

DEV 1150:
Introduction to Development Studies

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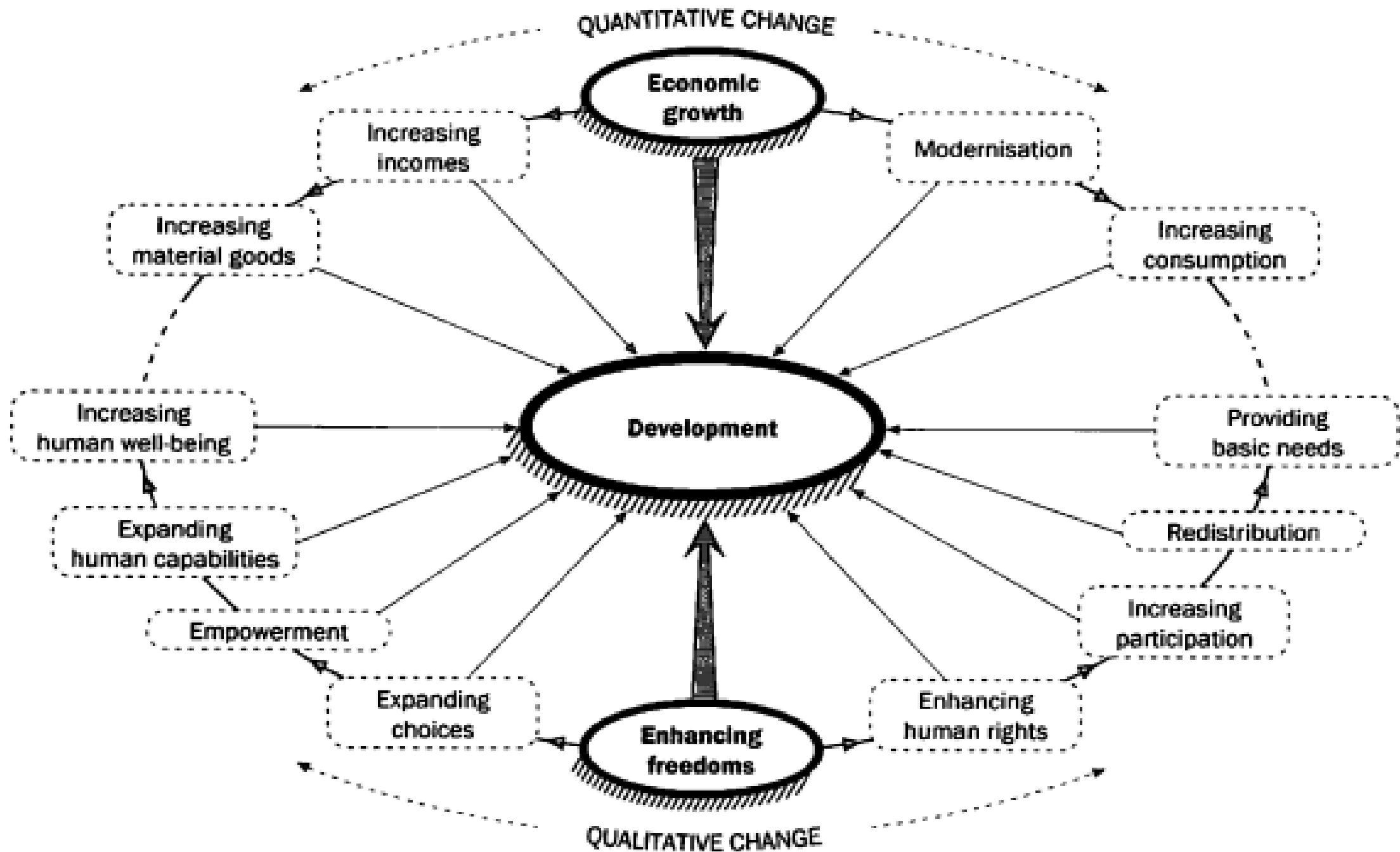
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Unit 3: Traditional Theories of Development

- Overview on the concept of development
- Defining of a theory and Development theory
- Emergence of Competing Development Schools of thought
 - Modernization theories of development
 - Marxist and Neo-Marxist Theories of Development

Overview on the concept of development

- Development is ‘contested, ... complex, and ambiguous’ (Sumner and Tribe, 2008).
- Meaning has not been static; it has kept on changing from time to time.
- Let us identify some the key issues associated with development as a concept. What are they?
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What is a theory?

