ON THE CLASSICAL THEORIES OF DEVELOPMENT:
MODERNISATION AND DEPENDENCY

ALTERNATIVE STRATEGIES TO OVERCOME
UNDERDEVELOPMENT IN THIRD WORLD COUNTRIES:
THE EXPERIENCE OF UJAMAA SOCIALISM IN
TANZANIA

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DEDICATION

I dedicate this work to my late father Mr. Alfred Paul Mwinuka, who installed in me the passion for knowledge since my childhood. Unfortunately he did not live to see this work. May his soul rest in peace.
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I would like to thank God Almighty for the gift of life and for His
goodness to me. He has blessed me with abundant gifts, of which I have been
able to successfully complete my Third degree of Masters of Arts in Sociology
and Social Politics, and also complete this dissertation.

The accomplishment of my studies and this work has had joys and
sorrows for me. I am convinced that, alone I would not been able to complete
my studies: It is said that, ‘no man can live as an Island journeying through life
alone’. Therefore, without mentioning anyone’s name, I would like to express
my gratitude to everybody, who has helped me in one way or another in the
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you, be assured of my prayers. May God bless you all with His Grace.
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ABSTRACT

This dissertation is a critical analysis of the theories of development, which were formulated after Second World War. They were formed in order to overcome underdevelopment in Third World countries.

Theorists of the modernisation perspective (1950-1960) believed that, the history of progress of a given society, begins with a simple society and ends up as a complex society. According to the exponents of modernisation theory, Western society is the example of a complex society, simply because it is modern and industrialised. As a result, development is defined as imitation of the experience of economic development of the Western society (Westernisation). Theorists of the modernisation are convinced that, lack of development in Third World countries is due to the presence of social and institutional structures which are lacking in basic needs. Also traditional way of life is considered to be one of the factors contributing to underdevelopment of the Third World.

The theory of dependency (second half of nineteen seventies) was founded in Latin America. It is also known as a voice from the periphery. Theorists of the dependency perspective speak of underdevelopment of The Third World rather than lack of development. The causes of underdevelopment are not internal but external. Third World countries, participate in international economic order. The order which produces two worlds, developed (Western society) and underdeveloped world (Third World). The economy of the Third World is dependent on the First World.

In the seventies people became discouraged with the dominant theories, since they failed to produce concrete results. As a response to the limitations of the mainstream theories, intellectuals began to develop alternative theories. For example, basic human needs, self-reliance and community based development. Scholars believed that, these new strategies would produce concrete results in a short period of time. They were to improve directly the quality of life of people. The introduction of the ideology of Ujamaa in Tanzania had one scope,
creation of a socialist and self-reliant society in Tanzania. *Ujamaa* ideology was inspired by communal living of the traditional African families.
INTRODUCTION

i) General introduction

This dissertation is about mainstream theories of development and various strategies of development. Both of them, that is mainstream theories and later the various strategies, were formulated with one objective, to overcome poverty and inequalities in Third World Countries.

At some time in the past (estimates range from 10,000 to 20,000 years ago) our ancestors lived a primitive life of ‘hunter-gatherer’. That is why man became connected to nature. It is from nature that man obtained his basic needs for survival. Man established a mystical relationship with nature: nature was regarded to be god like. Even today, in some of the societies, one can observe nature worship practices. For example in rural Africa, some tribes believe in the presence of supernatural powers in big trees, rivers, rocks or mountains. In short man was being controlled by nature. This meant that, the people were forced to follow a nomadic existence, constantly searching for the essentials of life.

Through time we find that, human beings have gradually increased their ability to have control over the forces of nature. The success of man in life depended on his ability to control the forces of nature. Societies which had the means and ability to control nature gradually could see changes in their lives. They began to transform themselves, from being nomads and wonderers to people of permanent settlements. As a result, these societies began to create urban centres and also the use of tools changed. They began to use more complex tools.

There were however variations in the degree to which man has managed to control nature. Some societies have advanced so far to have taken on an urban, industrial character. Other societies have rather remained agrarian in character, and still exists very much at the mercy of nature. The societies which transformed themselves into modern, urban industrial centres, came to be known as developed countries. They have a high standard of living.
Societies which have not advanced much in controlling nature and so failed to be modern, are known as developing countries. The living standard in these societies is still low. Theories of development have been advanced to try and explain why these changes came about, and why they occurred at search widely differing rates in different parts of the world. The theories of development do not speak about the differences but also offer a solution to the problems of underdevelopment in Third World countries. This dissertation has dealt with two mainstream theories, which are modernisation and dependency. This work has also looked into the following alternative strategies, basic human needs, self-reliance, community based development, economic growth and mass consumption.

ii) Statement of the problem

The contemporary world can be described as computer or digital world. The world has advanced in the field of information and technology. So also other aspects of life have advanced too. But, not all countries have succeeded in improving standard of living and quality of life. People in the Third World countries still live in absolute poverty. Their countries have not yet attained self-sustained economic growth. The problem of underdevelopment, inequalities and poverty need to be still addressed.

From the Second World War up to the present moment, social scientists have formulated a number of theories and strategies of development in order to overcome poverty in the Third World. In spite of all these efforts, some societies still find themselves living in poverty. There is a need to learn from the past mistakes, in order to improve the present struggle to overcome poverty and miseries in developing countries. Present scholars cannot throw away the theories and strategies so far formulated, they need review and develop these studies continuously.

iii) Purpose of the study
Underdevelopment, poverty and inequalities have been mentioned as problems which in the past, theories and strategies have tried to resolve. The purpose of this study is to critically analyze the two dominant theories of development (Modernisation and dependency) and also the strategies (basic human needs, self-reliance and community based development). This will help present intellectuals to learn from the past mistakes, and to improve the present strategies to overcome the problems that have been mentioned.

iv) Methodology

In keeping with the nature of this research, I made use of library materials, printed materials downloaded from the internet, visited various websites and materials from relevant journals. However, this work is divided into four chapters - The first chapter gave a general introduction on the concept of development as well as dealt with the question of colonialism and economic development. Chapter two dealt exclusively with the modernisation theory of development. Chapter three talked about the dependency theory of development.

Both theories have been presented in the following manner; first is the general discussion on the theory, followed by the contribution of the theorists of the given theory, thereafter follow basic assumption of the theory, then comes the critics levelled against the theory at hand and lastly the decline of the theory. Chapter four, which is the last, deals with the alternative strategies of development.

v) Chapter outline

The dissertation is divided into four chapters. Chapter one, Has been dedicated for the discussions on the concept of development as well as colonialism and economic development. The concept of development is flexible and elastic. These two properties of the concept makes it difficult to define the concept of development. However in the work two definitions of development have been offered: the first definition is a general one. The
second definition is the one given by two intellectuals. The first chapter has also concentrated on the question of colonialism and economic development. Underdevelopment: the objective of this section is to analyse both advantages and disadvantages of the process of colonisation to the economic development of Third World countries. It should be remembered that most of the developing countries today were the ex-colonies.

Modernisation perspective has been discussed in chapter two. Modernisation theorists maintain that, historical progression has always been from simple, undifferentiated systems to complex, highly differentiated systems. The example of a complex social system is a modern industrial society, that is, Western countries or developed world. Thus development progress came to be seen as a process of acquiring the characteristics of Western industrial society. Modernisation theorists are in agreement, on the requirement that developing countries and simple societies must modernise in order to be said to have undergone development. That is, why they must be industrialised. They believe that traditional cultural, social and political structures in the Third World prelude the growth of effective economic strategies. Only if these barriers to advancement are removed, it can be said that these societies are becoming developed countries.

Modernisation perspective was a voice from the West, instead, dependency perspective is a voice from periphery. Dependency is discussed in chapter three. The theorists of the dependency perspective came from the Third World. Dependency theory of development addresses the relations between advanced industrial nations and the developing world. More specifically, these relations are viewed as not merely dependency-inducing, but also as a form of a systematic and structured exploitation through the medium of technology transfer and international finance capital (aid and loans).

The last chapter, which is chapter four, has dealt with the question of alternative strategies of development. People were not impressed with the slow result of the mainstream theories of development. Thus they began to formulate other strategies to overcome underdevelopment in the Third World. Some of the strategies were, basic human needs and self-reliance. Others were, community based development, economic oriented strategy and economic growth strategy. These newly formulated strategies were expected to put man
at the centre of development; the results should be concrete and should be perceived by the people. That is, the outcome of economic development projects should be tangible and concrete. After this short general introduction, it is time to get into chapter one, for the discussion on the first theory of development, which is modernisation.
CHAPTER ONE

DEVELOPMENT: THEMES AND ISSUES.

COLONIALISM AND ECONOMIC DEVELOPMENT

1.1. The concept of development

The main purpose of this section is to define the concept of development. Anyone interested in the Sociology of development, would immediately recognise that, literature on the concept of development does not define it at the beginning immediately. However, as one goes on reading it is not difficult to understand the concept of development which is offered by the author of the text. The concept of development keeps on changing, as its meaning depends on the social changes in the given society and also the period in which it is being used.

Development is a "polisema"\(^1\) word, because it has many meanings. In Sociology alone, there are more than 97 definitions of the concept of development:

\[\text{le idée associate allo ‘sviluppo’ che compaiono in queste definizioni sono generalmente positive (partecipazione, integrazione, consenso, democratizzazione, uguaglianza, giustizia, eccetera) o neutrale e descrittive (scelta, produzione, differenziazione, mobilitazione sociale, eccetera).}\(^2\)

If in the field of sociology alone there are more than 97 definitions, one can only imagine how many definitions of the concept there can be, when all other definitions, which are found in other disciplines, such as, mathematics, photography and the music industry, are combined.

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\(^2\) Ibidem.
Metaphorically speaking the concept of development can be compared to a warehouse; which is a huge, single building, but inside, it stores a lot of equipments. Development is a field of study with a mixture of ideas, theories and ethical issues. Doing a research on the concept of development, intellectuals could find numerous opinions and many theories. When one goes to looking for the meaning of the term ‘development,’ in the dictionary, most of the dictionaries generally, will define it as follows:

When we extend the search of the same concept using the latest dictionaries, it is not surprising to see the word development accompanied by some adjectives, “il primo dei quali sarà economico”\(^4\). They insists on economic improvement, increased lifespan and income. In this modern world the concept of development is associated with economic growth. However, it is well known that, development is something more than economic growth. It covers all aspects of human life. And that is why the concept of development is said to be complex. The following words are always used as synonyms of the word “development”: “progresso, evoluzione, cambiamento, crescità, trasformazioni”\(^5\).

In the process of defining the term “development”, it is possible to encounter some difficulties, because of its flexibility and elasticity. The flexibility or elasticity is a result of being multipurpose in nature. As a result, it is a very delicate process to create a fixed definition of this term, which will be accepted by all. Since this work approaches the study of development from a sociological point of view, the above argument, on the lack of a common

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\(^3\) Bottazzi, 2007, *op. cit.*, pag. 9.

\(^4\) Ivi, pag. 10.

\(^5\) Ibidem.
definition of the term “development”, can compel a serious reader to conclude that Sociology contradicts itself. It has failed to define the concept of development. However, that is not the case, the difficulty of defining the concept of development is not caused by the immaturity of Sociology. The difficulty is rather caused by the flexibility or elasticity of this concept itself.

1.2. Flexibility of the concept of development

As years go by, society undergoes changes. As a result, the way that particular society understands development is subjected to change. Below is a discussion based on how the understanding of the meaning of the “concept of development” has undergone changes in the course time. As the meaning of development undergoes changes through time, it is not that difficult to notice, how the concept of development becomes much broader, and its meaning extends to more social aspects of life.

Firstly, the meaning of the concept “development” in the years between 1945 to the 1960s. During that period of time, the concept of development was associated with the process of transformation which had taken place in the West. The process of development was interpreted according to the process of economic growth in Europe and other Western nations. However, outside Western countries it proved unsuccessful to apply the way development was understood during this period. Not all societies experienced a Western type of economic development, that is from a lower state to a higher one.

Parallel to the above understanding of development there also existed another way of defining development according to capitalism. It describes development to be a limitless process, there is no limit to economic growth. Development is something which guarantees basic needs, such as security, people’s rights, social justice and self-determination in a country. This way of describing development addresses not only economic growth but also other aspects of life. It gives possibilities of applying the concept of development to
various states. A nation can do well economically but, can perform poorly with regard to human rights.

Secondly, the meaning of the concept “development”, in the years between 1970 to the 1980s. During this period, the understanding of the concept of development, gave priority to the participation of ordinary citizens. It gave first priority to the masses or common people when formulating plans for development. It was a democratic process of development, which gave voice to ordinary people. They were encouraged to be participate actively in the process of formulating development policies. The process of development in this regard, discouraged the habit of imposing on ordinary people decisions which have been formulated from the top (leaders or the elites). Social inequalities were identified as causes of under-development. They criticised a situation in which few individuals possessed more resources, while the rest of the population lived in poverty.

Thirdly, the meaning of the concept “development” in the 1980s. During this period of time, the concept development is closely associated with social growth. During these years, the living conditions of the people in the Third World was very low. Thus, there emerged a great need to improve social living standards. During the outbreak of famine, the international community felt responsible to provide the victims with food. The capacity to obtain basic needs and goods was also seen as a progress. Economic growth was just part of the equation of the whole concept of development.

Finally, the meaning of the concept of “development” in the 1990s: At this particular time the meaning of the concept was extended to mean more social aspects. It therefore included, “grandi questioni come quella ambientale, il fenomeno migratorio, la minaccia [...] di malattie”\(^6\). The concept of development understood in this way could now be applied to both rich and developing countries. Problems like environmental issues, are a threat to both, developing and developed countries. Governments were invited to maintain a balance between economic growth and the environmental issues.

They felt the need to fight the attitude of emphasising much on economic growth at the expense of the environment. For example, clearing out forests in order to pave way for extraction of minerals. It is not a good practice, as it destroys the delicate eco-system.

1.3. Defining development

As already stated before, the concept of development has been explained differently depending on the period of time, the subjective idea of the writer as well as the place where it is applied. However, there is a definition of the concept of development which is regarded to be the nucleus, the heart and focal point of understanding the term “development”:

un processo di cambiamento delle strutture economiche e uno straordinario potenziamento delle capacità produttive che ha consentito di avere a disposizione una quantità di beni e servizi di molto superiore rispetto ad un passato anche recente e che ha parallelamente cambiato in modo radicale strutture e le istituzioni economiche e sociali, i modi di pensare e di essere, i modelli culturali, i comportamenti e le aspettative. L’aumento senza precedenti della quantità di beni e servizi mediamente a disposizione, ossia in sostanza una maggiore ricchezza disponibile, rimane comunque l’aspetto che prima viene evocata7.

According to the definition given above, one can certainly be sure someone, somewhere has been left behind. Development implies movement from a lower stage to a higher or better stage of standard of living. In the year 1960, only 20% of the world population had access to more than 60% of the world’s resources. In the year 2000 only 15% of the world’s population had access to almost 85% of the worlds riches. In the year 2004, we still had millions of people who lived on under one or two dollars per day. In addition, in many parts of the world we had children or even adults who died due to

7 Bottazzi, 2007, op. cit., pag. 10.
easily curable diseases. People dying of hunger, some having no access to safe and clean water. All these examples, prove that some people have been left behind. They have not developed. Others have been fortunate to develop and have achieved high standard of living.

1.3.1. Development according to Nohlen and Nuscheler

Nohlen and Nuscheler, both have offered a definition of “development” which is very popular. Their definition of development is founded on, “five fundamental elements”. These fundamental elements are, economic growth, employment, presence of social equality, participation of people in development planning, and lastly country’s freedom of self-determination.

The first fundamental element that qualifies a country to be considered developed is economic growth. Improving the economy quantitatively as well as improving social standards. The second fundamental element is employment. People have to be given opportunity to work. Work is the source of income. It enables people to have a good standard of living. Without income there can be no savings. Savings are necessary for financing investments. Also income will turn the population into a strong internal market. The lack of work, income and savings, will cause the state of, “popolazione arretrata, risorse insufficiente, imperfezioni del mercato”. In short it can be called as the state of under-development.

The third fundamental element of development is Social equality: Development has to involve the whole society and not the few privileged. There should be a well balanced distribution of income among the people in the country. There are some countries with high GDP, but only a few privileged have access to that wealth. The fourth fundamental element of development is participation: the society has to be involved in the process of development. People are not there to implement what has been decided by the

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8 Bianco, op. cit., pag. 27.
leaders or management. They need to be involved in the planning of development projects. It will help to understand the needs of the people.

The final fundamental element of development according to Nohlen and Nuscheler is freedom and self-determination of the people: Politically people must be free. For example, conducting free and fair election and freedom of speech. It is also important for the country to be free from interference of other influential state, especially from the developed World. Taking into consideration the five fundamental elements discussed above, development can be defined as a:

\[ \text{risultante delle forze e delle capacità di utilizzare al meglio le risorse. Vivere così in condizioni di progressivo benessere, sia in termini material che in termini sociali e culturali. Tale capacità però va valutata in relazione ai processi di trasformazione sociale, da collocare nel spazio e nel tempo}^{10}. \]

1.4. Development as a problem

Only after II World War, that the phenomenon “under-development” began to be given attention by the international community, more precisely by the Americans. “Il sotto sviluppo e le ineguaglianze nella distribuzione del reddito a scala mondiale e all’interno di un singolo paese non erano come fatto, niente di particolare nuovo”\(^{11}\). Inequalities caused by slavery and colonialism were not paid much attention years before II World War. The problem of underdevelopment existed even before the war. However, there was no desire to improve the lives of these people, as was the case post war. It can be said that, under-development became a problem only after World War II. In addition, even the terminology itself “development” was less used before the war as it was used post war:

\[ \text{L’utilizzo, oggi forse eccessivo, del termine sviluppo applicato all’ambito} \]
\[ \text{semanticò dei mutamenti sociali, economici e culturali, risale come formula} \]

\(^{10}\) Bianco, op. cit., pag. 27.  
\(^{11}\) Bottazzi, 2009, op. cit., pag. 6.
The industrial revolution in the Western world, especially in England gave an upper hand to European countries in development, as opposed to other parts of the world. In time, industries brought economic growth and improved living standards of people. However, other parts of the World like, Africa, some countries in Asia and in Latin America, the level of development was below the standard. There was mass poverty. Unfortunately, no one paid serious attention to address the problem. It was only after the second world war when the West began to establish development policies, in order to overcome poverty among Third World countries. People in developing World, who were victims of poverty and inequalities, had to be helped by the developed countries. There were some factors that made developed countries, especially USA to begin to take serious steps towards formulation of developmental policies, in order to overcome poverty and inequalities in Third World countries. These factors were, the Cold War, the process of decolonisation, and humanitarian factors.

Firstly, the Cold war: after the second world war, two countries emerged as winners, USA and Soviet Union (USSR). Each country feeling more powerful than the other, eager to expand her sphere of influence. This led to an arms race, as a result the era of cold war was inaugurated. It was the American journalist, Walter Lippman by the late 1940s, had coined the term ‘Cold war’. He coined the term, in order to describe the culture of hostility and suspicion that had developed between the two superpowers and their rival blocks (the North Atlantic Treaty Organisation and the Warsaw Pact). With the exception of USA, European countries and the USSR had been exposed to great loss. Cities were reduced to piles of debris, industries were destroyed, without forgetting social problems like migration, displacement of people and untold mass poverty. But, in a span of few years, USSR managed to rebuild her

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economy. Hence, USSR become the only country that could challenge USA militarily and even economically.

The Americans began to be worried of the growing USSR’s influence. They feared that, underdeveloped countries could come under the influence of the Soviet Union. The expansion of the Soviet Union meant the spread of communism. In addition, slowly, nationalist movements began to emerge in Asian countries, among newly independent countries and even in those countries which were still under colonial rule. For example, China where in 1949 Mao Zedong communist party was born, other examples are Malaysia and Indonesia. Nationalistic movements were attracted to the USSR economic programme, because it had proved to be successful. Soviet Ideology had managed to raise the economy of USSR in short period of time. To counter attack Soviet Union influence, USA created its own plan to help underdeveloped countries economically. However, politically they wanted to arrest the growing influence of USSR. “In somma, il sottosviluppo diventò un problema anche per il timore che, in assenza di un intervento di contrasto, i paesi appunto sottosviluppati potessero essere preda dell’espansione sovietica”\textsuperscript{13}. On 20\textsuperscript{th} January, 1949, Harry Truman, the then president of USA in his state of inaugural address, gave a speech, that came to be known as “point IV”:

\begin{quote}
[...] 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. More than half the peoples in the world are living in conditions approaching misery. Their food is inadequate. They are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas.

For the first time in history, humanity possesses the knowledge and the skill to relieve the suffering of these people. The United States is pre-eminent among nations in the development of industrial and scientific techniques. The material resources which we can afford to use for the assistance of other peoples are limited. But our imponderable resources in technical knowledge are constantly growing and are inexhaustible. I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for
\end{quote}

\textsuperscript{13} Bottazzi, 2009, \textit{op. cit.}, pag. 8.
a better life. And, in cooperation with other nations, we should foster capital investment in areas needing development. Our aim should be to help the free peoples of the world, through their own efforts, to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens.

We invite other countries to pool their technological resources in this undertaking. Their contributions will be warmly welcomed. This should be a cooperative enterprise in which all nations work together through the United Nations and its specialized agencies wherever practicable. It must be a worldwide effort for the achievement of peace, plenty, and freedom.

With the cooperation of business, private capital, agriculture, and labour in this country, this program can greatly increase the industrial activity in other nations and can raise substantially their standards of living. Such new economic developments must be devised and controlled to benefit the peoples of the areas in which they are established. Guarantees to the investor must be balanced by guarantees in the interest of the people whose resources and whose labour go into these developments.

The point IV is considered as the birth of international developmental policies. The developmental policies are meant to help underdeveloped countries to overcome poverty and also help them to grow economically, socially and politically. However, “Truman’s geographical imagination transformed the post-war World into underdeveloped and prosperous areas”\textsuperscript{14}. That is to say, Truman’s geographical imagination gave birth to the division of the world as we see it today: the rich and the poor, the First World versus the Third World, North versus South, Developed World versus Underdeveloped World.

After the war, June 1947, the Americans created a programme for the Western Europe known as European Recover Program (ERP), generally known as “Marshall plan”. It was named after the secretary of state of that time. The program aimed at financing the war torn Western European countries. However, Intellectuals argue that, ERP programme, was established to contain the growing influence of Soviet Union. That is why it is not surprising, Marshal Plan Project was extended even to the former enemies like Germany.

\textsuperscript{14} K. Dodds, \textit{The Third World, developing countries, the South, poor countries}, in “The companion to development studies”, Arnold, New York, 2002, pag. 3. Hereafter,
The second reason which made development to be considered as a problem after the II WW is the process of decolonisation. Colonised societies used to believe that, Whiteman is invincible. But, hardships of the war, brought to an end the myth, that is on the supremacy of the white man. Local soldiers fought the war long side with their colonial masters. They could see fear in the eyes of their masters, they witnessed them being taken prisoners of wars and they saw how they got defeated in battle. The positive aspect of the war is that, soldiers from the colonies, learnt how Whiteman fought hard to defend his freedom. The Winning of battles by Japanese troops against white’s troops became also a source of encouragement to the colonised people. When II WW came to an end, and soldiers had returned to their respective countries, immediately, they began to fight for their freedom and for self rule. Some of the colonised countries got their independence through peaceful means like Tanzania, Ghana and India. But other colonised countries gained their independence by waging war against their colonial masters. For example Kenya’s Mau Mau movement fought against the British. In Mozambique, FRELIMO armed struggle movement fought against the Portuguese.

The Philippines became free in 1946, India in 1947. It was not until in the early sixties that, many of the African countries got their independence, for example Tanganyika got her independence in 1961. In the seventies it was the turn of Portugal colonies like, Angola and Mozambique. These new nations obtained a seat at UNO assembly. During UNO sessions these new states describes damages done to their countries because of the process of colonisation and slavery. In short, hey addressed the problem of bring underdevelopment in their countries. It became apparent that, there was a need to create some development policies in favour of these nations. Hence the question of underdevelopment became a problem that needs intervention of the international community. They saw the need to formulate strategies in order to overcome poverty and inequalities in the Third World.

The third and final reasons for the development to be considered as a problem is humanitarian factors. In the Western world, the public began to be informed about the sufferings and miseries of the people in developing countries. Journalists published very touching stories from the developing countries and from the colonies. The public became aware of what was
happening in developing countries. They began to understand the hardships endured by the colonised societies due to slavery and colonial rule. This prompted the need to repair damages done. They felt guilty and remorse for what happened and what was happening in the colonies. It should not be forgotten that, people in the developed world had themselves undergone untold sufferings during both World wars. The three factors discussed in the above section contributed for the question of development to be considered as a problem. As a result there was a need to find solutions in order to be overcome the problem.

**1.5. Colonialism and economic development**

Anyone who wishes to make a study on underdevelopment of the Third World countries, would be also obliged to make a study on the question of colonisation. European powers began to have continuous and direct contact with the people of other continents at the end of the XV century; In 1492 Christopher Columbus reached America, and in 1498 Vasco de Gama reached India after going around Africa through Cape of good Hope, the present day South Africa. Thereafter, Europe had direct contact with the native people of the new found land. As time went on, European powers conquered the newly found societies and turned them into colonies. By the beginning of 1900, many societies in the World, were under colonial rule. Only few societies were free from colonisation. Relationship between colonised communities and the colonialists was unequal in nature. It was filled with inequalities: European powers benefitted from the conquest while the local societies could not benefit.

Most of the so called underdeveloped countries today were ex-colonies of the Western powers, but, “*un paese europei, occidentale, oggi considerate sviluppato*”\(^\text{15}\), like Great Britain, France, Spain and Portugal were the colonial powers yesterday. Thus, there is a connection between the process of colonisation and underdevelopment. Extraction of natural resources, mistreating local communities, slavery and forced labour, all of these contributed to the underdevelopment the colonised nations. It is believed that,

\(^{15}\) Bottazzi, 2007, op. cit., pag. 61.
the natural recourses and raw materials taken from the colonies, might have contributed to the economic growth of the First World countries. In chapters the question on external factors contributing for the underdevelopment of the Third World has been discussed at length.

