

ALTERNATIVE THEORIES OF (UNDER) DEVELOPMENT:  
HOW RELEVANT TO AFRICA?

by

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INTRODUCTION

This article has two objectives: first, to attempt to juxtapose and synthesise the theories of modernisation and dependency and second, to attempt to examine the relevance of these theories in explaining African underdevelopment. Because these two schools demonstrate remarkably diversified perspectives - as reflected in the sheer volume of literature generated - I will restrict myself to their central comparable features. It is not possible to treat them comprehensively within the scope of this article.

The starting point is to examine whether these alternative "theories" qualify to be labelled as such. There is no rigidity in the use of certain concepts; for instance, the following will be used interchangeably: theory, perspective, school and even concept itself. In like manner monopoly capital, capitalism and imperialism will be used interchangeably. This is done so because such terms defy attempts to give them singular, agreed and precise meanings.

The argument that the modernisation approach, while retaining a few useful aspects, on the whole is unable to explain satisfactorily African underdevelopment and poverty. Because of its faulty causal-analysis, its prescriptions are unworkable. In regard to dependency, the article will argue that while the perspective helps to explain underdevelopment, it does not recommend a set of clear-cut solutions for underdevelopment. This is because, unlike modernisation which makes claim to both explanation and solution, dependency is mainly explanatory rather than prescriptive.

Finally, the article attempts to assess two current propositions about underdevelopment and the programmes of action for overcoming underdevelopment. These are: the report of the World Bank on Accelerated Development in Sub-Saharan Africa, popularly known as the "Berg Report" after its principal author, Elliot Berg; and the Organization of African Unity (OAU) Lagos Plan of Action for the Economic Development of Africa 1980-2000 (LPA). The former is generally considered to be a revival of the modernisation school while the latter, at least in its conception, is situated within the dependency school. The conclusion is that while the LPA represents a new perception and appreciation of

the continent's economic and social crisis, its inherent contradictions militate against any successful implementation.

#### MODERNISATION

In much of the "development" literature, modernisation is at one and the same time a concept as well as a theory. Viewed as a concept, modernisation eludes definition. This problem of definition is further compounded when the term is taken to be a theory. This is so for the simple reason that, like most social science theories, its theoretical components or basic assumptions are perceived in broad terms which leave considerable room for maneuver in its usage and analytical application, unlike theories in pure and applied sciences. Despite this ambiguity, however, modernisation can still be regarded as a theory to the extent that its adherents expect its broad assumptions to have more or less universal application.

As a concept, modernisation can be taken literally to mean the transition from a pre-modern to a modern state. However, this formulation immediately raises the problem of establishing an acceptable set of criteria for determining "modernity". To resolve this, A.G. Hopkins has cited two "working definitions" of the concept. According to him, Samuel Huntington regards modernisation as "a multifaceted process involving changes in all areas of human thought and activity."<sup>1</sup> Hopkins further quotes Alex Inkeles, who states: "we use the term 'modern' much in the sense that Weber used the term 'rational' as a way of characterising the predominant tone or ethos of relations in the contemporary industrial world."<sup>2</sup> One associate of Inkeles is quoted as explaining further: "'modernity' in this sense manifests itself through goal-directed behaviour that requires cognisance of the milieu in which the intermediate steps towards the goal take place."<sup>3</sup> Whatever definition one chooses to adopt, however, central to all of them is the notion of a desirable change - change from a state of "irrationality" to one of "rationality".

Fundamental to the concept of modernisation are: a perceived dichotomy between two parallel, qualitatively unequal sets of values: tradition and modernity; and a notion of social evolution. Traditional value systems are viewed to be the very opposites of modern value system.<sup>4</sup> The influence of great social thinkers such as Weber and Malinowski dominates the modernisation school.<sup>5</sup> On the one hand, the industrial world, which is seen as having attained the status of modernity by having embarked on the process of modernisation, is characterised by a rational, contractual, individualistic, achievement-oriented, and economising set of values. The non-industrial world, on the other hand, is

dominated by a different kind of rationality which is basically "traditional" - the predominance of kinship systems, communal loyalty, ascriptive values, and unproductive economic behaviour directed towards social ends rather than towards the maximisation of monetary gains.

The modernisation literature assumes that these alleged attributes of traditional societies "are both an expression and a cause of underdevelopment,"<sup>5</sup> and that their persistence constitutes a serious obstacle to development. For the non-industrial societies then, the surest path to development is the adoption of modern values and institutions. Development thus becomes synonymous with the process of "Westernisation": the concept of modernisation is firmly cast within the ethnocentric background of Western achievement.

Modernisation as a concept also involves an evolutionary connotation since it assumes that all human societies necessarily pass through a number of defined stages which, according to Carneiro, is "a change from a state of relatively indefinite, incoherent homogeneity, to a state of relatively definite, coherent heterogeneity."<sup>7</sup> A common starting point is assumed for all societies and the Western industrial societies are regarded as having passed through the traditional stage which the underdeveloped world has yet to overcome. This evolutionary view of society reflects the influence of "Social Darwinism" which dominated nineteenth century thinking. The perception of stages of growth is best represented in the works of Hagen<sup>8</sup> and Walter Rostow.<sup>9</sup> As the sub-title of Rostow's book suggests, he intends to offer an antithesis to the Communist Manifesto of Marx and Engels, the latter constituting one of the most authoritative views on the socialist conception of social change. In particular, Rostow's evolutionary schema treated below contributes to elevating the modernisation concept to the status of a theory.

In addition to its dichotomous, ethnocentric and evolutionary features, modernisation is also systemic in nature since it consists of "a cluster of attributes (both behavioural and institutional) which are all related."<sup>10</sup> The development of modernisation theory owes a lot to sociologists and anthropologists who charted the path later dominated by development economists and political scientists. Economists in particular were quick to adopt the conceptual assumptions of modernisation in studying the underdevelopment of non-Western societies. Perhaps the most definitive contribution in this regard is Rostow's book already noted.<sup>11</sup> Its principal element is the prescription of a number of stages - five in all - which all societies must undergo: traditional society; pre-condition for development; take-off; maturity; and, finally, mass consumption.<sup>12</sup> Each of these stages is defined in rigid, universalistic economic terms.

The industrial world is categorised as having attained the last, mass consumption stage while the different societies of the Third World<sup>13</sup> occupy different rungs below the West on the abstracted evolutionary ladder.

Modernisation economists have popularised the notion of Gross National Product (GNP) as the index of a society's progress. Underdevelopment is revealed by identifiable factors which are systemic and institutional in nature: saving is difficult because incomes are limited and this in turn inhibits capital formation; and techniques of production are in the main primitive thus restricting the scale of production - a restriction which results in low levels of income.<sup>14</sup> This "low level equilibrium trap" and its variant - the vicious circle of poverty - are identified as the dominant character of underdevelopment.

Even when underdeveloped economies have been absorbed within capitalist relations, those societies which are becoming "modern" develop what has been described as "dual economies": the coexistence of parallel economic sectors. Each of the two sectors is characterised by different economic operations; they are not integrated.<sup>15</sup> Modernised elites are subject to a "demonstration effect" which makes saving difficult and, it is argued, change from one level cannot be achieved piecemeal but only by a "big push" in all sectors.<sup>16</sup>

The modernisation literature implies that this "big push" could be achieved through a combination of capital accumulation and Western technology. In the case of Africa, this would mainly take the form of external trade and foreign capital investment. Colonial states were supposed to specialise in primary commodity production for the export market. Classical economic theory, especially the doctrine of international division of labour based on the theory of comparative advantage, becomes an article of faith. The linkage effect of international trade and capital investment located mainly in mining and export crop production was expected to spur economic growth. Ironically, despite the unassailable belief in laissez-faire doctrine, an important role was assigned to the colonial state in the process of economic development. The state, acting supposedly on behalf of the inexperienced "natives", was to mobilise savings, give directions for investment, negotiate loans and guide expenditures. A recent authoritative reassertion of modernisation as a suitable development strategy for Africa can be found in the "Berg Report" which will be treated below. This World Bank Agenda for Action, in typical modernisation tradition, sees Africa's economic crisis due mainly to internal constraints with external factors playing only a marginal role. Accordingly, the best way out is to allow

conventional economic theories to operate with minimum interference.

