopment, and which has been considerably influenced by Frank, is Samir Amin (1974 and 1976). His work *Unequal Development : An Essay on the Social Transformations of Peripheral Capitalism*, (1976) mainly concerns us here. In this work, Amin discusses two main issues that relate to underdevelopment. The first is the question of national and international development. Amin sees capitalism as a world system upon which national states may be dependent. Class, modes of production, and social transformation all must be analysed in a world context. Thus, the

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20) This question relates to the more difficult problem of unit of analysis.

21) A concept which is not without problems of its own, see for example — Brookfield (1975); Roxborough (1979) and Palma (1981).

transition from capitalism to socialism must be on an international order, and it must begin in the periphery (Amin, 1976 : 383).

The second issue is the debate as to whether analysis should concern exchange or production. Writers such as Frank and Emmanuel (1972) emphasised unequal exchange and market inequalities, whereas Amin seemed to use concepts such as the mode of production to go beyond market categories while focusing on the world system, centre, and periphery. Amin seemed to follow the tradition of Marx more closely than Frank who noted the crises generated by financial and trade cycles in the capitalist system, but who also focused on the development of productive capacity by capitalism which would create the conditions, probably generated by these exchange crises, that would lead to change.<sup>22)</sup>

The central tenets of Frank's legacy regarding the 'development of underdevelopment' is continued, though from a critical point of view, by the Brazilian sociologist Theotonio dos Santos. He distinguishes different types of relations of dependency (essentially colonial, industrial-financial and industrial-technological, the latter having developed since World War II), and consequently distinguishes different kinds of internal structures generated by them.<sup>23)</sup> Dos Santos stresses the differences and discontinuities between the different types of dependency and between internal structures which result from them, while Frank himself emphasises the continuity and similarity of dependency relations in a capitalist context. (Palma, 1981 : 47, Chilcote, 1981 : 299).

There is within dos Santos' analysis the beginnings of an interesting attempt to move away from, what Palma (1981 : 42) has termed "a mechanico-formal theory of dependency", which particularly characterised Frank's work. One finds initially in dos Santos's analysis the perception not only that both structures are contradictory, but that movement is produced precisely through the dynamic of contradictions between the two. Nevertheless, as he proceeds in the analysis he re-establishes, the priority of external over internal structures, and thereby losing the notion of movement through the dynamic of the contradictions between the internal and the external structures. The culmination of this process is his well known formal definition of dependency, which because of its formal nature tends to be both static and unhistorical; it is found in his 1970 article in the *American Economic Review*:

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22) Distinctions between 'production' and 'exchange' have fueled debates about the origins of capitalism and the transition from feudalism to capitalism. I am on thin ground here, simply because I am not familiar with all the intricacies and arguments in favour of or against either view. I only know the broad outlines of the Dobb-Sweezy debate on this point.

23) Because of do Santos' emphasis on industrial-technological dependence, both Chilcote (1981) and Bacha (1971) classify him as a "New dependency" theorist.

Dependence is a conditioning situation in which the economies of one group of countries are conditioned by the development and expansion of others. A relationship of interdependence between two or more economies or between such economies and the world trading system becomes a dependent relationship when some countries can expand through self-impulsion while others, being in a dependent position, can only expand as a reflection of the dominant countries, which may have positive or negative effects on their immediate development (dos Santos, 1970 : 289–290).

For dos Santos, Frank, Baran, Marini and others, dependency is not merely conceptualised as some form of boundary interchange, – as the dependence of one system on another. Dependency is viewed as a conditioning factor which alters the *internal* functioning and articulation of the elements of the dependent social formation.

A further analysis along the same lines of Frank's 'accumulation of backwardness' and the 'development of underdevelopment' is that of Rui Mauro Marini (1972). His work, which is an attempt to construct a far more complex model than that of Frank or dos Santos, can be summarised as primarily an attempt to apply Rosa Luxemburg's writings on imperialism (1913) to the Latin American situation.