1.5.1. Infrastructures and social services

Colonialists had to establish infrastructures and social services in the colonies to support their projects and for the smooth running of the colonial government. The infrastructures and social services came to be inherited by the colonies after independence. But, it should also be accepted that, colonial infrastructures and social services were not established to serve indigenes but rather were there to serve colonialists’ interests. In addition to, the established infrastructures and social services had many problems. After independence the new states inherited the established infrastructures and social services together with their advantages and challenges.

i) Processing factories

The industrial revolution first took place in Great Britain. From there, this noble revolution spread to Western European countries, Northern America, Russia, Australia and in Japan. In all of these countries both heavy and light industries were established. Unfortunately some other parts of the world like in Africa, Latin America and many other countries in Asia were not reached by the industrial revolution. In the colonies, colonialists established processing factories. They were meant to work upon the raw materials in order to reduce weight and therefore make shipment easier and cost effective. For example, in sisal plantations they built small factories which extracted fibres, ready to be shipped to Europe and in USA, where they produced ropes, sacks and so forth. After independence processing factories were inherited by the new independent states.

In many of African countries, processing factories did not survive long enough after independence due to the following reasons. Strong competition
from synthetic materials, which caused European industry owners to reduce their importation of natural raw materials. Stiff competition among new independent states; African countries could not compete due to lack of creativity and technology whereas most of Asian countries did rather well. Lack of internal market for African countries meant natural death to the small scale factories. Taking Tanzania as an example, before independence the national income depended on the exportation of cotton, coffee and sisal fibres. After independence, international markets declined. As a result some areas of the country which relied on growing sisal and cotton suffered overproduction. As a result the local economy collapsed. People were forced to engage in other activities in order to survive.

*Lack of trained personnel:* during colonial rule colonised people were hired as supporting staff, were not taken employed with the intention of becoming future experts. Most of technical issues were done by the foreigners themselves. It was a major problem when these experts left after independence. They handed over factories to unprepared simple workers who were not well trained. At the end, the factories were destined to fail. *Intensive corruption:* the new management swindled whatever little income the factories could generate. As a result there was scarcity of funds to maintain the factories and also lack of funds to finance new investments.

**ii) Establishment of health services and sanitation**

Before colonisation local communities had their own techniques to fight diseases especially Malaria and waterborne diseases. Many of these societies made use of herbs (leaves, back of the tree and root) for treatments. Even though traditional medicine could cure, but they were drawbacks, like, lack of diagnosis, there were no scientific research on herbs offered as medicine. There was the problem of mixing traditional medicines and religious beliefs. Traditional healers were believed to possess supernatural powers, were not herbs that cured but supernatural powers. The healing profession was for the chosen few and not open to all

Introduction of modern medicine during the colonial era was a turning point. In Tanganyika, the first foreigners to arrive (missionaries and explorers),
lost their lives because of malaria. The introduction of malaria medication not only helped foreigners but also local people as well. Since modern Western medicine had no connection to religious beliefs, young African intellectuals got opportunity to pursue their studies on medicine.

However, health services standard was low; “it is difficult to imagine the British state providing health and welfare services to the inhabitants of its tropical estate superior to those which were available at home”\textsuperscript{16}. In addition health services were offered with partiality. It was meant primarily for the ruling class and for those who were collaborating with the colonialists. Not all young people with capacity got the chance to pursue medicine, many of those who were given this opportunity were the sons of local chiefs. New independent states inherited health services together with all these problems.

\textbf{iii) Introduction of formal education institutions}

Colonial government together with Christian missionaries introduced Western education in the colonies. This does not mean that colonised societies did not have their own form of education. Generally, education is understood as passing of knowledge or information from one generation to the next. Education is of two categories namely informal/unplanned and formal/planned.

\textit{Informal/unplanned education;} is the passing over of values and traditions to young generations, in order that they can get integrated into the society. Many of the pre-colonial societies had an unplanned form of education. Taking African tribes as an example, each tribe had its own way of defining the role of a woman and a man in the society, practice of religion, foretelling the future, conflict management and procedures of entering into adulthood. Girls in African societies received their informal type education under the guidance of their mothers, aunts, grandmothers and the whole society at large. Girls were mainly prepared to be housewives and parenting offspring. Instead the boys’ informal education was conducted by their fathers, uncles, grandfathers and the whole society at large. Boys were prepared to participate in the tribe’s leadership and to be heads of the homesteads. For boys, it was

during circumcision rites, when elders would pass on information about family life and traditions of their society. For girls this was done when they reached puberty. Informal knowledge transfer was a useful tool in helping young people to integrate in the society: It did not prepare young people to qualify for white collar jobs.

*Formal/planned education*; is a systematic way of instructing someone. Colonialists and Christian missionaries were responsible for introducing formal education in the colonies. It is arranged in levels, from the lowest to the highest level, that is university level. Western education prepare people for a particular profession. When one completes studies, can get employed and gets paid too, thus improving ones standard of living. The Formal education offered by colonial governments and Christian missionaries had some drawbacks as well. Colonial education was offered to few only like, sons of local chiefs and their local collaborators. It was Western oriented, students learnt mainly European history. They were not taught about their own societies. Its function was to offer some knowledge to few who would assist in the day to day running of colonial government. It prepared students to be clerks. Science and technology subjects were not insisted as such.

However, something is better than nothing; this little education was enough to produce few intellectuals who mobilized their people to fight against colonial rule. It is said, ‘Europeans dug their own grave by educating colonised people.’ Education that they received, helped them to come into realisation that, they are denied their right to self-determination as a country. They became away of the exploitation done by the colonial government.

**iv) Establishment of infrastructures**

They established roads, seaports, railways, airports, ferries, telephone lines and telegraph. Infrastructures were useful for smooth running of the colonial governments. In Tanganyika, Germans constructed railway lines, which was used to transport cheap labourers, raw materials like cotton, tobacco and minerals from where they were found to the coast ready to be shipped to Europe. Even though these infrastructures were established in order to serve colonial government’s interests, but they came to be inherited by newly
independent states. In the present day Tanzania, railway line built by the Germans has survived up today and is still in use.

v) Influence of Western Civilization

Each society, has its own civilization. Colonised societies too had their own civilization, they had their own ways of conducting politics, social life, religious life and the like. Westerners brought with them their own civilization, notably religion, and ways to govern the society. Christian missionaries converted local people into Christianity. Unfortunately they were quick to condemn local traditions and beliefs as paganism. They did not make efforts to understand local traditions and appreciate the diversity. They abolished cultural and religious practices which were found to be incompatible with Christian teachings. As a result people were brain washed, and they gradually began to appreciate more Western beliefs and values. In addition, the influence of Western civilisation could also be found in administration systems. The colonial government system was copied after independence. Unfortunately things did not work so well for some nations. Immediately after independence, some ex-colonies plunged into civil wars, due to power struggles.

1.5.2. Problems of the colonial economic development

i) Low export activities

Colonies were expected to produce raw materials like, “rubber, cocoa, fibres, vegetable oils, sugar and tropical fruits”\(^\text{17}\). However, the level of export was low, settlers and local peasants could not always produce in large quantities due to a number of challenges. As a result colonies failed to obtain foreign currency, necessary for importation of new technologies from abroad and other necessary finished products. Thus, economies of the colonies remained stagnant. Imported finished products and new technologies, were for

\(^{17}\) Havinden, *op. Cit.* pag. 299.
the benefits of the colonial government and white settlers. They were not meant for the development of the local community.

ii) Weak linkages between export sector and the rest of the economy

Export sectors depend on non-export sectors. These non-export sectors are, roads, railway lines and truck enterprises, they are generally known as linkages. Well established linkages, act as a foundation upon which, export sector can be built. In the colonies these “linkages between the export sector and the rest of the colonial economy were quite weak”\(^1\). Linkages can be divided into three categories, “backward, forward, and [...] final demand linkages”\(^2\).

**Backward linkages:** Can be defined as the “supply of Non-Export Sector of inputs to export industries”, for example, tools, machinery and fertilizers. Colonies imported most of the non-export goods, because they could not be manufactured or produced locally. There was no technology for their production. In a small scale colonial governments introduced transport infrastructures including roads, ports, airports and private owned truck enterprises. However, as shown in the previous sections, the transportation network was on a limited scale.

**Forward linkages:** “M. Havinden and D. Meredith\(^3\) defined forward linkages as, “industries for which the export commodity was an input and chiefly consisted of processing [...]”\(^4\). In short forward linkages are known as processing industries. They acted as bridges between heavy European industries and raw materials producers in the colonies. Processing factories were underdeveloped in the colonies. Having a weak forward linkage affected the mainstream economy of the colonies. Well established forward linkages would have given colonies access to new technologies, could have created employment for the people and created markets for their raw materials.

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\(^{1}\) Havinden, *op. Cit.* Pag. 302  
\(^{2}\) Ibidem  
\(^{3}\) Both have cooperated in writing a book entitled Colonialism and Development, which is the study of Britain’s economic and political relationship with its tropical colonies and also provides detailed analysis of trade and politics.  
\(^{4}\) Havinden, *op. Cit.* Pag. 302
**Final demand linkages:** It is defined as, “those which are connected to the domestic economy via the expenditures of the workers employed in the export activities”\(^{22}\). Plantation workers, mine workers and peasants were to act as a market for the non-export economy sector (internally produced goods) in order to stimulate economic growth. Plantation and mine cheap labourers received meagre wages. As a result internal markets were weakened. Without a strong internal market, the economic growth of any given country will not grow as expected.

### iii) Foreigners owned export industry

There were foreign trading companies who purchased raw materials and minerals for export from settlers and peasant producers. Again there were foreign banks who financed these foreign companies. Given the economic level of the indigenes during the colonial era, it was not possible for them to run such expensive businesses which needed people with the right knowledge and sufficient capital. Thus, foreign owned investments were inevitable. The problem of having only foreigners owning export sector was that; the capital acquired from the export sector which was supposed to be re-invested back into the colonies, in order to expand the economy, unfortunately, the capital gained was shipped abroad. The “outflow exceeded re-investment and new investment which resulted in colonies who suffered a net drain of private capital”\(^{23}\).

The private investors were granted favours by the colonial governments, one of which being, “improved taxation sectors”\(^{24}\). Colonial governments were obliged to create conducive atmosphere for private investors from their motherland to operate without many difficulties. Private investors extracted natural resources with minimum possible costs. However, the profits obtained after the sale was not shared equally with local economy, they were not obliged to re-invest back into the colony. Hence the mainstream economy of the colony was affected.

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\(^{22}\) Havinden, *op. Cit.* Pag. 302  
\(^{23}\) Ivi. Pag. 303.  
\(^{24}\) Ivi. pag. 304.
Since private firms came from countries with advanced technology, naturally it was expected to see a transfer of “advanced knowledge, skills and technology”\textsuperscript{25} from colonial powers to the inhabitants of the colonies where they intended to invest, surprisingly, only rudiment technology or discarded know-how from Europe was shipped to the colonies. Investors in the colonies relied heavily on unskilled cheap labourers abundant in the colonies. By doing so they managed to avoid technology transfer expenses. This was a loss to the indigenes, for they lost an opportunity to learn new and advanced technologies which would have been of a great help after colonial era. In addition, most of the technical jobs were offered to the expatriates, again indigenes missed a chance to learn something new from abroad.

iv) Unstable trade

The instability of the trade was caused by “narrow export base of the colony”\textsuperscript{26}. No “broader base of exports”\textsuperscript{27} was developed, had been developed, it would have created a more stable export growth. A narrow export base, is a state whereby a country has few products to export. Colonial authority decided which raw materials had to be produced. For example, Uganda had to produce cotton only. Narrow export base can function well only if there is a readymade stable market. It is a problem when prices are unstable. When prices fall, the economy too gets shaken. As a result, a country will lose foreign currencies, necessary ingredient to stimulate the growth of a local economy through investments and importation of finished products and new technologies from abroad.

Instability of trade in the colonies also occurred, when colonialists forced their colonies to produce what colonial masters needed and not what was needed in the colonies. In Tanzania there was a huge plantation of groundnuts: Its establishment without considering the needs of the local population. I was not so long, before. the groundnuts scheme failed as it did not reflect the need of the indigenes.

\textsuperscript{25}Havinden, op. Cit. Pag. 304
\textsuperscript{26} Ibidem
\textsuperscript{27} Ivi. Pag. 305.
iv) **Lack of investments**

“The low level of capital investments was the major obstacle to economic growth and development in the [...] colonies”\(^{28}\). In order to establish necessary infrastructures like transport and communications, water supply and the like, to attract investors to invest in the colonies, colonial governments should have injected sufficient amount of capital to the colonies. But very little support was offered in order stimulate the economy of the colonies. As a result there were no extensive infrastructures to support economic growth. Since there were very few foreign investors and in addition to that, they were taxed very little. Colonial authorities weighed the expenses of running colonial governments on the shoulders of the local people. This burden affected the economic growth of the colonies.

**1.5.3. Inheritance of colonialism**

Economic, social and political challenges faced by the colonial authorities were all inherited by newly independent states. These challenges, especially economic ones have kept on haunting developing countries up to the present. Thus colonialism is thought to be one of the contributing factors of underdevelopment in Third World countries.

Fanno parte dei Danni prodotti dal colonialismo e della difficile eredita dei nuovi stati indipendenti, la struttura economica 'extra vertita' (Amin 1970), orientata all’esportazione di una o poche materie prime e all’importazione dei grandi partì dei beni manufatti [...]\(^{29}\).

Effects of colonialism did not only disturb the economy of newly independent states but also could be felt in other various aspects of life like, culture, personality and in psychological aspect of the colonised societies. Psychological and cultural damages are hard to cast aside. The relationship between subjected people and colonialists was asymmetrical. Whiteman, was considered to be superior while the subjected people were considered to be

\(^{28}\) Havinden, *op. Cit*. Pag. 307  
inferior: “Esemplare in questo senso il boy delle colonie inglesi e il corrispettivo bwana con cui gli africani rivolgevano al padrone bianco. Il colonizzatore viveva in un mondo in cui la storia veniva da fuori.”

The process of colonisation gave rise to inferiority complexes among colonised societies, that is to say, “dipendenza mentale e psicologica;” whereby whatever is said and done by the white-man is considered correct, hence people continue to imitate anything done by the white-man. African societies quickly lost their traditions in order to embrace Western cultures and civilization. Tradition ways of doing things have been abandoned. People are convinced that doing things in a white-man’s way leads to success. The process of “decolonizzazione della mente” is far more complex to achieve than a political one. It has already sunk deep down in the skin of the people. It has become a second nature to them. In addition, the use of colonial masters’ languages by the colonised societies it means, “[...]{\textit{accettare un mondo, una cultura, aveva detto Frantz Fanon.}}”

In the end, it is not that difficult to observe how economic policies of the colonial government did harm to the economy of the colonies. As a result of colonisation, nothing was the same again, everything had to undergo change, from social life to economic issues. It is a scar of a healed wound.

In this chapter various themes and issues concerning the concept of development have been discussed. Two issues have been discussed in depth: On one hand, there have been an extensive study on the concept of development as well as defining it. On the other hand, the question of colonialism and economic development were also discussed sufficiently. Therefore, the next section, which is chapter two, will deal with the first theory of development which is, modernisation theory of development. It is an attempt by the Americans to help Developing countries to overcome poverty and inequalities.

31 Ivi. Pag. 20.
32 Ibidem.
33 Ibidem.
CHAPTER TWO

THE MODERNISATION THEORY OF DEVELOPMENT

2.1. Historical context

Chapter one dealt with the meaning of the concept of development and various aspects of the same. So also in the same chapter it was said that, underdevelopment became a problem that needs a solution only after the Second World War: as a result economists created some economic theories which could be applied in developing countries in order to overcome mass poverty. The economists found two types of factors which block economic development in poor countries. They are, economic and non-economic factors. They discovered “gran numero di fattori non economici, [...] in particolare le propensioni, le motivazioni e i comportamenti non favorevoli allo sviluppo e le peculiari strutture sociali, che erano considerate responsabili di queste carenze”\(^34\). Non economic factors which block Third world nations in attaining development became an object of study of social scientists. Social scientists were to provide answers to the following questions:

quali caratteristiche hanno le società dei paesi e delle aree sottosviluppate? Perché incontrano difficoltà a intraprendere il percorso di una crescita economica rapida e durevole nel tempo? Cosa si oppone all’introduzione delle tecnologie moderne e dell’industria? Come e in che direzione la crescita economica avrebbe introdotto mutamenti nelle società e nelle culture dei paesi arretrati? E così via\(^35\).

These researches conducted by the social scientists paved way to the birth of modernisation theory of development. It is not clear who introduced the terminology modernisation. However in 1958 David Lerner used to speak of Westernisation but for diplomatic reason he suggested the use of the term

\(^{34}\) Bottazzi Sviluppo, op. cit., pag. 163.
\(^{35}\) Ibidem.
Modernisation. In addition to that, even though the word modernisation is new but its process is not something new in the Western society, for,

si tratta di un processo di graduale trasformazione delle società occidentali e segnatamente quelle europee, compiutosi in un arco di tempo che va dalla fine del Medioevo alla metà del Settecento e che è caratterizzato dall’avvento di quell’insieme di trasformazione che prende il nome di modernizzazione.\textsuperscript{36}

Modernisation theory of development is not actually one theory but rather represents “varietà di prospettive applicate dagli studiosi non marxisti al Terzo Mondo nei decenni, appunto, Cinquanta e Sessanta”\textsuperscript{37}. Thus the term modernisation is like an umbrella under which there are many perspectives on how to modernise Third World nations.

Theorists of Modernisation school of thought believe that, the society is in a process of moving, “from simple, undifferentiated systems to complex, highly differentiated systems; the most complex of these being modern industrial society”\textsuperscript{38}, precisely Western modern societies, therefore all social changes taking place in various societies lead to one particular point, that it is, being like Western societies. Thus the process of modernisation can generally be understood as, “[...] un percorso dotato di un punto di partenza, la società tradizionale e preindustriale, e di un altrettanto ideale punto d’arrivo, la moderna società capitalistica”\textsuperscript{39}.

Modernization as a school of thought began to surface among the intellectuals after the II World War. Some scholars gave it a status of a school because its intellectuals researchers had created a,

social movement with its own source of funds, close interpersonal links and rivalries, its own journals and publication series, a sense of shared mission and camaraderie, and, of course, its hangers on, peripheral allies, and even its acceptable heretics.\textsuperscript{40}

\textsuperscript{36} Bianco, op. cit., pag. 18.
\textsuperscript{37} Bottazzi Sviluppo, op. cit., pag. 164.
\textsuperscript{39} Bianco, op. cit., pag. 18.
Three events that took place after the II World War speeded up the process of formation of modernization school of thought. They were, the rise of USA as super power, the spread of communist movement and last but not in importance is the collapsing of colonialism. Some of these events had already been discussed in the first chapter under the section of colonialism.

Firstly, *The rise of USA as superpower*: before the war Great Britain and other European nations managed the affairs of the world. After the war European superpowers like Great Britain, France and Germany, were weakened by the war. They lost their status as superpowers to USA. By 1950 USA practically was the entrepreneurs of the world.

Secondly, *the spread of communism*: just as European nations were weakened by the war, the Soviet Union too fell victim of the same. However Soviet Union without help from outside managed to rise its economy at an alarming speed. It reached a point that, Soviet Union was the only country which, could challenge USA militarily and economically. Soviet Union did not only grow strong economically but also begun to expand her sphere of influence and exporting her communist ideology to other parts of the world especially in Eastern Europe and in Asia (China, Korea). This move by the Soviet Union could not go unchallenged from the part of the Americans.

Thirdly, *disintegration of the colonialism*: the war was an eye opener to colonised societies. Through the war colonised communities learnt that, they have the right to govern themselves as a nation. As a result they pressurised colonial governments to give them back their freedom. It was during this time, many colonies became independent.

The new nascent states were looking for an economic model to apply in their new nations. In order to “avoid losing the new states to the Soviet communist bloc”41, the Americans began to encourage her intellectuals to propose economic development policies which can be applied to the developing nations. The American government sponsored young intellectuals in the field of political science, Sociology, Psychology, Anthropology and in Economics so that they could formulate solutions to overcome underdevelopment in Third World countries. These young intellectuals worked

41 So, op. cit. pag., 17.
hard, researching on the underdevelopment of the developing countries. Their works became a foundation for the modernization theory of development. Therefore the purpose of the modernisation studies was,

[...] assistere lo sforzo occidentale, Americano in primo luogo, per convincere le nuove elite indipendenti del terzo mondo ad abbracciare un percorso di sviluppo che, adottando il modello USA, significasse crescita economica, ma anche capitalismo, libero mercato, istituzionalizzazione della democrazia rappresentativa, nuovi valori di dinamismo e di efficienze che sostituissero quelli tradizionali.\(^42\)

### 2.2. Theoretical heritage

It is a normal thing for the scholars to be influenced by the theories proposed by other intellectuals. Modernisation theory of development is no exception in this regard. It has been influenced by two other theories which are, “evolutionary theory and a functionalist theory”\(^43\). Modernisation theory of development adopted evolutionary theory in order to explain how Third World countries could undergo the process of modernisation. In the past, evolutionary theory was also used to explain, how Western Europe during nineteenth century made a great transition from a traditional society to a modern society. Enthusiasts of modernisation theory of development thought that, evolutionary theory could also be used in explaining, how Third World nations can be modernised. Modernisation theory of development was also influenced by functionalist theory. Most of the modernisation theorists were formed under functionalist school of thought. Some of these intellectuals are, Daniel Lerner, Marion Levy, Neil Smelser, Samuel Eisenstadt, and Gabriel Almond.

#### i) Evolutionary theory

The evolutionary theory came into the existence around nineteenth century. Industrial Revolution as well as French Revolution both paved way for the birth of evolutionary theory. Industrial Revolution was a result of growth in

\(^{42}\) Bottazzi Sviluppo, op. cit., pag. 193.
\(^{43}\) So, op. cit. pag. 18.
science and technology as a result there was increase in productivity, a new factory production system and the expansion of market in the World. On the other hand French Revolution gave rise to a new social order altogether, based on “equality, liberty, freedom and parliamentary democracy”\textsuperscript{44}. The outcome of these two revolutions to the Western Europe “not only shattered the old social order but also laid the foundation for a new one”\textsuperscript{45}. The shattering of the old society lead to a number of changes within the Western society. The changes that took place involved various aspects of the society, such as, from social aspects to political order, so also there were economic changes too. Evolutionary theorists have sought to give some characteristics and names to both of these societies (the one before industrial revolution and the one after industrial revolution) based on the changes that had taken place. For example, “[...] Durkheim’s mechanical and organic solidarity, Spencer’s military and industrial society, and Comte’s theological, metaphysical, and positive changes”\textsuperscript{46}.

Evolutionary theory has some characteristics, which came to be in cooperated into the modernisation theory of development. Some of the features of evolutionary theory are as follows, a) Regard social change to be \textit{unidirectional}; the society is in a movement, and this movement is in one direction, from a primitive society to an advanced society. It can be said that the transformation of a society is predetermined. b) Imposition of the \textit{value} judgement on the evolutionary process; the direction towards which the society is heading is considered to be good because it presents progress, humanity, and civilisation. c) The pace of evolutionary process is very \textit{slow}: it will take many years for this progress to take place. It is not as fast as revolution is. Many of these concepts of evolutionary theory came to be adopted by the scholars of the modernisation theory as it shall be seen later.

\textbf{ii) Functionalist theory}

\textsuperscript{44} So, op. cit.pag. 19.
\textsuperscript{45} Ibidem
\textsuperscript{46} Ibidem.
Functionalist theory of Talcott Parsons is another theoretical heritage that came to influence modernisation theory of development. Parsons’ concepts—such as “system, imperative, homeostatic equilibrium, and pattern variables—have entered into the works of many modernisation theorists”\textsuperscript{47}. In this paper two concepts of Parsons shall be dealt with, they are organism metaphor and the pattern variables.

a) Organism metaphor

Functionalist theory of Parsons is greatly influenced by his biological studies. In his earlier life, Parsons was trained as a biologist. He compares biological organism with the human society. He tries to study human society from a biological point of view. Just as an organism is composed by organs which work together to perform a particular function so also the human society has various sections, which should work together for the good of the whole human society in general.

The organism metaphor of Parsons could be summarised into the following points. First of all, organs of a particular organism are interrelated and interdependent. Parsons uses the terminology system to denote this type relationship. He uses the example of a hand and an eye to show how they are interrelated and interdependent in their various functions within the body. Society also functions like a living organism, various institutions within the society act like organs, they are to interrelate in order to perform various functions of the society.

Secondly, each organ within the organism has got a particular function to perform for the good of the whole organism. Failure of an organ to perform its duty will cause harm the whole body of the organism. Likewise in the society, each institute has got its own function which is necessary for the stability and growth of the whole society in general. Parsons offers the concept of “functions imperatives”\textsuperscript{48}, which indicates that each society has four crucial functions to perform. Failure to comply with these functions will lead into the

\textsuperscript{47} So, op. cit. pag. 20.
\textsuperscript{48} Ibidem.
collapse or death of the society. The four functions are adaptation, goal attainment, integration and latency, in short are known as AGIL:

- Adaptation to the environment – performed by the economy.
- Goal attainment – performed by the government.
- Integration (linking the institutions together) – performed by the legal Institutions and religion.
- Latency (pattern maintenance of values from generation to generation) – performed by the family and education.

Thirdly, Parsons introduces the concept of “homeostatic equilibrium”50 in order to explain further the organism metaphor. The concept of homeostatic equilibrium speaks of the state of uniformity in the society, that is, maintaining the balance. A living organism is always expected to be in a well balanced state. If a part of it changes then we expect to see changes in the whole organism. For instance the organism should maintain “a normal body temperature, then the body will sweat in the very hot temperatures and shiver in very cold temperatures in order to maintain the desired norm”51. Hence Parson applies this theory of homeostatic to the society, if an institute within the society experiences some social changes it is expected that the whole society will change in order to restore the equilibrium. The concept of homeostatic equilibrium suggests that our societies are not static but rather they are always changing in order to maintain a balance within it.

b) Pattern variables

Pattern variables are very important for Parsons. He uses them to distinguish between traditional societies and modern societies. “Pattern variables are the key social relations that are enduring, recurring, and embedded in the cultural system [...]”52. Parsons proposes five sets of pattern variables, which are, affective versus affective-neutral relationship, particularistic versus universalistic relationships, collective orientation versus

49 So, op. cit. 19.
50 Ibidem
51 Ivi. pag. 20.
52 Ibidem.
self-orientation, ascription versus achievement and final set of pattern variables is functionally diffused versus functionally specific.

