

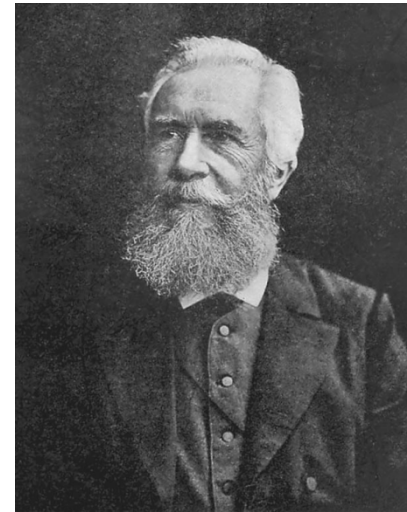
History of Development

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I. History of the Idea of Social Development

Development in Biology

- Development as:
progressive,
unidirectional, and
teleological (with a
goal or purpose)
influenced by biologist
and ecologist Ernst
Haeckel



Ernst Haeckel
(1834-1919)

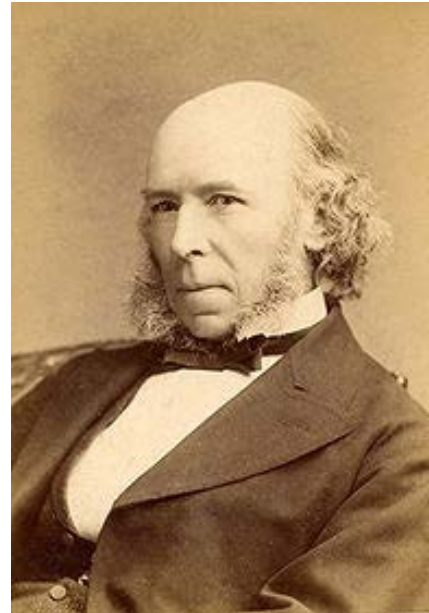
“Ontogeny recapitulates phylogeny”

Development in Biology

- The meaning of “development” as applied to living organisms implies four basic features:
 - 1) Directionality
 - 2) Continuity
 - 3) Cumulativeness
 - 4) Irreversibility

Development in Social Theory

- Meaning of development influenced by theories of social evolution, including Social Darwinists like Herbert Spencer.
- Spencer coined the phrase “survival of the fittest”



Herbert Spencer
(1820-1903)

- Development could only occur through the application of Reason and Science
- Scientific, rational knowledge is understood as the *domination of nature and the ‘other’*

Civilized Man	Primitives, “savages”
Man	Woman
Civilization/Society	Nature/Wilderness