- A theory is a set of logical propositions that explains how a certain phenomenon occurs.
- A theory is usually based on proven scientific investigation. It explains how something is structured or ought to operate in an ideal situation.
- **What are Theories of Development?**
- Theories of Development may be regarded as sets of supposedly logical propositions, which aim to explain how development should occur or how it has occurred in the past.

Emergency of Competing Development Schools of thought

- Traditional theories of development did not emerge at random but are closely linked to the evolution of the capitalist system.
- They are products of a particular period of development of capitalism and its specific characteristics.
- Three main stages in the development of capitalism
 1. Age of competitive capitalism (1700 – 1860)
 2. Age of Imperialism (1860 – 1945)
 3. Late Capitalism (1945 to Date)

Traditional Theories of Development

- Two traditional theories of development
 1. Modernization theories of Development
 2. Marxist and Neo-Marxist Theories of Development

To cover under each theory will be:

- a) Definitions
- b) Key assumptions or characteristics
- c) Critique

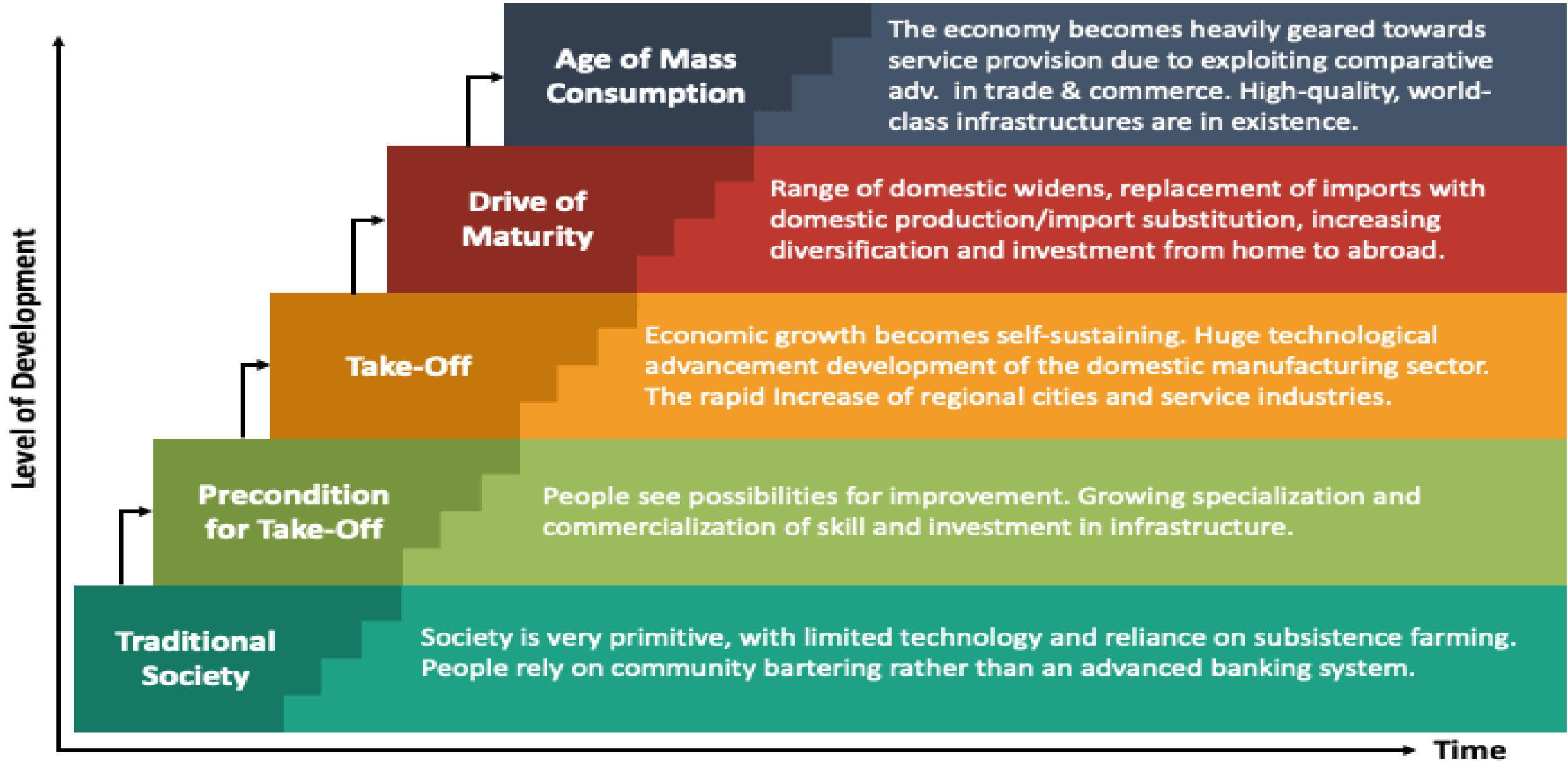
Modernization theories of Development

- Comprise a wide range of perspectives that take development as a uniform evolutionary process that all societies follow
- Takes development as a transition between two ideal types; the traditional society and a modern society
- Takes point of departure on distinguishing feature of “*modern*” societies contrasting them with *backward or traditional* societies.
- It became prominent in the 1950s & 1960s in creating policies to assist transitions in decolonizing countries.

Main Assumptions of Modernization Theories

- All societies start as ‘traditional’ (based on farming, hunting or gathering) and follow a predetermined sequence to industrial societies
- In other words, modern industrialized countries were once undeveloped agrarian societies.
- It is an irreversible and progressive process to be encouraged (Bert Hoselitz)
- Traditional societies can fast-track to achieve modernization by ‘importing or diffusing’ western values, science and technology, capital, forms of organization, etc

Rostow's Stage of Economic Growth



Distinguishing features between modern and traditional societies

Traditional values

- Ascription
- Particularism
- Collectivism

Modern values

- Achievement
- Universalism
- Individualism

Talcott Parsons (1951), argued that an achievement orientation is a much more rational criterion for decision-making on the allocation of jobs and rewards.

Criticism of modernization theory

- “Traditional” and the “Modern” are too vague and do not recognize the great variety of societies that exist.
- What is ‘modern’ in one place may be also be ‘old-fashioned’ elsewhere
- There is no one single way to advancement and historical context is also important.
- It is Eurocentric - devalues other cultures and social institutions in preference for western capitalist values.
- It ignores increasing inequality within and between countries
- It assumes unlimited natural resources for industrial expansion including ignoring ecological issues

Marxist Theories of Development

- Developed by Karl Marx and Frederick Engels in the 19th century. Gives a powerful explanation of social conflict embedded in the rise of capitalism.