**Affective versus affective-neutral relationship:** affective relationships are found within traditional societies. Relationships in the traditional societies are personal, emotional, and face to face. In the traditional societies even the relationship between employers and employees is affective in nature. Modern societies are characterized by affective-neutral relationship which is impersonal, detached, and indirect. The relationship between employers and employees in the modern societies is that of affective-neutral, workers can easily lose their job if they do not perform well.

**Particularistic versus universalistic relationship:** in the traditional societies relationships tend to be particularistic. People associate themselves within the same social circle. They work in the relative’s business and perhaps do shopping from the local stores. Business transactions may also be done through oral agreements. In the modern societies relationship between people tend to be universalistic, and carried out in a more formal way. The population in cities and large towns is high and people are forced to interact with strangers.

**Collective orientation versus self-orientation:** in the traditional societies individuals give much importance to the community, family or tribe rather than to individual needs. People sacrifice their personal goals and dreams to help obtain community goals. They do this in order to avoid instability within the community which would have been caused by individual innovation, creativity, and imagination. In the modern society emphasis is given to self-orientation, that is, “encouragement to be yourself, to develop your own talent, to try your best, and to build up your own career [...]”

**Ascription versus achievement:** in traditional societies evaluation of a person is done through his or her status. For example, in recruiting someone for a particular job, generally qualifications would include the names of the parents and other relatives of the candidate, and friendship with the management. This is totally different in modern societies, where recruitment of the new candidates depend on personal achievement, like the level of education,

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53 So, op., cit. pag. 22.
technical qualities, and past experience. Modern society are for qualifications and not parental relationship, because of market competition. If they recruit incompetent workers the business shall be thrown out of competition.

*Functionally diffused versus functionally specific relationship:* This pattern variable discusses the role played by someone in the society. In the traditional society the trend is functionally diffused, for example, the role of the employer in the traditional society is vast, not only is he responsible for the supervision of employees in work place, but also oversees the training of the employees, becomes his guardian, the provision of living arrangements and more. Functionally diffused is disadvantageous as training takes many years, individualistic and non-systematic. But in the modern society the trend followed is functionally specific, whereby the employers obligation towards the employees is very much limited, only to the work. As a result this work oriented relationship obtains better results.

### 2.3. Main contributors

The following sections examine various prominent contributions in the modernisation theory of development. In these contributions it is not that difficult for someone to notice the influence of evolutionary theory and that of functionalist theory. As said at the beginning of this chapter that modernisation theory of development is not a one theory but rather an accumulation of various theories, so each contribution below can be considered as a sub theory under a big umbrella of modernisation theory.

#### 2.3.1. Walt Rostow (1960): Unilinear models

As stated previously, development became a problem that needed resolving after the II World War. Social scientists began to formulate some solutions to overcome absolute poverty and inequalities in the Third World countries. Unfortunately most of these theories were, “’Eurocentric’ in that, often inappropriately, ‘theories and models [were] rooted in Western economic history and consequently structured by that unique, although historically
important, experience”54. Walt Rostow’s is one of the theorists who formulated these type of theories.

Rostow’s theory is based on the “Euro-American experience”55. His theory speaks of the growth of social and economic growth, through series of stages. Rostow entitled his book ‘The Stage of Economic Growth: A Non-Communist Manifesto’. The title of the book shows Rostow’s negative sentiments towards communism mode of production. The foreign policies of USA were opposed to the spread of communism to the Third World. Developing countries which were to be helped by USA, had to be free from communist elements. Rostow argues that, all the countries have to undergo five stages in the process of attaining economic growth. His famous five stages are, traditional society, pre-conditions for take-off, take-off, drive to maturity, age of high mass consumption.

It is most likely that Rostow acquired insight concerning the takeoff stage from sitting on an airplane. At first, the airplane is stationary, then it begins to move slowly on the ground and finally it takes off into the sky. Rostow sees Third World countries as exhibiting similar pattern in their move toward development56.

i) The five stages

a) Stage 1: Traditional society: The first stage is characterised by primitive technology, hierarchical social structures, production and trade based on custom and barter. It is like the pre-seventeenth Britain. Not much social and economic changes can be observed at this particular stage.

b) Stage 2: Pre-condition for take-off: The second stage has the following characteristics; improved technology and transport, increased trade and investments, economically based elites and more centralised national states gradually emerged, the expansion of markets, development of new industries. All this economic progress has been possible due to education,

55 Ibidem.
56 So, op. cit. 29.
entrepreneurship and institutions capable of mobilising capital. As opposed to the first stage, in the second stage, social and economic changes can be perceived. At this stage there is economic growth, however the resources and the national income are exhausted due to the high increased rate of the population. The economy at this stage is not self-sustained.

According to Rostow, there is a need to stimulate the economy in order to make it move to the next stage. Rostow offers three stimulus. Firstly, political revolution so as to restructure major institutions in the country. Secondly, technological innovation, he gives the example of the invention of the steam engine during industrial revolution. Lastly, favourable international environment with rising export demands and prices.

iii) Stage 3: Take-off: It is the most important stage, according to Rostow himself. It is characterised by rapid economic growth, more sophisticated technology and considerable investments, particularly in manufacturing industry. Capital and resources must be mobilised so as to raise the rate of productive investments from 5% to 10% of the national income. That percentage of the national income is better be allocated to investment. More investments will improve the process of industrialisation, allow economic growth to overtake the rate of population growth and make agriculture more commercialised due to the demands of urban centres.

iv) Stage 4: Drive to maturity: This stage is characterised by self-sustaining growth, increasing investments, between 10 and 20 percent of national income. Other characteristics are, more sophistication of technology, diversification in the industrial and agricultural sectors and finally, falling imports. Just as in late nineteenth and early twentieth-century Britain.

v) Stage 5: Age of mass consumption: The final stage is characterised by increasing importance of consumer goods (such as, cars, fridges, and washing machines) services and the rise of the welfare state. Europe reached this stage after the Second World War, but USA reached this stage during the 1920s and 1930s.

In the study of the five stages of economic growth (tradition society, pre-condition for take-off, take-off, the drive to maturity and high mass consumption society), Rostow came to the conclusion that, the main cause of underdevelopment in The Third World is the lack of “productive
investments”\textsuperscript{57}. Thus the solution to the problem should be, “the provision of aid to these countries - in the forms of capital, technology, and expertise”\textsuperscript{58}.

**ii) Criticisms**

The theory of Rostow became influential in development planning. However his theory was criticised due to a number of reasons. Firstly, it is a ‘unilinear model’. It suggests that Third World countries will improve gradually as time goes on. Intellectuals have disqualified this argument of Rostow. They argue that, most of the sub-Saharan African countries are relatively worse off in the early twenty-first century than in 1960s when many gained their independence. Secondly, it is a ‘Eurocentric model’. Rostow shows that, developing countries must imitate the experience of Europe and America in their struggle for economic development. Critics say that, it is impossible to convince societies which were once colonised and whose economies have been manipulated to serve capitalistic countries to imitate Western experience of economic growth.

Thirdly, the model sustains that, all the countries progress through these stages in the same sequence as happened to Europe and North America. However, this has not been the case for some countries; because they have a rapid change of agricultural, industrial and service sectors happening at the same time rather than occurring sequentially. In some of sub-Saharan African countries, they have modern consumer goods, schools and hospitals in urban centres, but in rural areas people are still lacking basic needs. They make use of simple technology and still practice subsistence farming, that is they produce for their family only.

Finally Rostow’s theory has been criticised for calling itself a ‘development model’. Instead critics suggest that, Rostow’s theory is an economic model and not a development model. Rostow was concerned more with economic growth and increasing industrial investments. He was not interested as such with human welfare and other non-economic indicators of development. There are countries which have had enormous economic growth,

\textsuperscript{57} So, op. cit. 30.
\textsuperscript{58} Ibidem
but ordinary people have not benefited from that growth. “[...] what might be called ‘growth without development’”\textsuperscript{59}. Intellectuals argue that, the real meaning of Rostow’s theory is to offer each country an opportunity to progress economically.

2.3.2. Marion Levy Jr.: Relatively modernised society

Levy belonged to the school of Chicago. He was also one of the many students of Parsons. Some of his many writings includes, ‘The Structure of Society,’ Pattern Variables (he contributed in the volume of Hoselitz), ‘The General Process of Modernization,’ (this is one of his writings that mainly treats the theory of modernization).

Levy’s theory of modernisation, is commonly known as ‘relatively modernised society.’ For better understanding, Levy’s theory of modernisation shall be divided into four parts namely, definition of modernisation, cause of modernisation, differences between modernised societies and non-modernised societies and lastly the outcome of being a latecomer in the process of modernisation.

Firstly, defining modernisation: according to Levy modernisation is “the extent to which tools and inanimate source of power are utilized”\textsuperscript{60}. This definition relies on two pillars, the use of tools and inanimate sources of power. Man learnt to fabricate and use tools in the stone age. Man also learnt how to make fire, as the source of energy. The level of development of a society can be determined by the tools they use in their daily activities as well as how they generate energy from inanimate things. According to Levy each society has access to tools and inanimate sources of power, in order to know the level of modernisation of a given society, one ought to see the degree into which the same society has access to the tools and inanimate sources of power. There are some societies who have advanced a lot in the use of sophisticated tools and inanimate sources of power. At the same time there are other societies who are still behind. That is to say, they have not yet advanced in the use of tools and high capacity of using inanimate sources of power.

\textsuperscript{59} Binns, in V. Desai and R. B. Potter op. cit. 79.
\textsuperscript{60} So, op. cit. pag. 24.
The differences in the use of tools and sources of inanimate powers make Levy to divide societies into two categories which are, “relatively modernised society and relatively non-modernised societies as two locations at the opposite ends of a continuum”\(^6^1\). Levy offers some examples of the two types of societies mentioned, Great Britain, modern Japan and United States are for Levy examples of relatively modernised societies; while India, China and Trobriand Islands to be examples of relatively non-modernised societies. According to Levy societies which belong to the same category usually have similar characteristics. For example, he compares the present society of Trobriand Islands and the thirteenth-century society of England. These two societies would have a lot in common as far as they all belong to the category of relatively non-modernised societies.

Secondly, *causes of modernisation*: one of the factors responsible for modernisation to take place is contact. Contact between two societies, relatively modernised society on one hand and relatively non-modernised society on the other hand. The process of modernisation for Levy acts as a social solvent. It dissolves non relatively modernised society into relatively modernised society:

the pattern of the relatively modernised societies, once developed, have shown a universal tendency to penetrate any social context whose participants have come in contact with them [...]. The patterns always penetrate; once the penetration has begun, the previous indigenous patterns always change in the direction of some of the pattern of the relatively modernised society\(^6^2\).

Some scholars looked Levy’s idea of how patterns of developed societies penetrate non-developed societies through the example of a famous soft drinks from America, Coke and Pepsi. According to this illustration, when members of relatively non-modernised societies taste the two drinks, they will not be happy to consume tasteless tap water again.

Even though in the history of human kind in several occasion man has witnessed one society dominating another society, however there have never been any radical transformation between the two societies that is one of the two

\(^{6^1}\) So, op. cit. 30.
\(^{6^2}\) Ibidem.
getting influenced by the other. But the influence of relatively Western modernised society is so powerful to the extent that whenever it comes into contact with “i membri di altri tipi di società, le strutture caratteristiche di queste ultime si dissolvono e mutano sempre in una direzione data”63, that is becoming Western like.

Thirdly, differences between the two societies: relatively non modernised societies are characterised by the following: low degree of specialisation, high level of self-sufficiency, cultural norms of tradition, particularism, and functional diffuseness. Others are, relatively little emphasis on money circulation and market, family norms as nepotism, and one-way flow of goods and services from rural to urban areas. In contrast, the characteristics of the relatively modernised societies include the following: high degree of specialisation and interdependency of organisation, cultural norms of rationality universalism and functional specificity, high degree of centralisation, relatively great emphasis on money circulation and market, the need to insulate bureaucracy from other context, and two-way flow of goods and services between towns and villages.

Table 2.1 Levy’s differences between relatively modernised and relatively non-modernised societies.

<table>
<thead>
<tr>
<th></th>
<th>Relatively Non-modernised Societies</th>
<th>Relatively Modernised Societies</th>
</tr>
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<tbody>
<tr>
<td>Specialisation of Organisation</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Compartmentalisation of life</td>
<td></td>
</tr>
<tr>
<td>Interdependency of Organisation</td>
<td>Low (high level of self-sufficiency)</td>
<td>High</td>
</tr>
<tr>
<td>Relationship emphasis</td>
<td>Tradition, particularism, functional diffuseness</td>
<td>Rationality, universalism, functional specificity</td>
</tr>
</tbody>
</table>

63 Bottazzi Sviluppo, op. cit., pag. 167.
<table>
<thead>
<tr>
<th>Degree of centralisation</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generalised media of exchange and market</td>
<td>Less emphasis</td>
<td>More emphasis</td>
</tr>
<tr>
<td>Bureaucracy and family Consideration</td>
<td>Precedence of family Norm (nepotism as a virtue)</td>
<td>Insulate bureaucracy From other contacts</td>
</tr>
<tr>
<td>Town-village interdependence</td>
<td>One-way flow of goods And services from rural to urban contexts</td>
<td>Mutual flow of goods and services between towns and villages</td>
</tr>
</tbody>
</table>

Source: Levy (1967, pp. 196-201)

*Finally, on latecomers:* the process of modernisation differs from one society to the other. There are societies who have modernised themselves early and there are societies who are latecomers comers in the process of modernisation. Most of the Third World countries make part of the latecomers in the process of modernisation. There are advantages and disadvantages of being a latecomer. Latecomers have advantages of knowing beforehand their destiny (already modernised society did not have this luxury, they were like soldiers in the front line); they have a possibility of getting assistance from modernised society on how to proceed with modernisation process without incurring the cost of inventing something new; they have advantage of skipping unnecessary stages, which modernised societies went through. In short,

> essi possono quindi importare conoscenze di pianificazione, di accumulazione di capitali, nuovi materiali e macchine, capacità tecniche e annesse strutture organizzative - e invenzioni più recenti, anche in tema di organizzazione sociale, e possono per questa via saltare alcuni dei primi stadi tipici dei processi di modernizzazione⁶⁴.

But on the other hand, there are drawbacks or disadvantages of being a latecomer as follows. They face the problem of disappointment, they work hard

⁶⁴ Bottazzi Sviluppo, op. cit., pag. 167.
but the results are frustrating, the input is more than the output; they face the problem of scale, most of the time they are to embark on large scale projects, which are not easy to accomplish; they face the problem of conversion of resources, materials, skills, and so on from one use to another.

2.3.3. David McClelland (1964): Achievement motivation

While helping developing countries to modernise, much emphasis was put on building of economic structures, economic policymakers were not interested as such with human beings, especially domestic entrepreneurs. Local domestic entrepreneurs, have an important role to play in the process of modernisation more than politicians or Western advisors. McClelland opts for the entrepreneurs because of their “achievement motivation”\(^65\). According to McClelland entrepreneurs’ goal is not the pursuit of profit. Profit is an important aspect in business but it is only an indicator of some other goals. Thus what make entrepreneurs so special is not the large amount of profit they earn but rather it is their strong will power to succeed in life or in what they do. They are not people who easily get discouraged when things do not go as they expect. McClelland defines achievement motivation as a strong desire for achievement, for doing a good job, for thinking of a new way to improve the present performance:

le ipotesi di questo autore traggono origine da suoi precedenti studi sugli individui nei quali aveva mostrato come l’essere umano agisca sotto lo stimolo combinato di tre diversi obiettivi/incentivi: il successo (need of achievement), il potere (need of power) e l’affetto (need of affiliation)\(^66\).

Going through the writings of McClelland the process of achievement motivation can be categorised into low degrees of achievement motivation and strong degrees of achievement motivation. According to McClelland people with low achievement motivation or strong achievement motivation can be identified through the activities undertaken by them.

\(^{65}\) So, op. cit., pag. 39.

\(^{66}\) Scidà, op. cit., pag. 101.
The other aspect of the theory of modernisation of McClelland deals with the methods to measure achievement motivation. McClelland speaks of two types of measurements for achievement motivation namely, measurements for individual achievement motivation and for the national achievement motivation.

For individual achievement motivation, McClelland proposes the use of “projection method”\(^{67}\), and discards the use of questionnaires. Questionnaires are not reliable, because people can easily lie in answering the questions found in the questionnaires. Most research subjects would present themselves very industrious and there is no way to prove what they are saying. McClelland conducted research in order to measure individual achievement measurements. McClelland showed his research subjects a picture of a man looking at a photograph on the top of a working-table, then McClelland asked them to write a story on the picture they have been shown. He used the content of their stories to determine the level of their achievement motivation. As a psychologist McClelland believed that when someone tells a story is not merely telling a story that is detached from their personal life, but rather in telling stories people reveal their motivations in life. One research subject told a story about a man who was daydreaming, thinking about the vacation he had spent the weekend before with his family, and planning on how to spend the coming weekend in a more exciting way. Another research subject told a story about a man who was an engineer working at a drafting table, thinking about the important engineering problem of how to build a bridge that can withstand the stress of high winds. McClelland concludes that, the second subject has shown high level of individual achievement motivation than the first research subject. The story told by the first research unveils a mind preoccupied by leisure activities than something productive, not interested on better performance. In contrast, the story of the second research subject reveals a mind preoccupied with a strong desire of improving things or life.

In order to measure the national achievement motivation McClelland uses “popular literature-such as folk songs, comic books, poems, plays, and children’s stories used in public textbooks”\(^{68}\). In these literatures he was

\(^{67}\) So, op. cit., pag. 39.
\(^{68}\) Ivi. pag. 40.
looking for the degree of achievement motivation. He takes the example of the
topic of boat building; According to him any nation’s literature that treats the
topic of boat building insisting much about the fun in constructing the boat
together, he describes this nation as a low degree achievement motivation.
However, if a nation’s literature treating the same topic insists on the necessity
of having a strong and bright leader to organise and plan boat building
activities, McClelland describes this nation as having strong degree
achievement motivation.

According to McClelland the sources of achievement motivation should
be found in the “family, especially in the process of parental socialisation”.
He gives the following advice to the parents who want to promote high
achievement motivation in their offspring. Firstly, they ought to provide to
their children high standard of achievements, for example to perform with
flying colours in education, they are to struggle to obtain good job and also
they should aim at commanding respect. Secondly, parents should be polite,
warm and encouraging to their children. Parents should give their children
opportunity to be creative and not do everything for them.

Finally, McClelland tried to show how his theory of achievement
motivation is related to national economic development. In his researches
McClelland discovered that, nations with high level of economic development
have at the same time high degree of achievement motivation. When the
nation’s achievement motivation decreases, so also the national economic
development decreases. For example, in the 19th century, Great Britain had a
very strong achievement motivation but it fell sharply by 1950s. Taking this
affirmation as a base, McClelland says, in order to promote economic
development in the developing countries it is important to promote
achievement motivation among the Third World entrepreneurs. Financial aid,
technology and so on will not be important if beneficiaries do not have a high
achievement motivated domestic entrepreneurs.

McClelland suggested that, it is good to promote more contact between
the Western countries and the Developing countries in order to facilitate the
adoption of traits of high achievement motivation, and this is a point where

69 So, op. cit. pag. 41.
McClelland’s theory of motivation achievement comes to be considered as part of modernisation theory of development, because he suggests that underdeveloped societies should have contact with Westerners, “laddove maggiori saranno i contatti fra gruppi dei paesi in via di sviluppo e del mondo occidentale, più facile e naturale sarà per le popolazioni del terzo mondo assumere comportamenti derivante dalle caratteristiche dell’achievement motivation”70. Furthermore, McClelland encourages the use of Western education. It will speed up the process of the third world people to adopt the traits of high achievement motivation.

2.3.4. Alex Inkless (1964): Modern man

Inkless was interested in doing research on modern man, that is why many of his writings speak on the same. “Il problema di ricerca di Inkless è l’impatto che la modernizzazione ha sugli atteggiamenti individuali, suoi lavori e sui stilli di vita […]”71, Inkless wanted to learn about the impacts of the process of modernisation on the individual attitudes, values, and ways of living, in addition he wants to learn how much of modern attitude will Third World people adopt after coming into contact with the modern world.

In order to find answers to above mentioned problems, Inkless decided to conduct a cross-nations or international research. The following countries were selected by Inkless to carry-out his study, Chile, India, Israel, Argentina and Pakistan. He did not select these countries randomly but, these countries range from industrialised to non-industrialised and from democratic to non-democratic. His methods of research included interviewing people from all works of life. The interview was conducted through a surprisingly long questionnaire.

The research conducted by Inkless as explained previously, lead him into the discovery of what he calls characteristics of the modern men. Inkless affirms, factors or traits which qualify people to be considered modern are the same universally. Inkless created a scale in order to measure modernity ranging from 0 to 100. The scale was useful in his research because it could

70 Scidà, op. cit. pag. 102.
measure the pattern of personality among the modern men, regardless of place of origin. The following are some of the traits shared by the modern men, according to Inkless:

- **Openness to new experience:** Modern men are willing to try new activities or to develop new ways of doing things.
- **Increasing independence from authority figures:** Modern men are not under the control of such figures as parents, tribal heads, and emperors.
- **Belief in science:** Modern men believe that human beings can conquer nature.
- **Mobility orientation:** Modern men are highly ambitious: They want to climb up the occupational ladder.
- **Use of long-term planning:** Modern men always plan a head and know what they will accomplish in the next five years.
- **Activities in civil politics:** Modern men join voluntary associations and participate in local community affairs.\(^{72}\)

Finally Inkless described factors that facilitate or promote the process of modernisation among the people who live in the Third World. One of these factors is the education. “*Per Inkless l’educazione – nel suo modello occidentale – è tra i più importanti veicoli dei valori moderni*”\(^{73}\). Actually according to him it is not more of formal education like the studying of Physics, Mathematics and so on, but the type of education that Inkless emphasizes is informal curriculum. That is to say, “exposure to the pro Western values of teachers, the use of Western textbooks, the watching of Western movies”\(^{74}\). They all facilitate the process of modernisation. Inkless suggests, in case someone was not fortunate enough to undergo formal education training or had received low quality formal education can still be modernised by working in mega-factories. To conclude, according to Inkless being modern means to embrace Western civilisation. It is the same as saying underdeveloped societies should be Westernised, because their traditions and culture block them from being modernised. To be developed is the same as to be Western. Next is Robert Bellah who speaks on Tokugawa religion. Bellah wants to study the connection between industrialisation of Japan and the samurai religion.

\(^{72}\) So, *op. cit.*, pag. 42.

\(^{73}\) Bottazzi *Sviluppo, op. cit.*, pag. 181.

\(^{74}\) So, *op. cit.*, pag. 43.
2.3.5. Robert Bellah: Tokugawa religion

At the beginning of the 20th century Japan was the only non Western country to be industrialised. This phenomenon attracted the attention of Robert Bellah, but there is something more, rather than being the only industrialised non Western nation that interested Bellah, it was the process of industrialisation itself. Unlike other industrialised nations of that time, whereby, the process of industrialisation was promoted by the industrialists, craftsmen, or merchants, instead in Japan it was the class of samurai which became responsible in facilitating the road to industrialisation in Japan. “It was the samurai class who restored the emperor, supplied a large number of vigorous entrepreneurs, and lay the foundation for Japanese modernisation”75. Following the footsteps of Max Weber who in his studies found a connection between protestant’s ethics and economic development, Bellah also wanted to conduct a research to examine whether Tokugawa religion has contributed to the rapid economic development of Japan.

Bellah defines modern industrial society as a “society centred upon economic values such as rationalisation of means, universalism, and achievement in the value system”76. According to Bellah these factors are crucial in order to liberate any society from tradition restrictions to rational dynamism. Since Bellah was a student of Parsons, it can be seen how Bellah has borrowed many functionalist concepts in order to study the connection between religion and modern industrial society of Japan.

Bellah defines religion as “an individual’s attitudes and actions with respect to his or her ultimate values”77. Religion dictates to the believers the highest goal to be attained, it is on this highest good that the morality and other values are based. When great world religion had transformed themselves from primitive or magical religion, they offered new highest goals to be achieved, thus societies moved from traditionalism to rationalism. On Japanese religion Bellah had observed two things: first, regardless of the presence of many religions (Confucianism, Buddhism, and Shinto) in Japan we can still speak of

75 So, op. cit., pag. 44.
76 Ibidem.
77 Ibidem.
religion as one entity. Secondly, Japanese religion constituted the central value system of the society, it became the ethics of the entire Japanese society.

i) Link between religion and economic development

There are three kinds of influence of Japanese religion on the economic development of Japan. They are, their religion directly affected the economic ethics; the influence of religion on the economy was facilitated by political institutions; and finally the influence of religion on the economy was facilitated by the family institution.

Firstly, religion directly affected the economic ethics: in the early period of Shinshu, which is a sect in Buddhism, there was emphasis in salvation by faith alone and disregard on ethical aspects. Anyone could be saved, no matter how wicked one was. But, during Tokugawa era, there was transformation of teachings, now salvation came to be linked to ethics. Only good people could be saved, wicked people will not see the light of salvation.

The transformation on the teaching about salvation caused some changes into the teachings of their religion. There was a creation of new ethical requirements. In the first place diligent work in ones occupation, occupied the central place among the ethical duties. In the second place, introduction of personal sacrifices. And at the third place, dishonesty was prohibited but normal business profit was legitimated.

Secondly, Indirect influence of religion via political system: in China we find that Confucianism insisted on the harmony among the parts. People could work on their own interest and not that of the nation in general. But Japanese’s Confucianism, contaminated by Buddhism emphasised the selfless subordination of all the parts to a single collective whole. In the economic ethics of samurai occupation, one had to work tirelessly for ones lord, it is a total giving of oneself to your lord. This ethics latter diffused among all Japanese in the Tokugawa period, all the citizens were expected to be loyal to both the emperor and to the motherland or to the nation, so they sacrificed personal interest for the sake of the emperor and for the sake of their motherland.
The samurai wanted their nation to be so powerful, in order to fulfil this they became great entrepreneurs, not because they wanted to be rich, but because they wanted to save the nation through economic development. This idea was even adopted by the modern entrepreneurs; a typical example of application of samurai philosophy in modern business can be found in the house rules of Iwasaki, the samurai founder of Mitsubishi, which operate all enterprises with the national interest in mind. The house rules of Iwasaki are: never forget the pure spirit of public service and be hardworking, frugal, and thoughtful to others. Bellah conclude that the present day industrial economy has been contaminated by the political values of an earlier period.