Political science has exerted considerable influence on the modernisation school, too. "Political modernisation" is concerned with the possible replication of Western political models in non-Western societies. Such political scientists make efforts to demonstrate the presumed superiority of Western democracy over other forms of government; they are preoccupied with nation-building, political behaviour, political structures and stable political orders. In their study of politics in non-Western societies, Gabriel Almond and James Coleman use concepts derived from Western political tradition as parameters for analysing the politics of the "developing areas." Concepts such as political system, political role, political culture, political structure and political socialisation are freely employed.<sup>17</sup>

In attempting an explanation of the violence and disorder that characterised the Third World after the late 1950s and the 1960s (and which still continue to this day), Huntington blames "rapid social change (of course as a result of colonial rule) and the rapid mobilisation of new groups into politics and coupled with the slow development of political institutions."<sup>18</sup> "The primary problem of politics," Huntington continues, "is the lag in the development of political institutions behind social and economic change."<sup>19</sup> The problem of government in "traditional" politics is lack of authority and legitimacy. In these polities there is a horizontal diffusion of power among several groups unlike in a modern political system where there is a vertical distribution of power and the government has authority: "...it is authority that is in scarce supply in those modernising countries where government is at the mercy of alienated intellectuals, rambunctious colonels and rioting students."<sup>20</sup> Many political scientists writing on the politics of Africa and other underdeveloped countries in the 1960s and 1970s held views similar to those of Huntington, Almond and Coleman.<sup>21</sup>

Yet modernisation as a theory of development has had limited success in explaining the economic problems of Africa and other underdeveloped areas, and even less success in prescribing a cure for underdevelopment. The core of this conceptual deficiency is empirical. It has become evident that the theoretical structure of modernisation is erected on a fragile superstructure of false assumptions. Most of the writings are informed by long-established prejudices and ethnocentrism. Those which derive from an analysis of concrete situations - and they are very few - base their analysis on superficial phenomena. There is no doubt that modernisation writers write within the parameters of available evidence. But in recent years sufficient empirical evidence

has emerged to undermine the structural pillars of the school. Certain aspects of modernisation writings remain useful but these are the minority elements.

The limited scope of this article does not allow a detailed examination of these weaknesses, some of which are summarised by Hopkins<sup>22</sup> and Ian Roxborough,<sup>23</sup> or are dealt with in detail by a number of specialised studies.<sup>24</sup> Some specific aspects of the problem can only be briefly discussed here.

Both the validity of the conceptual tools and the selectivity of the vocabulary employed by the modernisation school are questionable. The use of the terms "tradition" and "modern" is superficial; and the assumption of a dichotomy between and the mutual exclusiveness of these two categories is wrong. In an era of increasing human interaction across geographical and cultural frontiers, very few societies can be said to have remained immutable to cultural exchange and social change. Nor has there been any society that has been able to expunge all "unprogressive" aspects of its cultural heritage in the name of modernity.

If the very adjective "traditional" is used to denote the indigenous values of non-Western societies, probably for lack of a more suitable term, we must reject its association with stagnation and pessimism. "Tradition", writes Benjamin Schwartz, "is treated as a kind of static setting whose essential features can be described in terms of a few well-chosen propositions."<sup>25</sup> So must we also reject associating modernity - again if we use it in terms of Western values - with anything progressive. Some traditional values are equally progressive. Nowadays, in the words of Schwartz, there is a new awareness and empathy. "There has emerged the notion that in some societies, some traditions, far from impeding certain aspects of modernization, may have actually facilitated them."<sup>26</sup>

To the modernisation theorist, and indeed all those steeped in the ethnocentric tradition from which the theory emerges, the African professor who spends all his earnings providing education for his extended family dependents is uneconomic and unprogressive. Yet it is these same extended family ties and kinship affinities that have ensured the realisation of the "modern" social and economic needs of a vast number of people through a process of rational redistribution at a time when the state was not yet in a position to satisfy the basic needs of the population.

Hopkins, in an earlier study, showed how wrong our notion of so-called traditional economy is.<sup>27</sup> Ray Kea's important book convincingly demonstrates the dynamics and rhythms of

positive changes that characterised some pre-colonial African societies. He describes how 17th century Gold Coast societies responded positively to international commerce which stimulated existing systems of production and exchange. Both producers and circulators responded well to market forces, exercising rational economic behaviour within the framework of an economy characterised by a highly developed system of social division of labour. Peasants, fishermen and craftsmen all produced not only to have 'use-values' but to acquire 'exchange-values' as well. Both the petty commodity trader and merchant were driven by accumulation propensities: "Buying and selling as a full time activity and wealth accumulation," Kea has written, "defined the social praxis of a merchant. Thus the merchant engaged in exchange for its own sake; he bought and sold commodities for profit."<sup>28</sup> Kea also demonstrates the impact of development of class relations upon the development of the productive forces and exchange systems. Such a picture is definitely not that of a subsistence society perpetually threatened by stagnation. Neither is it one of an uneconomising, unproductive people unresponsive to economic incentives.

Other aspects of economic modernisation have received equally well-founded attacks. Hopkins has argued that:

The idea of "vicious circles," for instance, is of descriptive rather than explanatory value. As an explanation it is tautological; to say that people are poor because they cannot afford to save is to beg the question rather than to answer it. In any case, "vicious circles" have been broken in the past by countries which are now industrialised. As for savings, it is now known that poor countries can and do save, and the problem is currently seen to be the direction of investment rather than its existence. Similarly, the demonstration effect is no longer regarded as important in inhibiting savings. Indeed it is possible to argue the contrary view, namely that the desire to consume has encouraged investment in activities which would provide sufficient profit to gratify consumer wants.<sup>29</sup>

Further, Paul Baran has stated that one of the obstacles to economic growth in underdeveloped countries lay not so much in the lack of surplus but in the distinctive way of using it: investment in luxury production to meet the taste of<sup>30</sup> the parasitic upper classes and in unproductive real estate.

The assumption of a defined evolutionary trajectory for all societies is also wrong. While viewing development as a process of incremental qualitative changes, the notion that all societies inevitably go through a set of defined processes

is quite unlikely given the diversities and complexities of the historical forces that have shaped different economies over time. Evidence suggests a variety of paths instead. Barrington Moore has shown some of the different paths taken by a number of Western and Eastern countries to modernity.<sup>31</sup> Not even Britain, France, and the United States replicated the same processes. Yet these are countries whose histories have been moulded more or less by the same broad factors of the different historical epochs.

It is not only bourgeois social theories that are caught in this evolutionary straight jacket: Marxist theories are equally affected.<sup>32</sup> Historical experience and events of the present period should convince us that the underdeveloped world can never replicate the developmental processes of the West or the East although to a large extent their development or underdevelopment will be conditioned by the two ideological blocs.<sup>33</sup> We have come to realise, for instance, that international trade and the international division of labour when conducted within the structure of capitalist relations of production and exchange do not necessarily bring development to all partners. Some have even argued that instead it brings about underdevelopment.<sup>34</sup>

The utility of the interpretation offered for the political conditions of the Third World by political modernisation theorists is also doubtful. Since Huntington's book appeared, political instability and revolutionary ferment in underdeveloped countries have increased. Experience has shown that the primary cause of political turmoil is probably not "the lag in the development of political institutions behind social and economic change" but rather the other way round; that is, a lag in the attainment of social and economic equity behind the development of alien political institutions. The democracy of the West is having difficulty growing on non-Western soils where it has transplanted root, stem and shoot. There is indeed a growing feeling - which might some day become the new orthodoxy - that democracy in the Western sense cannot thrive on a fragile economic structure. Rather, economic freedom is a pre-condition for attaining political democracy. Most post-colonial African states and leaders learned this lesson rather too late.

It is clear, then, that underdevelopment cannot be explained simplistically in terms of inappropriate attitudes and non-capitalist values. To be sure, every society, be it in Africa, North America, or Europe, has its own share of inappropriate attitudes. Why such values should be a stumbling block to development in some societies while aiding development in others is a paradox that is yet to be convincingly explained. After nearly a century of experimenting with capitalist development theory, which is

what modernisation economics is all about, underdevelopment and poverty in Africa are increasing rather than receding. The adoption of Western democracy has not succeeded in solving Africa's political problems; in most cases, the fragile democratic structure itself has collapsed. These are some of the facts which make modernisation theory, in general, a failure in Africa. Nor has the theory been much more successful in explaining or transcending underdevelopment in any part of the Third World. The failure of modernisation has resulted in the emergence of a successor no less controversial. We now turn to dependency perspective.

