

PLS 341

Politics of Development

Week 4, Lecture 2:

Historical legacies—dependency / underdevelopment

Recap

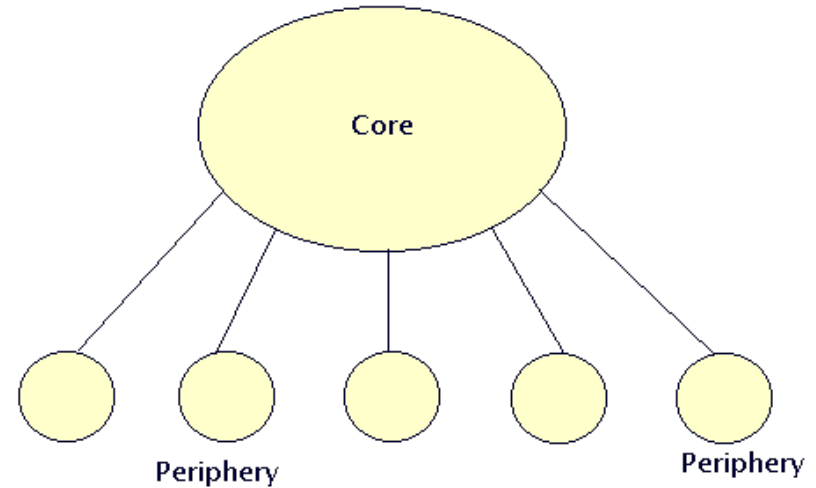
- Colonial legacies of exploitation and global integration

Plan for today

- Dependency / underdevelopment theories:
 - Claims
 - Flaws
 - Historical context
 - Influence

Core claims

- The international system:
 - Dominant / core / metropolitan / developed countries in Europe and North America
 - Dependent / periphery / satellite / underdeveloped countries in Africa, Asia, and Latin America
- Power inequalities between the two sets of countries as the key characteristic of the international system



Core claims

- Internationalization of capitalism —> bifurcated international system
- Reinforcement of global inequality through interactions between the core and the periphery —>
- Undevelopment != underdevelopment
- External determination of dependent countries' economic trajectories

Dependency according to Dos Santos

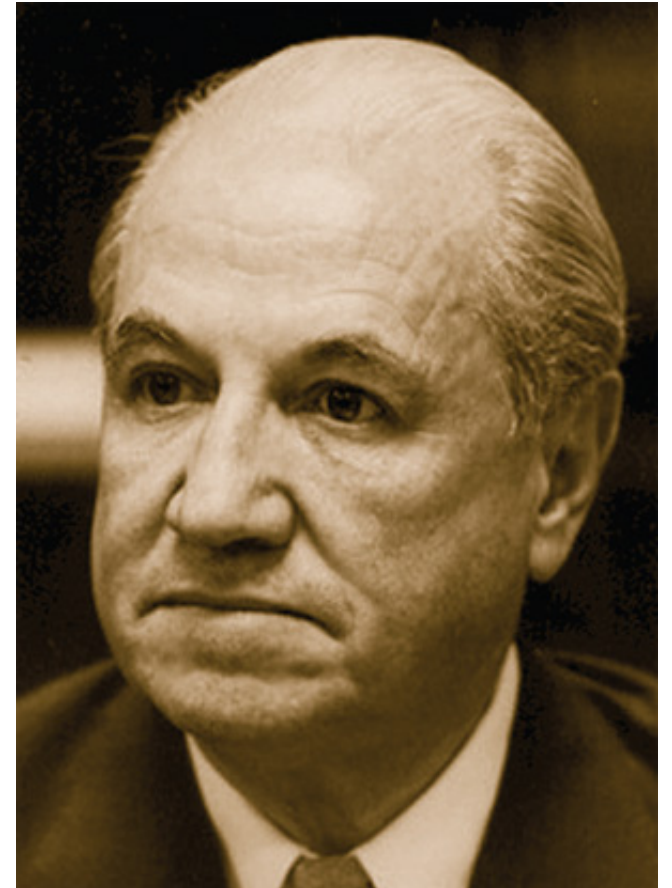
- “[A]n historical condition which shapes a certain structure of the world economy such that it favors some countries to the detriment of others and limits the development possibilities of the subordinate economies... a situation in which the economy of a certain group of countries is conditioned by the development and expansion of another economy, to which their own is subjected.”