Theories of Global Inequality

Critical Theories

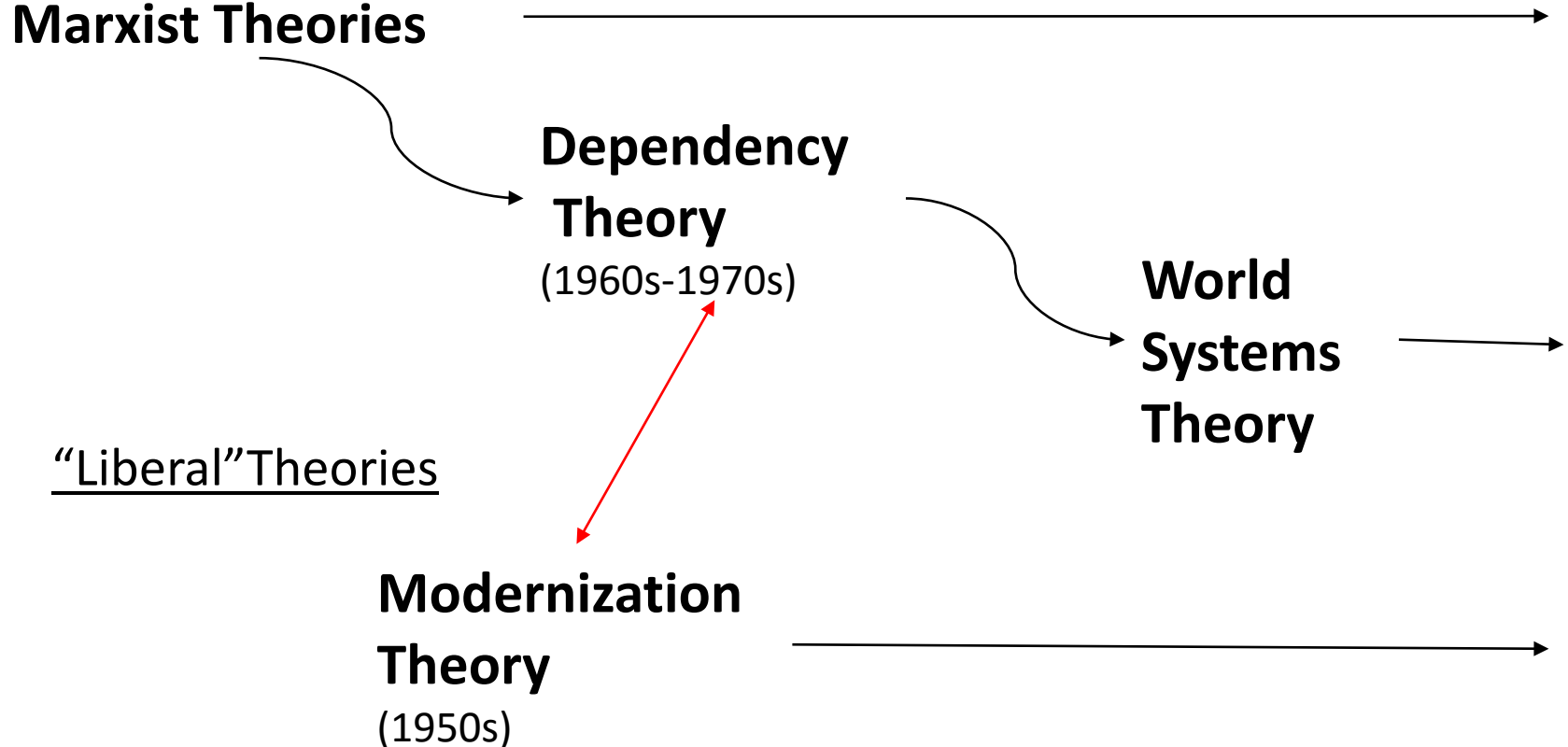
Marxist Theories

**Dependency
Theory**
(1960s-1970s)

**World
Systems
Theory**

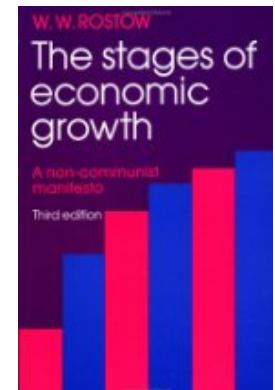
“Liberal” Theories

**Modernization
Theory**
(1950s)



Modernization Theory

- **1960 W. W. Rostow** publishes *The Stages of Economic Growth: A Non-Communist Manifesto*
- **Basic Thesis:** all countries go through stages of development.
 - Analogous to biological stages of development
 - Outlines a plan for economic development: countries will experience a ***take-off*** of growth once preconditions for growth are met



Modernization Theory

- **Causes of “backwardness” are internal:**
 - Tradition, cultural values, and political institutions block modernization process
- **All countries go through the same “stages of development”**
- **Descended from “liberal” economic theories of Adam Smith, etc.**
 - Capitalism generates modernization
 - Poor countries can rely on exports to develop
 - Markets are efficient



Modernization Theory

5 Stages of Development

1. *Traditional Societies*
2. *Preconditions for Take-off*
3. *Take-off*
4. *Drive Toward Maturity*
5. *High Mass Consumption*