#### DEPENDENCY AND DEPENDENT DEVELOPMENT

Dependency theory not only stands in opposition to modernisation, but it seeks to explain underdevelopment in ways which modernisation cannot. It may be useful to borrow Hopkin's succinct summary of some aspects of the tensions between the two theories:

Whereas modernisation attributed economic backwardness to internal constraints in "traditional" societies and presumed that external contacts would be instrumental in removing them, the dependency thesis argues that it is the external links which have created economic backwardness by forging chains of dependence and inequality between a privileged core and an exploited periphery. Whereas modernisation theory was essentially ahistorical, the dependency thesis holds that underdevelopment<sup>35</sup> can only be understood as an historical process.

This citation also points to one constant in dependency theory: the essentially external origin of underdevelopment in peripheral societies. But as will be seen presently, although the external factor is crucial, it is by no means the sole focus of analysis within this perspective.

Before proceeding further, it is necessary to point out that dependency is not a unitary theory as is often assumed. Diversity within its analytical approach has caused it to be affected by the same theoretical weakness already identified and associated with modernisation:

Many aspects of dependency and particularly the linkages between external phenomena and internal class and power relations are unclear and need to be studied with more precision and care. For this reason, the dependency perspective is an approach to the study of underdevelopment rather than a "theory".<sup>36</sup>

Ronald Chilcote has identified four formulations within the dependency school: The "development of underdevelopment" associated with Andre Gunder Frank; the new dependency revealed by Theotonio Dos Santos; dependent capitalist development attributed to Fernando Henrique Cardoso, and dependency as a reformulation of the classical theories of imperialism identified by Anibal Quijano.<sup>37</sup> The current tendency is that any writing on imperialism in the Third World inevitably touches on one of these aspects of dependency or the other.

These diversified and distinctive strands within the dependency school complicate understanding of what dependency is and what it is not. Fortunately, probably in response to criticisms of the theoretical basis of the school, there are now some major efforts to elaborate and reorganise the approach's basic postulates in order to increase its analytic value.<sup>38</sup> This article attempts to bring together the common features of the various formulations that collectively come under "dependency" and also points to some major areas of disagreement.

Dependency, which has its origin in the intellectual soils of Latin America,<sup>39</sup> starts by rejecting the modernisation school's assumption that the nation is the unit of analysis of underdevelopment. Instead, this theory argues that underdevelopment can best be understood if viewed in connection with the "incorporation" of the underdeveloped countries in a world-wide economic and political system. This process of incorporation was consummated through the mechanism of colonialism. This system has been described in the works of the world system theorists as the "capitalist world-economy." In other words, one of the surest approaches to understanding the origin of underdevelopment is by studying historical totalities. This perspective is best illustrated by the works of Immanuel Wallerstein.<sup>40</sup> The global system is characterised by the unequal but simultaneous development of its component national units:

The centre is viewed as capable of dynamic development responsive to internal needs and as the main beneficiary of external links. On the other hand, the periphery is seen as having a reflex type of development, one which is both constrained by its incorporation into global system and which results from its adaptation<sup>41</sup> to the requirement of the expansion of the centre.

Put differently, the qualitative and dynamic development of the Western capitalist centre of the world system leads to an entirely different kind of development in the underdeveloped peripheries. Frank characterises this unequal pattern of interaction and its consequences on peripheral

societies as "the development of underdevelopment."<sup>42</sup> This term has been further elaborated by Samir Amin who attributes the transition from pre-capitalist modes of production in the underdeveloped countries resulting from their incorporation, not to the dynamic capitalism of the core states, but to a distorting brand of capitalism: "From the start, the transition of pre-capitalist formations integrated into the world system is a transition, not to capitalism in general but to 'peripheral capitalism'."<sup>43</sup>

According to the dependency theory, then, the principal mechanism for effecting underdevelopment - which can be traced through successive stages of the development of capitalism (primitive accumulation which includes mercantile capitalism, competitive capitalism, monopoly capitalism) - is the pattern of international trade arising from an unfair international division of labour. The underdeveloped countries, not out of choice, specialise in the production of primary commodities in exchange for industrial goods. This system which drains the underdeveloped countries of surplus is viewed as one of "unequal exchange."<sup>44</sup> Both Arghiri, Emmanuel and Amin<sup>45</sup> base their concept of unequal exchange on the labour theory of value. They consider the input of, and remuneration for, the labour involved in the production of the goods exchanged, to be the major means of exploitation. They argue that trade between high-wage and low-wage countries results in unequal exchange of equal values (or market prices that overvalue high-wage-produced goods and undervalue low-wage-produced goods). Such exchange relations thus contribute to capital accumulation in and development of the former at the expense of decapitalisation and underdevelopment of the latter.<sup>46</sup>

Johan Galtung has also shown how the above pattern of international specialization leads to the development of the industrial countries and the underdevelopment of the raw materials exporting nations. Like Frank, whose idea of unequal exchange differs from that of Amin and Emmanuel, Galtung's emphasis is on the following: the constantly worsening terms of trade for the primary commodity producers (perhaps with the notable exception of oil producers) in recent years vis-a-vis the better terms of trade of the industrial countries; and the linkage effects of industrialisation which the non-industrial countries do not enjoy.<sup>47</sup>

In further distinguishing the several strands within the dependency school, it might be helpful to point out that Amin, Frank and Emmanuel develop their views from a neo-Marxist perspective. Both Marx and Lenin had seen capitalism as a dynamic force which would transform the underdeveloped societies where it was being exported. Marx appeared to have changed his mind later, though, on his consideration of

British imperialism in Ireland. In the view of Amin and Frank in particular, as far as capitalism in the underdeveloped countries is concerned, there is nothing dynamic about it. Instead of sustaining an impoverished capitalist system the only way out, they assert, is a socialist revolution which would terminate the impoverished capitalism of the underdeveloped countries and then sever links (disengagement or delinking) with international capitalism which is the great culprit. Both of them insist that the underdeveloped countries, given the facts of imperialism and the way such states have been robbed of any dynamism by capitalist incorporation, are incapable of autonomous capitalist development.

Amin has specifically argued that during the early stages of their incorporation - that is, during the mercantilist and competitive capitalist phases - many of the peripheral societies of today enjoyed a semi-peripheral status so it was quite possible for them to rise subsequently to core status. However, by the end of the nineteenth century, such a possibility had been precluded by the domination of core capital and this situation is bound to persist: "In other words, there is not and there never will be a 'new Japan' after Japan."<sup>48</sup>

This neo-Marxist assertion of the impossibility of successful capitalist transformation in the Third World has been subjected to serious criticisms.<sup>49</sup> Bill Warren, in an iconoclastic<sup>50</sup> essay, launched a fundamental attack on such a notion. He argued that the progress made in the field of capitalist industrialisation in and the subsequent rise in the GNPs and living standards of many Third World countries over the past forty years or so, has undermined the neo-Marxists' position.<sup>51</sup> Schiffer has also expressed a similar view.

In a counter response, Emmanuel, McMichael et al have separately identified the weakness of Warren's thesis. Emmanuel attacks Warren for equating "the fetish of industrialisation" with development: "Industrialization is not the structural condition for development but its symptom."<sup>52</sup> In developing his riposte, Emmanuel distinguishes between two kinds of industrialisation - craft production and mechanised production. According to him about 50 per cent of those cited by Warren as industrial workers in some of the underdeveloped countries are engaged in craft, not mechanised production. He also argues that Warren exaggerates what is in reality a marginal flow of capital into the Third World.

Opposition to the idea of blocked transition to capitalism has also been advanced by Cardoso in his formulation of "dependent capitalist development," a formulation based on his study of Brazil.<sup>53</sup> It is worth

emphasising that the development about which Cardoso has written is not autonomous, but is rather dependent on foreign capital and technology; these have a constraining and distorting effect on any ensuing pattern of economic development. The enormous cost of Brazil's dependent development has been well-noted.<sup>54</sup> The sharp curtailment of personal liberties, rigidly fettered labour, massive impoverishment of the working class through a polarised wage structure that has resulted in a situation characterised as "the Belgium in India," and the pauperisation of a significant proportion of the population, are some of the conditions of the Brazilian "miracle". One obvious statistical revelation of the cost of Brazil's development is the extent of its current debt burden.