- Dos Santos, Theotonio. 1971. “The Structure of Dependence.” In K.T. Fann and Donald C. Hodges, eds., *Readings in U.S. Imperialism*. Boston: Porter Sargent.



Prebisch's insight

- Prebisch–Singer hypothesis: primary commodity price decline —> deterioration of primary product-dependent poor countries' terms of trade —>
- Development precluded by the international system
 - Prebisch, Raúl. 1950. *The Economic Development of Latin America and Its Principal Problems*. New York: United Nations.



Frank's formulation

- “A whole *chain of constellations of metropolises and satellites* relates all parts of the whole system from its metropolitan center in Europe or the United States to the farthest outpost in the Latin American countryside.”



Frank's formulation

- “Each of the satellites [...] serves as an instrument to suck capital or economic surplus out of its own satellites and to channel part of this surplus to the world metropolis of which all are satellites. Moreover, each national and local metropolis serves to impose and maintain the monopolistic structure and exploitative relationship of this system...”



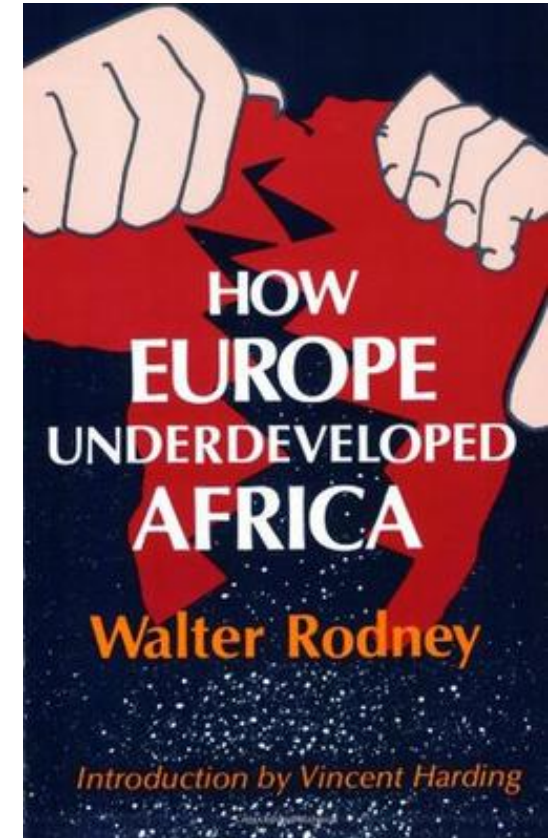
Frank's formulation

1. "In contrast to the development of the world metropolis which is no one's satellite, the development of the national and other subordinate metropolises is limited by their satellite status."
2. "Satellites experience their greatest economic development [...] if and when their ties to their metropolis are weakest."
3. "The regions which are the most underdeveloped and feudal-seeming today are the ones which had the closest ties to the metropolis in the past."
4. Latin American countries' domestic structure as the result the nature of the international system.

• Frank, Andre Gunder . 1966. "The Development of Underdevelopment." *Monthly Review* 18(4): 17-32.