Criticisms of Rostow

1. Assumes stages of development are universal.
2. Ignores significant differences among precapitalist societies, labeling them all 'backward'
3. Assumes that history can be repeated, but unlike poor countries today, European countries did not have to compete with other industrial powers!
4. Goal of 'modernization' as resembling the West may not be desirable! Rostow fails to acknowledge the cost of modernization (all of the things that modernization destroyed or replaces)
5. Rostow's discussion of final stages of history is metaphysical (resembling Marx's)

President Truman's inaugural address 1949

- Four point speech:
 - Point 1: US would back UNO
 - Point 2: US would support European reconstruction (e.g. Marshall Plan)
 - Point 3: NATO would be created to counter Soviet threat





President Truman's inaugural address 1949

- Point Four:

“Fourth, we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of *underdeveloped* areas....

“The old imperialism ... has no place in our plans. What we envisage is a *program of development* based on concepts of democratic fair-dealing.”



President Truman's inaugural address 1949

- Point Four” inaugurated the development age! (Rist 2002) Why?
- Use of the term *underdeveloped* changes meaning of development from a passive to an active process.
- Development was seen as an activity; whereas underdevelopment became ‘naturally occurring’, an original historical condition; appears to exist **without a cause**; as lack of development.

President Truman's inaugural address 1949

- Truman articulates a new way of conceiving international relations:
 - Underdeveloped/Developed distinction replaces colonized/colonizer distinction.
 - They now belong to the same world or universe; the only differences are quantitative (i.e. growth)
- The benefit of this new vision is inclusion. What is the cost?
 - * *Right to **self-determination** had been acquired in exchange for a right to **self-definition*** (Rist 2002: 79)

Bandung Conference, 1955

- Marked beginning of Non-Aligned Movement and of demands by 3rd world nations within international organizations
- General feeling was that *development was necessary* and should occur via integration into the world economy



Stages of capitalist expansion

1. End of feudalism, Mercantilist Stage (1500s-1600s)
2. Competitive colonial stage, Industrial capitalism (1800-1880)
3. Monopoly, Imperialist Stage (1880-1960)
4. Late Monopoly (imperialist) stage (1960-today?)