It is to be noted at this point that dependent development is but one of several variants of dependency and not a separate theory as is often erroneously alleged. Not all versions of dependency theory attribute either underdevelopment or distorted development to exogenous factors only. Rather many theorists in this tradition stress the interconnections between external phenomena and internal factors such as class structure, especially among political, bureaucratic, military and business class fractions. This emphasis arises from recognition of the way the instruments of underdevelopment change over time. The means employed by mercantilist, and later, colonial imperialisms, clearly differ from those employed by neo-colonial imperialism. Having lost physical control of colonial "estates" - to borrow Joseph Chamberlain's arrogant terminology - imperialism in pursuit of its established goals now has to forge alliances with private and bureaucratic elements in the underdeveloped countries. Galtung has shown in his important article how imperialism works in the contemporary era through the establishment of a bridgehead in the periphery with dominant class interests, in order to form an exploitative coalition which ultimately weakens the control of the peripheral state.<sup>55</sup>

As the mechanisms of underdevelopment become increasingly complex and sophisticated in time, the options open to the Third World countries for breaking the "vicious circle" of underdevelopment and dependency diminish progressively. Five major factors are readily identifiable in the current situation of intensifying underdevelopment:

- (a) the ascendancy of the cult of monetarism and high interest rates in the principal core countries, particularly the United States;
- (b) the externally-induced extroversion of the political economy of the underdeveloped countries;

- (c) the changing nature of foreign ownership in these countries;
- (d) the imperialism of the International Monetary Fund (IMF) and the World Bank; and
- (e) the accelerated decapitalisation and distortion of the economies of the Third World by the international financial institution and other multinational corporations based in the core countries.

Daniel Drache and Arthur Kroker vividly encapsulate these new trends especially in regard to the less-impooverished countries:

Despite the impressive growth over the last twenty years for a large number of Third World countries, the effect of monetarism has been to leave these societies stranded in their rigidities. The economic crisis, imposed by the central economies on the periphery, has reinforced almost every case, the export side has grown at the expense of indigenous investments in the internal market. Today, the Third World is maintained in an economically subordinate position by the tactic of encouraging "export-orientation" over the development of self-managed economies. More importantly...the nature of foreign ownership has changed. Third World countries are only successful in "attracting floating capital," that is commercial loans with high interest. The systematic rise of interest rates for these commercial loans explains the current massive indebtedness of Third World countries.<sup>56</sup>

On the role of the international financial institutions these authors state:

Capitalism, American-style, achieves a new stage of historical development when, through international regulatory agencies such as the International Monetary Fund, capital accumulation entails the systematic unification of economic indebtedness (IMF loans) and political discipline (austerity budgets and policing of civil societies). One lesson of the economic crisis is clear: Third World societies, and some first world ones, are to be managed from without by the disciplinary model of finance capital.<sup>57</sup>

The largest American banks and some of their West European counterparts contribute significantly to the continuing decapitalisation of the peripheral countries. According to the above authors, in 1981, 63 per cent of the

total revenue of Citicorp, Chase-Manhattan, and J.P. Morgan banks came from overseas operations. Externally-derived revenue accounted for 53.5 per cent of the finances of 14 leading American financial institutions. Between 1970-1981 profits derived from overseas operations by the seven leading American banks grew from \$167 million to \$1.3 billion; or in other terms, from 22 per cent to 55 per cent of their total profits. Debt-servicing alone currently gobbles up a substantial proportion of the national revenue of many Third World countries. "Given these conditions it is not surprising that the drain of capital from the Third World has accelerated and that these countries find themselves more dominated by foreign multinationals and the industrial countries than previously."<sup>58</sup> In Latin America alone, GNP diminished by 1.2 per cent in 1982, a decline<sup>59</sup> which corresponds to more than 3 per cent in GNP per person.

Other than financial institutions, multinational corporations generally are known to decapitalise and underdevelop the periphery through a host of complex accounting devices such as the remittance of large profits to, and transfer-pricing in favour of metropolitan-based parent companies. The multinationals are also seen as acting as major instruments of technological domination over the Third World by industrial countries. This domination is an important aspect of current dependency relations. To be able to continue to play this role, the multinationals use the dominant class, which control power marginally in the peripheral states.

This recognition of the variety of links between internal variables and external factors in perpetuating underdevelopment and poverty is important because the failure of some dependency theorists to stress them has often led to the approach being criticised as simplistic in attributing underdevelopment to exploitation from outside. The way Amin handles this issue, coupled with what may well be lack of careful reading of his numerous works, has often led to criticism.<sup>60</sup> It is true that historically external relations played a ubiquitous role in creating and perpetuating the structures of dependency and underdevelopment. But any analysis of contemporary patterns that fails to take into account a complex configuration of internal variables which reinforce external linkages has to be treated with caution.

In addition to the external origin of underdevelopment and the alliance between external and internal factors, a third important characteristic<sup>61</sup> of dependency has been identified by Caporaso and Zare. According to them external reliance is particularly effective where the domestic economy is not cohesive but disjointed, its parts loosely connected and sectoral links weakly established. Amin has described

this set of characteristics as "disarticulation." Such internal fragmentation explains why all economies with a high degree of external reliance are not necessarily regarded as dependent. Canada and Switzerland, for instance, are to a large extent dominated by foreign monopoly capital.<sup>62</sup> To a considerable degree, too, they rely on imports to satisfy their needs. However, since their economies demonstrate a high degree of internal cohesiveness, such external reliance need not to any substantial degree distort their functioning. This situation contrasts with the cases of, say, Nigeria or Kenya where because of the looseness of inherited economic structures, demonstrating lack of sectoral correspondence, they are highly susceptible to a level of distortion commensurate with the degree of their external dependence.

Caporaso and Zare have accordingly defined dependency in holistic terms: "Dependency refers to a structural condition in which a weakly integrated system cannot complete its economic cycle except by an exclusive (or limited) reliance on an external complement."<sup>63</sup> Dependency has also been taken to mean the historical "process by which less developed countries are incorporated into the global capitalist system."<sup>64</sup> As distinct from dependency, "dependence" is defined simply as external reliance, which every country - developed or underdeveloped - exhibits to varying degrees. This distinction is necessitated by the confusion connected with the use of the two terms.

Another aspect of dependency which should also be noted is that, unlike modernisation, dependency accepts human beings generally as capable of creative achievements if the right opportunities are created. It is not inappropriate attitudes or peculiar innate anthropological traits that explain the presence or absence of creative and enterprising attitudes conducive to development, but the nature of the available opportunity structures or incentive systems. "Dependency, and peripheral development," it is argued, "produces an opportunity structure such that the personal gain for dominant groups and entrepreneurial elements is not conducive to the collective gain of balanced development."<sup>65</sup> It is the type of institutional structure forged in peripheral societies by dependency relations that inhibits the full development of human potentiality.

In recognition of the increasing diversity in the economic conditions of the Third World, dependency advocates have in recent years argued that their approach does not make any claim to universal validity. This is contrary to the claims of modernisation scholars who have sought to formulate a universal theory of development. While dependency relations help to explain underdevelopment historically, it does not necessarily follow that contemporary relations universally

perpetuate underdevelopment. Further, the intensities and consequences of dependency differ in regional and national contexts along with the evolution of the world system. It is in such light that we should treat Cardoso's emphasis on the possibility of "associated-dependent development" in Brazil and Sunkel and Fuenzalida's anticipation of rapid growth in nations most integrated within the contemporary transnational system.<sup>66</sup> Since dependency is rooted in the economic condition of Latin America, if there is recourse to the application of the theory in other underdeveloped areas it has to be done mutatis mutandis.

Dependency is a theory which seeks to explain underdevelopment rather than to formulate a set of solutions to its transcendence. Dependency writers have<sup>67</sup> however, offered individually their own prescriptions. These prescriptions can be divided into four broad groups: those which seek reformist solutions within the national context; those which advocate reform at the global level within the structure of existing international relations; those which favour self-reliance within whatever framework this could be achieved; and those which suggest socialism.

The Argentine economist, Raul Prebisch and his Brazilian counterpart, Celso Furtado, belong to the first reformist group. The UN Economic Commission for Latin America (ECLA), which was deeply influenced by economists of the persuasion of Prebisch and Furtado, advocated capitalist development based on limited imports, establishing an infrastructure for local industrialisation, and encouraging autonomous national development.<sup>68</sup> The Brazilian "economic miracle" reflected the implementation of this line of economic thinking.

The second group is represented in the writing of Mahbub ul Haq amongst others.<sup>69</sup> He views dependency predominantly as an external problem of nation states and has suggested a process of negotiating with the centre and to create a New International Economic Order (NIEO). In his opinion, what Third World states are seeking is not a redistribution of past income and wealth, but "a redistribution of future growth opportunities." Gustavo Lagos, in a rather philosophical tone, has also advocated multilateral change at the global level through a major alteration in the present world order. This change could be embodied in a revolution of values that would ensure the birth of a humanistic society that would be manifested in a "new person."