Thirdly, the influence of religion via family: “l’etica degli obblighi familiari rinforzò i livelli di onestà, di qualità, di credito; rinforzò norme universalistiche nel mondo degli affair e spinse Avanti la razionalizzazione economica dell’ Giappone moderno”78. Norms and regulation which were used in the samurai occupation were also adopted in the merchants houses. The merchant house was sacred, hence the need to preserve its reputation. Bad values like laziness, extravagant, or dishonesty were discouraged. Each family member made sure whatever one does strengthened family business, because the opposite would anger the ancestors. The results of these ethics of family obligation is the high standard of honesty, quality and credit which lead towards economic rationalisation of the modern Japan. At the end Bellah concludes that the religion of Tokugawa had directly or indirectly influenced the economic development of the present day Japan.

2.3.6. Seymour Lipset: Economic development and democracy

Lipset who was a political sociologist made a study on the correlation between the economic development and democracy around 1963. Lipset wants to know whether only wealthy societies can produce democratic governments and poor societies will give rise to oligarchy or tyranny.

La ricerca di Lipset (1963) riguardano il rapporto esistente tra democrazia e sviluppo economico. Da Aristotele in poi, ricorda Lipset, ‘la letteratura tende

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78 Bottazzi Sviluppo, op. cit., pag. 184.
ad affermare che maggiore è il benessere di una nazione, più grandi sono le possibilità che sia sostenuta la democrazia."\(^{79}\)

Lipset defines democracy "as a political system that supplies regular constitutional opportunities for changing government officials, and that permits the population to influence major decisions by choosing holders of political office."\(^{80}\) Lipset finds four types of political system in Europe and Latin America: a) European stable democracies: Countries which have enjoyed democracy since I World War. They have not experienced opposition toward democratic rule, for example United Kingdom. b) European unstable democracies and dictatorship: they make part of this category countries in Europe that do not fall into the first type, for example Spain. c) Latin American democracies and unstable dictatorship: countries which from the end of I World War have history of more or less free elections. d) Latin American unstable dictatorship: countries in Latin America that do not make part of the third type. Therefore in Europe there are stable democracies and in Latina America there are unstable dictatorship. Using data from United Nations Organisation, Lipset discovered that, countries with democratic government have the tendency of being wealthier and industrialised, and of having higher level of urbanisation and education.

Relationship between economic development and democracy: Lipset explains this relationship in the light of class struggle, his explanation can be summarised into two parts; a) The lower class in the poor countries have inferior status than its counterpart in wealthy countries. In poor countries the few members of the upper class possess more resources than the lower class, and thus members of the lower class are enraged. But there will come a time when members of the lower class will tolerate no more hence the beginning of social and political unrest. As a result will cause instability of the government. But the lower class in the rich countries are much more calmer than those in the poor countries. Large amount of wealth in the country is being used to reduce the distance between the upper and the lower class, as a result cooling the rate of discontent among the members of the lower class.

\(^{79}\)Bottazzi Sviluppo, op. cit., pag. 184.  
\(^{80}\) So, op. cit., pag. 49.
b) In the countries where the middle class is big, increase amount of wealth help to temper political and social conflicts. In rich countries, the middle class active participation in political activities help in controlling the power of state and also help in arousing political interest among the citizens. In addition, the strong middle class in rich countries help in suppressing the extremist groups by rewarding moderate and democratic parties power to govern during elections.

2.4. Paradigm (basic assumptions) of modernisation

i) The process of modernisation is one way in direction

Intellectuals of modernisation theory believe that social changes in the society appear to be moving in a straight line. That is to say, from a primitive state to a more advanced stage. Indeed, from a traditional society to a modern society. The idea of a society moving from a lower state to a higher state is a proof of the influence the theory of evolutionism among the scholars of the theory of modernisation. Traditional societies are expected to transform themselves and be like Western societies, because Western societies are taken as models or the apex of the process of evolution. Evolution or progress is good, because it implies development or progress, that is why primitive simple society after undergoing transformation acquire the status of being complex modern societies. Finally, the evolution is a lent, gradual and time consuming process. At the beginning the process is implicit but in later stages the changes become much more vivid.

ii) Modernization is a sequential process

Modernisation theorists believe on the existence of stages or taps to be followed when modernisation is taking place in a particular society. The best example that can be given is the theory of W. Rostow on the stages of growth. Social changes will not meander aimlessly but will always follow a certain pattern. The modernising is not a matter of choice but is inevitable. The
journey towards modernisation is a compulsory process. In spite of having difficulties, tears, failures on the way at the end of the tunnel there is a bright future. The fruits of being modernised are desirable and vast. Some of the benefits of modernisation are, long life, more liberty, and stable democracy as suggested by Lipset.

iii) Modernisation is a homogenising process

Because it directs all the societies at one point. Through time, the societies will find themselves being same, sharing the same characteristics and values. Levy writes. “as time goes on, they and we will increasingly resemble one another [...] because the patterns of modernisation are such that the more highly modernised societies become the more they resemble one another”\footnote{81 Bottazzi Sviluppo, op. cit., pag. 192.}

iv) Modernisation means economic development and industrialisation

In the field of development, economic theories have important role to be played. Economic theories help in development planning. However opinions on development that come from other social science like psychology, sociology, and political science are necessary, because they identify cultural and social factors that act as hindrances for economic growth. So a society that undergoes modernisation process smoothly is a society that has its barriers to economic growth removed, hence has a great chance to grow economically.

v) Modernisation is a Westernisation process

The industrialised developed countries are seen as typical examples of the process of modernisation, and most of them are European countries and United States. Scholars of the theory of modernisation were of opinion that, in order for the developing countries to grow economically they should follow the
example of Europe or United States. They should abandon their traditions, culture, education and embrace whatever the West can offer. By doing so they will acquire a more rapid modernisation.

vi) Modernisation is an irreversible process

Poor countries begin their process of modernisation once they come into contact with modernised societies. Once the process of modernisation has been triggered, it cannot be arrested or stopped by anyone. At the most one can delay the process, but there are no means to stop it completely. That is why Levy calls modernisation as universal solvent. There is no way that today someone can stop the process of industrialisation, it will keep on growing and in the process recruiting new members (nations).

vii) Modernisation is a transformative process

As it was said before, modernisation theory divides the societies into two halves. Which are, modern societies and traditional societies. Since modern societies are thought to be organised and developed while traditional societies are taken to be backward and disorganised, thus modern societies act as models for the tradition societies. Traditions societies are encouraged to undergo the process of modernisation. Which is nothing else rather than transforming themselves into Western society like. By doing so, they are uprooted from their traditions, culture and values. Modernisation theorists believe by embracing the traits of the modern societies, Third World countries will attain economic development.

viii) Modernisation is a systematic process

In his theories Parsons was so interested in systems. Each system would in turn be sub divided into sub-systems, the sub-systems are interdependent, they work together to maintain the whole system. So also when the process of modernisation has began in a traditional society, it first attacks all the social
systems that exist in that society. They all undergo changes, from the main system down to minute sub-systems. That is to say, tradition, values and traits of the society which undergoes the process of modernisation do change. They give way to the traits of a modern society. But these changes come at a price. Changes will not occur so smoothly as we think, since the social systems of the tradition society have been there since time immemorial, hence to uproot them will surely cause turbulence in the society.

2.5. Aspects/characteristics of the process of modernisation

Some scholars like Gallino and Martinelli had proposed in their writings some important aspects of the process of modernisation. Below are some of these aspects as proposed by Martinelli: a) Development of science and technology; according, to modernisation school, science and technology are the engines for the economic growth and changes in the society. Great scientific discoveries have changed the way we understand our planet and the universe as a whole. With technology man has control over his surroundings and the forces of nature. b) Industrialisation; relies on the technology of the machines and mechanical energy. Both are responsible for the increase of production and exchange of high quality goods and other services.

c) Global capitalistic market; it is a result of the process of modernisation. There is increasing of interdependence of economies of various nations in the world. d) Differentiation and specialisation; social activities which were seen as one unit get sub-divided, as a result new professions are being formed. There is increase of division of labour between classes and genders in the society. e) Increase of social mobility; this can be observed in a continuous decrease of the peasants or subsistence farmers, while the working class keeps on growing. f) Political development; states become much more powerful militarily and economically. Governments are capable in managing public administration issues. Agitations among politicians and political parties in order to defend their interests. g) Secularisation; civil society and science
detach themselves from the control of religion, also understood as “privatizzazione della fede”\textsuperscript{82}.

h) Demographic changes; the process of modernisation uproots people from their ancestral land to urban centres where the society slowly becomes multicultural and chaotic. i) Modernity values; modernisation process creates new values like, individualism, rationalisation, and the mass consumption culture. j) Privatization of the family life; family in the modernisation process gets separated from the control of religion and the society in general, the separation between the residential place and the place of work. k) Improvement in communication; reduce distances between people hence connect people who are far apart.

2.6. Criticisms and limits of modernisation perspective

i) One way in direction development

Firstly, the main question being asked here by those who criticise modernisation theory is, why do Third World countries need to move in the direction of Western countries? For a poor society to be modernised, it is obliged to follow the Westernised process. It is known that modernisation theory of development emphasizes on Western culture, Western tradition values as model of modernisation. Poor countries must work hard to assimilate the traits of modern society if they too wish to modernise. The idea that developing countries must adapt Western model of development was emphasised by the intellectual themselves, but it is not surprising, since it was natural for social scientists who were born, raised and studied in Western countries to take the economic model of their countries as the best model. Scholars have named the belief in Western superiority as “ethnocentric”\textsuperscript{83}: Whereby Western cultures are considered to be advanced and modern, but cultures from Third World societies are taken to be primitive and backward. According to the critics these concepts of advance, modern, primitive and traditions are mere ideologies which do not mean anything. The modernisation

\textsuperscript{82} Bottazzi Sviluppo, op. cit., pag. 195.
\textsuperscript{83} So, op. cit., pag. 49.
theorists make use of these concepts in order to justify Western superiority. There are many ways that developing countries can embark on in the process of modernisation, and not only being forced to take the path of Westernisation. Barrington Moore was one of the intellectuals who offered a healthy criticism towards modernisation studies. In his essay called, *Le origini sociali della dittatura e della democrazia* (1967), using historical-comparative method. Barrington describes three ways, which can help developing society to move from traditional pre-industrial society to a modern industrialised society. The reference below highlights the three possible ways according to Barrington:

La prima strada è quella delle rivoluzioni borghesi, come quella seguita dell’Inghilterra, dalla Francia e degli Stati uniti, a partire da situazioni profondamente diverse; la seconda è anch’essa una strada capitalistica, è quella delle rivoluzioni autoritarie, condotte dall’alto e sfocate in regimi fascisti, con un ruolo importante dello stato [...] e delle elites tradizionali di estrazione rurale nella promozione dell’industrializzazione, come è venuto in Giappone e in Germania; in fine, il terzo percorso è quello delle rivoluzioni comuniste, come in Russia e Cina.  

Secondly, modernisation theory scholars and their disciples have disregarded or overlooked alternative paths of development for the Third World countries. For example, since United States is a developed country and has democratic institutions. Modernisation researchers think, any country that needs to modernise has to establish similar institutes in their governments. Actually it is not true that there exist a single method only in order to undergo modernisation process. So also Third World Countries in question can even invent their own way of undergoing modernisation.

Thirdly, modernisation researchers are criticised for being over-optimistic. they elevated the act of development into a dogma, that is to say, each nation that undergoes the process of modernisation has to develop. Since Western countries have developed it is a must for other nations to develop also. Critics argue that, the process of modernisation is stoppable, can be halted or can even stow. Many critics assert that the future of Third World development is uncertain.

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84 Botazzi, *Sviluppo*, op. cit., pag. 205.
ii) The need to eliminate traditional values

In modernisation studies backed by the functionalism there is a belief that, Third World societies have a set of homogeneous and harmonious tradition values. But according to the critics Third World countries have heterogeneous values systems. For example Redfield distinguishes two types of traditions which are, great traditions (these are traditions and values of the elite class) and the little tradition (these are traditions and values of the common people or masses). The elites in the Third World countries live the value of the great traditions through the practice of poetry, painting, dancing, hunting, leisure, and philosophy. For the masses they live their little traditions by working in the fields, diligence, thrift, and earning one’s own living. Again the functionalist believe that societies in the past were peaceful and stable. This thought is also criticised, because history shows that societies in the past had their own internal as well as external conflicts. So it can be conclude by saying that, societies in the Third World are culturally diverse. They have their own share of conflicts, like religious wars, peasant protests and national movements.

This critic is about the incompatibility between tradition and modernity. According to modernisation studies traditions and modern values cannot coexist. But this critic affirms that we can observe traditional values in modern societies and we can also observe modern values in traditional societies. For example in Chinese society, which emphasized particularistic ascription, there was an impersonal examination system that stressed universalistic achievement. Mean while particularistic values such as ethnicity, gender, and age are always made use in the recruitment and promotion of personnel in a modern bureaucracy.

Modernisation studies insist on the need of eliminating tradition values simply because they block the process of development or modernisation in the Third World countries. But this affirmation is also unacceptable. According to the criticisms, the tradition values are not responsible in slowing down the process of modernisation, but they are useful in promoting the same process. For example, in the modernisation of Japan the value of loyalty to the emperor
was easily transformed to loyalty to the enterprises, as a result worker productivity increased.

In the cultural studies there is a theory known as cultural lag. Cultural lag theory suggests that, traditional values will persist for a very long time even though the original conditions that gave rise to them have disappeared. In spite of the process of modernisation being in full swing, traditional values or traits will remain. A good example is the Chinese traditional medicines. Chinese people have accepted introduction of the Western medicine, but it is not surprising to find someone who takes a tablet in the morning and in the evening the same person drinks a cup of herbal soup.

Sometimes traditional values may seem to be disappearing through time, but there is a possibility they will surface again as time goes by. For example during national independence movements, traditional values such as folk religion, folk songs, and native languages are often emphasized in the effort to unite the whole nation. As such traditional values never die.

**iii) Methodological problems**

The other criticism laid against modernisation theory of development is the methodological problem. Modernisation studies “anchor their arguments at such a high level of generalisation that their propositions are beyond time and space”\(^\text{85}\). Most of the concepts discussed by the modernisation researchers are abstract, we cannot trace which country they are talking about, or we may not be able to understand the period that they are dealing with.

For example, in discussing pattern variables such as particularistic, ascribed, collective, diffused, and collective values, it is not clear which nation (Japan, Egypt, or Peru?) the modernisation school is talking about. It is also not clear which historical period the modernisation school describing. Is it the seventeenth, the eighteenth, the nineteenth, or the twentieth century?\(^\text{86}\).

In another place modernisation researchers are criticised for adopting in their research work a cross-national method instead of using historical research

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\(^{85}\) So, *op. cit.*, pag. 57.

\(^{86}\) Ibidem.
method. Cross-national method means, in doing a research of a particular society one relies on arguments of a particular period of time and discarding other historical facts. Taking China as an example may shed more light into this point. For instance, in order to know why China could not modernise after the II World War, critics of the modernisation school would suggest that, it is not enough to judge the failure of China to modernise in the post World War era by taking a small part of its history Instead there is a need to take into consideration historical past of China. One must know how the historical facts of China have affected the present economic development of China. Modernisation researchers argue that, the present day China is like the eighteenth-century Great Britain. As a result they propose in order for the present day China to take off economically, China should do what Great Britain did then, that is to say copying from Britain. As it can be seen, modernisation theorists unfortunately do not take into consideration that, the history of Great Britain is not that of China. In their history Britain was fortunate to face factors that have propelled Great Britain to become world superpower. Whereas it was not the same case for China, for in their history, China had to face challenges which have effected its present day economy negatively.

iv) The ideological critics

This critic is raised by the neo-Marxists. Neo-Marxists argue that the process of modernisation has been introduced by the Western powers into the World politics in order for the United States can have smooth access into the affairs of the Developing countries. As we had discussed earlier, after the II World War, Russia grew economically and militarily substantially. This move by the Soviet Union posed a danger to the Western World. They were afraid of the spreading influence of the communist Russia among the newly independent states. The Americans the only powerful state to control Soviet Union had to act fast. So according to neo-Marxists with introduction of the modernisation process United States now has easy access into the politics of the Developing countries.
v) Neglect of the issue of foreign domination

Another criticism levelled against modernisation studies is the neglect of the question of foreign domination that most of the developing countries have undergone. Modernisation scholars look for a culprit who hinders development in developing countries from inside, such as lack of investments and the presence of traditional values. They have forgotten to look outside also, that is to say to study the impact of colonisation to the economies of the colonised societies. Business conducted between colonialists and colonised countries was unbalanced, the former profited more than the latter.

Colonialism also lead to the introduction of European government systems like finance institutions, representative government, and judiciary. After independence the local elites replaced the colonialists. From a distance it looked so well, that the new local leaders have adopted very well the Whiteman institutions. However looking more closer you will see the new local leaders had failed to rule through western systems. By destroying local tradition systems of governance and implanting Western one, local leaders managed to make their government look modern but as such they were not modern. Many proposed that the way forward was to create a hybrid government system, which should have been a mixture of good values form both traditional values and from the Western world administrative systems.

Under the same heading of foreign domination, Neo-Marxists caution that even though Developing countries have attained their independence, but they are still under Western powers politically, culturally and economically. Most of the Developing countries have attained flag freedom only. Western powers control Developing countries in various ways, for example, through multinational corporations, unequal pattern of trade and the nature of international systems.

2.7. The fall of modernisation theory

The crisis of modernisation theory began to take place at the end of 1960s. The blame for the decline of modernisation theory should not be
attributed only to criticisms levelled against it which have been discussed in the above section, but there are other factors like, general political context of the time and cultural issues which contributed in the falling of the modernisation theory.

Firstly, people were slowly became discouraged with the process of modernisation. The land of milk and honey promised by the evangelists of the modernisation theory was out of reach, and hopes of attaining it were fading very fast. Modernisation advocates promised rapid change, and these changes were sure to happen. But when things began to crumble the system of modernisation began to be looked at with a suspicious eye.

Secondly, geo-political issues which occurred at the end of 1960 speeded up also the downfall of modernisation process. In the early sixties things were very good in Western Europe. The economies which were destroyed during the II World War began to grow, with the help of American’s Marshall plan project. Things were looking good as there were no fears of conflicts. However at the end of 1960 some upheavals begun to be experienced. Things like, the war in Vietnam where United States was being dragged into the war day by day. Again the rising of civil unrest within United states. Afro-Americans were fighting for their civil rights. back in Western Europe the economic growth began to slow down, social struggles and students unrest created an atmosphere of instability. we should also not forget the declining of the project of the Western World to help Latin American countries to grow. And at the end, developing countries lost enthusiasm they had at the beginning of the process of modernisation. Taking into account all these problems it can be seen how many challenges that modernisation theory of development had to face. Together with the criticism which seen previously, the modernisation theory gradually began to lose its influence.

Thirdly, modernisation studies faced some ideological challenges. As it is well known modernisation theory advocates the existence of one path which can be used by the developing societies in their journey from a traditional non-industrialised societies to the only one destination that is modern industrialised societies; by saying so, modernisation studies affirms that, societies especially modern ones are homogeneous; but, “nè le società occidentale sviluppate, né quelle tradizionali arretrate possono essere concepite come sistemi omogenei e
coerenti, ma contengono in misura diversa – e diversamente nel tempo – condizioni, incoerenze, conflitti”\(^{87}\). Thus the thought of considering modernity as the destination or “fine della storia”\(^{88}\) so also attributing that destination to Western societies does not convince many scholars today. According to Bottazzi it would have been better to say, “modernizzazione se ha un inizio, certamente non ha una e una sola fine”\(^{89}\). Routes taken by societies are multiple and are not necessarily the same, they cannot be foretold.

Contributors of the Modernisation theory of development indicate that, factors which block transformation of the Third World countries from being traditional to being modern, originate from inside of developing countries. Their traditional way of life do not pave ground for the economic growth. As already seen in the above section it was natural for Westerners scholars to put the blame on the Third World societies themselves for their underdevelopment.

However around 1960s slowly began to emerge another theory of development which came to be known as dependency theory of development. Main contributors of dependency theory mostly originated from Latin America. Hence from Third World societies, thus now it is the turn of those who are at peripheral analysing themselves. They are trying to learn factors which are responsible for poverty in their countries. Generally they put the blame on the Western nations, that is the relationship between the two societies is responsible for producing two type of societies in the world, that is, the poor and the rich. The theory of dependency shall be discussed in chapter three.

\(^{87}\) Botazzi, \textit{Sviluppo}, op. cit., pag. 91
\(^{88}\) Ibidem.
\(^{89}\) Ibidem.
CHAPTER THREE

THE DEPENDENCY THEORY OF DEVELOPMENT

3.1. Historical context

While discussing modernisation perspective in the previous chapter, it was seen how Western World, more especially the Americans took initiative to make a study on the Third World countries. This study, in the end gave rise to the birth of modernisation theory of development. There are many reasons (Like to stop the spread of communism) that compelled the Americans to take keen interest into studying underdevelopment of the Third World. They should be given credit for being the first country to take keen interest into looking for the possible ways that could be applied in order to help developing nations. Modernisation perspective is the fruit of the efforts of Western World led by the Americans trying to help developing countries to overcome mass poverty.

Unfortunately, modernisation theorists used as indicators for development the structural changes in the society, in order determine the level of progress reached; “in other words, those societies having, for example, a higher gross national product or increased level of technology and organisational complexity than others are to be viewed as more developed”\textsuperscript{90}, they failed to take into consideration “the full account of the historical evidence of contact between societies”\textsuperscript{91}:

a superficial examination of the historical evidence indicates, in their view, that the societies have not developed in isolation. The whole of human history is filled with examples of nations conquering and subduing others to their will in order to exploit both their resources and their people. The idea that the

\textsuperscript{90} Harris, op. cit., pag. 35.
\textsuperscript{91} Ibidem.
attitudes and the technology necessary for industrialisation would spread by
the process of benevolent diffusion has been seriously challenged by many
theorists of a Marxist complexion.\textsuperscript{92}

Theorists of modernisation school failed to take into consideration
external factors and historical factors being responsible for the
underdevelopment of the Third World countries. This led to birth of
dependency theory of development. Dependency school of thought originated
in Latin America, from the beginning of 1950s to the half of 1970s. It is the
opposite of the modernisation theory, for it is a result of the thinking of the
intellectuals from developing countries themselves. Modernisation studies see
development from point of view of Westerners, but dependency school of
thought sees development from the point of view of “the voices from the
periphery”.\textsuperscript{93} “Concetto [...] di ‘dipendencia’ era una creazione autoctona
latino-americano”.\textsuperscript{94} So dependency school of thought became a challenge to
Americans’ modernisation theory of development.

The aim of this section is to describe some of the factors which gave
rise to the development of the theory of dependency. Below are the three
factors which contributed to the rise of the school. They are, the failure of
Economic Commission for Latin America (ECLA), the crisis of orthodox
Marxism in Latin American countries, and finally the decline of modernisation
theory in America.

\textit{i) Failures of ECLA/CEPAL:} ECLA was a United Nations economic
programme for the Latin American nations which took place few years later
after II World War. “CEPAL (Spanish version for ECLA: Comisiòn Econòmica para América Latina) è stata costituita nel 1948, con sede a
Santiago del Cile”.\textsuperscript{95} ECLA aimed at helping Latin American nations to build
their economy through development strategy of protectionism and
industrialisation through import substitution. This project attracted many
populist regimes. They took it to be the way out of poverty, and they had
strong hopes for it. At the beginning things were promising, economies began

\textsuperscript{92} Harris, op. cit. pag. 35.
\textsuperscript{93} So, op. cit., pag. 91.
\textsuperscript{95} Ivi, pag. 66.
to grow, but it was not so long before things began to fall apart: “Latin America was plagued by unemployment, inflation, currency devaluation, declining terms of trade, and other economic problems”\textsuperscript{96}.

Due to economic turmoil, social unrest and protests grew day by day, as a result many of the populist regimes got overthrown by the army. Governments which were controlled by the army were harsh and undemocratic. Citizens were now at the mercy of the dictators. Economic and political problems created doubts on the policy of modernisation theory among Latin American intellectuals. According to them modernisation policy had failed badly in addressing economic stagnation, the rise of repressive military governments, the widening gap between rich and poor countries, and also many other social challenges.

\textit{ii) The Crisis of Orthodox Marxism in Latin America:} Is the second factor that contributed to the rise of dependency theory. As a result there was a decline of trust towards orthodox Marxism school of thought. Crumbling of orthodox Marxism paved way to the rise of dependency school of thought. Orthodox Marxism suggested Latin American nations to undergo “bourgeois industrial revolution before they could wage a proletarian Socialist revolution”\textsuperscript{97}. However, unexpectedly some other countries like China and Cuba had shown that, it was possible to skip bourgeois revolution and go straight to socialist revolution. Chinese and Cuban Socialists revolution inspired intellectuals to find a way in which their own countries could do the same. As a result slowly the ideologies of orthodox Marxism began to lose attention. This situation created a fertile ground for the breeding of dependency theory of development.

\textit{iii) The decline of modernisation in USA:} was the third factor which contributed to the rise of dependency perspective. The young generation of researchers in the States, in 1960s have been witnessing antiwar protests, campus revolts, women liberation activities, and the struggle for civil rights by the Afro-Americans. This social unrest caused radical young scholars to rethink their allegiance to modernisation theory. Chirot would say:

\textsuperscript{96} So, op. cit., pag. 91.
\textsuperscript{97} Ivi. pag. 92.
The American debacle in Vietnam and the eruption of major racial troubles in the mid-1960s, followed by chronic inflation, the devaluation of American dollar, and the general loss of American self-confidence in the early 1970s, ended the moral conviction on which the modernisation theory had come to base itself. A new type of theory became popular among younger sociologists, one that reversed all of the old axioms. America became the very model of evil, and capitalism, which had been seen as the cause of social progress, became a sinister exploiter and the main agent of poverty in most of the world. Imperialism, not backwardness and lack of modernity, was the new enemy.98

Social problems in America made it easier for the spread the dependency theory of development. It was Andre Gunder Frank who happened to be in Latin America in the early 1960s. Introduced ideologies of dependency theory into English-speaking countries. But also the American Journal Monthly Review played a major role in spreading the ideas of dependency theory of development into the Western countries. Below is the discussion on the intellectual heritage that influenced dependency theory of development.