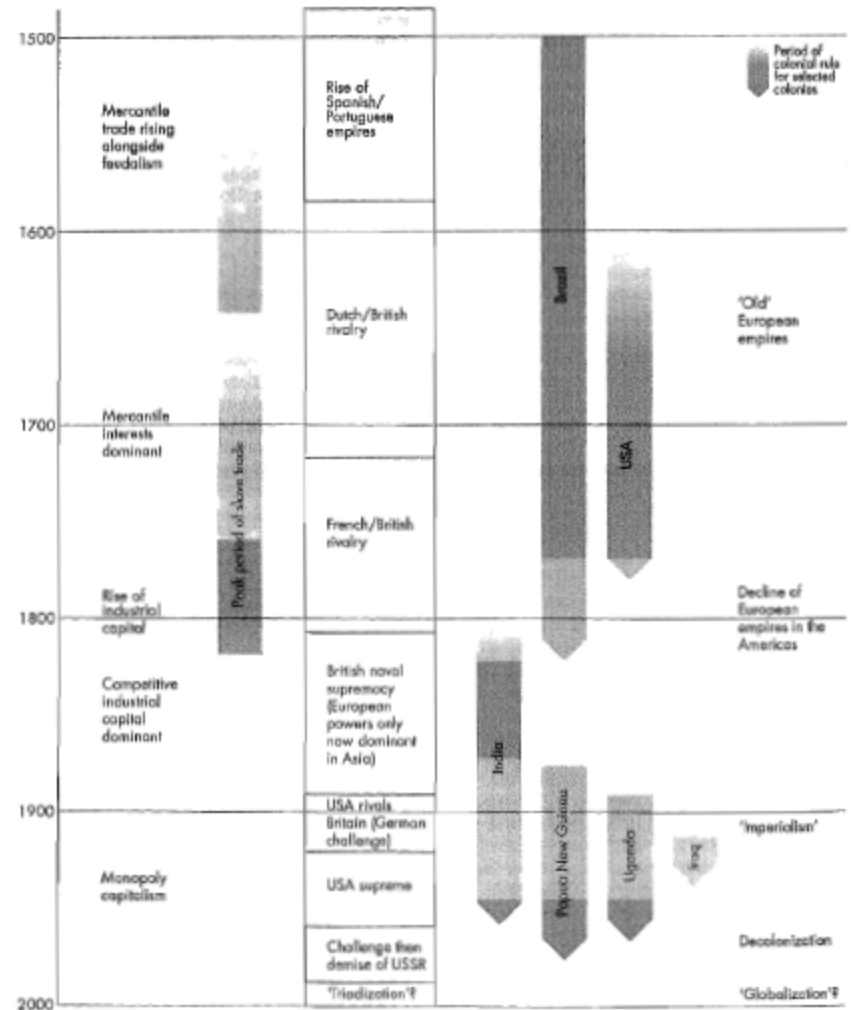


Figure 11.1 Periodization of European colonialism in relation to the development of capitalism.

Mercantilist stage of colonialism

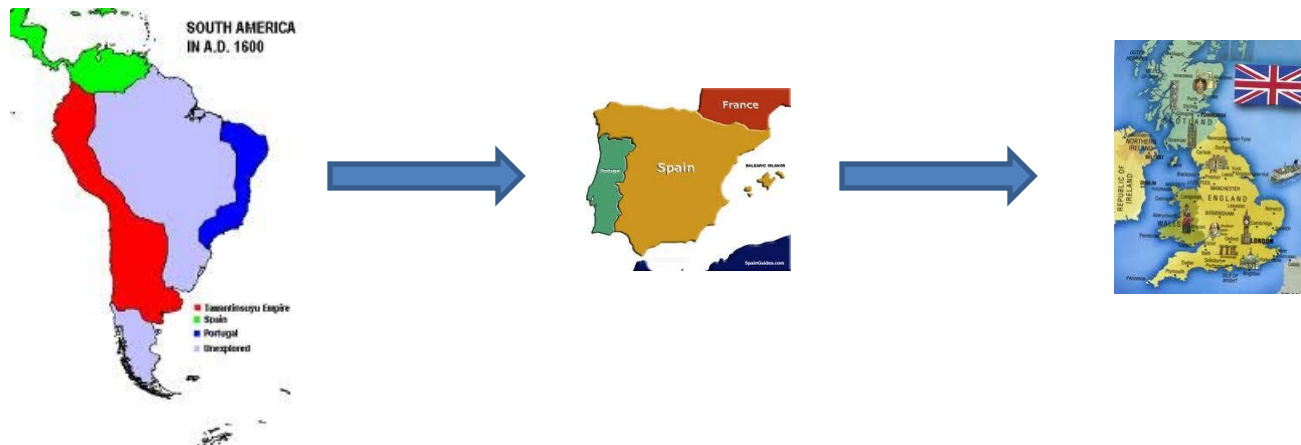
- **Primitive accumulation =**
Plunder, Theft.
 - term originally used by Adam Smith to refer to the original surplus accumulated by early capitalists, which was then invested, producing more surplus, and so on.
 - Was later sardonically referred to by Marx as the “so-called primitive accumulation” in *Capital I*, by which he meant coercion and force; the **dispossession** of peasants and others that forced them to sell their labor in order to survive.



Potosi, Bolivia
Silver Mines

Mercantilist stage of colonialism

- Not capitalism. Similar in character to previous other conquests of Ottomans, Romans, Moguls, etc.
- Wealth stolen from these colonies by Spain and Portugal is used to purchase commodities from the British and Dutch.
- Stolen wealth funds Industrial revolution.
- **Spain and Portugal were still feudal societies when they became colonial powers.**



Mercantilist Stage of Colonialism

New International division of labor:

- Indigenous division of labor is destroyed; replaced with imposed monoculture: each colony produces one or two crops for export, importing everything else from colonial power.
- Riches are “externalized”- exported abroad. The function of the South is to produce cheap goods for the North, in colonial times and today.
 - Silver from Potosi tripled reserves of silver in Europe (Bernstein)
 - First African slaves in New World, recorded in 1518: Brazil was the primary destination of first West African slaves.