Rodney's application

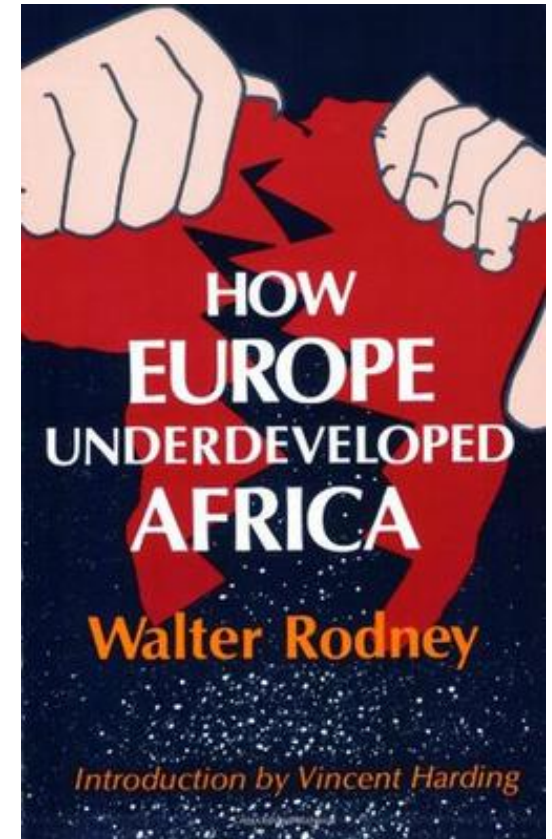
- “The colonisation of Africa and other parts of the world formed an indispensable link in a chain of events which made possible the technological transformation of the base of European capitalism.”



Rodney's application

- “In a way, underdevelopment is a paradox. Many parts of the world that are naturally rich are actually poor and parts that are not so well off in wealth of soil and sun-soil are enjoying the highest standards of living. When the capitalists from the developed parts of the world try to explain this paradox, they often make it sound as though there is something ‘God-given’ about the situation.”

- Rodney, Walter. 1972. *How Europe Underdeveloped Africa*. London: Bogle-L'Ouverture Publications.



Wallerstein's world-systems theory

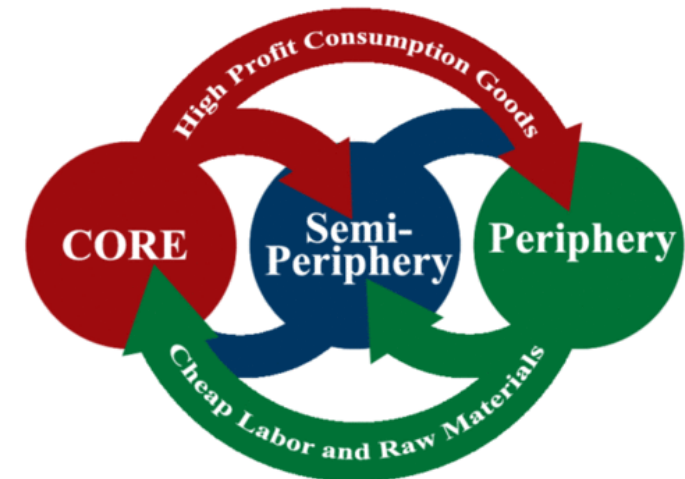
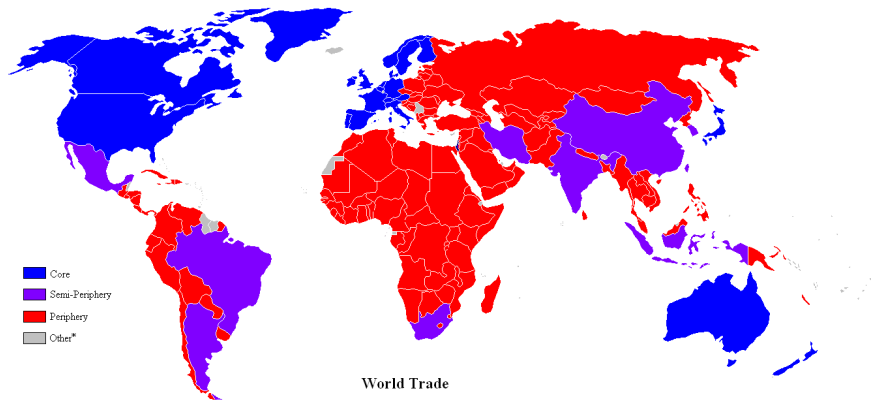
- Capitalist world-economy:

- Core

- Periphery

- Semi-periphery

- Wallerstein, Immanuel. 1974. "The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis." *Comparative Studies in Society and History* 16 (4): 387–415.