3.2. Intellectual heritage

i) ECLA/CEPAL

As already seen before that ECLA (Economic Commission for Latin America / Comisión Económica para América Latina) was a UN project to assist Latin American countries in their struggle against underdevelopment. Conditions and terms of the project turned Latin American countries into producers of food and raw materials for the great industry centre. On the other hand Western industrialised nations are to be responsible in flooding Latin America with manufactured goods. The founders of ECLA project were very sure that the intended positive results of the project would be attained so quickly. They believe that industrialisation would put to an end economic and social problems in Latin America. It was around 1950s when this project commenced. But when it started, the project ECLA, faced a mountain of challenges. Populist governments in Latin America were sceptical, they did not

98 So, op. cit. pag. 92-93.
throw themselves into the project whole heartedly. They were not so enthusiastic with the project. That is why some of the reforms like land reforms which were suggested in the project could not take place. Even though at the introduction of the project some improvement in the economies could be observed yet around 1960s the project begun to show some failures. Economies of South American nations plunged into stagnation. It gave rise to a bunch of social and political upheavals. Blomstrom and Hettne tried to explain the shortcomings of the project in this way:

The purchasing power was limited to certain social strata, and the domestic market showed no tendency to expand after its needs had been fulfilled. The import dependency had simply shifted from consumption goods to capital goods. The conventional export goods had been neglected in the general frenzy of industrialization, the result was a cute balance-of-payment problems in one country after another. The optimism of growth changed into deep depression.

The failures of the ECLA system, caused internal divisions among the members of the project itself. One of the people who criticised ECLA project is Prebisch. He was himself the head of the ECLA system. He was in the forefront criticising the division of labour perpetuated by the system. That is to say, Latin American countries would produce raw materials for the hungry Western industries, while Western nations would flood Latin America with cheap manufactured goods. Prebisch advocated for industrialisation of the Latin American countries. Below is a synthesis of Prebisch development proposal for South American nations:

- The process of industrialization was to be speeded up by the substitution of a large part of current imports by the domestic production. Initially, domestic industries were to be protected from foreign competition by tariffs and other support measures, but once their competitive ability had improved, the local firms should be able to manage on their own.
- The production of the raw materials would continue to play an important role in Latin America economies. The income earned from exporting raw materials should be used to pay for imported capital goods, and thus help increase the rate of economic growth.

99 So, op. cit. pag. 94.
- Governments should actively participate as coordinators of the industrialisation program. Increased government involvement was necessary to break the chains of underdevelopment.\(^{100}\)

ii) Neo-Marxism

Neo-Marxism is a new radical form of Marxism born in Latin American universities. Intellectuals from these universities were inspired by the success of Chinese and Cuban revolution. Many of the thoughts of neo-Marxism were incorporated into the doctrines of Dependency theory of development. We can say that neo-Marxism provided a platform on which dependency school grew.

Neo-Marxism differentiates itself from orthodox Marxism as follows. Firstly, both differ in the vision they have on imperialism. Orthodox Marxism view imperialism from the centre, that is Western Europe. They study imperialism from its core where they discover its monopoly nature. In short it is how the Westerners themselves view capitalism. On the other hand neo-Marxism study imperialism from the peripheral, that is to say how people from the Third world see imperialism. Neo-Marxism emphasis is on the problems caused by the Western capitalism on the economic development of the Third world countries.

Secondly, both differ on a strategy of two-stage revolution. Both orthodox and neo Marxists agreed on the inevitability of revolutions. However their opinion differ on the stages of revolution. Orthodox Marxism was on the opinion that, developing countries have to undergo two types of revolutions instead of only one type of revolution. The first revolution to take place should be a bourgeois revolution. Bourgeois class must lead the first revolution because the ordinary people and the amount of poverty they live in does not enable them to conduct the revolution. Since the bourgeoisie shows some signs of progress, then it is a promising candidate for this task. Only after the bourgeois revolution has taken place, the second revolution known as socialist revolution shall follow. On the other hand neo-Marxists advocate only one revolution, the socialist revolution, following successful socialist revolutions.

\(^{100}\) So, op. cit. pag. 93-94.
which had taken place in China and Cuba. Thus intellectuals in the Universities of Latin American thought it will be good even for their countries to do the same. They discourage bourgeois revolution because they perceive the bourgeoisie as the creation and tool of imperialism, incapable of fulfilling its role as the liberator of the forces of production.

Finally, orthodox Marxism and neo-Marxism differ on who must be the core or the biggest player during the socialist revolution. According to orthodox Marxist socialist revolution must be lead by the industrial proletariat in the cities. However for neo-Marxist that is not the case, they advocate peasants in the countryside to lead the revolution. As we said before, they try to imitate what took place in China and Cuba where in their revolutions, it was not the industrial working class that was responsible for triggering revolution but rather simple farmers in countryside. In addition neo-Marxist favoured guerrilla warfare.

The ideas of neo-Marxism were very much incorporated into the philosophy of dependency theory of development. Dependency theorists used neo-Marxism concepts to criticise the ECLA programme as well as to criticise modernisation theory of development.

3.3. Principal contributors

3.3.1. André Gunder Frank: The development of underdevelopment

Frank’s contribution to the theory of dependency can be observed in his ideas on the questions of modernisation, underdevelopment and metropolis-satellite. The contribution of Frank on these issues helped in strengthening dependency theory of development.

Economista formato alla scuola neoclassica dell’università di Chicago, si dedica ben presto al problema dello sviluppo e svolge attività di ricerca e di insegnamento in America Latina, nel corso della quale – soprattutto per l’influenza delle rivoluzione a Cuba – abbandona la precedente adesione all’ideologia economica tradizionale e sviluppa, attraverso il legame con la scuola di Monthly Review e con economisti e sociologi strutturalisti e
i) Criticisms and limits of modernisation theory

Frank opposes the internal explanation tactic used by the modernisation intellectuals while dealing with causes of underdevelopment in the developing countries. Modernisation theory puts the blame on internal factors such as, “traditional culture, overpopulation, little investment, or lack of achievement motivation” as being responsible for the underdevelopment of the developing countries. Western powers urge developing countries to imitate the experience of Western societies in order to develop. They want to impose Western economic growth experience to Developing countries.

According to Frank it is not enough to put the blame on internal factors alone, but rather external factors have also contributed for the underdevelopment of the developing countries. Developing countries have experienced foreign domination namely colonialism. The colonial experience has totally restructured Third World countries and has drastically altered their path of development. Most of the Western countries the so called developed ones are lucky not to have undergone the same experience that developing countries had to undergo. Frank is puzzled and surprised how modernisation school rarely discusses in detail how Developing countries have been affected by colonialism.

i) Development of underdevelopment

Frank formulated this concept of development of underdevelopment in order to respond to the claim of modernisation theorists that, underdevelopment in the Third World is due to internal problems of the developing countries themselves. Using the example of China and India Frank affirms that traditionalism and feudalism cannot be responsible of underdevelopment. Before foreign domination these two countries had their

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102 So, op. cit., pag. 96.
own sort of development, but all were lost and began to crumble when they encountered colonialism around eighteenth century. Colonisation of the developing countries brought harm to the local economy. It destroyed all what had been established, instead of developing their economies, colonised societies began to grow backward. As a consequence, Frank formulated the concept of development of underdevelopment, “to denote that underdevelopment is not a natural condition but an artefact created by the long history of colonial domination in Third World countries”\(^{103}\).

iii) The concept of metropolis-satellite

Above it saw how Frank puts the blame of underdevelopment of developing countries towards foreign domination. Now through the concept of metropolis-satellite Frank describes how the mechanism of underdevelopment works. “l’espansione mondiale del capitalismo genera un struttura a catena di metropoli e satellite, nella quale la prima tende a svilupparsi, il secondo a sottosvilupparsi”\(^{104}\). According to Frank metropolis stands for the big cities found in Western world. Again satellites are the cities found in developing countries. Frank urges that, exists an unhealthy relationship between metropolis and satellite cities. Western powers during colonial domination built satellites cities in order to facilitate transferring of economic surplus to Western countries. Frank explains the relationship of metropolis-satellite as follows; Western metropolis are connected to satellites which are cities found in the developing world, in turn satellites are also connected to other smaller cities found in developing countries, and these small cities again are connected to much smaller cities, as a result through satellite cities Western metropolis can penetrate much deeper in the country of interest.

A whole chain of castellation of metropolises and satellites is established to extract of economic surplus (in the forms of raw materials, minerals, commodities, profits) from Third World villages to local capitals, to regional capitals, to national capitals and finally to the cities of Western countries\(^{105}\).

\(^{103}\) So, op. cit., pag. 96.
\(^{104}\) Maddaloni, op. cit., pag. 69.
\(^{105}\) So, op. cit., pag. 97.
Taking into account the above explanation of the complex relationship of metropolis-satellite, Frank concludes by saying that it is this unhealthy relationship between cities that is responsible for development in Western World but at the same time being responsible for underdevelopment of Third World countries. “Il modello di sviluppo proposto da Frank si articola, pertanto, a partire da una concezione del capitalismo in termini di sistema di mercato, nel quale prevalgono rapporti di scambio ineguale tra gli individui, gruppi sociali, le regioni, le nazioni.”\textsuperscript{106}

3.3.2. Theotònio Dos Santos: The structure of dependence

After discussing Frank’s concept of development of underdevelopment and the concept of metropolis-satellite, now it is time to see how Dos Santos discusses his idea on the structure of dependence. Two main points shall be discussed. They are, his definition of dependency and the three historical forms of dependency.

i) Classical definition of dependence

Dos Santos defined dependence as, “the relationship between two or more countries assumes the form of dependence when some countries (the dominant ones) can expand and can be self-starting, while other countries (the dependent ones) can do this only as a reflection of that expansion”\textsuperscript{107}.

Dos Santos goes further to explain the relationship between dominant and dependent country, their relationship is full of inequalities. The economy of the dominant country flourishes at the expense of the dependent economy. The economy of the dependent country is left in ruin, for example, through monopolistic control of the market in trade relations, and through loans and the export of capital, in financial relations, there is transfer of surplus generated in dependent countries. For dependent country this transfer results in the

\textsuperscript{106} Maddaloni, op. cit., pag. 68.
\textsuperscript{107} So, op. cit., pag. 98.
limitation of the development of their internal markets and their technical and
cultural capacities, as well as of the moral and physical health of their people.

The definition given by Dos Santos can be compared to the economic
relationship between Tanzania and China. From 1980s up to the beginning of
2000, it was a prestigious thing to own a type of heavy duty bicycle called
Phoenix made in China. However in recent years Chinese people have been
flooding the local market with cheap motorcycles, you can find these
motorcycles even in the remote villages of Tanzania. There has been a big leap
from owning a bicycle to owning a motorcycle. One may think it is because the
standard of living has improved drastically, but actually this is not the case,
what is happening is the reflection of Chinese economic growth and expansion.
China’s ability to produce cheap goods, has enabled low income Tanzanians to
afford to own motorcycle in Tanzania. If Chinese economy gets shaken, its
waves will be felt even Tanzania, because Tanzanian economy is the reflection
of that of China.

Dos Santos has formulated three types of historical forms of
dependence, which are colonial dependence, financial-industrial dependence
and technological-industrial dependence.

i) Colonial dependence: According to Dos Santos colonial dependence
is a physical domination of a dominant country to a dependent country. In short
it is known as the process of colonisation, where colonialists control land,
mines, and human resources and they export gold, silver, and tropical products
from the colonised country.

ii) Financial-industrial dependence: According to Dos Santos,
financial-industrial dependence emerged by the end of nineteenth century.
Dependent countries are still being dominated by the dominant countries.
Dependent countries have a task of exporting raw materials and agricultural
products for the Western countries. The production structure at this stage was
by rigid specialisation and mono-cultivation in the entire region (Caribbean and
Brazilian northeast). Along side with the export sectors there were other
complementary economic activities like cattle raising and some manufacturing,
which would be traded with the export sectors. In addition, the declining and
growing of the economies of the dominant countries could be reflected in the
dependent country. For example when export sector was doing well, the rate of
employment was high too, but when export sectors were doing rather poorly the rate of unemployment rose too. Just as the example shown above between China and Tanzania.

**iii) Technological-industrial dependence:** This type of dependence is actually a big contribution of Dos Santos into developmental studies. According to Dos Santos this form of dependency came into being II post-World War era. Many of the underdeveloped countries began to experience industrial growth. Even though one can see some sort of industrial development in the Developing countries but unfortunately this growth is limited by the big powers. Dos Santos individuates three fundamental structural limitations, namely, industrial development is now dependent on the existence of an export sector, industrial development is strongly influenced by fluctuations of the balance of payments leading to a deficit, and industrial development is strongly conditional on the technological monopoly exercised by the imperial centres.

**Firstly, industrial development relies on the export sector:** For the Developing countries to improve their industries they need to import advanced machinery and technology from Western nations. The process requires foreign currency, which can only be attained through export sector, that is why developing countries are forced to maintain relationship with their former colonies. As a result developed nations can easily control developing countries, especially by imposing trade conditions.

**Secondly, industrial development is strongly influenced by fluctuations of the balance of payments, leading to a deficit:** The deficit is usually caused by the following factors, a) in the international markets which is mainly controlled by the developed nations, there is a practice of lowering the price of raw materials from developing nations and raising the price of industrial products from developed nations. In addition, natural raw materials produced by developing countries face a stiff competition from synthetic raw materials. b) Dos Santos argues that, since developed countries are the ones who control the economy of the developing nations, much of the profit from the trade remains in the hand of the rich nations, and only little is gained by the later. As a result, it becomes very difficult for the developing nations to embark on large scale projects. c) In order to cover up the deficit, developing countries rely on
foreign financing in the form of foreign capital and foreign aid, so that they can finance their new projects and investments. But Dos Santos would argue that the purpose of this foreign financing is; “in large part to finance North American investments, to subsidize foreign imports which compete with the national products, to introduce technology not adopted to the needs of underdeveloped countries, and to invest in sectors not necessary of high priority”\textsuperscript{108}.

Thirdly, \textit{industrial development is strongly conditional on the technological monopoly exercise by the imperial centres}: Countries with the industrial modern technology do not easily sell their technologies to underdeveloped countries. In addition developing countries lack foreign currencies to purchase technology. As a result transnational corporations have to invest on their own in the economies of developing nations but under conditions that, the government shall facilitate their investments. This form of technological dependency has the following effects; unequal development can be observed, powerful countries will always take a lion’s share, inequalities in income among the citizens of developing nations, underdeveloped countries end up having a weak internal market.

3.3.3. Samir Amin: Transition to peripheral capitalism

Amin was an economist from Egypt. He was also once an economist director of IDEP (Institut Africain de Développement économique et de planification). His contribution on dependency perspective relies on his theory of \textit{transition to peripheral} capitalism. Below is a discussion of some of the basic key concepts that are found in his theory.

He notices that transition to peripheral capitalism is different from transition to central capitalism. According to Amin the central capitalism destroyed local crafts without replacing them with domestic industrial production. Therefore transition to peripheral capitalism did harm to the economic growth of the developing nations but the same transition to centre capitalism was the source of economic miracle to Western nations.

\textsuperscript{108}So, op. cit., pag. 100.
According to Amin peripheral economies are characterised by distortion type of export, known also as extraversion. Analysing the export sector of the peripheral capitalism it gives impression of having a good and strong export sector, but actually it deceives. The export sector in the peripheral capitalism is confined in the role of complementary supplier of products, even though they possess exotic agricultural products and minerals.

He also speaks of another type of distortion called hypertrophy of the tertiary sector of the periphery. According to Amin hypertrophy of the tertiary sector reflects the difficulties in gaining surplus value when a developing country gets entangled in monopoly capitalism/centre capitalism. On the cause of this problem is that, more resources have to be spent in the marketing and the accounting of the commodities. In addition, the periphery, hypertrophy of the tertiary sector is also caused by the contradictions within peripheral capitalism. Some of these contradictions are like, sluggish industrialisation, increasing unemployment, desperate migration from rural to urban areas. According to Amin, this hypertrophy of unproductive activities hampers capital accumulation in peripheral countries.

Il risultato del processo in questione e lo sviluppo dello sottosviluppo nella periferia, che Amin definisce in termini di dominazione dall’esterno, ineguaglianze di produttività tra i settori, disarticolazione del sistema economico […], e che ha la conseguenza di accrescere continuamente la popolazione urbana e rurale ridotta in condizione di sottoccupazione/disoccupazione e di marginalità sociale […].

He states that, developing countries are not to be compared with the developed nations as they are at their early stages of development. Amin offers distinctive structural features of developing countries, there are extreme unevenness and they face economic domination by the centre.

Amin is convinced that, the structural features of the peripheral nations are responsible for hindering their economic growth. In order for the Third World countries to grow economically, they need to challenge the domination of the centre:

109 Maddaloni, op. cit., pag. 76.
l’unico rimedio allo sviluppo dello sottosviluppo è la rivoluzione socialista e la recisione dei legami tra l’economia sottosviluppata e quelle internazionale, che consentirà alle regioni periferiche, per la legge dello sottosviluppo ineguale di accedere più rapidamente ad uno stadio superiore dell’evoluzione sociale”.

Finally, each Developing nation has its own form of underdevelopment. Varying forms of underdevelopment have come about because of the nature of pre-capitalist formation that was there previously and the forms and periods in which the peripheries where integrated into the capitalist world system. According to Amin all the peripherals are converging towards one shared capitalistic economic mode; where peripherals are characterised by being dominated by the centre. The economic mode of creating peripherals and centre is a stumbling block to economic growth to many of the Third World nations.

3.3.4. Paul Baran: Colonialism in India

Baran did extensive studies on the impact of colonialism in India. Baran defines “il sottosviluppo non è una condizione originaria dalla quale è possibile evader con la diffusione del capitalismo dei paesi avanzati a quelli arretrati, ma un processo che è causa e conseguenza insieme dello sviluppo dei primi”\(^\text{110}\). It is not for the first time that in this work there is a discussion on the impact of the colonialism in the Third World countries. In the first chapter, the question on colonialism and economic development was described at large. However, Baran discussed the same issue using India as a study case. Below is a discussion on how Baran highlights economic, cultural and political impacts of colonialism in India.

i) Economic impact

Speaking on the economic impact of colonialism in India Baran begins by narrating economic situation of India in the eighteenth century. According to Baran at that time India enjoyed relatively good economic growth:

\(^{110}\) Maddaloni, op. cit., pag. 66.
the economic condition of India was relatively advanced, and Indian methods of production and of industrial and commercial organisation could stand comparison with those in vogue in any other part of the world [...] a country which has manufactured and exported the finest muslins and other luxurious fabrics and articles. Baran goes further to explain that, India had the ability to export its loom products to other Asian countries and European countries as well. At the same time on the other part of the world, the British had yet to embark on industrialisation. There was little difference between the textile industry found in Britain, and that which was found in India. The real difference between India and Britain relied on the military powers. Britain was blessed to have a strong armed forces especially the navy. She used her navy to conquer other nations including India and turned them into her colonies. With the introduction of colonisation in India by the British, Indian development of underdevelopment had commenced. British colonial government began to exploit Indian wealth and resources. According to Baran the amount of wealth plundered ranged between 500 million US dollars to 1 billion US dollars, these figures do not include unfavourable conditions of trade where by Britain got a lion’s share while India got very little.

Il processo in questione si configura nei termini di drenaggio di surplus dei paesi arretrati a quelli avanzati, che se nel periodo della dominazione coloniale si esplica attraverso la modalità dei rapporti di coercizione, del periodo dell’indipendenza politica si configura essenzialmente in termini di esportazione dei profitti dei monopoli capitalistici in direzione delle metropoli.

By the mid-eighteenth century Britain began to undergo the process of industrialisation especially textile industries. Industries brought their challenges to the British government, there was a need of a stable market, the need of a constant supply of raw materials and a need to wipe out all sorts of competitions. The process of fulfilling these needs, brought the destruction of indigenous industries in the colonies, more particularly India where textile industry had advanced. In order to respond to the above challenges the East

111 So, op. cit., pag. 100. 
112 Maddaloni, op. cit., pag. 66.
Indian Company and the British Parliament began a policy of deindustrialisation. The following actions were introduced to carry out this policy of deindustrialisation. Indian tradesmen were forced to work in the Company’s factories, commercial residents were legally vested with extensive powers over villages and communities of Indian weavers, prohibitive tariffs excluded Indian silk and cotton goods from England, and English goods were admitted to India free of duty.

In addition to the policy of deindustrialisation the British turned India into a cotton-growing nation so as to ensure a constant supply of cotton to the textile factories in Britain. India a country which had been relatively industrialised moved backward and became a mere agrarian state. To conclude, according to Baran the steps taken by the British like the transfer of Indian wealth, deindustrialisation policy and turning India into an agriculture state led to the decline of Indian economy.

ii) Political and cultural impacts

Immediately after the conquest Britain established a colonial government. The purpose of creating governments in the colonies was not to supervise economic development of the colony, but it had the function of creating conducive atmosphere for the extraction of raw materials and minerals. Also to facilitate importation of foreign goods into the colony. It was difficult to achieve this goal, because the natives resisted being dominated by foreign powers, as a result colonialists had to use force, sometimes brutal in order to maintain an endorsed peace. Only when colonial societies had been subdued could colonial administrators begin to apply their policies as Baran explains further here below:

the British administration of India systematically destroyed all the fibres and foundations of Indian societies. Its land and taxation policy ruined Indian village economy and substituted for its parasitic landowner and moneylender. Its commercial policy destroyed the Indian artisan and created the infamous slums of the Indian cities filled with millions of starving and diseased paupers. Its economy policy broke down whatever beginnings there were of an indigenous industrial development and promoted the proliferations of
speculators, petty businessmen, agents, and sharks of all descriptions eking out a sterile and precarious livelihood in the mashes of a decaying society.\textsuperscript{113}

It was impossible for the British administrators alone to govern the whole colony, surely they needed help from the local people themselves. Not everyone got a chance to participate in the colonial administration, it was only those who have pledge allegiance to the colonial administration and those whose interest are linked to those of the colonialists. Most of the time local landlords were recruited to cooperate in the colonial administration. They accepted (Local landlords) to collaborate with the British, because they feared revolt from the peasants. The British had strong armed forces hence they could be protected and continue to exploit their own people. According to Baran Britain in India:

Consolidated itself by creating new classes and vested interests who were tied up with that rule and whose privileges depended on his continuance. There were the landowners and the princes, and there were a large number of subordinate members of the services in various departments of the government, from the patwari, the village headman, upward [...]\textsuperscript{114}

Finally the British colonial government introduced Western education system which did not aim at empowering local people with necessary knowledge so that they can control their surroundings. According to Baran colonial education policy in India instead of promoting scientific and industrial aptitude for India it rather discouraged. Baran would put forward this question?

Do we not find that, instead of teaching the people to understand the world about them and how natural resources can best be utilised and controlled, they have been taught to write notes on archaic phrases in the works of sixteenth and seventeenth century Englishmen and to learn by rote the personal history of obscure rulers of a foreign land?\textsuperscript{115}

One may think that the ordeal of India should have been overcome with the independence of India in 1947. Legacies of colonialism do not disappear like that, they are there to stay. India has been under the British rule for about a

\begin{footnotesize}
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\textsuperscript{113} So, op. cit., pag. 114.
\textsuperscript{114} Ibidem.
\textsuperscript{115} Ivi. pag. 115.
\end{footnotesize}
century. All the techniques that were introduced to the local people in order to make them docile and create endorsed false peace so that they could extract as many resources as possible, will not disappear with the rising of Indian flag. They became a stumbling block to economic development of India. Economic problems that we see in India today are not the results of traditions, culture and modernisation as the evangelists of modernisation perspective would put it, but rather they have been caused by colonisation process, where deliberately British colonial government destroyed advancement of Indian industrialisation.

3.3.5. The ‘Monthly Review’ authors: The debt trap

Chinweizu (1985), MacEwan (1986), Magdof (1986), Pool and Stamos (1985), and Sweezy and Magdoff (1984) were all contributors to the journal called “Monthly Review”. Their contribution to dependency perspective was very much appreciated. They tried to show how Latin American countries became dependent of Western powers, because of debt crisis. Debts for the Latin American nations had created a viscous circle with a no way out. Therefore in this section contributors of the Monthly Review are helpful in reflecting on the origins of the debt problem, impact of the debt problem, and the solution to the debt crisis that is how to overcome.

i) Origins of debt Problem

It was in the 1980s that debt crisis began to take its toll in Latin America. Brazil and Mexico were some of the countries form Latin America who fell into the debt trap. “Brazil’s foreign debt was just about $4 billion in early 1970s [...] increased to around $50 billion in the late 1970s and suddenly jumped to $121 billion in 1989”\textsuperscript{116}. Mexico foreign debt, “jumped from $7 billion in the early 1970s to around $38 billion in the late 1970s, and then further to $106 billion in 1989”\textsuperscript{117}. Below is the example of Mexico on how debt crisis developed in this country.

\textsuperscript{116} So, op. cit., pag. 116.
\textsuperscript{117} Ibidem.
The story of Mexico debt crisis began when the progressive government of Luis Echeveria began to undertake large scale social projects like provision of education, health care, and welfare services to the poor and the unemployed. The Echeveria government also promoted heavy industry and infrastructure construction, such as building roads and airports. But there was a problem, Echeveria government spent more money on these projects than what it received in return. There was deficit in the government balance sheet. The government needed modern technologies and foreign products such as machinery, trucks, computers and steel in order to develop its domestic industries. There was a need for more foreign currency which shall be used in purchasing foreign products. But Echeveria government was so lucky, as large vast of oil fields were discovered in Mexico just like those found in Middle East. Since the in1970s there was a great demand of oil and prices for oil were rocketing. Mexican government borrowed money from the World Bank, the international Monetary Fund (IMF) and the giant American banks in order to finance oil exploration projects. Profits and revenue from selling oil would later be used to finance social and industrial projects mentioned above but also they expected to use the same income to pay the debt they have incurred to their creditors.

But things did not work out as the Echeveria government had expected. In the early 1980s there was a sharp drop of oil price, the prices of oil dropped from a high of $30 a barrel to a low of about $20 a barrel. OPEC nations were forced to reduce their oil production so as to at least to raise prices of the same. This situation forced Mexico to fall into debt trap. Below is a hypothetical example as given by Sweezy and Magdoff (1984):

suppose a Latin American nation has been borrowing $1,000 every year for seven consecutive years at an interest rate of 10% and the loan is to be repaid in 20 years. In the eight year, when the nation borrows again, the $1,000 it borrows is just enough to cover the interest and principal amortization on the loans it has taken out over the past seven years. In other words after the eight year, the nation in our example has to keep on borrowing just to meet the deadline for interest and amortization payments.\(^\text{118}\)

\(^{118}\) So, op. cit., pag. 118.
A hypothetical example given by Sweezy and Magdoff above shows how foreign debt creates its own momentum for rapid expansion. Mexican foreign debt in 1982 had reached $55 billion, on top of that Mexico had to pay every year interest and principal amortization of $9 billion; as a result by 1989 the debt had reached $106 billion: This is how Mexican debt had originated, but what had happened to Mexico did also happen to many other Latin American nations.

