Theories of development: Modernisation vs dependency

By Sharmila Joshi

About 50 years ago, the freshly decolonised, 'underdeveloped' nations began a frenetic process of catching up with the West. 'Development' meant economic growth and industrialisation. But this 'modernisation theory' is increasingly being challenged today

About 50 years ago, many countries around the world—freshly decolonised and newly named underdeveloped or developing, embarked on varying projects of national development. Some began to develop indigenous industries for export, others stepped up industrial production to substitute for imports. Across the Cold War swathe—communist as well as capitalist—industrialisation was thought of, by the political and economic elite, as the key to development.

In this singular conception of 'development' as economic growth, industrialisation became a race of catching up with the West or with standards almost entirely set by West-centric institutions for a country to be deemed developed. Accompanying this frenetic activity was the project of modernisation.

This was seen by the presiding figures of many countries as, amongst others: infrastructural changes such as dams and highways; social changes such as getting rid of the perceived ills of traditional beliefs and practices and revamping educational systems with an emphasis on modern science and rationality; and political changes such as creating an efficient bureaucracy and State apparatus to preside over the decolonised domain.

This three-pronged strategy was underpinned by what came to be known as modernisation theory. The ideas of the modernisation school of economists indirectly informed the choices of 'development' made by the leaders of many countries.

Modernisation has been a dominant theory in the social sciences in the West since the 1950s. It draws on the biological sciences, which, since the last quarter of the 18th century in Western Europe , studied the growth and development of different species. The biological metaphor was transferred to the social sciences: societies, political institutions, economies were deemed to be growing organisms progressing according to an order *natural* to them. That is, the development of elements of social life was naturalised: made to appear as if development (as opposed to constant change) is directional, following a path of ever-near perfection. In reality this 'naturalisation' was Westernisation in disguise: the so-called natural progress closely followed the trajectory of Western Europe and North America : how they had transformed and 'developed' became the blueprint for the rest of the world.

Modernisation theory became the foundation stone of this evolutionary prescription for development. The theory is not homogeneous—numerous proponents disagreed on several key features. But in broad outline, the theory focused on deficiencies in the poorer countries and speculated about ways to overcome these deficiencies. It viewed traditional society as a series of negatives: stagnant and unchanging, not innovative, not profit-making, not progressing, not growing.

It argued that about 500 years ago, most people in the world were poor or living in traditional (often subsistence) social arrangements. Scientific innovation existed in many parts of the world (China , India , the Middle East) but for a variety of reasons (not least of them the conquest of the New World and slavery, which modernisation theory bypasses), science and entrepreneurship grew in Western Europe . The engine of this economic growth was capitalism. Innovation and technological growth became self-sustaining in Western Europe because they were embedded in the capitalist system. Entrepreneurs were in competition: profits were pursued by lowering costs and increasing revenues and re-investing in order to make more profits. This ceaseless accumulation and expansion spurred growth.

Some modernisation theorists emphasised the political modernisation that accompanied this economic advance: feudal lords and autocratic monarchies were challenged and representative forms of government were established over hundreds of years. This meant individual freedoms, political parties, elections, rule of law: in

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short, western-style liberal democracy.

The Third World did not undergo these economic or political transformations: it was ‘left behind’. So the task of the Third World is to transform itself from tradition to modernity. That is, to follow the footsteps of the West. In fact, because the path is now charted, these countries can avoid the mistakes made by the West.

One of the most influential modernisation theorists has been W W Rostow of the US . His 1960 book (*The Stages of Economic Growth*) outlined five stages—much quoted now in critical development literature -- using the metaphor of take-off: from the traditional society to the take-off (old resistances fall, political power accrues to a group interested in promoting economic growth, the country's savings rate grows, modern technology is applied) to the. drive to maturity (economic growth spread, integration into international markets) and the age of high mass consumption (fruits of growth finally transferred to the bulk of the people): airplanes flying smoothly in the sky.

As the countries prepare to launch their airplanes or struggle to keep them flying, they need assistance: funds, technology, new markets. Many modernisation theorists stress correct policies. So the need for all the consultants and experts in the World Bank, the UN, all constantly advising different governments. All operating according to formula.

The flaws in this theory are numerous. It does not consider what will happen if the ‘aeroplanes’ fail to ‘take-off’ or if the ones already flying start to slow down or lose the power to lift the planes on the ground. This means developed countries must continue to grow if they are to keep afloat and if they are to ‘assist’ the developing countries. The theory also does not consider such factors as the instability existing inequalities may create. It sees no conflict between the interests of the rich and of the poor; it ignores the fact that the world's resources and benefits may be limited, that the accumulation of wealth in some hands might actually diminish the chances of others. However, even more serious critiques—such as dependency theory -- refer to its a-historicity and its Eurocentricism.