- Class struggle between the bourgeoisies (owners of the means of production) and the proletariats (workers) seen as an important element of social change.
- Marxists condemn capitalism as having widened the gap between the rich and the poor.
- Marx predicted a revolution through workers and their allies to end the capitalist system and create a classless society can eliminate poverty, unemployment, inequality, alienation and environmental destruction.
- Marx envisioned socialism (system based on public ownership of means of production) to replace the capitalist system
- Governing principle: 'from each according to his ability, and to each according to his need'

Neo-marxist Theories Of Development

- Marxism was adopted as an official ideology of communist governments and movements around the world.
- Various radical scholars and political activists revised Marxism and collectively coined Neo-Marxism basing their analyses on capitalist expansion.
- These include Dependency, Structuralist and World Systems Scholars

Dependency Theory of Development

- Took ideas of Marx and Engels and revised them, that is replacing classes by countries in their analyses.
- Argue that the poverty experienced by low-income countries is the immediate consequence of their exploitation by wealthy countries on which they are economically dependent.
- Poor countries are "locked-in to a downward spiral of exploitation and poverty" and colonialism laid the foundations for exploitation from which developing countries find it difficult to escape.
- Even after independence, they are still exploited through neo-colonialism where former colonial or other powers, including multinational corporations and international financial institutions, continued to shape and/or dominate their development trajectories.
- Scholars who have contributed to the dependency school of thought include Paul Baran, Andre Gunder Frank, Theotonio Dos Santos, Samir Amin, Paul Baran, etc

- Underdevelopment is not original or traditional and neither the past nor the present of underdeveloped countries resembles in any important respect the past or the present developed countries
- It results not so much as the absence of something [but] as the presence of something (Beer and Swanepoel 2000: 41).
- It is to a large measure the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries (Frank, 1969).
- Dependent societies are largely shaped by the social dynamics and interests generated in the dominant societies.
- Genuine change for the developing world could only come about through de-linking from the West.

- The centre exploits the periphery for cheap labour, raw materials and markets, fertile soils, and control in ideology in order to increase their wealth.
- The centre-periphery hierarchy and its exploitation is repeated along a chain, from wealth nations to capital cities in poor nations to regional cities and then to the hinterlands.
- At the same time, peripheral countries are kept dependent on the centre for a market for their cheap, primary exports as well as a source for more expensive finished products.
- Now developing countries have new forms of dependency through ICTs and IPRs, imposition of austerity policies of international capital, etc, as basis for capital accumulation at the centre.