**ii) Impact of the debt problem**

Debt problem in both countries Brazil and Mexico created a number of problems to the economies of these two countries and Latin America at large. The first impact of the debt crisis is the failure of Brazil and Mexico to pay interest rate. In 1982 both countries had to declare this failure publicly. Their creditors were forced to find a rescue policy, which was planned as follows: Firstly, Latin American nations were allowed to rescheduled their debt payment for a later date. Secondly, The banks decided to lend more money to Latin American nations, but this time loans were attached with some austerity policy like,

a) Massive reduction of government spending, such as the cancellation or reduction of social spending on welfare, education, health care, and the like.
b) Increase in government revenue through raised taxes.
c) Reduction of foreign imports in order to reduce the balance of payments problem
d) Increase in exports so as to earn more foreign currency.\(^{119}\)

Another impact of the debt problem to the debtor nations is the problem of currency devaluation. “The Mexican peso, for example, plunged from 25 pesos to $1 U.S. in 1982 to 200 peso to $1 U.S. in 1984”\(^{120}\). In addition the was the problem inflation, Mexican inflation rate had reached approximately 80% in the early 1980s, that of Brazil was 200% in 1985 and that of Peru was worse which had reached around 1,700% in 1989. Decline of economic growth in 1970s is another example of the impacts of debt problem: All the major social

\(^{119}\) So, op. cit., pag. 119.
\(^{120}\) Ibidem.
and industrial projects were halted due to lack of funding but also because of austerity policy imposed by the creditors. For example, Mexico’s GNP, for instance, dropped from +8% in 1978 to -5% in 1983.

Table 3.1: Effects of External Debt on Economic Growth

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<tr>
<th>Country</th>
<th>Gross Domestic Product (Average Yearly Growth)</th>
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<td>1965-80</td>
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<td>Argentina</td>
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<tr>
<td>Bolivia</td>
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<td>Brazil</td>
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<tr>
<td>Peru</td>
<td></td>
<td>3.9</td>
</tr>
<tr>
<td>Venezuela</td>
<td></td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Averages</strong></td>
<td></td>
<td><strong>6.3</strong></td>
</tr>
</tbody>
</table>


Again debt problem had caused social and political turmoil in many of the Latin American nations. High rate of unemployment and low wages and poor working conditions forced people to publicly protest. Finally there was an increased feeling of anti-Americanism. Latin American people were angry with the American banks and government.

iii) Future of the debt problem

121 https://www.mtholyoke.edu/acad/intrel/globdebt.htm
As seen above, the debt problem has reached an alarming stage where debtor nations can hardly repay the ever increasing debt. An important question that is asked is, what are the options available to the debtor nations and to the creditors? These options could be debt default.

Debt default means, the decision for the debtors (Latin American countries) themselves to declare that, they cannot repay the debt. Dependency theorists know that, the option of debt default would not be accepted by many the governments in Latin America. Because inability to repay the debt, could cause overthrow of their governments. Which is what happened in Egypt with the British, and in the Dominican Republic with the Americans at the turn of twentieth century. However contributors to Monthly Review understand that creditor nations are unable to invade a nation that is unable to repay its debt. Because it is politically incorrect in the present modern day.

However, instead of military invasion creditor nations (from the West) could wage an economic war in order to overthrow the debtor governments. We should remember that Latin American governments borrowed money from powerful money institutions in the World-multinational financial institutions. Economic war could be waged in the following ways,

the creditors could ask for a freeze of the assets of the debtor nations in the United States, set up an economic blockade to cut off all trade with and loans to the debtor nations, and request that foreign companies pull their business out of their debtor nations.\(^\text{122}\)

All in all debt default as a solution to the debt crisis could not be accepted not only by debtors but also creditors. Creditors would not have invaded militarily their debtors only because they cannot repay the debt. So also debtors will never agree default option for fear of economic war, which would have resulted into the fall of their governments. Economic blockade will cause hardships in the country which will in turn cause economic chaos and political turmoil.

Since defaulting was dangerous to the debtors, they asked for concessions from the part of the foreign banks. In 1986 debtors from Latin

\(^{122}\) So, op. cit. pag. 121.
Amer

ica, came together for a meeting in which the following conclusions were reached:

a) There should be a reduction of the interest rate on the past and future
loans... b) There should be a longer extension of the loan repayment period.
The longer period could ease the burden of the interest payment considerably.
c) There should also be a limit on how much export earnings could be used to
pay interest on the debt. The debtor nations could not afford to pay 80% or
more of their export earnings on the debt, because then they would not have
enough money to import the needed foreign technology for domestic
industrialisation.  

Creditor nations and the foreign banks were willing to negotiate with
the debtor nations on how to reduce the interest rate and to extend the loan
term. The foreign banks accepted to sit down and negotiate not only because of
their good will but also because there was no other solution. They had lent such
a large amount of money to Latin American nations, to the extent that if their
debtors would declare bankruptcy, would have a boomerang affect on them.
For instance banks like, “Bank of America, Citibank, and the Manhattan Bank
had about 30-40% of their capital tied up in Third World debt”  

Table 3.2 gives some idea of the extent of overexposure (lending in excess of capital
assets) of in 1982, especially from the private banks. If the problem of debt
the crisis was not handled with care, would caused the collapse of the international
financial systems.

Table 3.2: Exposure as a percentage of Capital, Major Banks, end of 1982.

<table>
<thead>
<tr>
<th>Bank</th>
<th>Argentina</th>
<th>Brazil</th>
<th>Mexico</th>
<th>Venezuela</th>
<th>Chile</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citi of America</td>
<td>18.2</td>
<td>73.5</td>
<td>54.6</td>
<td>18.2</td>
<td>10.0</td>
<td>174.5</td>
</tr>
<tr>
<td>Bank of America</td>
<td>10.2</td>
<td>47.9</td>
<td>52.1</td>
<td>41.7</td>
<td>6.3</td>
<td>158.2</td>
</tr>
<tr>
<td>Chase of Manhattan</td>
<td>21.3</td>
<td>56.9</td>
<td>40.0</td>
<td>24.0</td>
<td>11.8</td>
<td>154.0</td>
</tr>
</tbody>
</table>

123 So, op. cit. pag. 122.
124 Ibidem.
3.4. Paradigm of dependency perspective

Just as modernisation theory of development had intellectuals from various backgrounds. Despite their differences, and individual concepts on modernisation, their opinions could be summarised under one theory, known as modernisation theory. The same thing can be observed in dependency perspective. Intellectuals of dependency school of thought are also from different disciplines and conducted their studies on different countries and places in Latin America. They all share some basic opinion regarding the philosophy of dependency. Below are some of the basic assumptions shared by dependency theorists.

i) “I paesi capitalistici oggi sviluppati non sono mai stati sotto sviluppati”¹²⁵

Since Western nations have never undergone a state of underdevelopment, automatically dependency intellectuals conclude that capitalistic states have never undergone the gradual process of progress. Dependency perspective studies agree unanimously that there is no such a thing as economic evolution. According to Frank we ought to eliminate the thesis of linear evolutionism. Because it considers underdevelopment as a starting point of economic development of any given society. From the initial point, that is the stage of underdevelopment, according to modernisation

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¹²⁵ Bottazzi, 2009, *op. cit.*, 99
theorists, societies are expected to match forward to a point of arrival, known as modernization or progress. Dependency studies affirm that the cause of underdevelopment in the Third World countries is not caused by traditions and some other social structures as sustained by the modernization studies, but rather the blame should be put on uneven relationship between the satellites found in the Developing nations and metropolis of the Western nations. According to Baran underdevelopment is not lacking progress or it is the starting point of economic progress, but rather it is a condition triggered by the economic and social structures established by capitalism.

**ii) “Sviluppo and sottosviluppo sono due facce della stessa medaglia”**126

According to Frank one of the effects of the capitalism is the creation of development of underdevelopment. As the process of capitalism promotes development of underdevelopment in Third World countries, the same process stimulates development in other in the Western World. Hence capitalism causes development and underdevelopment at the same time.

**iii) “Subordinazione delle strutture produttive dei paesi del Terzo Mondo”**27

It is known that, capitalism mode of production insists much on the production of profit or surplus. The relationship between Third World countries and the West was expected to produce sufficient surplus for the capitalists. In order to achieve this goal tow things were done. Firstly, capitalists introduced division of labour at a global scale. Third World countries were dictated on what to produce and the quantity to be produced. Secondly, capitalists turned local people in the Third World countries as their markets for the finished products. To avoid competition with the local finished products, multinational organisations had to control local industries.

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127 Ibidem.
iv) Dependence as an externally imposed condition

Classical dependency studies helped Third World countries to be aware of the state of dependency in which they were in. The state of dependency is not a natural phenomenon but has been imposed upon them. They did not decide willingly to be in that state. The state of dependency began with the domination of the Third World countries by the developed nations. According to Baran development of underdevelopment in India commenced with the colonisation process. British colonisation of India contributed to the underdevelopment of India through plundering, deindustrialisation, and uprooting of the local society. For the Latin American countries they fell under the tight control of the capitalistic states and financial institutions when they became victims of debt trap. Debt which had its origin in borrowing money from the World Bank, the IMF, and Western Banks. According to Landsberg, even though Eastern Asian (Singapore, South Korea and Hong Kong) have been growing economically, but they are still under the domination of the Western capitalistic states, through the policy of subcontracting. They retain complete control over the research, transportation, and marketing of the new wave of industrialisation in East Asia.

v) Dependence as an economic condition

Since dependency is a result of unequal economic exchange between Third World nations and developed nations, it is likely that economic and political conditions in the Third World nations is a direct outcome of dependency policy. Going back to the research done by Baran One can see that economic dimensions of colonialism such as, deindustrialisation, export agriculture and the transfer of economic surplus caused institutionalisation of the clientele social classes in India. In Latin America according to the contributors of the ‘Monthly Review’, it is not that difficult to observe how debt crisis laid a foundation to the followings, “devaluation of domestic currency, rising inflation declining GNP, which have instigated political unrest
and anti-Americanism.” Therefore hindrances to national development is not because there is lack of capital, entrepreneurial skills, or democratic institutions, but rather it is to be founded outside the domain of the national economy.

vi) Dependence as incompatible with development

The present dependency situation of the Third World nations is not conducive to establish substantial and autonomous development. According to Baran economic difficulties caused by British colonialism did not evaporate or disappear when India gained its independence. The present India has inherited colonial legacies. For the Latin American countries the state of dependency would not promote economic growth, instead has plunged the region into economic, political and social turmoil. According to Landsberg the system of subcontractors does not promote indigenous, self-sustaining economic growth in East Asia.

vii) Dependence is a general process

Dependency researchers apply their theory of dependency to almost all the Third World nations regardless of their differences. Exponents of dependency perspective wish to pinpoint some elements of dependency throughout the history of capitalism from the sixteenth century to the present.

viii) Dependence as regional polarisation of the global economy

Dependence is treated as a component of regional polarisation of the global economy. Dependence intellectuals argue that, dependence policy divides the world into two major parts. The first part is of the Third world nations, where there is a constant outflow of surplus. The outflow of surplus leads to destruction and underdevelopment. The second part is of the Western world. They gain profits through investments of the surplus that has been

128 So, op. cit., pag. 130.
brought form Third World nations, hence Western World experience enormous economic growth.

3.5. Criticism of dependency perspective

Just as modernisation theory of development was criticised, likewise dependency perspective had a share of its criticism. Generally criticism were directed towards the methodology used, the concept of dependency or with the policy implications of the dependency studies.

i) Criticism on its Methodology

Dependency school came into existence as a response to modernisations theory of development. Dependence intellectuals criticised modernisation theorists of providing ideologies to justify the exploitation of Third World countries by the Western countries. Now it is the turn of modernisation theorists to voice their criticisms towards dependency theory. Modernisation theorists regarded the works of dependence school as “[...] pamphlets di propaganda piuttosto che serie rigorose analisi scientifiche [...]”\(^\text{129}\). Furthermore modernisation intellectuals believe that, dependency school of thought cannot be recognised as a scientific work, simply because it no longer argues scientifically but it sells its ideas making use of rhetoric approach. In addition, instead of giving scientific explanations to the problem in the Third World countries it has become an all-purpose explanation for everything that is wrong with Third World countries.

Again modernisation scholars accused dependence theorists of being too general. As they generalise all of the issues of the Third World countries as being the same. Dependency school researchers did not make much efforts to see differences within different countries. Challenges that are being faced by the developing countries are different, and that each country has its own particular history. It is not possible to apply one explanation to all Third World countries. There were some countries which were recognised as

\(^{129}\) So, op. cit., pag. 107.
underdeveloped but now they have managed to overcome it. These countries are like, “le tigre ‘asiatiche’ (Taiwan, Corea del Sud, Hong Kong, Singapore) insieme a ... Nuovi Paesi Industrializzati ... tra i quali Brasile, L’Argentina, il Cile”\textsuperscript{130}.

Another criticism against generalisation nature of dependency theory is expressed by Bill Warren, a Marxist. According to Karl Marx (1850) “capitalismo sotto forma di imperialism, sta svolgendo la sua missione storica che era quella di penetrare nei modi di produzione pre-capitalistici inducendone e accelerandone l’evoluzione in senso moderno”\textsuperscript{131}. On the same line of Marx, Warren argues, “uno sviluppo capitalistico era una concreta possibilità in molti paesi sottosviluppati [...].”\textsuperscript{132} Actually Warren was trying to defend capitalism from being one of the factors that contribute to underdevelopment of Third World nations, because according to Warren after the II World War, many of the Third World nations experienced unprecedented economic development. Therefore dependence theorists must look elsewhere for the source of underdevelopment in the Third World. Even though Warren had to face many criticisms, one can see a point in his thesis, that people should have the habit of looking at the reality and not solely depending on general theories.

\textbf{ii) Against the concept of dependency itself}

Dependency intellectuals say that the state of dependency that Third World countries find themselves in, has been caused by external conditions, but Marxists are against this view. They argue that dependency intellectuals are exaggerating when they demonstrate that dependency has mainly been caused by external forces. According to Marxists internal factors found within Third World nations are also responsible for the underdevelopment of the Third World. Internal dynamics such as class conflicts and the state should be taken into consideration as causes of underdevelopment. James Petras would also say, “to conceptualise the issues of the Third World in terms of dependency

\textsuperscript{130} So, op. cit. pag. 104.
\textsuperscript{131} Ibidem.
\textsuperscript{132} Ibidem.
[...] is to lose sight of the most decisive process of class formation and social relations which beget change"\textsuperscript{133}. Marxists thinkers urge dependency intellectuals to include in their arguments social change, the state, and political struggle as contributors of underdevelopment in the Third World nations.

Furthermore, Marxists theorists blame dependency school for demoralising political struggle inside Third World nations. Dependency studies consider Third World industrialists as a “Lupmen bourgeoisie”\textsuperscript{134} that is class dependent on foreign capital, their governments as “administrative committees”\textsuperscript{135} of the foreign capital and the workers as a class of “labor laboratory”\textsuperscript{136} whose interests are tied to foreign capital. In other words what dependency studies are trying to say is that, “domestic classes and institutions”\textsuperscript{137} found inside Third World countries have no political will to resist foreign domination.

Still on the criticism towards dependency studies on the concept of dependency, there is also a complaint about the inaccurate picture of passive peripheries with a very small degree of freedom. According to dependency school peripheral nations have very little power in front of the core states. However dependency school critics argue that, even though the core countries have a big influence, they still benefit by acquiring new ideas, institutions, and technologies that can be used in their respective countries. Potres points out, “all historical facts points to the existence of certain degrees of freedom for national government and their ability to carry out, under certain circumstances, fairly drastic policies of internal and external transformation”\textsuperscript{138}.

\textbf{iii) Critics on the policy implication}

This criticism deals with the coexistence between dependency state and economic development. According to dependency school development and dependency can never coexist. Dependency, colonialism and international division of labour cause problems to the local economy, for example,

\textsuperscript{133} So, op. cit., pag. 122.
\textsuperscript{134} Ivi, pag. 132.
\textsuperscript{135} Ibidem.
\textsuperscript{136} Ibidem.
\textsuperscript{137} Ibidem.
\textsuperscript{138} Ivi. pag. 133.
“extraversion, hypertrophy, technical dependency, the development of underdevelopment [...]”\(^{139}\). The only way out for the Third World nations is by undergoing socialist revolution. However the critics are on the opinion that dependency and development can coexist. They support this stand by taking South Korea and Taiwan as examples. Both countries were once colonies of Japan, but they have both attained economic development. Likewise with Canada, whose economy has been penetrated by foreign-owned subsidiaries, yet Canada attained economic development.

The critics towards dependency school on the policy implication again argues that, the dependency school has failed to offer the alternative way, through which Third World countries can attain development. It is not automatically that, when capitalism is eliminated from the Third world nations development will follow like water in a river. Likewise it is not guaranteed that socialist revolution shall bring economic development among developing nations.

iv) Critics towards socialist countries

As it was discussed above dependency school was against capitalism mode of production, because capitalism causes the state of dependency. As an alternative to capitalistic mode of production, underdeveloped nations opted for a socialist revolution. They introduced a socialist government rather than a capitalistic one. Countries like China and USSR were presented by the dependency school as model to be followed. However these model states themselves had hell of internal tensions, hence many new independent states were discouraged with socialist mode of production. Chinese socialist revolution ended up having a government run by few powerful individuals. In addition, the government is highly criticised for the abuses of human rights. Even Third World countries that took the path of socialism like,

“Vietnam, Algeria e decine di altri paesi [...] apparivano incapaci di garantire quella rapida crescita economica e quel miglioramento delle

\(^{139}\) Ibidem.
3.6. Comparisons between dependency and modernisation theories

In chapter two much attention was given to the modernisation school of development while this chapter has been dedicated for the discussion of dependency theory of development. Below is the study on of similarities and differences of these two theories of development.

i) Similarities between the two theories

The first similarity is about the research focus; both modernisation and dependency schools are concerned with the Third World development. They research on the factors that can promote economic development and factors that discourage economic development. The second similarity between the two perspectives is about methodology. Both schools used to express their arguments in a highly abstract form, with the aim of formulating a general explanation on the process of economic development, hence with that general formula they could now apply it to various nations of the Third World. The third point on the similarities between the two perspectives is the development of a polar theoretical framework. They present their ideas in two extreme ends; in modernisation perspective the dichotomy is between tradition versus modernity, while for the dependency perspective the two poles are core (metropolis) versus periphery (satellite).

ii) Differences between the two theories

After seeing the above similarities between the two schools the discussion which follows studies their differences. The first point in which they differ is about the theoretical background. Modernisation school has been influenced by European evolutionary theories and American functionalist

140 Bottazzi, 2009, op. cit., 105.
theories. On the other hand, dependency perspective has been under the influence of two types of scholars beginning with the liberal Economic Commission for Latin America (ECLA), which was United Nations economic programme, and the other group of scholars that strongly influenced dependency perspective is the radical neo-Marxist theories.

The second point on which the two differ is to do with the causes of Third World problems. Modernisation school puts the blame on the traditional culture, lack of productive investments, and absence of achievement motivation in the Third World countries. It is the opposite to dependency school where the blame for the problems is pointed towards external factors like colonialism and neo-colonialism in shaping the underdevelopment of the Third World countries.

The third differences between the two can be traced in their ideas on the linkages between Western and Third World countries: According to modernisation school relationship between the two worlds is important for the development of the Third World countries. The link between the two accelerates the process of modernisation. But it is the opposite with the dependency school as for them the link between Western and Third World countries gives rise to the state of dependency, which is harmful to the local economy, hence the relationship between the two is not healthy.

The fourth difference is about predicting the future direction of development. Beginning with modernisation school, they are very optimistic, they know that with time Third World countries will come up economically. Their conviction stems from the fact that when Western countries had embarked on the road of modernisation they ended up being developed countries. Hence anyone who takes the same route, the outcome is already determined, that is boom in economic development. But for the dependency school theorists, their prediction on the future of Third World countries is pessimistic. The current situation of economic dependency leads to miseries among Third World nations, hence a painful decision must be taken that is to stop relations with Western countries. By doing so they can free themselves from exploitation and hence have a bright future.

Finally, but by no means less impressive, the last difference between modernisation and dependency school is about solutions to the backwardness
of the Third World countries. Modernisation school advocates more contact with the Western World by the Third World nations in order to improve their lives. The contact has to be done in different modes such as “more foreign aid, more cultural exchanges, and more technological transfers”\textsuperscript{141}. But dependency school offers another solution altogether, on one hand they advocates reduction of core linkages so that Third World countries may attain autonomous, independent development and on the other hand they advocate radical socialist revolution in order to attain the above mentioned goals.

3.7. The decline of dependency theory of development

Many times it has been witnessed how very influential theories came into existence but after some time they slowly begin to fade away. The same thing happened to dependency school which begun around 1950s but by 1970s had already begun to decline. There are some reasons which led to the decline of dependence school of thought, they are as follows. First and foremost the decline of dependency theory of development had coincided with the revival of the traditional school of thought which are “il paradigma della modernizzazione e il marxismo ortodosso”\textsuperscript{142}. It should be remembered that dependency theorists were very critical towards these traditional theories. The second reason which led to the decline of the dependence school of thought is the incorporation of the ideas of dependence school into other traditional theories, for example, “[...] le distinzioni tra capitale industriale e mercantile, o tra forme reali e apparenti di sussunzione del lavoro al capitale, contengono il vecchio problema della dipendenza camuffato con abiti marxiani”\textsuperscript{143}. The third reason is the presence of researches in the dependency school which were conducted in the Marxist mode; “l’analisi del modo di produzione e l’approccio definite dell’internazionalizzazione del capitale”\textsuperscript{144}, the latter is differentiated from the former by insisting that world capitalistic economy cannot be comprehended by analysing one country alone.

\textsuperscript{141} So, op. cit., pag. 108.
\textsuperscript{142} Ivi, pag. 109.
\textsuperscript{143} Hetnne, op. cit., pag. 80.
\textsuperscript{144} Ibidem.
Mainstream theories of development like modernisation and dependence could not produce desired results. People began to look for some other theories which will bring concrete change among the poor and more important in a short period of time; as a result, there began to emerge other development movements, like human basic needs an Self-Reliance, community based development, mass consumption movements and economic growth oriented strategy. The next chapter is about these new strategies to overcome underdevelopment in developing countries.
CHAPTER FOUR

ALTERNATIVE STRATEGIES TO OVERCOME
UNDERDEVELOPMENT

4.1. Defining underdevelopment

Just as it was difficult to have one accepted definition of the concept of development in chapter one, the same difficulty can be observed when defining the concept of underdevelopment. The concept of underdevelopment began to be applied for the Third World only in the seventies. Previously, they were identified as backward countries; majority of them being ex-colonies. Application of the concept of backwardness meant that, poverty in poor countries is caused by the presence of underdeveloped social structures, institutions, also the presence of traditional values. Traditions and cultures were hindrances to economic growth. The citizens of these countries were thought to be living in pre-modern societies. Therefore according to the concept of backwardness, the causes of underdevelopment were internal and not external.

However after the seventies, intellectuals accepted that external factors have contributed in creating poverty in Third World countries. They began to apply the concept of underdevelopment, to show that, the state of backwardness which these countries find themselves in was a result of various types of exploitations done to the countries by their colonisers. Before seventies these terminologies of underdeveloped countries and developing countries were used, but only in defining the state of backwardness, and not as stated above.

There are many opinions on the concept of development, thus making it complex and difficult to define. However this work has adopted the definition that was given by McNamara in 1973 in Nairobi, Kenya (East Africa). His
definition had caught the attention of the intellectuals. His definition is in the form of a mathematical formula as shown here below:

\[ \text{Underdevelopment} = \text{famine} + \text{diseases} + \text{analphabetic}. \]

McNamara’s formula of underdevelopment is about absolute poverty; people who lack even basic needs for their survival. It also indicates that, underdevelopment should be considered in both ways, quantitatively and qualitatively. For example, a serious government will not only be worried about the health of its people by making sure they provide sufficient amount of food and also good quality food. A concerned government should not only provide good schools but also will provide adequate education. Lastly, a concerned government will not only encourage its people to vote, but also will make sure that its citizens have active participation in affairs of the state.

Having said that, the concept of underdevelopment includes scarcity of various things both quantitatively and qualitatively. Underdevelopment should not be reduced to economic sectors alone but it consists of so many other aspects of life like, demographic increase, healthy, education, occupation and environment protection. Social and economic factors influence one another. It is like a vicious circle, for example, poverty and famine will definitely affect the economy of a given country, because people who are affected by malnutrition, may fall ill, and thus compromising their ability to work.

However speaking of underdevelopment from economic and production structures point of view, we see that:

\[ \text{esso trova espressione nei bassi rediti pro capite e quindi nella difficoltà di accumulazione capitalistica, determinate dalla quota estremamente bassa di risparmio delle famiglie. La formazione professionale, inoltre, è carente, l’analfabetismo rilevante e, di conseguenza, basso il dinamismo della vita economica di quei paesi, caratterizzati da una ridotta capacità produttiva. La struttura produttiva prevalentemente agricola e scarsamente industriale genera poi un alto consumo di beni di prima necessità e restringe quindi in maniera drastica le possibilità di un mercato dei prodotti manifatturieri}^{145}. \]

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145 Bianco, op. cit. 28.
The concept of underdevelopment can also be associated with sufferings. Poverty is a situation whereby someone lacks necessary resources for survival, thus forcing people to live in miseries; and in turn misery generates sufferings. Most of the Third World countries find themselves plagued with poverty and miseries hence people have to endure imaginable sufferings.

It is also worthy to discuss the concept of Third World, because most of the Third World countries are considered to be backward or underdeveloped. In the early fifties, when the concept of Third World came to be formulated, definitions of the concept of Third World differ according to the period taken into consideration. The first type of the definition is a general one, which is “un insieme di paesi accomunati dall’esperienza storica del colonialismo, di cui sono stati vittime e che ha generato in essi una struttura economica subalterna che li ha sospinti alla periferia del mondo sviluppato”146. According to this definition most of the countries considered Third World are backward because of the exploitation caused by the act of colonialism. Even these ex-colonies are grouped together, but their internal structures differ.