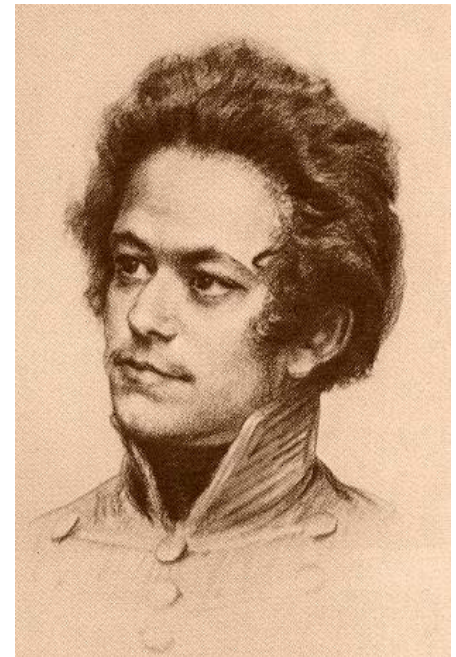


Figure 11.2 The triangular trade.

II. Dependency Theory and World Systems Theory

Marx on capitalism and growth:

- [Capitalism] has been the first to show what man's activity can bring about. It has accomplished wonders far surpassing Egyptian pyramids, Roman aqueducts, and Gothic cathedrals; it has conducted expeditions that put in the shade all former Exoduses of nations and crusades.
- The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together....



Karl Marx (young)

Marx: capitalism = change



- “Constant revolutionising of production, uninterrupted disturbance of all social conditions, **everlasting uncertainty** and agitation distinguish the bourgeois epoch from all earlier ones. All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. **All that is solid melts into air, all that is holy is profaned...**”

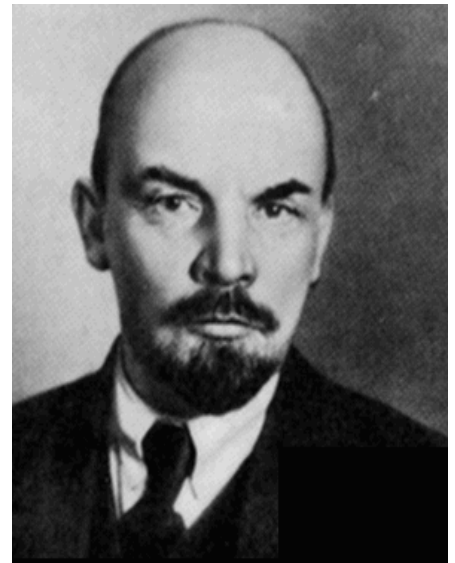
Classical Marxist theories of imperialism

- **Definition of capitalism.** Capitalism in the Marxian sense, requires three conditions:
 - 1) Production is primarily for sale on a market, rather than use (M-C-M')
 - 2) Wage labor
 - 3) Private ownership of the “means of production”
- Marxists attributed dynamism of **growth** to capitalism: private property and a labor market.
- Original theories of imperialism had attempted to explain why an economic crisis and/or Revolution did *not* occur in Western Europe:

What explains imperialism?

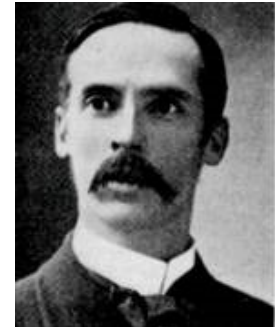
- **Lenin's Answer:**

- Capitalism saves itself by expanding abroad: *imperialism*
- How? Capitalist nations exported their excess capital abroad to the colonies, thereby enabling them to avoid an accumulation of capital relative to labor, which according to Marxist theory causes a fall in the profit rate...