Finally, Caputo and Pizarro (1974) and Hinkelammert (1970) have contributed to this approach of the study of dependency from the same perspective of the 'development of underdevelopment'. To conclude this part of the paper, it needs to be emphasised that there is little consensus about a theory of dependency. Indeed no common theory exists – the literature on dependency moves in many directions. (Chilcote, 1981 : 297). This not only complicates any attempt to classify dependency theory, but explains the considerable overlap in virtually every existing attempt at classification. In fact, some of these typologies are of limited use, since they tend to complicate and to confuse, rather than to simplify and clarify matters. The following table lists five of these attempts at classification.

### Five classifications of Dependency Theory

Cardoso (1972)	Bachá (1971)	O'Brien (1974)	Chilcote (1974/1981)	Palma (1981)
Autonomous national development (Jaguaribe)	Centre-peripheral dependency (Vasconi)	ECLA structuralists (Sunkel and Furtado)	Development of underdevelopment (Frank and Rodney)	Theory of underdevelopment (Frank, CESO, dos Santos, Marini, Caputo and Pizarro)
International Monopoly Capitalism (Baran and Sweezy)	Dependency and Imperialism (Lenin)	Marxist dependency (Marini, Dos Santos, Frank)	New Dependency (Dos Santos)	Reformulation of ECLA thesis (Sunkel and Furtado)
Structural dependency and dependent capitalism (Cardoso)	Capitalist development of underdevelopment (Frank)	Marxist-structuralist synthesis (Quijano, Cardoso and Ianni)	Dependency and Development (Cardoso)	Analysis of 'concrete situations of dependency' (Cardoso)
	New Dependency (Dos Santos)		Dependency and imperialism (Baron and Sweezy, and Quijano)	
	Internal dependency (Cardoso and Faletto)			

### Critical reflections

The points raised here are essentially to stimulate debate, and are not meant to be a comprehensive critique of the dependency paradigm. Various eminent scholars, far more able than myself, have advanced criticisms of the various dependency studies. In particular those by Laclau (1971), Brenner (1977), Cardoso (1974) and Lall (1975) come to mind. Lall (1975) for instance, argues that the characteristics to which underdevelopment in dependent countries is generally attributed are not exclusive to these economics, but are also found in so-called 'non-dependent' economics, and that therefore they are properly speaking characteristics of capitalist development in general and not necessarily only of dependent capitalism. Laclau's (1971) critique of Frank's contribution has already been referred to.

Cardoso (1974) in particular, provided a systematic critique, when he argues that these 'theories' are based on five interconnected erroneous theses concerning capitalist development in Latin America. These are:



- (i) that capitalist development in Latin America is impossible;
- (ii) that dependent capitalism is based on the extensive exploitation of labour and tied to the necessity of underpaying labour;
- (iii) that local bourgeoisies no longer exist as an active social force;
- (iv) that penetration by multi-national corporations leads local states to pursue an expansionist policy that is typically 'sub-imperialist'; and
- (v) that the political path of the sub-continent is at the crossroads, with the only conceivable options being socialism or fascism. (Quoted by Palma, 1981 : 48).

Palma (1981), following Cardoso's analysis, argues that these theories of dependency are mistaken not only because they do not 'fit the facts', but more importantly, because "their mechanico-formal nature renders them both static and unhistorical". (Palma, 1981 : 48). In a more general sense, both dependency [theorist] and modernization theorists show a strong tendency toward conceptual polarity. This is exemplified in their usage of concepts such as "centre-periphery"; "metropolis-satellite", and of course, "traditional-modern". Likewise dependency and modernisation theorists have been criticised for their linear conception of history and their lack of consideration as to the specificity of the history and socio-economic structures of the dependent nations. In this sense both of these two paradigms tend toward over-generalization in concepts and theory. (See for example, Brookfield, 1975 : 165; Chilcote, 1981 : 308–312 and Browett, 1980 : 95–112).