Third, self-reliance is advocated inter alia by Galtung, Kenneth Hall and Byron Blake. Hall and Blake favour self-reliance through regional cooperation. They argue specifically the case of the Caribbean Community (CARICOM) which, they suggest, should be reformed and strengthened along

specific lines. For Galtung, however, self-reliance cannot be effectively achieved within the existing framework of capitalist relations.

Finally, the socialist option is in various degrees advocated by Cardoso, Lagos, Galtung and Wallerstein. While rejecting conventional capitalist development, they are at the same time unanimous in opposing "totalitarian socialism." Rather they favour "democratic socialism." Wallerstein himself, arguing in accordance with his much criticised world-system perspective, sees capitalism as a world-wide phenomenon of the global economy; and so dependency can only be overcome when socialism is established at the world level. For Frank, socialist revolution is the answer while Amin also suggests a transition to socialism and the severing of all capitalist links.

As a quick summary of this middle section of the essay, it might be useful to recapitulate certain key points. First, dependency and dependence are two separate kinds of relationships. Dependence is the ordinary type of mutual "interdependence" that exists at the bilateral or multilateral level between nations or groups other than nations. Dependency, on the other hand, consists of those unequal relationships which exist between capitalist core states and the underdeveloped peripheries. It also denotes the process by which those relationships were created.

Second, dependency as a theory helps to explain underdevelopment but it does not prescribe any given set of solutions for it. For this reason it is often referred to as a theory of underdevelopment.

Third, as a theory, dependency has several versions; at least four as abstracted above. The most popular version has been the "development of underdevelopment" associated with Frank. Dependent development is one of the variants and not a separate theory as is sometimes assumed.

And fourth, the theory has been criticised on several points, the central criticisms being that it ignores successful capitalist development currently going on in several countries of the Third World; that it is simplistic to the extent that it attributes underdevelopment to exogenous capitalist relations; that it emphasises relations of exchange at the expense of relations of production;<sup>70</sup> and that it ignores class conflict and analysis.<sup>71</sup> In response to some of these criticisms efforts have been made to reorganise the basic assumptions of the theory, incorporating new elements while re-examining some of the old ones. Thus we now have a "neo-dependency" theory which incorporates a degree of class analysis at the national and international levels; recognises

the possibility or rather the reality of dependent capitalist development, and assimilates the new role of the transnational corporations (analyzed in Dos Santos' "new dependency"). Dependency, however, still does not see the possibility of autonomous capitalist development in the underdeveloped countries. Neither does it exonerate the Western core states of blame for creating underdevelopment and inequality in peripheral states through historical relationships. Having reviewed the general dependency debate, attention can now be focused on perspectives on underdevelopment in Africa.

#### AFRICA AND THE UNDERDEVELOPMENT DEBATE

As indicated earlier, the modernisation theory has proved quite inadequate in explaining underdevelopment in Africa. The policy prescriptions based on modernisation for overcoming underdevelopment and poverty have not been of much help either. Dissatisfaction with established theory has, therefore, engendered the quest for new analyses and new solutions, particularly in Latin America. Critical analysis of the "African condition" has drawn inspiration from the Latin American dependency school.

The impetus for this African dependency debate owes a lot to Samir Amin and Walter Rodney.<sup>72</sup> Much of the former's work has been devoted to theoretical issues. His first major attempt in English to relate analysis concretely to the African situation occurred in 1972.<sup>73</sup> That seminal article, though not as intellectually rigorous as most of Amin's later works, nevertheless traces the origins of underdevelopment and poverty in Africa: colonialism which exploited Africa through the peculiar pattern of colonial trade, production, and labour exploitation marked a decisive phase in the continent's underdevelopment and peripherisation. The slave trade which Wallerstein describes as the cutting edge of Africa's peripherisation<sup>74</sup> was crucial to the process of underdevelopment during both the mercantilist period and the early phase of the competitive capitalist period.

In recent years a new group of radical Africanists have emerged to broaden the scope of the debate.<sup>75</sup> This debate, a considerable part of which has been quite polemical, centres around the validity or invalidity for Africa of the orthodox Marxist view of capitalism in colonial dependencies (now ex-colonies). Kenya and Nigeria have provided the most common case studies. It has to be recognised that Marx was not explicit in his view about the nature of capitalism in the underdeveloped world. However, he did see the export of British capital to India as capable of transforming that country to capitalism.<sup>76</sup> Yet he did not concede the same possibility for Ireland.<sup>76</sup> This contradictory position should

be noted although most radical Africanists believe, Marx did not see the possibility of any such transformation.<sup>77</sup>

There will be no elaborate discussion of Kenya or Nigeria here but only a brief overview to see how the underdevelopment debate has been handled in those cases. Central to the debate is the place of the "national bourgeoisie" - the ability or inability of this fraction to propel particular political economy along the path of successful capitalist development, and the place of the state in such a transition. In the case of Kenya, as far as the national bourgeoisie is concerned, Colin Leys initially argued that such a development in social formation was not possible.<sup>78</sup> But later he has modified his basic arguments. Nicola Swainson's thesis concurs with Leys' later position. The new dynamism of this bourgeois fraction is reflected in progress towards indigenous capital accumulation and the associated movement of the local bourgeoisie into the manufacturing sector.<sup>80</sup> Raphael Kaplinsky and Steven Langdon have made a counter-factual argument against the Leys-Swainson position and have reasserted as well as redefined the dependency position for Kenya.<sup>81</sup> Bjorn Beckman concurs with them:

On the whole, I believe that the overall picture of a dependent, neo-colonial economy and its ruling class... can be sustained by contemporary Kenyan evidence more or less point by point, just as it could in the case of Nigeria.<sup>82</sup>

A similar view has also been expressed by other critical writers on Nigeria. Segun Osoba sees the Nigerian bourgeoisie as imperialist "lackeys" who act in concert with their mentors to perpetuate exploitation and underdevelopment. This dependent bourgeoisie has to a large extent confined its role in the national economy to that of compradors and commission agents of foreign monopoly capital.<sup>83</sup> Okwudiba Nnoli et al are also sharply critical of the role of the indigenous bourgeoisie and the state which is under its control.<sup>84</sup> Beckman shares this line of thought on the Nigerian bourgeoisie, which is not the class in control of the Nigerian state. Monopoly capital continues to dominate the Nigerian economy.<sup>85</sup>

We may inquire at this point if the present weakness and dependent position of the national bourgeoisie in Kenya and Nigeria rob this class fraction of potential strength. Capitalist transformation is admittedly a prolonged process. Again, even at present not all members of the bourgeoisie are parasitic. Some of them have made impressive progress in Nigeria and in Kenya, as Swainson's data show. However, such dynamic capitalists are very few. As yet, there is no reliable evidence of pervasive "autocentric" capitalist

development. In the case of Kenya, in particular, rapidly expanding accumulation is not yet widespread among the bourgeoisie. It is only such accumulation and its productive investment that can give autonomous capitalist development self-sustaining momentum.

If there were any illusion about the capability of the generality of the Nigerian bourgeoisie as a whole, it would have been shattered by the collapse of the oil boom. Nigeria - or rather the indigenous bourgeoisie - failed to convert the huge monetary income from oil into productive capital. The bourgeoisie whose ranks were swelled by the quick and easy opportunities engendered by the boom only succeeded in expanding its role in circulation and as commission agents of the real beneficiaries of the boom: foreign companies. Instead of narrowing inequality in Nigeria the oil boom actually aggravated it.

Having seen capitalist development as either failure or elusive, what solutions do critical Africanists offer for overcoming underdevelopment and poverty in Africa? Amin's position has been stated earlier in this article. The Nigerian radicals favour a socialist option although the dynamics of the desired transformation are not made explicit.<sup>86</sup> On the other hand, Langdon does not see any immediate way out of the economic crisis which he describes as "the political economy of paralysis."<sup>87</sup> He can only see the possibility of the technocratic bourgeoisie being forced by political circumstances to undertake some measure of re-distribution that will make any available national<sup>88</sup> benefits trickle down towards the underprivileged classes.

There are a number of problems with Langdon's view. First, it is explicitly reformist and, like most reformist measures, fails to address the fundamental question of a long-term solution. Second, and more importantly, it presupposes that there is enough to go around to warrant redistribution. Yet Africa's problem is first and foremost production: how to ensure productivity and by such means, and in such ways that will improve the material conditions of the generality of the population. This involves the retention of surplus in the state and the end of its being sucked away by external forces. This is the kernel of the debate on underdevelopment and poverty in Africa as elsewhere.