What explains imperialism?

- **Hobson's answer:**
 - Low wages at home create insufficient demand
 - Capitalism avoids *crisis of overproduction* by expanding abroad
 - Implication: unlike Lenin, Hobson thought that domestic political reforms could solve the problems of capitalism, and also imperialism



Classical Marxist Theories: what do they have in common?

- Both Lenin and Hobson (and others) focused primarily on the *causes of imperialism rather than on its effects on colonies*
- Generally assumed that capitalism generated at some prosperity, and that capitalist relations (e.g. wage labor, private property) were needed before there could be a socialist revolution
- In short: although imperialism was bad, it did bring about capitalism, which was an improvement over feudal/tribal systems it replaced

Social roots of Classical economics

- **Social Theories are not neutral.**
- “Economics” as a form of knowledge is not disembodied from social history; it is promoted *as advancing the perceived interests of an ascending class: the bourgeoisie.*
- “The market” was regarded as the apotheosis of human freedom, as establishing a “private” sphere within which merchants could trade without aristocratic interference. Indeed, much of the impetus of classical economics derived from a critique of inherent exploitative character of feudal exchange (e.g. corvee system) and can be regarded as a critique of **feudal exploitation** (cf. Roemer) or **unequal exchange**. What is regarded as unequal here, is moreover, not the exchanged objects, but rather, the social relations themselves which prescribe the exchange. Relative to aristocratic relations, then, capitalism was progressive and economics a “utopian” science.



What is 'unequal exchange'?

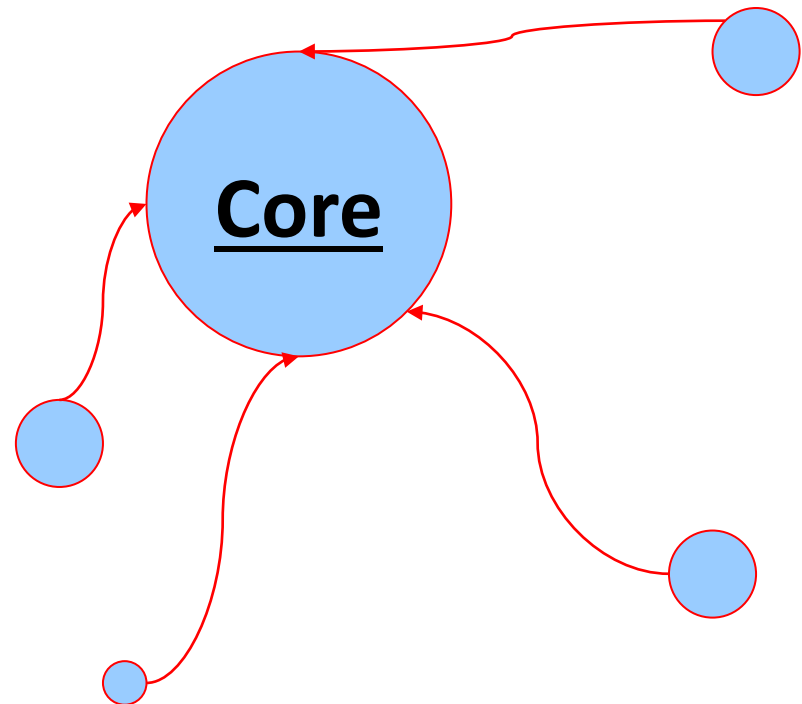
- The notion that exchange, especially *market* exchange, could be unequal, arises after market exchange becomes the prevailing mode of social interdependence. It has consisted of two traditions, both of which can be regarded as theories of inequality:
 1. **Exploitation *between* classes:** “unequal exchange”* between employers and employees *within* a firm [e.g. Marxian theories of surplus value].
 2. **Unequal exchange *between* countries, firms, or ‘zones’**
 - Unequal Exchange Theory of Arhiri Emmanuel (based on labro theory of value)
 - Declining terms of trade (Raul Prebisch , Hans Singer)
 - Dependency Theory and *World Systems Theory*.