Two additional points need to be made here. The first, is that movement in an economic, historical and political sense produces inequality or rather more correctly, inequalities. Movement almost by definition implies inequality. As dos Santos has argued movement is produced precisely through the dynamic of inequality. To discount this, is to ignore history. The point is that some of the more mechanistically inclined dependency theorists like Frank, Amin, Marini and the CESO school, simply ignore this fact. The second point relates to the role of consciousness. People will only be dependent, or free for that matter, if they consciously *feel* that way. 'Dependency' like freedom is not solely a matter of historical or economic necessity or inevitability, but to some extent a matter of choice. To disregard the element of choice is to relegate man to the position of almost total inaction – a mere puppet in the hands of historical forces. Beckford's remark (1972 : 235) that the most intractable problem of dependent societies is the 'colonized condition of the minds of the people' rather than a preoccupation with past processes, neatly captures the argument.

## PART II

**The Modernisation Paradigm – A thumb-nail sketch**

In this brief and highly selective introduction of the modernisation paradigm some of the central tenets associated with the works of Eisenstadt, Weber, Parsons, Levy, Rostow, Apter, and Huntington are outlined. The concepts 'modernisation' and its diffuse origins in the works of these authors will be briefly outlined.<sup>24)</sup>

The 'modernization' thesis is indeed interdisciplinary in scope with diffuse origins. The 'acculturation' thesis of anthropology provided an important element; other inputs included Talcott Parsons's writings on 'action' and social change, notions of the plural society originating with Furnivall, theories of capitalist diffusionist development, and theory in political science on the evolution of nationalism. In all cases, however, these strands were interpreted through a particular view of change which is essentially dualistic: tradition and modernity are seen as opposed forces, the latter growing at the expense of the former.

Dichotomous thinking and reasoning underlie the whole argument of modernization, just as it does that of intersectoral and dependency analysis.

The modernization paradigm, operates on the central or key proposition that the economic and socio-political experience of Western Europe has suggested a linear path toward "modern development", and that this path (once understood) could be replicated by the non-Western world. Inherent in this view is the nineteenth-century notion associated with evolution of successive stages of development. Implied in this view of progress was the messianistic belief that the Western world could civilize other less developed areas, and conquest and expansion combined with the implantation of European values to these areas.

In social science literature Max Weber contrasted "traditional" and "modern" societies, and Talcott Parsons suggested dichotomous variables so that ascriptive statuses, diffuse roles, and particularistic values of traditional society were juxtaposed with achievement statuses, specific roles, and universalistic values of modern society. This ideal typing of traditional and modern societies influenced approaches to the study of modernization. For example, S.N. Eisenstadt (1964) identified the major structural characteristics of modernization along

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24) A useful synthesis of these theories, is found in Szymon Chodak's *Societal Development*. (1973).

the lines suggested by Weber and Parsons. He associated modernization with a highly differentiated political structure and the diffusion of political power and authority into all spheres of society.

Post World War II saw the development of stage theories of modernization. Inherent in this theory are some premises. The most salient of these have been succinctly summarized by Nisbet (1969) as follows:

through change higher levels of order may be achieved; change continuously and necessarily occurs through a sequence of stages and toward certain features characteristic of Western Europe, and change emanates from uniform causes.

The most influential proponent of this stage theory of modernization was the American economic historian, Walt W. Rostow, who in his *Stages of Economic Growth : A Non-Communist Manifesto*, published in 1960, outlined five stages: (1) traditional society, (2) preconditions for takeoff, (3) takeoff, (4) drive toward maturity, and (5) age of high mass consumption. The takeoff stage is especially relevant to new nations, for it appears when “resistances to steady growth are finally overcome” (Rostow, 1960 : 7). A decade later Rostow added “the search for quality” as his sixth stage in his treatise on *Politics and the Stages of Growth*.

Rostow’s stage theory has influenced the writings of many political scientists, among them Organski, (1965), Samuel P. Huntington (1965 and 1968) and David Apter (1965). Organski’s *Stages of Political Development (1965)*, corresponded to Rostow’s stages of economic growth. The former outlined four stages of political development , namely – (1) primitive national unification, (2) industrialization, (3) National welfare, and (4) abundance. Modernization in a political sense for Huntington (1965 and 1968) implies industrialization, economic growth, increasing social mobility, and political participation.