Dependency theory

Dependency theorists sharply critique the modernisation school. The earliest formulation of dependency theory came up alongside modernisation theory. The theory emerged first in Latin America , amongst social scientists such as Raul Prebisch, an Argentinian economist, who was Secretary to the UN Economic Commission for Latin America in the 1950s. The ideas of dependency were also developed, amongst others, by other Latin American social scientists such as Celso Furtado, Theotonio Dos Santos and F H Cardoso; by Samir Amin of Senegal, by Andre Gunder Frank of Germany and by Paul Baran and Immanuel Wallerstein (who later formulated another, related version, called world-systems theory) of the US.

Dependency is also not a homogeneous, unified theory—serious analytical differences persist within the school. But in essence, dependency theory argues that the origins of persistent global poverty cannot be understood without reference to the entire international economic system. Underdevelopment is not a condition: it is an active process of impoverishment linked to development. That is, some parts of the world are underdeveloped because others are developed. They are not separate processes but two aspects of the same process.

In other words, economic growth in advanced countries created Third World poverty in its wake: not simply that the Third World is poor in comparison with the industrialised world; rather that it is poor because development of the industrial system in Western Europe and North America changed and impoverished many societies of Asia, Africa and Latin America, through colonialism, imperialism and extractive terms of trade.

Dependency argues that before the era of modern economic growth (until about 500 years ago), the world's major regions were not densely connected to each other (though extensive trade networks existed). When capitalism began to spread, the ceaseless search for profit began: through the production of agricultural goods in colonies or other lands, and Western Europe ’s ability to drive unequal bargains. This fundamentally changed the social structures of the Third World .

The term dependency comes from this link: Some say the exploitation of various regions for their raw materials and labour impoverished them and made them depend on the West. Others point out that in fact it is the other way around: that the West has been dependent on the Third World though history in order to be able to grow and prosper.

So, poverty in the Third World is not ‘traditional’ or accidental. It is a necessary companion to the richness of the developed world. The expansion of the industrial world deformed the rest of the world. Historian Eric Williams, for example, argues that the slave trade between Africa and the Caribbean islands was responsible for the emergence of a commercial middle class in Britain and eventually for Britain 's industrial revolution. Slaves were taken from Africa to the Caribbean ; their unpaid and coerced labour produced such profitable commodities as sugar or cotton, which were taken to Europe for huge profits. This provided the conditions for ‘take-off’ for Britain ’s industrial revolution.

Similarly, in the late-18th century, Haiti , now the poorest country in the northern hemisphere, produced one-half of all the sugar and coffee consumed in Europe and the Americas , as well as substantial amounts of indigo and cotton. The approximately 500,000 slaves working on the colony's 8,000-odd plantations generated two-fifths of France 's overseas trade

These examples show the dependency approach: the actual creation of underdevelopment at the cost of development. West African societies were uprooted by centuries of the slave trade; in the Caribbean the plantation system (set up to meet the needs of the colonists) met no local needs and impoverished workers. Mines in the Third World produced bauxite, tin, iron and other metals and minerals for the industries of the West. All of this depended on cheap indentured or slave labour. Many of the regions of the world were left with skewed, impoverished economies and devastated populations while the now-developed countries gained prosperity.

This was a grossly unequal exchange: the Third World gave much more than it got. The exchange may have created some new wealth in the Third World , some infrastructure maybe, but it also created an international system of inequality. Members of dependency see this process as continuing. For example, transnational corporations bargain from a position of strength, distort the local economy, create vast income gaps, impose their own priorities, and damage the environment. Or the World Bank and IMF pursue policies that indirectly favour rich countries.

So, modernisation theory sees capitalism as a creative force, causing growth and progress. Dependency sees international capitalism as the ruin of the Third World . Modernisation sees rich countries as helpers of poor countries; dependency sees them as the main obstacle to the well-being of the poorer countries. Not all of dependency theorists' prescriptions are anti-capitalism however: some see some good in using capitalism and protectionism to enhance national economies.

An offshoot of dependency has been world-systems theory: is also emphasises the expansion of a capitalist world economy from the beginning of the 16th century. It views the global economy in long-term perspective and sees the world system in a constant state of flux. There are no fixed rankings and locations but cyclical rhythms of expansion and stagnation. Countries are capable of upward and downward mobility over very long periods; there is no uni-directional development.

It has been argued that all such approaches are ultimately partial. Each looks at different patterns and comes up with different explanations. The world is like a ball of tangled string: one theory figuratively cuts it across with a knife and sees one intricate pattern; another cuts across another side to see another pattern. This often results in 'this' or 'that' arguments when reality is much more complex.

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