Now let us turn to a contemporary and defined programme of action which seeks to overcome underdevelopment in Africa as a whole through an alternative strategy of development - self-reliance: the Lagos Plan of Action. The LPA is not novel for advocating self-reliance, which has already been declared in some states like Tanzania. But it is significant in a number of ways. First, it reflects an increasing

awareness among African leaders of the growing enormity of Africa's economic and social problems - underdevelopment, poverty and inequality. And second, it reveals a recognition by these leaders of the need to coordinate economic policies and economic actions at various supranational levels to optimise the use of resources and to benefit from the economies of scale. Certainly these leaders, acting under the technocratic and academic advice of the Economic Commission for Africa (ECA), see such an economic arrangement as Africa's last hope.

The LPA also has some intellectual significance related to the debate treated already in this essay. First, in its orientation and method, it makes an admission of the failure of conventional development strategies in Africa.

And second, the LPA's emphasis on the role of the public sector as the pivot of development which reflects and reinforces the argument of the African dependency school that indigenous capitalism based on the dynamism of the national bourgeoisie has failed in Africa. These two positions constitute a frontal attack on liberal development theories.

The LPA is audacious in the sense that it challenges what has generally been held to be Africa's traditional roles in the world economy: exporter of primary commodities and importer of industrial goods. It envisages a new and relatively independent position for Africa. To this extent it prepares Africa for an imminent clash with the entrenched hegemonic interests of core states whose dominance depends by and large on existing patterns in the international division of labour. This message is conveyed in unmistakable terms by the "Berg Report" of the World Bank. This report, it should be remembered, represents the official mind of the industrial states of Western Europe and North America.

Although the "Berg Report" agrees with the LPA (which is by no means a very radical document) on a number of more or less secondary issues, it is opposed to the very essence of the LPA: the concept of self-reliance and strategies for its realisation.<sup>89</sup> As far as imperialism is concerned, self-reliance threatens the fundamental law of capitalist development: that is, accumulation. Without profit maximisation accumulation is impossible. With the successful implementation of self-reliance not only would the market for the industrial goods and surplus food of the developed capitalist economies decline substantially but the sources of industrial raw materials would shrink as well; so would opportunities for profitable investment. Self-reliance is a declaration against everything that monopoly capital stands for.

By contrast the "Berg Report" is a conservative document which rejects radical changes in African economic relations for the reasons just noted. Its objectives are short-term and to a large extent cosmetic - just enough of a solution to contain or postpone the crisis. Its main aim is to enable African states to reduce their balance of payment deficits; that is, to enable the states to enjoy a positive per capita growth rate in the decade of the eighties and to allow them to maintain existing infrastructures.

Essentially the "Report" sees Africa's problems as being caused almost entirely by internal structural constraints while the LPA claims nearly the opposite. The opposition between modernisation and dependency as assumptions and prescriptions could not be more demonstrable. With this background - the external and internal origins of African underdevelopment - and in pursuit of its fundamental objective of self-reliance, the LPA proceeds to emphasise industrialisation and agricultural development. The essence of agriculture is to produce food for internal consumption and not cash crops for export. This would enable African states to earn foreign exchange and, though unstated, to keep the factories of the industrial economies running. Industrialisation is necessary only to the extent that it is restricted to import substitution, assembly operations and export processing.

Continuing its attack on industrialisation, the "Berg Report," advocates the elimination of protection measures for local industries since this fosters inefficiency. Instead the LPA would encourage greater protection for local industries until they can stand on their own in the competitive market. While the "Report" proposes the removal of import control measures since they absorb scarce administrative manpower and encourage corruption, the Plan favours the protection of local industry until it becomes competitive. In the administrative field, the "Report" recommends cutting back the size of the public sector which is considered to be overextended. Conversely, the LPA views manpower as being in short supply in every sector and so advocates that training should be intensified.

If the LPA is bold it is also ebulliently idealistic, innocently so perhaps. In large measure it smacks more of a political document conceived at a diplomatic cocktail of chiefs of government than a realistic grass-roots economic programme. The LPA fails to elaborate in fine technical detail how the various goals could be accomplished as such a fundamental document that it is should do. More seriously, its authors appear oblivious of the formidable external obstacles that await its execution. These obstacles are located mainly in the international economic system which has

been subordinated to the will of the economically powerful core states.

Idealism is obviously the main cause of the major contradictions of the LPA. These contradictions will be its undoing unless efforts are made to resolve them speedily. How this could be done without compromising the very ideals that make the LPA a welcome document among its constituents is difficult to say.

The very essence of the LPA itself represents a contradiction between objectives and means. Its challenge to the economic interest of the industrial capitalist countries is central. Yet it is from these dominant powers who find self-reliance so offensive that the LPA seeks cooperation for its implementation. Part of the huge fund required is expected to come from Official Development Assistance (ODA) through the International Development Association (IDA), a lending affiliate of the World Bank - the very institution that has issued the contrary "Berg Report." The technology that is so crucial to the implementation of the LPA is also expected to come from the industrial states of the North. Yet these are the same states which if the LPA is implemented, would be able either to sell their goods freely in Africa or to have unrestricted access to Africa's raw materials. Should we really expect capitalism to commit suicide in such a straightforward manner? Typically, the American reaction was swift and predictable:

Despite the US policy of subsidising economically unviable industries for political reasons, it is unwilling to concede the wisdom of such a policy for Africa. For example, the US Assistant Secretary of State for African Affairs, Chester Crocker, speaking at a seminar on the African Economic Crisis at Georgetown University (March 1983) roundly condemned the Lagos Plan's call for self-sufficiency in food production, declaring that "Some old shibboleths badly need re-examination, including the notion that a country must physically produce its own food supplies, when in some cases it may be more efficient - and no less self-sufficient - to concentrate on cash crops and buy food with the money thus earned." Conspiracy theorists will be quick to argue that this attitude is merely further proof of the West's desire to maintain Africa in a position of dependency. Others may be content to see in it nothing more sinister than Yankee capitalism at work. An unusually frank recent public dialogue between the US AID administrator and a US Congressman revealed unambiguously that the motivation for at least some of the US food shipments to the Third World was not really

developmental or humanitarian, but rather to create a market for US rice.<sup>91</sup>

Already by 1981 the US was refusing to pay its share of IDA funding for the period 1981-83 "thereby reducing IDA's commitment by more \$500 million in 1981/82 with the likelihood of the decrease going considerably higher had other donor countries not rallied to the plight of the LDCs and released funds to restrain the reduction."<sup>92</sup> If any significant cooperation comes from the North it will be mainly from those states which supported the relatively modest proposals emanating from the alternative Brandt Report. But how far can such restricted support extend?

External contradictions may not be all that stand in the way of the LPA.<sup>3</sup> Internal contradictions within Africa are also critical. It is yet to be seen how conservative regimes such as those which exist in the Ivory Coast and Kenya on the one hand, and radical anti-imperialist regimes of, say, Ethiopia and Angola on the other hand, can agree on the execution of the kind of economic programme advocated by the LPA. It is also to be seen how the states in Africa, whose indigenous ruling classes stand to benefit from deeper incorporation, can agree on a continental programme of even partial delinkage. The divergent reactions from the Nigerian delegate and his Sierra Leonean counterpart at the IBRD meeting in Dakar are typical.<sup>94</sup>

As long as the LPA depends on the uncertain goodwill of extra-continental powers for its success, positive results may be difficult to come by. The best formula for success is that which recognizes the need for Africa to make greater sacrifices now in order to have a better life later. "Biafranisation,"<sup>95</sup> anchored in an ideology that is committed to fundamental socio-structural change, may well be the formula worth trying, not only for the attainment of the LPA, but also as the overall formula for overcoming dependency and underdevelopment. This is another definition of linkage, a more severe one for that matter.

## CONCLUSION

The discussion undertaken in this article reflects the state of ferment in the evolution of development theories, praxis and policy prescriptions. That such specific intellectual debate has been raging is an indication of the widespread recognition of the crisis that has historically defined the totality of the social experience of the Third World. In the vast majority of underdeveloped countries, especially African, the crisis is deepening instead of diminishing. The explanation of this stark state of affairs

in the underdeveloped world has resulted in the quest indicated in the theoretical perspectives which are synthesised in this essay.