In his well-known study *The Politics of Modernization (1965)* Apter draws a distinction between development and modernization. In this respect, he writes as follows:

Development, the most general, results from the proliferation and integration of functional roles in a community. Modernization is a particular case of development. Modernization implies three conditions – a social system that can constantly innovate without falling apart; differentiated, flexible social structures; and a social framework to provide the skills and knowledge necessary for living in a technologically advanced world. Industrialization, a special aspect of modernization, may be defined as the period in a society in which the strategic functional roles are related to manufacturing. (Apter, 1965 : 67).

Apter's typology of political system types – the reconciliation and mobilization systems – are linked to Rostow's concept of stage of economic growth. Rostow's preconditions for the takeoff stage are created by Apter's reconciliation system or, alternately, by a modernizing autocracy or a military-oligarchy. The takeoff stage is equivalent to the mobilization system.

In a more general sense the momentum around what Brookfield termed "the virtues of growth" (Brookfield, 1975 : 24) was restored around 1950, and it continued as a philosophy of 'development' for a generation or more. Three underlying forces with a longer history provided the momentum for this philosophy. Firstly, this concern with what Bodenhimer (1970 : 100) called the "ideology of developmentalism", flowed directly from the fifty-year-old 'ethical' policy in colonial affairs, sharpened by a realization of the inadequacies of early efforts. Secondly, there was a renewed sense of world interdependence as major efforts were made to rebuild foreign trade after dislocations of depression and war, to obtain supplies and to market the exports of hard-pressed industrial countries. A major consequence of this latter force was the 'Eur-Africa' movement of the late 1940s and early 1950s : the African colonies of Western Europe would supply the foodstuffs needed, and would buy the products of rebuilt industries, all within European currency areas. Some colossally un-economic developments were perpetuated in the name of this policy, but it lingered through the French *loi cadre* of 1956 into the Yaoundé Agreement between France and its former colonies, and so into the present arrangements of many dependent economies with the EEC. (Brookfield, 1975 : 24–25).

Finally, we should also mention the reconstruction of capitalism that had taken place between the wars. The emergence of new and larger forms of organization was one other aspect, but of equal importance was the partnership between capital and state power, and the adoption of an economic role by the State – the whole movement given theoretical blessing by Keynes. There was of course nothing new about the partnership between capital and the state, however, this partnership was again respectable, and it was also better organized than before. Brookfield, (1975 : 25), comments – "It was the job of the State to provide the infrastructure for capital, to ease its movement into new economic or geographical areas, and to take care of the necessary welfare investments that followed successful growth. If this was true within countries, it was also true internationally. Aid facilitated investment, and investment facilitated the use of aid". What now happened was not only a surge of aid in all its varied forms, but also a new and massive wave of overseas investment from the developed countries. An alliance of economic power with idealism provided the impetus for a new doctrine which had growth and development at its centre.

The first development decade of the 1960s took off with the support and blessing of the United Nations. In 1961 Resolution 1710 of the General Assembly of the United Nations inaugurated a programme for the 1960s in which 'to attain for each country a substantial increase in the rate of growth, with each country setting its own target, taking as the objective a *minimum annual rate of growth in aggregate national income of 5 per cent at the end of the decade*'. This was to be aided by an improvement in official and private financial flows from the developed countries to the less developed (LDC's), to equal 1 per cent of the former's GNP. Comprehensive aid was to be offered in the formulation of development plans to meet these ends.

However, while the LDCs taken as a whole not only achieved but surpassed the target rate of aggregate growth, growth in itself did not lessen the enormous and growing disparity between the developed and the developing countries. Within the dependent countries themselves income inequality widened; unemployment remained at an unacceptable high level, while the majority of the people in these societies were living only at a most basic subsistence level.

The second development decade directed by the UN and its various agencies, led to second thoughts about the doctrine of growth. Although growth remained central, with a target average of 6 per cent per annum in gross terms and 3.5 per cent in per capita terms, events since 1970 in the international political and economic systems transformed the structure of both of these systems. Not only was progress toward the elimination of international trade barriers very slow, the third UNCTAD conference at Santiago, Chile, in 1972 underlined the force of growing opposition between the interests of the wealthy trading nations and the poorer. Then in 1973 the collective power of the oil-exporting countries, was dramatically demonstrated in both political and economic terms. By imposing what is, in effect, a large new tax on oil they have restructured the pattern of world trade and financial flows and, in so doing, brought about a more complex international system.