Dependency Theory

- Arises in the 1950s and 1960s as a response to Modernization Theory (Rostow); precursor to World Systems Theory
- Gained popularity in Latin America (*“dependencia”* theory)
- The development of colonies is ***dependent*** on the relationship they have with colonizers
- Basic Idea: Causes of backwardness are external (exogenous). After colonialism, inequality arises from ***unequal exchange***

Dependency Theory

- Two categories of countries
- 1. **The Core (rich countries)**
 - aka Center, metropole
 - First world nations, “the North”
- 2. **The Periphery (poor countries)**
 - Aka satellites
 - Third world nations and former colonies, “the South”



Wealth is transferred from periphery to Core

World Systems Theory

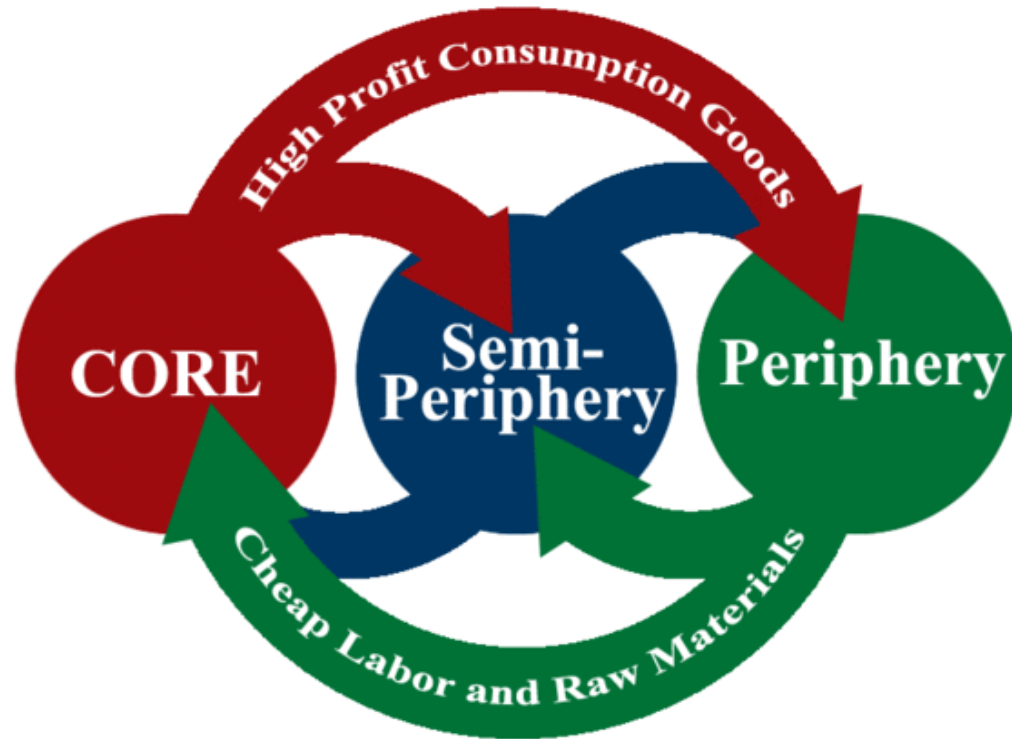
- **Capitalism**= a global division of production on the basis of profit.
 - Unlike Marx, wage-labor not required to count as 'capitalist'
 - Wallerstein (2005) defines capitalism as a system that “gives priority to the endless accumulation of capital” (24).
- Capitalism is incompatible with a totally Free Market: Why? (see readings)



World Systems Theory

- Capitalism has a *triadic structure*:
 - 1) **Core**
 - 2) **Semi-periphery***
 - 3) **Periphery**
- Refer not to geographical areas, but to *types of production processes* (usually correlated with geographical areas).
- **Core** production processes have the least international competition; **Peripheral** production processes have the most competition
- Competition and Profits are inversely related

World System Theory



Wallerstein's World System Theory Model