- Andre Gunder Frank suggested that genuine change for the developing world could only come about through de-linking from the West.
- Believed that the capitalist system was not a competitive one but based on monopolies and that poor countries cannot expect to change their situation through competition.
- Contends that power is central in enforcing unequal economic arrangements which favor the developed countries.
- Frank saw an active process of underdevelopment operating at different levels; international, national and regional scales.
- He conceptualised this process as one of 'metropolis–satellite' (North–South) relations through three key hypotheses:
 1. There is a chain of metropolitan–satellite relations within and between countries, where resources and profits are channelled up to metropolis.
 2. Satellites experience their greatest economic development when their ties with their metropolis are cut.
 3. Regions which are the most underdeveloped are those which had the closest ties historically to the metropolis.

Critique to Dependency Theory

- Fails to point specific causes of underdevelopment – beyond arguing that they originate in the West and the functioning of the capitalist system;
- Not always the case that those countries that had most extensive contact and interaction with the West were the most underdeveloped;
- Lack mechanisms for analysing beneficial changes in some peripheral societies;
- Insist on external relations with the capitalist as core factors behind poverty on the periphery, when clearly there are also internal forces;
- Does not analyse heterogeneity within the periphery;
- Too pessimistic on possibilities of economic development in developing countries;
- Highly economistic, judging everything as the outcome of economic determinism (Potter et al., 2008).

Structuralism as development theory

- A variant of Dependency originated by Fernando Henrique Cardoso, who introduced the term 'dependent development'
- Observed that internal political structures were also responsible for dependency. He attributed lack of domestic technological progress, failure to diversify economies and to reorient consumption patterns as being perpetuated by domestic elites.
- Focused on structural factors and called for making policy prescriptions including government interventions to boost the industrial sector known as Import Substitution Industrialisation (ISI) to create self-sustaining economies in the South.
- Advocated for ending export of primary commodities and pursuing inward-oriented development that shields domestic economies.
- Proposed minimizing trade with developed countries through tariffs and non-tariff barriers and over-valuation of domestic exchange rates.
- Developing countries were encouraged to substitute formerly imported products.

World System Theory

- Wallerstein coined World-System theory to account for East Asian countries and Latin America that experienced rapid economic growth
 - Unlike classic dependency theory, it gives room for other countries to advance within the world economy although this rarely happens
1. **Core states:** represent the most advanced industrial countries that control most wealth in the world economy;
 2. **Semi-periphery:** represent countries that occupy an intermediate position in the world economy and extract profit from the periphery and are simultaneously exploited by the core
 3. **Periphery:** low-income, largely agricultural, countries and are manipulated by core countries for their economic advantage
- Wallerstein states that the monopolizing of production processes depend on the backing of strong state machinery.

- Such economic growth in the said countries was showing an unprecedented departure from the classical dependency theory.
- The existence of the semi periphery is critical as it gives hope to poor countries to advance at least to the middle stage through certain opportunities created for them by the capitalist system.
- However, economic and political control of the system lies within the core states.
- Therefore, just like other dependency thinkers, Wallerstein maintains that the only concrete solution to problems of underdeveloped countries is to overthrow capitalism

Critique to world systems theory

- It overstates the importance of economics and ignores other critical elements such as culture, politics and religion in influencing change;
- Its neglect of local conditions within individual countries
- It fails to fully account for the rise in globalization which has created complex interdependence among countries;
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Required Reading

- Robert Potter, et al (2018). Geographies of Development: An Introduction to Development Studies. Fourth Edition. London and New York: Routledge
- Richard Peet and Elaine Hartwick (2009). Theories of Development: Contentions Arguments, Alternatives. New York and London: Guilford Press.
- Andy Sumner and Michael Tribe (2008) International Development Studies Theories and Methods in Research and Practice. Los Angeles: SAGE
- Katie Willis (2005). Theories and Practices of Development. New York: Routledge.
- Jan Nederveen Pieterse (1996). *The Development of Development Theory: Towards Critical Globalism*. Review of International Political Economy, Vol. 3, No. 4 (Winter, 1996), pp. 541-564
- Jorge Larrain (1989). Theories of Development: Capitalism, Colonialism and Dependency. Cambridge: Polity Press