The modernisation paradigm, for reasons identified earlier, has proved to be handicapped as a theoretical basis for formulating practical policies aimed at overcoming underdevelopment. Dependency theory and its many variants have succeeded, rightly or wrongly, in changing the underdeveloped countries' perceptions of the genesis and persistence of their condition. Instead of being a fleeting intellectual fad, dependency theory appears destined for a long life. Its resilience lies in the fact that the very conditions and relationships which it holds accountable for the continuing peripherisation and underdevelopment of the Third World show little sign of changing for the better. The lopsided nature of the global economic system characterised by the unassailable dominance of monopoly capital as represented by corporate metropolitan-based multinationals, the role of the IMF which has generated resentment in the Third World, the continued subordination of the underdeveloped countries to the will of the leading capitalist powers, the constantly widening technological chasm between the core and the periphery and the concomitant intensification of unequal exchange, the undesirable nature of class relations in most of the Third World countries whose leaderships are plagued by massive corruption and inefficiency, uncontrollable natural disasters such as drought - are all factors which we must continue to reckon with for a long time.

Given these circumstances a positive transformation of the most peripheral section of the Third World in the liberal tradition appears to be an unlikely prospect. This point has to be born in mind when considering the LPA and must be correlated with various contradictions as analysed above. There we see in a broader perspective the potential cause of the likely failure of the Plan. The "Berg Report," in spite of its conservatism and weaknesses vis-a-vis the objective development needs of Africa, is being imposed even if on a modest scale from without on those countries that have had recourse to the IMF and the World Bank, thanks to the disciplinary measures - conditionality - of the former. Herein lies the seemingly endless cycle of underdevelopment.

#### NOTES

<sup>1</sup> A.G. Hopkins, Two Essays on Underdevelopment: from modernization to underdevelopment (Geneva: Institut Universitaire de Hautes Etudes Internationales, 1979), p. 13.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> For a considerable list of the characteristics of the two value systems see J.S. Valenzuela and A. Valenzuela, "Modernization and Dependency" in Heraldo Munoz (ed.), From Dependency to Development (Boulder: Westview, 1981), 18. An elaborate discussion of the attributes of traditional societies is contained in E.E. Hagen, On the Theory of Social Change (Homewood, Ill.: Dorsen, 1962) 55-258.

<sup>5</sup> The generalised concept of traditional society derives to some extent from Weber's concept of "traditional mode of domination."

<sup>6</sup> Valenzuela & Valenzuela "Modernization and Dependency," p. 18.

<sup>7</sup> Quoted in Ian Roxborough, Theories of Underdevelopment (London: Macmillan, 1979), p. 14.

<sup>8</sup> Hagen, On the Theory of Social Change.

<sup>9</sup> W.W. Rostow, The Stages of Economic Growth: a non-Communist manifesto (Cambridge: Cambridge University Press, 1960).

<sup>10</sup> Hopkins, Two Essays on Underdevelopment, 14; the author lists these characteristics of modernisation theory.

<sup>11</sup> Rostow, op. cit.

<sup>12</sup> Samir Amin, Accumulation on a World Scale, Volume I, trans. Brian Pearce (New York: Monthly Review, 1974), p. 8.

<sup>13</sup> The very concept itself is a product of the modernisation school; it is only used in this essay because of its convenience.

<sup>14</sup> Hagen, On the Theory of Social Change, pp. 37-52, offers a useful summary and critique of these earlier explanations of lack of economic growth in non-Western societies.

<sup>15</sup> According to David Steele, the two sectors in various theories of the dual economy are either agriculture and industry, traditional and modern, or rural and urban. "The traditional/modern division provides the most exclusive categories and most of the hidden areas lie in the former sector. In the traditional sector, we are faced with uneconomic man, non-profit maximising, not subject to technological change." "The Theory of the Dual Economy and African Entrepreneurship in Kenya," Journal of Development Studies, 12(1), October 1975, p. 20.

- <sup>16</sup> Hopkins, Two Essays on Underdevelopment, pp. 16-20.
- <sup>17</sup> Gabriel Almond and James S. Coleman (eds.), The Politics of the Developing Areas (Princeton: Princeton University Press, 1960).
- <sup>18</sup> Samuel P. Huntington, Political Order in Changing Societies (New Haven: Yale University Press, 1968), p. 5.
- <sup>19</sup> Ibid.
- <sup>20</sup> Ibid., 8.
- <sup>21</sup> Example, see Christian P. Potholm, Four African Political Systems (Englewood Cliffs, N.J.: Prentice-Hall, 1970) and Claude Welch, Political Modernization (Albany: SUNY Press, 1967).
- <sup>22</sup> Hopkins, Two Essays on Underdevelopment, pp. 18-19.
- <sup>23</sup> Roxborough, Theorise of Underdevelopment, pp. 16-22.
- <sup>24</sup> See for example, Steele, "The Theory of the Dual Economy" and Benjamin Schwartz, "The Limits of 'Tradition Versus Modernity' as Categories of Explanation: the case of Chinese intellectuals" Daedalus, 101(2), 1972. Ray Kea, Settlement, Trade and Politics in 17th century Gold Coast (Baltimore: John Hopkins University Press, 1982) is a very useful work in terms of the sheer breadth of research involved, mode of analysis and what it reveals. This book helps to dispel certain pre-conceived stereotypes such as the assumed stagnation and uneconomic propensities of African societies in historical times.
- <sup>25</sup> Schwartz, "The Limits of 'Tradition Versus Modernity'," p. 72.
- <sup>26</sup> Ibid.
- <sup>27</sup> Economic History of West Africa (London: Longman, 1973).
- <sup>28</sup> Kea, Settlement, Trade and Politics, p. 116.
- <sup>29</sup> Hopkins, Two Essays on Underdevelopment, p. 18.
- <sup>30</sup> Amin, Accumulation on a World Scale, p. 9.
- <sup>31</sup> Barrington Moore, Jr., Social Origins of Dictatorship and Democracy (Harmondsworth: Penguin, 1977). Modern is used in the sense of denoting the contemporary world.

<sup>32</sup>The common schema has been slavery - feudalism - capitalism - communism.

<sup>33</sup>The world system theorists best represented by Wallerstein see social change as a global phenomenon whose impetus is located in the "capitalist world-economy."

<sup>34</sup>This is one of the perspectives of the neo-Marxist dependency school best represented by the works of Andre Gunder Frank and Samir Amin.

<sup>35</sup>Hopkins, Two Essays on Underdevelopment, p. 27.

<sup>36</sup>Valenzuela and Valenzuela "Modernization and Dependency," p. 33.

<sup>37</sup>Ronald A. Chilcote, "Introduction" in his Dependency and Marxism (Boulder: Westview, 1981), p. 4. This introductory chapter summarises the contending views in the dependency school.

<sup>38</sup>Munoz, From Dependency to Development.

<sup>39</sup>The pioneering works on dependency are said to have been done by R. Prebisch, F.H. Cardoso, O. Sunkel, T. Dos Santos, and a few others. A.G. Frank is referred to as the Copernicus of the theory because unlike the works of the Latin Americans which for the most part remained untranslated, Frank's works were widely available in the English-speaking world. Samir Amin and Walter Rodney are the best known Africanist proponents of the dependency approach.

<sup>40</sup>I. Wallerstein, The Modern World System: capitalist agriculture and the origins of European world economy in the sixteenth century (New York: Academic, 1974); Modern World System II: mercantilism and the consolidation of the European world economy, 1600-1750 (New York: Academic, 1980).

<sup>41</sup>Valenzuela and Valenzuela "Modernization and Dependency," p. 25.

<sup>42</sup>A.G. Frank, Latin America: underdevelopment or revolution (New York: Monthly Review, 1969).

<sup>43</sup>Amin, Accumulation on a World Scale.

<sup>44</sup>Arghiri Emmanuel, Unequal Exchange: a study of the imperialism of trade (New York: Monthly Review, 1972).

<sup>45</sup>Samir Amin, Unequal Development, trans. Brian Pearce (New York: Monthly Review, 1976).

<sup>46</sup> A.G. Frank, Dependent Accumulation and Underdevelopment (New York: Monthly Review, 1979), 12. The concept of unequal exchange itself, especially the labour theory of value on which the concept is based, has generated substantial controversy of its own. See Hopkins, Two Essays on Underdevelopment, pp. 30-31; Samuelson, "Illogic of Neo-Marxian Doctrine of Unequal Exchange" in D.A. Belsey et al (eds.), Inflation, Trade and Taxes (1976), 96-107. However, since unequal exchange is inseparably interwoven with a complex of problematics raised by Marxist economics such as the concepts of "transformation of values into prices" and the falling rates of profits - concepts which together with unequal exchange constitute the theoretical foundation of Neo-Marxian intellectual assault on imperialism and bourgeois social science - any attempt to address the question of unequal exchange also has to embrace similar efforts in resolving these related questions. Amin tried to tackle these problematics in his Accumulation on a World Scale Volume I and Unequal Development (Brighton: Harvester, 1977), pp. 181-252, and triumphantly declared the debate closed. For similar efforts to deal with aspects of the problematics, see for example, G. Dumenil, "Beyond the Transformation Riddle: a labor theory of value," Science and Society, 67(4) 1983-1984.