The second type of definition of the concept of Third World addresses the relationship between backward and developed countries. After the Second World war the World was divided into two blocks, East and West. The Western block (capitalist) came to be known as First World, while the Eastern Block (Communist/socialist) came to be known as the Second World. Therefore the rest of the countries which did not want to make part in either of the blocks came to be known as Third World countries. Third World countries politically did not align themselves with either of the blocks, instead they formed their Non alignment movement.

The third type of the definition of the concept of Third World deals with the economy, and that was in the early sixties. In 1964 the group of 77 countries was formed during the first conference of UNCTAD (United Nations Conference on Trade and Development). UNCTAD conference was aware of the internal differences between Third World countries, but the conference took keen interest in addressing more unifying factors, for example, most of

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146 Bianco, op. cit. 31.
these countries have undergone the exploitation of the colonial rule. The outcome of defining the concept of Third World from economic point of view, made it possible even to include Latin American countries. The discussion below is about economic challenges faced by the Third World or underdeveloped countries.

4.2. Problems of the Third World economies

i) Challenges in the agricultural sector

In Third World countries, agricultural sector still remain to be the back bone of the economy. Unfortunately, these countries have not invested much in agriculture in order to make it strong enough to sustain the economy. Agricultural sector in Third World faces the following problems. Firstly, it is divided into two, produce designated for exportation and for the local usage. Since through exportation the country gains foreign currencies, the government takes keen interest in promoting cash crops for exportation rather than crops that will feed the masses in their country (food crops). Secondly, the agricultural sector relies on the Western technology. The imported technology is used in the plantations only, and not for the small peasants. As a result, the quality of agricultural products for the local market is weaker when compared to that of the international market.

Having a weak agricultural sector, affects the economy of the country. Scarcity of food compromises with the health of the people. Poor health reduces the ability to work. Traditional farming creates unemployment, because its market is weak. Thus, young people will flock in cities, looking for jobs, the process known as urbanisation. These problems give rise to a vicious circle; malnourished people who are unable to work, and are unable to earn money.

The origins of the problems of agricultural sector, can be traced back during the colonial era as well as in their relations with rich nations. During colonialism, colonial governments and settlers established plantations of coffee, sisal, cacao, sugar cane, tobacco, cotton and many other. Whatever was
produced in the plantations, was destined to be exported and not to be used for 
local population. The same practice continued after the independence through 
multinational organisations. They have acquired extensive plots of arable land, 
leaving infertile land for the cultivation of food crops by the small scale 
farmers. In order to build a strong agricultural sector in Third World nations, 
there is a need to make agricultural reform;

l’accesso al credito e il poter disporre di infrastrutture adeguate: dalle 
risorse idriche a migliori servizi di comunicazione. Solo la moderna 
technologia e la possibilità di commercializzazione dei prodotti consentirebbe 
inoltre l’incremento della produzione, per la quale, infine, la rimozione di 
barriere protezionistiche da parte dei paesi ricchi consentirebbe ai prodotti 
agricoli provenienti dal sud del mondo di penetrare i mercati147.

ii) Challenges of famine and nutrition

The problems of famine and nutrition are connected with the challenges 
of the agricultural sector in Third World countries. The problem should not be 
addressed in terms of quantity alone, but also in quality. Each person needs to 
be nourished according to ones age, occupation and health.

Tale ragionamento porta ad una definizione di “fame” che è da intendersi 
non solo come bisogno di cibo; tale stato di necessità, qualora sia protratto 
nel tempo comporta dei danni fisici. In altre parole, la giusta alimentazione – 
secondo la FAO (Food and Agricultural Organisation) – non è quella che 
consente il semplice reintegro delle energie consumate, bensì quella che 
permette una dieta equilibrata, si da garantire al fisico di rimanere in 
salute148.

The causes of famine in Third World countries are divided into two 
factors, which are, economic and non economic. Firstly, economic factors; a) 
Lack of clear economic and agricultural policies. Above it was seen how 
agestural sector is neglected in poor countries. Governments give more 
importance in promoting crops which are export oriented and forgetting crops

147 Bianco, op. cit. 81.
148ivi. Pag. 82.
for internal markets: b) other economic factors which have contributed in weakening agricultural activities in Third World countries are, the decreases of prizes of agricultural products and raw materials in the international market, competitions from synthetic materials, and lastly, aid from donor countries inhibits local production by lowering the prices of local produce.

Secondly, non-economic factors: they include: a) natural disasters; whereby they destroy fields, which leads to poor harvest. With natural disasters we also find environmental problems, caused by over cultivation and other human activities like the use of chemicals and logging; b) military activities: during peaceful times, governments spends more money for military purposes. But during conflicts (most of the Third World nations are politically unstable) people cannot engage in agricultural activities; c) Population growth: statistically it is said that, the food produced all over the world is sufficient to feed very one, however population growth is experienced mainly in countries with little resources to produce sufficient food for its citizens.

iii) Challenges in the Industrial sector

Most of the Third World countries have a weak industrial sector. One of the challenges for the industrial sector is the question of technology. There is a need to import technology from Western countries in order to establish a competitive industrial sector. There are two options of the technology transfer, saving labour technology and labour intensive technology. Firstly, saving labour technology; is the use of high modern technology in Third World countries which discourages employment of many people. Benefits of applying high modern technology is the production of high standard goods, which can compete with those from industrialised societies. Its disadvantages are, it increases the rate of unemployment and does not serve the local community instead it serves Western societies.

Secondly, Labour intensive technology: is defined as the use of technology which allows mass employment. Since population growth in Third World countries has increased the number of active people, the use of appropriate technology will provide employment of the masses and thus increase their income, which is good for the economic growth. However, the
application of labour intensive technology has been criticised for producing low standard goods. They cannot compete with products from abroad in both markets, internal and external. Many intellectuals are of the opinion that, the technology to be used in Third World countries should be appropriate to the situation of each country. Since, Third World countries have a high rate of unemployment, they do suggest the application of labour intensive technology. In addition, labour intensive technology is good for the poor nations since there is lack of trained personnel.

The famous international labour division is also another factor which challenges the process of industrialisation in Third World countries. Industrial capitalists from the rich nations have transferred their production to developing nations. However, the technology and other important arrangements are designed abroad. They produce in underdeveloped countries in order to avoid taxes in their countries; they prefer underdeveloped countries since there is an abundance of cheap labour force, hence they can reduce the cost of production; they also escape strict rules on environmental protection; and also most of the goods manufactured are for exportation and not for the local market. International division of labour gives rise to a new small aristocratic working class, these are few trained people who have experience of the technology imported from abroad, they themselves are highly paid, but around them, many people live in absolute poverty.

The process of industrialisation in the Third World countries also is criticised for not guaranteeing workers rights. It is difficult for the workers to unite since trade unions are almost absent, and those which are there lack power to address the problem. In the West during industrial era trade unions were powerful because, majority of people were workers. In Third World countries working class consists of very few people, hence they have no strength to fight for their rights.

iv) Informal and subsistence economies
Most of the Third World countries have a well diffused informal economy. The strong presence is a sign of how people in under developing countries work hard in order to survive. Informal economy can be defined as:

\[
\text{forme di economia domestica, di cui sono protagoniste le donne con il lavoro che svolgono in casa e per la famiglia, attività non-retribuita, e forme di economia e produzione agraria per la sussistenza, ovvero produzione di beni sia di piccolo artigianato, che di maggiore impegno, che possono coinvolgere anche intere famiglie, come […] costruzione della propria abitazione}.^{149}
\]

Subsistence mode of production could be defined as, “un insieme di attività, svolte indistintamente per l’autoconsumo o per il mercato in gran parte dalle donne, da piccolo contadini e da piccolo artigiani”^{150}. Villagers in Third World countries survive thanks to various activities of this type. Disadvantages of the subsistence mode of production is the lack of assurance of whether one will tomorrow have something to do in order to earn little money to purchase some food.

4.2.1. Debt crisis

The origin of the debt crisis begun in the early seventies, when the oil crisis led to the price rise of both raw materials and more especially of raw oil. The Oil crisis disturbed the economy of both rich and developing nations. For these nations, the oil crisis led to over production of raw materials. For the rich nations, there was a decrease of investments, hence they found themselves to have more capital and resources which could be invested in Third World countries. For the American Latin countries they were financed by the Western private banks, while most of the African countries were financed through the assistance of the international agencies like World Bank and International monetary fund. “Il fine di questi interventi e della concessione di prestiti era quello di aiutare i paesi arretrati svilupparsi, di aumentare la loro produttività e di crescere il volume delle loro esportazioni”^{151}.

\[^{149}\text{Bianco, op. cit. 88.}\]
\[^{150}\text{Ivi. pag. 89.}\]
\[^{151}\text{Ivi. pag. 94.}\]
In the early eighties Third World nations were faced with financial crisis, which was caused by the following three factors. a) Grave recession; which struck developed nations. It led to the decrease of the demand of raw materials from the Third world, in addition, the prices of the same decreased. As a result developing countries found themselves in deep financial crisis. They were hit hard, because raw materials were their only products that they could export in order to obtain foreign currencies, necessary for the investments and economic growth. b) The policies on political economy and finances undertaken by USA liberal government led to the increase of interest rate. There were three outcomes, firstly, USA dollar became stronger in international markets, secondly, it led to the increase of the prices of goods, thirdly, the interest rate of the debt had increased as well. The three factors were responsible for the deep financial crisis among Third World nations. “In questo quadro matura nell’estate del 1982 la decisione del Messico di dichiarare pubblicamente la propria insolvenza”\(^{152}\). In chapter three the question about the Mexico debt crisis was discussed at length.

Because of Mexican declaration, international policies on finances and economic systems lost credibility. There was a need to make an economic political reform in developing countries, so that rich nations can get back their money and restore the lost credibility of the international financial and economic systems. One of the plans for reform was drafted by J. Baker, ex-treasure minister of USA; according to the plan loans could be given to the developing nations, provided they agree to financial terms and conditions of international financial systems. J. Baker plan also proposed some economic reforms within developing countries, like,

“riforme a livello macroeconomico finalizzate alla crescita e da realizzarsi grazie al contenimento del disavanzo pubblico, alla privatizzazione dei servizi, alla conseguente riduzione delle spese di natura sociale, al potenzialmente dei settori produttivi finalizzati prevalentemente all’esportazione, alla riforma dei prezzi, con la loro liberazione e con l’abolizione di eventuali prezzi amministrati”\(^{153}\).

\(^{152}\) Bianco, op. cit. pag. 95.
\(^{153}\) Iv. Pag. 96.
There was also a plan known as Brady plan, proposed by Brady (finance minister of USA). The Brady plan, discovered that, indebted countries fail to pay back their loans, not because they do not have finances to pay but because of the incapacity to pay. The incapacity is caused by the terms and conditions of the debts. The Brady plan suggested some general revisions on debt, like, “negoziazione di nuove scadenze per i rimborsi del debito, alla revisione dei tassi di interesse, fino ad parziale remissione del debito stesso”\textsuperscript{154}.

Even though the question of debt crisis is connected to international finance systems, but it affects social and economic life of the Third World countries. The national income of the indebted countries is used to pay the debt and its interest to donor countries. As a result, very little resources are left to be invested in the country. Even the surplus achieved is also allocated to repay back the loan, and not used for the development of the country. Lastly, the debt crisis causes developing nations to lose investors, since investors would not trust the economy. These economic challenges do increase the rate of underdevelopment. Below are some of the strategies to overcome underdevelopment.

4.3. Strategies to overcome underdevelopment

Chapter two and three dealt with the two mainstreams theories of development, which are Modernisation and Dependence. In spite of the two theories being so influential, yet by early seventies they had lost their influence. They failed to produce the results expected. Therefore, creating a need to formulate other strategies to overcome poverty among underdeveloped countries. These strategies were expected to create development projects which will improve the lives of under privileged people. The results of improvement should be concrete and should not take much time to be achieved. In short they put man at the centre of development. Some of these alternative strategies that this section shall deal with are; basic human needs and Self-reliance, Other

\textsuperscript{154} Bianco, \textit{op. cit.} 96.
strategies are, community based development, economic growth oriented and mass consumption oriented strategies.

4.3.1. Basic human needs (BHN)

i) General understanding BHN

Basic human needs is one of the strategies to overcome underdevelopment in the Third World. It began to surface in the early seventies and it enjoyed a great deal of success because of the support the strategy received. It would be wise to define the concept of the basic human needs right from the beginning of this discussion, even though it is not that easy to find a definition which is accepted by many. The word ‘needs’ stands for the state of necessity, it is a state of lacking something which generates deprivation. If the lack of something disrupts normal life or normal activities of a person, then that particular thing can be considered as a fundamental need or basic need; because, if it is not provided one cannot perform his or her normal activities in life. The concept of normal activities is relative, its meaning depends on the characteristics of the local society, like, the history of the place and social life of the people. A normal activity in a remote African village may not be considered so in the heart of New York city.

However, in 1976 ILO (International Labour Office) established three basic needs of man, wherever he or she may be. They are important, because they enable man to conduct ones normal activities, they are, “cibo, vestiario e abitazione”\(^\text{155}\). It is a well known fact that among the three mentioned needs food is the most important one, because it is the source of nourishment which helps a person to preserve life, to maintain ones health, which is very necessary to perform ordinary daily activities. However, the quality of food also has to be put into consideration; for it is not enough to make sure that people have sufficient to eat but, it is equally important to have balance diet also.

The three basic human needs above are categorised as material basic human needs, because they can be measured. There other basic human needs

\(^{155}\) Bianco, op. cit. 137.
which are categorised as immaterial, because they cannot be measured. Immaterial basic human needs are crucial because they help in measuring the standard of living. They assist in analysing the level of civilisation of a particular society. Some of the examples of immaterial basic needs are, social security, health protection, to be surrounded by healthy environment, presence of jobs which do not degrade people, rights to participate in social and political activities and lastly preservation of one’s own culture. There are other BHN which are economically oriented. Some of these economic oriented BHN are, formal/planned education, vocation training, social services and infrastructures.

**ii) Objectives of human basic needs**

One of the immediate objectives of basic human needs strategy is the *eradication of poverty*, through improvement of living standards. The strategy is a pragmatic solution to the problem of absolute poverty. Exponents of the strategy believe poverty can be eradicated when incomes are distributed accordingly, improvement of social services and investing in the production of goods for the local community. The second objective of the BHN strategy is to *improve all classes* in the society, and not the upper class alone. The third objective of HBN aimed at *reducing the gap* between the developed and underdeveloped countries. According to HBN that can be obtained when the living standard of people is improved, automatically there will be economic progress. And thus, the gap which exists between rich and developing countries will be contained. The fourth and last objective is to *improve agricultural* sector by initiating some radical reforms. Reforms like, redistributing arable land especially to the peasants. Paragraphs below discuss how BHN as a strategy can be concretely realised.

Firstly, Since the aim is to improve living standard of the people then, it is necessary for government to correct income inequalities and promote equal redistribution of the income. The idea of eliminating income inequalities could not be shared with the liberals. They believe that, differences in income will not harm economic growth but will promote it. Secondly, agricultural reform is another way to realise the strategy of BHN: to increase production of the peasants, thus improving their lives and national income at large. Fourthly, the
HBN strategy can be realised by improving the existing economic structure. They provide people with jobs but do not create new ones. Emphasises on establishing subsistence economy. The economy should be at the service of people and not vice versa. People must be protagonists of their own economic progress. Two scholars, Seers and Chenery through their writings made good contributions on HBN strategy.

### 4.3.1.1. Contributors: Seers and Chenery

#### i) Seers (1969): Income distribution

The contribution of Seers in the basic human needs strategy is centred on, “l’equità nella distribuzione dei redditi [...]”\(^\text{156}\). According to Seers there should be, “distinzione tra crescita economica e sviluppo”\(^\text{157}\). The use of indicators like income per capita does not reveal internal inequalities. High GDP, does not indicate standard of living of the citizens. High GDP can be compromised with the high concentration of income. For Seers development means improvement; development is a normative concept.

According to Seers income is an important factor in acquiring basic human needs. It has to enable a person to live an accepted standard of living. However, in order to overcome absolute poverty in the Third World, it is not enough to speak of income alone, but rather the emphasis should be made on income redistribution. Seers does not support the idea that, high concentration of income will reduce mass poverty, instead he insists on equal distribution of income. Seers argues that, income inequalities generate savings and investments, which are important in the promotion of economic growth and development: However, Seers continues to say that, income inequalities will not promote development or improve quality of life of people. If people do not have sufficient income to create a strong internal market, it is most likely that internal production will be affected. Seers argues that, it is not true that, income inequalities will always produce savings, because the rich people in developing countries do not spend their wealthy in their own country:


\(^{157}\) Ivi. pag. 154.
Il ricco di gran numero di paesi tende ad avere una propensione estremamente alta non soltanto a spendere, ma a spendere in beni e servizi con un alto contenuto con scambio estero e questo, per paese che soffrano di un’acuta strozzatura nello scambio estero, rappresenta un ostacolo principale allo sviluppo. [...] In ogni caso, in una società fortemente diseguale, il risparmio personale spesso fluisce all’estero o va in case di lusso o altri progetti di investimento di bassa o nulla priorità per lo sviluppo e neanche per la crescita. [...]158.

In conclusion, according to Seers, the objectives of development is to eliminate both, absolute poverty as well as income inequalities. A society with high levels of inequalities will not be able to remove mass poverty so easily, thus will fail at overcoming underdevelopment.


Seers in the above section, has given more importance to redistribution of wealth than economic growth. Chenery in his contribution, encourages the promotion of both economic growth as well as equal distribution of income. Early developmental studies were interested in one thing alone, economic growth; Intellectuals believed that, absolute poverty was caused by the lack of economic growth. They were convinced by fixing economic issues the question of income distribution would correct itself automatically. Chenery observed that, they forgot to take into consideration, internal differences between production sectors within developing countries. Productive sectors in developing world are of two types, modern and traditional sectors. Economic growth profited modern sector, which comprises of the few rich, while they overlooked the traditional sector, made up mainly of ordinary people.

The traditional sector in developing countries confronts many challenges, like, high rate of unemployment, partly caused by the rapid growth of population. Economic growth strategy has succeeded in offering qualified jobs, but majority of people from the traditional sector are not prepared for qualified jobs. Lack of formal employment, reduces the income of the people from traditional sectors. As a result many do not benefit from economic growth.

158 Bottazzi, 2009, op. cit., pag. 155
As a solution Chenery suggests that, “una distribuzione più equa dei risultati della crescita non ostacolava la crescita stessa, ma che anzi una maggiore equità favoriva la crescita”\(^{159}\). High concentration of the riches is harmful to the economy of the country itself. A society with massive inequalities would reduce the demanding capacity of the local market. To sum up the ideas of Chenery, it can be said that, both, economic growth as well as income distribution should be given equal attention. It is only when all the two are doing well that, absolute poverty can be eradicated.

4.3.1.2. Criticism towards human basic needs

The strategy of BHN came to be criticised for insisting much on industrialisation as a way to overcome underdevelopment. The process of industrialisation was criticised as it can create crisis, for in order to establish industries, they needed to acquire loans from rich nations. All in all, the process of industrialisation failed to make the economy grow. So also, because of the concentration on industries, governments gave more attention to urban centres neglecting rural areas. Those intellectuals who formulated the above critic, also offered an alternative to industrialisation and urbanisation. They suggested that, the governments should establish projects for rural development, which would be financed by the government itself. Improving irrigations systems, technology and creating a strong market for the farm produe. There should also be investments over human capital, like, “l’istruzione gratuita, la salute pubblica, i sussidi alimentari, la fornitura di acqua potabile e di servizi fognari”\(^{160}\). Both rural development projects as well as investments in human capital would stimulate economic growth.

Even though in the beginning HBN strategy was successful, but in early 1980s it began to lose its influence. Its decline can be attributed to the debt crisis and the adjustment done by IFM towards nations indebted to it. Most of the resources of the poor countries were spent in repaying the debt rather than improving social life of the people. However, some principles of the BHN have remained, especially in the projects undertaken by the NGOs and religious

\(^{159}\) Bottazzi, 2009, op. cit., pag. 156.
\(^{160}\) Ivi. pag. 138.
organisations. In time the strategy HBN gave rise to a more radical strategy, known as self-reliance.

4.3.2. Self-Reliance (SR)

The alternative theory of development SR, which came into existence around 1970s gives priority on the “fiducia nelle proprie capacità”[^161]. SR is a proper alternative theory of development, it is not a mere branch of the previous mainstream theories of development as it was always suggested by some of the intellectuals from the WB. Around 1970s, intellectuals from different fields conducted seminars, which led to the creation of a ‘manifesto’, in which SR came to be recognised as an alternative theory of development. The same manifesto defines SR as:

> [...] una di quelle espressioni che è entrata con forza nel dibattito sullo sviluppo del Terzo Mondo durante gli anni Settanta. La questione è semplicemente questa: i cosiddetti paesi in via di sviluppo non starebbero molto meglio se contassero di più sulle loro forze, sulla loro ingegnosità, le loro risorse umane e naturale e il loro super - fare? Il loro sforzo al livello locale, nazionale e regionale richiederà ancora qualche cooperazione con mondo esterno, ma essi diminuirebbero la pesante dipendenza che questi paesi sperimentano attualmente nel campo del commercio, della tecnologia e della finanza[^162].

The definition shows some connection between SR and dependency theory. Amin, (contributor of dependency theory – see chapter three), in his theory of transitional to peripheral capitalism, mentions international division of labour as responsible for the slowing down of economic growth of Third World countries. According to Amin, capitalistic mode of production has created two sub-systems, peripheral capitalisms (underdeveloped countries) and central capitalism (developed countries). Collaboration between the two groups, generates profit to capitalistic countries, while peripheral states have nothing to gain. Even though Third World countries export raw materials, they fail to generate sufficient capital to finance local projects, and as a consequence they become dependent on developed nations.

[^161]: Bianco, *op. cit.* pag. 143.
In spite of the similarities between dependency and Self-Reliance schools, some differences exist. For example, dependency theory in their explanation do speak on the dependence of the underdeveloped countries on developed countries, on the contrary SR encourages independence of underdeveloped countries from developed countries. SR strategy seeks to eliminate the state of dependency.

SR means, trusting your own capacities: developing countries have capabilities to be self sufficient. To regain back their lost freedom, developing countries need to do the followings: firstly, they should stop to cooperate with the countries at the centre. To do that there is a need “di autostima, di rispetto di sé (quello che i latino-americani chiamano dignidad), della fiducia dei propri valori e nella capacità di creare una nuova cultura”\textsuperscript{163}. Developing countries should try to acquire the capacity to be self producers, especially of food, so that it cannot be used as a weapon by the rich nations. Secondly, Third World countries should resist economic and cultural penetration from the Western societies through, “[...] una formazione indipendente delle preferenze, in modo da essere meno suscettibili ai gusti generate dal centro e soddisfacenti solo con beni del centro”\textsuperscript{164}. Thirdly, there is a need of “una certa assenza di paura, sia come una atteggiamento che come struttura di difesa: come una atteggiamento e una pratica di invulnerabilità”\textsuperscript{165}.

The SR is a complex concept, because of different opinions. Some of the versions of self reliance are, individual and collective SR, and moderate and non-moderate SR. Individual and collective SR: individual SR takes place when the strategy comes to be put into practice by a single country. Collective self-reliance: it is a sense of solidarity among the Third World countries. When they do not have sufficient resources to produce what they need, developing countries are encouraged to cooperate. They should exchange among themselves the necessary resources that they need. By doing so, they will not become dependent victims of Western countries. Collaboration with rich nations is not good to the economy of the developing countries.

\textsuperscript{163} Bottazzi, 2009, op. cit. pag. 162.
\textsuperscript{164} Ibidem.
\textsuperscript{165} Ibidem.
Secondly, moderate or non-moderate Self-Reliance: moderate Self-Reliance is known for its flexibility. It encourages for concrete results of the development projects, the outcome must be observed by the society. Non-moderate Self-Reliance is a hard line type of Self-Reliance and preaches detachment from the West. Developing countries ought to strengthened cooperation among themselves and not with the developed countries. In addition, non-moderate Self-Reliance is very critical with respect to the current world economic order, neo-imperialism.

Self-Reliance as a theory of development to overcome underdevelopment in Third World countries has the following characteristics; “[…] La dissociazione dal mercato mondiale; […] La cooperazione tra paesi poveri; […] La revisione interna delle strutture economico-produttive e sociali”.\textsuperscript{166} a) La dissociazione dal mercato mondiale: developing countries should not be controlled by the international markets, because it has been monopolised by capitalistic states. It is important for the countries under Self-Reliance strategy to satisfy first the need of their people, rather than to suffice those of the West. Intellectuals of the SR strategy believe establishment of your own (country) economic programmes would accelerate development, thus the existing development gap between South and North will gradually disappear.

b) La cooperazione tra paesi: it is said, ‘unity is strength.’ Underdeveloped countries are encouraged to cooperate together so as to confront the reasons of underdevelopment as a common enemy. Collaboration will increase their influence. Together they can speak against the problem of dependency and suggest for a more democratic system in international affairs.

c) La revisione interna delle strutture economico-produttive e sociali: In order to be successful in implementing Self-Reliance strategy, there is a need to restructure various systems within the country. The government has to mobilise the masses and take interest in developing their country using local resources and policies rather than relying always from Western countries. By doing so the goal of Self-Reliance of trusting in your own abilities would be fulfilled.

SR and HBN differ in the following ways: the former seeks not only to improve living standard of the people but also initiates transformation within

\textsuperscript{166} Bianco, \textit{op. cit.} pag. 144.
individual countries and in the World at large. Transformation of production systems and of the relationship between poor and rich countries. In a nutshell Self-Reliance is politically oriented. Instead the latter does not seek to bring changes in the production system, but rather aims at satisfying needs which are necessary for survival of life and which can make people live with dignity. HBN is not politically oriented.

Furthermore SR is different from the mainstream theories of development, it is an alternative theory. It is there to serve the people in rural areas. These are the people that Gadhi, Mao Zedong and Nyerere were preoccupied of. Self-reliance as a theory of development concentrated on the needs of the local society. It was not interested in serving the needs of the capitalistic countries. Intentions of self-reliance were to value the decisions, creativity, the use of material and resources of the local area. Modes of production applied were those which could allow the application of the local initiative, innovation and technology. “il principio economico di base era quello di usare fattori locali a produrre per il consumo locale”\textsuperscript{167}. The theory of development, self-reliance, was said to be “profondamento ant-capitalista”\textsuperscript{168}. Even though capitalism mode of production creates commerce, however it enriches business people. It does not satisfy basic needs of ordinary people in rural areas. One of the countries that did apply the strategy of self-reliance was Tanzania. The experience of self-reliance or \textit{Ujamaa} in Tanzania version has been discussed in the section below.