The problem is no longer simply one of growth -- if indeed it ever was --, but of a major restructuring of the international system itself. Simultaneously a shift in emphasis away from growth per se to poverty, employment, redistribution, the incorporation of the so-called 'informal sector', and the problem of regional inequality are now recognised in development and modernization theory alongside growth.

### Critical Observations

In one of the most quoted attacks on the theory of development and modernization, André Gunder Frank (1967) scrutinised several approaches. Frank faulted theories of development on both theoretical and empirical grounds. Rostow's stage theory in particular ignores both historical conditions as well as the relations of the underdeveloped countries with the developed ones. Frank also rejected the diffusionist view of development.

Denvon and Bodenheimer directly criticised political scientists for their failure to construct a theory of modernization. Denoon (1969) indicted political scientists for dealing with trivia, abstractions, and obscure terminology. I quote – "The literature is not only a-historical and apolitical, but, behind all the analytic techniques, it is consciously or unconsciously prostituted to the goals of American foreign policy" (Denoon, 1969 : 285). Bodenheimer (1970) attacked the emphasis on stability found in structural-functional theory of modernization and exposed the ideological nature of U.S. pluralism and social science. The idea that development can be diffused from developed to underdeveloped nations was also debunked.

Mention has already been made of the linear conception of history which underlies the modernization paradigm. In particular the proposition that the historic experience of the 'developed' countries can and must be replicated by the underdeveloped world, underscores an essentially ahistorical and unilinear view of time. (Dos Santos, 1969 : 59). By treating the Third World as though it were composed of a number of essentially similar units, theories of modernization ignore the varying and differing histories of the countries of the Third World. For these propositions to have any utility, they need to be made historically specific.

This does not mean that no generalisation is possible, that we can only write a series of individual histories. Theoretical generalisation is possible, even desirable, but the process is a far more complex one than most dependency and modernization theorists seem to suggest.

The influence of Social Darwinism on stage theories of development, presents the analyst with numerous problems. The first concerns the notion of a simple sequence through which all societies pass. Several difficulties arise from this notion, one of which is the fact that contact between two cultures may modify such a sequence of evolution for one or both societies. A second problem concerns the mechanisms which shifts a society from one evolutionary stage to another. (Roxborough, 1979 : 14). Further problems, are whether all forms of social change and modernization be conceptualised as variations of a series of 'evolutionary universals'? Furthermore, how is the range of institutional variation to be

explained? Modernization theory is couched at too general a level to be able to do this, and ought therefore to be abandoned in favour of more historically – oriented theories.

Finally, the widespread dichotomy that of ‘traditional-modern’ is not only normative, but the concept ‘traditional’ conveys a false image of a static equilibrium. Historical and anthropological research on non-Western societies indicate that this is a totally false impression. Furthermore, neither the dependency nor the modernization theorists possess a general theory of world development, they provide but perspectives, which as we have argued, are often ahistorical and abstract. In some important respects, both of these paradigms are ‘overdeveloped’ and ‘underdeveloped’, however, this does not mean that they have no application at all. It is to this aspect that turn in the last section of this paper.

### **Some applications**

Provided that the dependency paradigm is applied to specific cases, a whole range of possibilities exist. The following come readily to mind:

- (1) As theoretical exploration into state formations and how these relate to social or economic formations. (Following on the contributions of Frank, Furtado, Sunkel and others).
- (2) As a perspective on the evolution of economic relations between dominant and dependent countries of the world.
- (3) As an approach to and analysis of the role of multi-national corporations in dependent economics.
- (4) As a focus on the ideology and mechanisms of control of the industrial entrepreneurial-classes or of various kinds of political and economic elites.
- (5) As theoretical exploration of different dimensions of dependency (i.e. economic disadvantage; economic penetration or overt retaliation by the centre) on a country, or regional basis.
- (6) As an analysis of unequal exchange in terms of trade, import-export and capital accumulation.

- (7) As a perspective on wider international issues such as those present in the North-South debate, and
- (8) as a theoretical orientation to and critique of other approaches to urban politics and to development studies.



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