<sup>47</sup> Johan Galtung, "Structural Theory of Imperialism," Journal of Peace Research, 2, 1971, pp. 81-117. Galtung illustrates his point with a table of what he calls "intra-actor" effects of the vertical interaction relations between the centre and periphery p. 87.

<sup>48</sup> Samir Amin et al., The Dynamics of Global Crisis (London: Macmillan, 1982), p. 169.

<sup>49</sup> For instance, J. Schiffer "The Changing Post-War Pattern of Development: the accumulated wisdom of Samir Amin," World Development 9(6), 1981, pp. 515-535 and S. Smith, "The Ideas of Samir Amin: theory of tautology," Journal of Development Studies, October 1980, pp. 5-21.

<sup>50</sup> Bill Warren, "Imperialism and Capitalist Industrialization," New Left Review (NLR) 81, 1973, 3-44.

<sup>51</sup> Schiffer, "The Changing Post-War Pattern of Development."

<sup>52</sup> Arghiri Emmanuel, "Myths of Development Versus Myths of Underdevelopment," NLR, 85, 1974, pp. 61-82; Philip McMichael et. al., "Imperialism and the Contradictions of Development." NLR, 85, 1974, pp. 83-104.

<sup>53</sup> F.H. Cardoso, "Associated Dependent Development: theoretical implications" in Alfred Stepan (ed.),

Authoritarian Brazil (New Haven: Yale University Press, 1973).

<sup>54</sup> See for Example, J. Serra, "The Brazil 'Economic Miracle'" in James Petral (ed.), Latin America: from dependency to revolution (New York: 1973), and an article titled "Brazil, Dunkin' Donuts Won't Feed the Hungry" in The Progressive, February 1984, pp. 26-28. The picture painted of the lot of about 90% of Brazilian population in this article is pathetic.

<sup>55</sup> Galtung, "Structural Theory of Imperialism."

<sup>56</sup> Daniel Drache and Arthur Kroker, "The Labyrinth of Dependency," Canadian Journal of Political and Social Theory, 7(3), (1983), p. 8.

<sup>57</sup> Ibid.

<sup>58</sup> Ibid., p. 9.

<sup>59</sup> Ibid.

<sup>60</sup> See for example, Sheila Smith and John Sender, "A Reply to Samir Amin," Third World Quarterly, 5, 2, April 1983, pp. 650-56.

<sup>61</sup> J.A. Caporaso and B. Zare, "An Interpretation and Evaluation of Dependency Theory" in Munoz, (ed.), From Dependency to Development.

<sup>62</sup> For a review of the debate on Canadian dependency, see Drache and Kroker "The Labyrinth of Dependency," 11-23; Daniel Drache, "The Crisis of Canadian Political Economy: dependency theory versus the new orthodoxy," Canadian Journal of Political and Social Theory 7(3), 1983.

<sup>63</sup> Caporaso and Zare "An Interpretation and Evaluation of Dependency Theory," p. 48.

<sup>64</sup> Ibid.

<sup>65</sup> Valenzuela and Valenzuela "Modernization and Dependency."

<sup>66</sup> Ibid., p. 27.

<sup>67</sup> See the collection of essays in "Path Three" of Munoz, From Dependency to Development. The following summary is drawn from this collection, unless otherwise stated.

<sup>68</sup> Chilcote, Dependency and Marxism, p. ix.

69 Mahbub ul Haq, "Negotiating a New Bargain with the Rich Countries" in Munoz, (ed.), From Dependency to Development.

70 Frank acknowledges this criticism in his Dependent Accumulation and Underdevelopment, p. xii. This book, together with his contemporaneous study, Mexican Agriculture, 1521-1630: the transformation of the mode of production (Cambridge: Cambridge University Press, 1979), are an attempt by Frank to address the criticism.

71 It must be noted that dependency is not an explicit Marxist formulation hence no serious efforts were initially made to address the class question. This question is now receiving attention in the works of neo-Marxists. For an attempt to analyse class processes within Latin American dependency relations, see C.G. Pregger-Roman, "Dependency, Underdevelopment, and Imperialism in Latin America: a reappraisal," Science and Society 67(4), 1983-84.

72 Walter Rodney, How Europe Underdeveloped Africa (Washington: Howard University Press, 1974).

73 Samir Amin, "Underdevelopment and Dependence in Black Africa - Origins and Contemporary Forms," Journal of Modern African Studies, 10(4) 1972, pp. 503-24. His Neo-Colonialism in West Africa (Harmondsworth: Penguin, 1973) is also a useful study.

74 Immanuel Wallerstein, "The Three Stages of African Involvement in the World-Economy," in Gutkind and Wallerstein (eds.) The Political Economy of Contemporary Africa (Beverly Hills: Sage, 1976), p. 34.

75 A popular forum for this debate has been the Review of African Political Economy (ROAPE).

76 For an evaluation of Marx's view on imperialism and underdevelopment, see S. Avineri (ed.), Karl Marx on Colonialism and Modernization (New York: Doubleday, 1968).

77 "The most important question of all those which are at stake in the debate about dependency is whether or not there are theoretical reasons for thinking that the ex-colonies cannot (as Marx put it) 'adopt the bourgeois mode of production' and develop their productive forces within it." (Colin Leys). Quoted in Bjorn Beckman, "Imperialism and Capitalist Transformation: critique of a Kenyan debate," ROAPE 19, 1981, 54.

78 Colin Leys, Underdevelopment in Kenya: the political economy of neo-colonialism (London: Heinemann, 1975).

<sup>79</sup>Leys, "Capital Accumulation, Class Formation and Dependency," in R. Miliband & J. Saville (ed.), The Socialist Register (London: The Merlin Press, 1978), pp. 241-266.

<sup>80</sup>Nicola Swainson, The Development of Corporate Capitalism in Kenya (London: Heinemann, 1980), and "The Rise of the National Bourgeoisie in Kenya," ROAPE 8, 1977, pp. 39-55.

<sup>81</sup>Raphael Kaplinski, "Capitalist Accumulation in the Periphery: the Kenyan case," ROAPE, 17, 1980, and Steven Langdon, "Industry and Capitalism in Kenya: contributions to a debate" Conference on the African Bourgeoisie, Dakar, 1980.

<sup>82</sup>Beckman, "Imperialism and Capitalist Transformation," p. 54.

<sup>83</sup>Segun Osoba, "The Deepening Crisis of the Nigerian National Bourgeoisie," ROAPE 13, 1978, pp. 63-77.

<sup>84</sup>Okwudiba Nnoli (ed.), Path to Nigerian Development (Dakar: Codesria 1981). This collection of essays by radical Nigerian scholars offers a particularly useful critical perspective on Nigerian development/underdevelopment.

<sup>85</sup>Bjorn Beckman, "Whose State? State and Capitalist Development in Nigeria," ROAPE 23, 1982, pp. 37-51.

<sup>86</sup>The contributions to Nnoli (ed.), Path to Nigerian Development are unanimous on this issue.

<sup>87</sup>Langdon, "A Commentary on Africa and the World Economy: theoretical perspectives and present trends," African Studies Association Bloomington, 1981, p. 13.

<sup>88</sup>This view is expressed in his two articles cited above.

<sup>89</sup>For a comparative analysis of the salient aspects of the two documents, see Timothy M. Shaw, "The African Crisis: alternative development strategies for the continent," Alternatives 9(1) 1983, pp. 111-126. For a more elaborate comparative study, see Robert S. Browne and Robert J. Cummings, The Lagos Plan vs. the Berg Report (Washington: Howard University Press 1984).

<sup>90</sup>The tables on 40-47 of Brown and Cummings, offer a helpful list of areas of differences between the two documents. I have drawn largely on this table in this analysis.

<sup>91</sup>Ibid., p. 55.

<sup>92</sup> Ibid., p. 48.

<sup>93</sup> Some of these contradictions are pointed out in Shaw "The African Crisis." I owe some of my points to this source.

<sup>94</sup> Ibid., p. 123.

<sup>95</sup> For 30 months this ill-fated republic was cut off completely from the outside world. The instinct for survival engendered some of the most daring innovations that have ever been made in Sub-Saharan Africa. Unfortunately, with the collapse of Biafra the Nigerian government did not realise the need to capitalise on this remarkable outpouring of innovative spirit.