4.3.2.1. \textit{Mwalimu Nyerere: Ujamaa socialism}

\textbf{i) The person Nyerere}

The ideologies of self reliance in Tanzania were introduced in the country by mwalimu Julius Kambarage Nyerere. He was the first president of the country after independence from Britain. He is a well known figure in Africa and the world at large, because of his ideology of \textit{Ujamaa} socialism and his political views on the development of rural Africa. In addition he is

\textsuperscript{167} Bottazzi, 2009, \textit{op. cit.} pag. 165.
\textsuperscript{168} Ivi. Pag. 164.
respected for his contribution in the freedom struggle of many of the southern African countries. He was born on April 13, 1922 in Butiama village, on the eastern shore of lake Victoria in north west Tanganyika. His father was the chief of the small Zanaki tribe. He started school when he was 12. Later, he transferred for his secondary education to Tabora Government Secondary School. His intelligence was quickly recognized by the Roman Catholic fathers who taught him. He went on, with their help, to train as a teacher at Makerere University in Kampala (Uganda). On gaining his Certificate, he taught for three years and then went on a government scholarship to study history and political economy for his Master of Arts at the University of Edinburgh. He was the first Tanzanian to study at a British university and only the second to gain a university degree outside Africa. In Edinburgh, partly through his encounter with Fabian thinking, Nyerere began to develop his particular vision of connecting socialism with African communal living.

ii) Intellectual influence

Nyerere’s ideology of Ujamaa had been influenced by the ideas of Fabian Socialism and those of Rene Dumont.

a) Fabian socialism: it was a socialistic ideology of the Fabian Society, which originated in United Kingdom. It was founded on 4 January 1884 in London as an offshoot of a society founded a year earlier called The Fellowship of the New Life. The mission of the society was to spread socialism through democratic means. It did not want to impose their views by means of revolution, as has always been done in the past. They believed they can change the world through democratic means. Some of the socialistic views that Fabian Socialism was addressing are, to create a just society for the British workers, creation of a welfare state, cheap council housing, free medicine and dental treatment, free spectacles, generous unemployment benefits. Of course, for students from the colonies, like mwalimu Nyerere, it was a great attraction as the alternative to communism.

b) Rene Dumont: Many of the leaders in Africa after independence had almost the same idea on development, they: “believed that mass poverty could be attacked and eventually overcome by a natural growth in economy not
involving major structural changes”\textsuperscript{169}. It is believed Tanzanian’s leaders including Nyerere himself shared this false idea. Later Nyerere changed his ideas, when he came into contact with the views of Dumont on development of Africa. According to Dumont the world is at the threshold of a great famine; Africa shall be one of the places hit hard because of the false start (their starting point of development programme is wrong). Africa was moving so slow to break the chains which chained the continent to absolute poverty.

Dumont argues that, the cause of mass poverty in Africa is the “low productivity of farming labour”\textsuperscript{170}. The challenges of farming could be resolved through the transfer of modern technology from the West to Africa, however, since traditional African farming had been neglected for so long, modern technology will not help. Africans should make some advances in agricultural and economic sectors, before they can go for advanced Western technologies. Dumont also was critical to the way the first series of African leaders, because they acted like white colonial masters. They were paid highly, but they did not participate in fighting poverty in rural Africa.

Dumont advocated agricultural revolution in order to overcome mass poverty in African countries; it should be preceded by educational reform. The current educational system form intellectuals who are detached from the problem facing their motherland. They understood more about Europe and America than their country. “African children, observed Dumont sadly, eagerly walked many miles to go to school where they were taught to turn their backs on Africa”\textsuperscript{171}. Dumont advocated re-education of the whole society, top to bottom. African intellectuals and leaders should be ready to live in rural areas for vocational training of the farmers. African society has to have leaders who are not corrupt, in order to save rural co-operatives. Both ideas of Fabian socialism and the vision of Dumont for the development of Africa contributed to the building of \textit{Ujamaa} ideology of mwalimu Nyerere.

\textbf{iii) The concept of \textit{Ujamaa}}

\textsuperscript{170} Ivi. Pag. 10
\textsuperscript{171} Irene and R. Brown in C. Legum and G. Mmari. Pag. 9.
In chapter two, it was seen how scholars of the modernisation school neglected the contribution of the local culture and tradition in the process of development. They believed development can come only through the Westernisation process. On the contrary, mwalimu Nyerere believes that, Africa, and more especially Tanzania has something to offer in the international community. It is not necessary that Africans should sacrifice their culture and traditions in order to develop. Africans can take what is good from both the West and Africa and use them as a strategy to fight mass poverty, especially in rural Africa. “The result of his thinking was the development of *Ujamaa* ideology, understood as a synthesis of what was considered to be the best Africa could learn from modern industrialised states and the best traditions of African societies”\(^{172}\).

The word *Ujamaa* is a Swahili (national language of Tanzania and also is spoken in Kenya, some parts of Uganda, Rwanda, Burundi, Eastern parts of the Democratic Republic of Congo and also in Comoros islands) word which is derived from the verb root, “*jama’a*”, meaning to gether, to unite, to combine, to bring parts into a whole. *Ujamaa* stands for traditional kinship communalism existing in many rural communities in Africa. Though differing widely in extent from community to community this traditional communalism did not usually include communal production as a central aspect. When mwalimu Nyerere begun to identify the concept of *Ujamaa* with his ideology of Tanzanian socialism it still had a strong traditional connotation. But as it developed over the years and was translated into actual policies these connotations have tended to disappear, and *Ujamaa* is now almost exclusively understood to mean the contemporary Tanzanian socialist ideology and policies, with a strong emphasis on a state-controlled or collective production. Hence *Ujamaa* socialism “is an attitude of mind, and not rigid adherence to a standard political pattern, which is needed to ensure that the people care for each other’s welfare”\(^{173}\). *Ujamaa* is an expression of African sense of family. Therefore the united family gives rationality to African socialism in contrast

\(^{172}\) Irene and R. Brown in C. Legum and G. Mmari. Pag. 36.
1. Hereafter Nyerere, pag.
with Western colonial capitalism that makes the individual acquire wealth at the expense of the others.

iv) The policies of Ujamaa

The intentions of creating Ujamaa ideology in Tanzania were, the building of African socialism and making the country self-reliant. In order to achieve the two objectives Nyerere together with his government began a number of initiatives. In this work three of them shall be looked at, they are, nationalisation, villagisation and education for self-reliance.

a) Nationalisation

The government introduced the programme of nationalisation so that the major means of production in the country would come under the control of the state. The government expected that nationalisation programme would put to an end to the policy of private property, which was seen as an obstacle to growth and well-being of socialism. The traditional African culture did not have the concept of private property. According to Ujamaa ideology, the concept of private property is a capitalistic concept, introduced in the country during colonial era. In the Arusha Declaration (AD), the government vowed to mobilise state apparatus (police force, the army, and the administration) so as to overthrow private capital. The process of nationalisation was carried out in two phases; the first phase took place from 1960-1961, it was a gradual process of the state putting under its control major means of production. The government was slowly moving towards a state controlled economy. Then followed the second phase, which was carried out between 1967-1980. It was the phase of rapid nationalisation of the major means of production in the country. In general, the nationalisation programme took the following pattern: firstly, some companies were completely taken over by the government. The second category comprised companies in which the government was an equal share holder and the third category consisted of activities which were reserved exclusively for the public sector and activities requiring public sector majority
ownership. The table 4.1 below shows the companies which were completely taken over by the government.

Table 4.1.\textsuperscript{174}

<table>
<thead>
<tr>
<th>Companies taken over by the government</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Smith Mackenzie and Co. Ltd</td>
</tr>
<tr>
<td>2. Dalgety East Africa Ltd</td>
</tr>
<tr>
<td>3. International Trading and Credit Company of Tanganyika</td>
</tr>
<tr>
<td>4. Co-operative Supply Association of Tanganyika Ltd</td>
</tr>
<tr>
<td>5. Baumann and Co. (Tanganyika) Ltd</td>
</tr>
<tr>
<td>6. Twentsche Overseas Trading Company Ltd</td>
</tr>
<tr>
<td>7. African Mercantile Company (Overseas) Company Ltd</td>
</tr>
<tr>
<td>8. Wigglesworth and Company (Africa) Ltd</td>
</tr>
</tbody>
</table>

b) Villagisation

The main arguments for the creation of \textit{Ujamaa} villages can be found in a policy paper that Nyerere published in September 1967 entitled: \textit{‘Socialism and rural development’}. In this paper Nyerere examines the traditional communal life of the rural Africa, as he himself writes:

the traditional African family lived according to the basic principles of \textit{Ujamaa}. Its members did this unconsciously, and without any conception of what they were doing in political terms. They lived together and worked together because that was how they understood life, and how they reinforced each other against the difficulties they had to contend with—the uncertainties of weather and sickness, the depredations of wild animals (and sometime human enemies), and the cycle of life and death. The results of their joint effort was divided unequally between them, but according to well-understood customs. And the division was always on the basis of the fact that every member of the family had enough to eat, some simple covering, and a place to sleep, before any of them (even the head of the family) had anything extra.\textsuperscript{175}

\textsuperscript{174} Source: \textit{Biersteker}, 1980, pag. 230
\textsuperscript{175} Nyerere, pag. 106.
Mwalimu Nyerere was convinced that, if in the traditional Africa people could make a living and face challenges of life through communal life, then why not apply it to modern Tanzania. The current problems like mass poverty, underdevelopment and famine can be conquered by people living together and working together for the common good. In fact mwalimu Nyerere was proposing that,

Tanzania should move from being a nation of individual peasant producers who are gradually adopting the incentives and the ethics of the capitalistic system. Instead we should gradually become a nation of Ujamaa villages where the people co-operate directly in small groups and where these small groups co-operate together for joint enterprises.\(^{176}\)

Three approaches were used by the government in order to turn Tanzania into a nation of Ujamaa villages. They are the selective approach, the frontal approach and the use of force. a) The selective approach was conducted from 1967 to the 1970s. It was done by educating the people on the meaning and the importance of the policy of villagisation. In this first phase it was the government which took initiative of building Ujamaa villages. It provided the villages with schools, paramedical services, water aid for village industries, agricultural extension services, and in some villages even electricity was provided. They did so in order to encourage individual peasants to live in Ujamaa villages. But by 1970 they were less than 2000 villages in the whole country. The government realised that, people were not interested to live in Ujamaa villages, for that case, the government adopted frontal approach.

The frontal approach sought to mobilise government institutions as well as everyone into working for the realisation of turning Tanzania into a nation of Ujamaa Villages. Government officials responsible for the implementation of the policy became authoritarian, to the extent that some peasants were subjected to abuses and intimidations. Still the process of turning the country into a nation of Ujamaa villages was slow, thus the use of force approach came to be applied. It was in November 1973 when Nyerere made clear that he could not force people to be socialist, but his government will make sure that people

\(^{176}\) Nyerere, pag. 143.
in the rural areas live in *Ujamaa* villages. The government made use of state apparatus to force people move to *Ujamaa* villages.

c) **Education for self-reliance (ESR)**

Nyerere’s ideas on ESR can be found in his policy booklet which was published under the title ‘*Education for Self-Reliance*’. In this booklet Nyerere argues that, the education provided during colonialism and which is still being provided by the government does not help the government in transforming Tanzania into a socialist and self-reliant society. Nyerere condemned colonial type of education being elitist, individualistic, it was non-realistic and did not prepare people to be productive in the society. In his view education of Tanzania should first foster the social goals of living together, and working together, for the common good. For that education should aim at preparing young people to take active role into the development of their society, and not prestigious buildings and cars.

The second objective of education in Tanzania according to Nyerere should be preparing young Tanzanians to work in rural areas. The inherited colonial education aimed at preparing people for the white collar jobs in urban centres. Tanzania being a rural agricultural society, young intellectuals should be ready to make use of their education working together with peasants in *Ujamaa* villages, as mwalimu himself says:

> The education provided by Tanzania for the students of Tanzania must serve the purpose of Tanzania. It must encourage the growth of socialist values we aspire to. It must encourage the development of a proud, independent and free citizenry which relies upon itself for its own development, and which knows the advantages and the problems of co-operation [...]. let our students be educated to be members and servants of the kind of just and egalitarian future to which this country aspires\(^\text{177}\).

To sum on *Ujamaa* ideology of mwalimu Nyerere, the first president of Tanzania, it can be seen that in spite of the ideology being so popular internationally, yet in 1980s, *Ujamaa* policy had begun to decline. *Ujamaa* failed to make Tanzania produce; the state could not even provide people with

\(^{177}\) Nyerere, pag. 74-75.
basic human needs. In 1985 Nyerere stepped down from being the president, from there on, gradually Tanzania began to abandon Ujamaa socialism. All in all, the experience Ujamaa socialism created a stable and united society in Tanzania. Tanzania is one of the few countries in Africa that does not suffer from political instability and coup de tat, a phenomenon which is common in Africa. With a united society Tanzania has a strong platform from which she can now begin to build her economy.

4.3.3. Other strategies to overcome underdevelopment

4.3.3.1. Community-based development

Self-Reliance and community based development have something in common, which is, involving people in the development process. Self-Reliance, makes people participate actively in development process. Mainstream theories of development like modernisation and dependency, policies on development are planned by the elites and intellectuals, and the people have to put them into practice. It is top to bottom type of leadership, on top is the management and those who are at the bottom are considered to be uncivilised and incapable of making serious decisions.

People should be responsible for their own development; they ought to be involved fully in the process of development. Making the masses part of the development process is what community based development is all about. Development projects are of small scale, hence it is easier to make people become responsible and also it is easy to supervise. Being responsible, includes offering whatever they can, in order to make the project successful. For example, a donor country wants to supply wells in a particular village in Tanzania; people can participate in this project through manual labour: It is said, no one is self-sufficient that needs nothing, likewise no one is so poor that has nothing to offer. Making people part of the project is good because, they are the ones who live in the area, they know better their surroundings than anyone else.
Some projects are being designed by people who do not live in the area; they do not know exactly what people need. People in the poor nations have many needs, but all cannot be satisfied at the same time, there must be one which needs to be solved as early as possible: for example, if in a village people are in need of a road, health centre, school, clean and safe water, and electricity; it should be the people in the village to choose which problem needs quick intervention and not those people in authority who live elsewhere. Development projects which are localised and involve local people have always been successful.

The movement of community based development began to emerge in the development studies when multinational development projects failed to yield expected fruits or results. In the early stages of community based development, international organisation for development and economic intellectuals were sceptical of the strategy of community based development. They did not believe it can make a difference. As said before, multinational organisation projects did not produce expected results; the reasons for the failure were, firstly, the projects were too large to be monitored well. Secondly, donor nations used the central government as an agent to supervise projects, but failed because of intense corruption and mismanagement of funds. Since investments from donor nations were enormous but the results were little, slowly they began to be interested with the option of community based development. As said before it involved the people in need and the projects in themselves were in a small scale. By doing so help reached the people in need directly.

The anthropologists intellectuals were the first to conducting research on the benefits of community based development. They were based on agricultural sector in rural areas; they began a programme known as “sviluppo rurale intergrato”\textsuperscript{178}. In the early seventies the programme came to be supported by UNO (United Nations Organisation) and its agencies, and so the participated development began to spread in various parts of the world. World Bank (WB) is one of the agencies of the UNO that took many initiatives in

\textsuperscript{178} Bianco, \textit{op. cit.} pag. 193
sponsoring many development projects which encourage involvement of people. WB too supported these types of projects,

*per migliorare i risultati dei programmi della povertà, rendere i governi locali più reattivi, migliorare la fornitura di beni e servizi pubblici, e rafforzare la capacità dei cittadini di intraprendere attività di sviluppo auto-avviate, ha l’esplicito obiettivo di rovesciare le relazioni di potere in modo da dare voce ai poveri, permettendo loro di avere più controllo sulla assistenza allo sviluppo*.179

The community based development not only offered concrete way to fight poverty but also offered some theories on the same. Intellectuals like Amartya Sen (Nobel prize winner for Economy in 1998). Sen together with his counterparts showed that the nucleus or the core of development is not income alone but also capabilities. Capabilities “rappresentano la libertà individuale di acquisire ciò che consente di stare”180. The community based development often makes use of the concept of empowerment, meaning, “la possibilità di aver maggior controllo-potere sulla propria vita”181. Through empowerment, people acquire capabilities.

In its original form participative development was against theories of development, especially mainstream theories of development. It was also anti-colonialism and anti modernisation. However, later on it came to be criticised of being absolved by mainstream theories of development: firstly, it was criticised of making people appear to be at the centre of management of the poverty eradicating projects, but in reality the people had very little power to control these projects. Secondly, it was also criticised of overlooking conflicts within the society; the concept of community got much attention to the extent that, divisions and conflicts within the society were overlooked. Finally community based development was criticised of weakening political institutions of the Third World countries; because they insisted strongly on direct democracy and transparency.

**4.3.3.2. Economic growth oriented strategy**

179 Bianco, *op. cit.* pag. 194.
180 Ibidem.
181 Ivi. Pag. 195.
Economic growth oriented strategy is divided into two categories; the first category seeks to promote economic growth by creating export oriented industrialisation; the second category also seeks to stimulate economic growth by creating import substitution industrialisation.

i) Export oriented industrialisation

Export oriented industrialisation has been put into practise by the South East Asiatic countries, also known as Newly Industrialised Countries (NICs). These countries are famous for manufacturing electronic goods and clothes for the Western countries. They mainly export their manufactured goods, because Western industrialists have decided to manufacture their products outside their countries, because there they reduce the cost of production enormously. NICs have been turned into a factory for Western countries. NICs succeeded in doing business with the West in spite of their protectionist policies that they adopted in the early 1980s. NICs have been criticised for not respecting workers rights, especially for the women and children who are the main workforce. The level of industrialisation of NICs, is described as “[…] enclaves produttive per il mercato mondiale, con qualità e ritmi di lavoro che ricordano le prime fasi dell’industrializzazione inglese”\textsuperscript{182}.

NICs have the following characteristics; firstly economic characteristics, they have a good rate of income; their industries are flourishing; they export their manufactured goods; they have high rate of economic growth. Secondly, social characteristics of NICs; good quality of life, adequate education, many people work in modern industrial sectors, rather than in agricultural sectors. Export oriented industrialisation is criticised for overlooking workers rights, unfortunately the government do little to help the workers because their main objective is to be attractive to investors and to protect its interests.

ii) Import substitution industrialisation

\textsuperscript{182} Bianco, op. cit. pag. 135.
It is a gradual process of acquiring experience in the industrial sector. It is about the use of local technology and knowledge in the process production. It discourages importing manufactured goods from developed countries. Import substitution industrialisation strategy was difficult to be implemented because of, lack of skilled labourers, lack of technology and inability to create more employment.

4.3.3.3. Mass consumption strategy

The strategy follows the principles of Keynes on mass consumption. Intellectuals of this strategy believe that, poverty can be eliminated through agricultural and manufacturing reforms. Agricultural sector reform: Agricultural reform should be realised through land redistribution. The purpose is to empower small scale farmers. They should also be provided with proper instruments, however, they should make use of labour intensive technology. The results of agricultural reform is to increase production and create investments in general.

Agricultural reforms would not only help the peasants but also sustain light industries through the production of machines and other products necessary for farming. Agricultural sector should not be controlled by multinational cooperation, they produce to satisfy the needs of the West instead of the local community, so also they make use of advance technology which does not encourage employment.

The agricultural reforms has some disadvantages like, making the country dependent to the West through importation of agricultural technology. There will be migration of people from rural areas to urban centres, to work in factories. Thus creating lack of workers in the fields.

The reforms should include manufacturing sector too. It should be at the service of the people and not outsiders. People should be empowered so that they can afford to buy local products. Reform of manufacturing sector will increase the rate of employment in their country, especially to the unqualified people. The reform will also increase national income.
Mass consumption strategy also encourages relationships with other countries: under developed countries should trade with the West with their raw materials that the country produces, so that they can gain foreign currency, necessary to finance developmental projects. Relationship with the West will provide knowledge on various fields to the developing countries without taking away their independence.

The discussions in this dissertation have been concentrated on the mainstream theories of development as well as on the alternative strategies. All these theories had one objective to overcome poverty and inequalities in developing countries, even though they differed on the methodology on how to obtain the objective. In the following section that is conclusion, there will be a discussion on personal ideas on whatever has been discussed from first chapter to the last.
CONCLUSION

The conclusion of my study is divided into two parts. The first part is about the legacies of the mainstream theories and strategies of development and the second part is about personal opinions on the factors which can help to improve standard of living of the people in the Third World and also improve the economy as well.

On the legacies of the theories and strategies to overcome poverty in Third World countries. One of the objectives of this dissertation was to go through and analyse the two mainstream theories of development (Modernisation and Dependency) as well as the alternative strategies (Basic human needs and Self-reliance. Others are human basic needs, economic growth and mass consumption). In the present post-modern age one can ignore past theories and strategies under the pretext that, they are outdated and have no place or contribution today. Personally, I am convinced that, the mainstream theories and strategies of development still have something to offer in the struggle to overcome poverty and inequalities in the Third World; more especially in the sub-Saharan African countries, because these countries are still lacking basic needs for the people compared to their counterparts in Asia and Latin America.

One of the legacies of modernisation theory is the idea that, Third World countries cannot overcome underdevelopment and inequalities alone, they need to collaborate with the First World countries. The process of globalisation has made distances between countries look small. As a result, the interdependence between states is ever increasing. Developed world is in need of a developing world which is stable politically and economically. For example, African countries act as an important market of manufactured products from developed countries and from the fastest growing economies in the world; countries like China, Malaysia, Indonesia, India and many other. Collaboration between states is good and must be encouraged, however care must be taken so that all partners involved are profited from the international trade.
The legacy left behind by the dependency perspective is the idea that developing countries must be independent economically and politically. Even though collaboration between the West and the Third World must be promoted, but the economy of the latter must not be the reflection of the former. Developing countries must be in a position to grow their independent economy, by doing so they can interrelate with rich societies in a symmetric manner. That is the reason, why dependency theorists advocate the process of industrialisation in developing nations. Taking the example of sub-Saharan African countries, most of these countries have been flooded by cheap goods from other countries, but they themselves only export raw materials. They import more than they export. As a result the economic growth of these countries is at the mercies of other countries.

As for alternative strategies like basic human needs, self-reliance and the community based development, their legacy which must be cherished is by making man the centre of development. Development projects must be at the service of man and not to promote economic growth at the expense of man. The two mainstream theories of development have been formulated in order to overcome mass poverty through economic growth. They are convinced that through industrialisation the quality of life of people will improve. However big economic development projects done under mainstream theories have failed to touch concretely the lives of ordinary people. The alternative strategies also looked at the promotion of economic development in general but firstly, this was to be done through improvement of the quality of life of ordinary people. Economic development projects should be felt immediately by the population. It is common among African countries to hear that the economy has grown to a certain percentage, but these promising statistics data does not reflect the lives of ordinary people especially in rural Africa.

On the second part of the conclusion, I wish to present my opinions on the factors which can contribute in helping Third World countries improve their economy and quality of life for their people. Firstly, Third World countries especially those from Africa must establish small enterprises and also invest in agriculture. Small enterprises have the following characteristics, they use locally produced raw materials and they offer employment to the unqualified. Establishment of the small businesses, especially the once using
farm produce as raw materials, will increase income of the farmers. As it
stands now in Africa, most of the farmers practice subsistence farming, which
does not improve their quality of life. There is a need to commercialise
agricultural activities. So also small businesses will offer employment to the
may unqualified women and youth.

Third World countries especially those in Africa need to take into
consideration the following aspects of development. Firstly, the control of the
rate of population which is already high; high population rate brings down the
standard of living, because governments in developing countries do not have
sufficient resources to meet the need of their people. Secondly, Improvement
of education standards, especially vocational training. Education offered to the
youth should help them be self-employed since there are not many institutions
and industries to employ many people. Thirdly, promotion of the political
stability. Only when there is peace and tranquillity will people concentrate on
developmental activities. So also investors like to invest in countries which are
politically stable. Finally, to stop intensive corruption and embezzlement of
government funds. Corruption affects the lives of ordinary people. When
leaders squander funds for the construction of public hospitals and schools,
those who are mostly affected are the ordinary people. The rich can afford to
meet the expenses of privates institutions.

To conclude, personally I am convinced that, there is a need for the
people in the Third World states to promote personal will power in order
improve individual lives and the economy of their countries in general.
Intellectuals can formulate many good theories, so also much aid can be given
from developed countries, but all these efforts are useless if the people do not
have the desire to succeed in life. The present generation of the Third World
countries, especially sub-Saharan African states should be ready to sacrifice
their lives for the future generations. They should not work for themselves and
family alone, but rather for the sake of their country as well. It is said, ‘you can
take a donkey to the river, but you cannot force it drink water’. I hope through
this dissertation many youth from the Third World states shall be inspired to
make more efforts in their studies and work hard so that they can achieve better
standard of living and as a result promote economic development in their
countries.
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AD</td>
<td>Arusha Declaration</td>
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<tr>
<td>BHN</td>
<td>Basic Human Needs</td>
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<tr>
<td>CEPAL</td>
<td>Comisiòn Econòmica para América Latina</td>
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<tr>
<td>ECLA</td>
<td>Economic Commission for Latin America</td>
</tr>
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<td>EPR</td>
<td>European Recover Program</td>
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<tr>
<td>ESR</td>
<td>Education for Self-Reliance</td>
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<tr>
<td>FAO</td>
<td>Food and Agricultural Organisation</td>
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<tr>
<td>FRELIMO</td>
<td>Frente de Libertação de Moçambique</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
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<tr>
<td>IDEP</td>
<td>Institut Africain de Développement èconomique et de Planification</td>
</tr>
<tr>
<td>IFM</td>
<td>International Monitory Fund</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Office</td>
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<tr>
<td>II World War</td>
<td>Second World War</td>
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<tr>
<td>SR</td>
<td>Self-Reliance</td>
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<tr>
<td>OPEC</td>
<td>Organization of Petroleum Exporting Countries</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UNO</td>
<td>United Nation Organisations</td>
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<td>United States of America</td>
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