Wallerstein's World System Theory Model

Hickel's (attempted) revival

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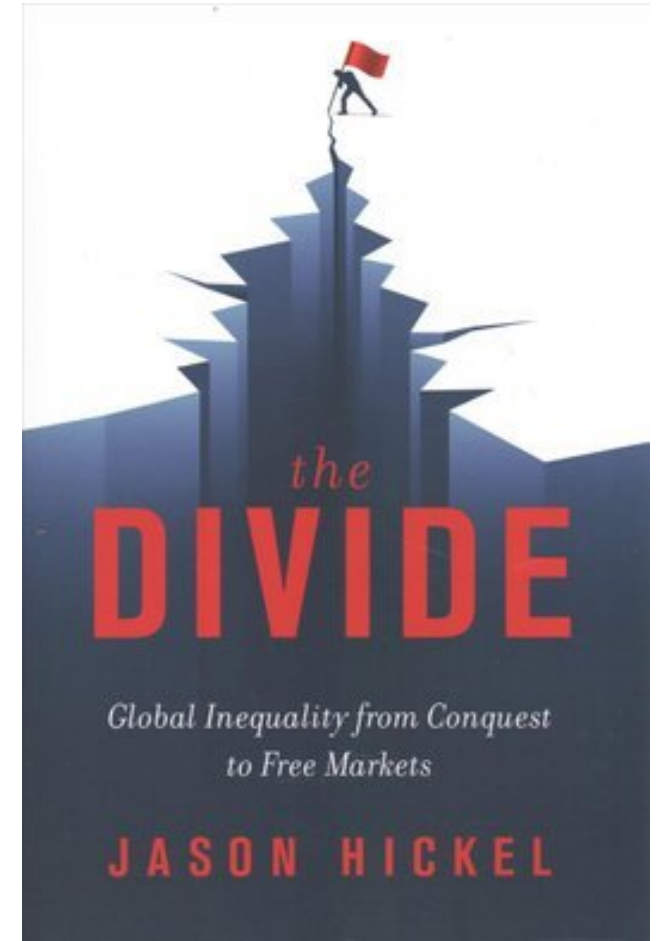

Money Markets Project Syndicate B2B Retail

This article is more than 4 years old

Aid in reverse: how poor countries develop rich countries

Jason Hickel

New research shows that developing countries send trillions of dollars more to the west than the other way around. Why?



Improvements over modernization theory

- Ahistorical —> acknowledgement of the history of exploitation
- Teleological —> necessity of struggle to bring exploitation to an end
- Apolitical —> explicit recognition of power relations
- Universalistic —> no single path of modernization
- Eurocentric —> subaltern perspective
- Hegemonic —> desire to free the 'underdeveloped' countries from Western hegemony

Problems with modernization theory —and dependency / underdevelopment theories

- Simplistic
- *Ahistorical*
- *Universalistic*
- Predicated on a false dichotomy
- Excessively focused on the (nation-)state
- Economy-centric
- Lacking empirical validity
- Advocated unsuccessful policies

Policy influence

- Delinking
- Import substitution industrialization
- New International Economic Order

Import substitution industrialization

- Reduction of dependency through local manufacturing
- Required policies:
 - Protectionist trade regime
 - State intervention in economy
 - Subsidization of industries and industrialization
 - Increased taxation
 - Debt



La Década Perdida



New International Economic Order

- Third-Worldism and the Non Aligned Movement
- Proposed transformation of the global order through redistribution

**3201 (S-VI). Declaration on the Establishment of
a New International Economic Order**

The General Assembly

Adopts the following Declaration:

**DECLARATION ON THE ESTABLISHMENT OF
A NEW INTERNATIONAL ECONOMIC ORDER**



Takeaways

- Important response to the reality of exploitation and global integration and to the flaws of modernization theory, but itself theoretically flawed and arguably harmful