

10. The More Things Change, the More They Stay the Same

Ian Taylor

Professor in International Relations and African Political Economy, University of St Andrews

By Maria Dyveke Styve

A professor in International Relations at St. Andrews in Scotland, Ian Taylor is passionate about dependency theory and the need for alternative theories to be taught within the Economics discipline. His research interests include the political economy of sub-Saharan Africa, the history of Afro-Asian diplomacy and the notion of “rising powers.” He has written extensively on dependency theory, so I am curious to know how he got involved with research on dependency in the first place.

Well, with regard to dependency, I think the entry point was the study of Africa and Africa's political economy. I realised that many of the orthodox theories didn't really hold water. They did not explain very well why it was that countries in Africa, first of all, were so underdeveloped. Secondly, that African countries were so structurally weak in the global economy, and thirdly so dependent on commodities for exports. The structures of many of these economies were largely introduced during colonisation. I think that only when one understands these kinds of issues, then one can start to also understand why politics in the African context works in a certain way, why it is that since 1960 very few African countries can really be said to have developed successfully, and why the development that has occurred has been relatively dependent on external factors.

I've been looking at China's relationship with African economies for a long time, since I was a student at the University of Hong Kong actually. The more I studied the economic profile of China's relationship with Africa, the more I realised that it was in many respects replicating a kind of colonial model of exchange - and it wasn't really that different from how the French or the British traded with African colonies. This kind of

understanding also fits with the dependency theory explanation of, why it is that post-colonial countries are structured in a certain way, and why their relationship with the global economy is structured in a certain way. The more I was reading this literature, a lot of it from the late 1960s and 1970s, it became quite apparent to me that it was still highly relevant, and that the situation hasn't really changed that much. I just then began thinking, why it is that this literature is not discussed or treated seriously these days. I don't think it's because it is intellectually bankrupt or has no worth. I think it's simply because the hegemony of mainstream economic thinking, modernisation theory and just neoliberalism in general, has shunted aside this alternative approach to economic development. So that is why I became, and have become more and more, interested in looking at this and going back to the old sources. Some situations have changed and need to be updated and of course we have to look at things in the contemporary context, but it is quite striking how a lot of the stuff that these people were talking about is still very much pertinent to today's situation.

So what would you say are the key issues that are more or less similar, and what are the core areas that would need updating in terms of the theory?

The world that the dependency scholars were writing about in the 1960s and 1970s has changed. There is no Cold War, there's no division between the East and West, there is no ideological opponent to capitalism in terms of state formation. Of course, advances in technology mean that certain things can be leapfrogged in some respects, and technology does open up new opportunities for countries that didn't exist back then. However, I still think that the overall international division of labour has stayed pretty much the same. Africa's structural position in the global economy has not really changed at all, and in some ways it has gotten worse. The commodities terms of trade have declined massively, and overall, if one were to look at the literature from when dependency theory was popular and think about how it applies today, one would find that it does in many ways. For example, the structural position of African countries, the way comprador elites facilitate exploitation, and the way in which commodities totally dominate African economies' export profiles. Things are starting to change slightly with the Chinese building new railways and infrastructure, which may open up some new possibilities. But even just basic things, like if you look at a map of the African railways, they all lead to the coast as they were built in the 1960s. Therefore, there are some things that have changed, but a lot has stayed the same. I think these issues need to be analysed carefully, because otherwise you end up going down the modernisation route, or the liberal approach, which essentially blames Africans for "moral failure" or lack of something to explain why the continent hasn't developed. This is quite a dangerous position to take, because first of all it's blaming the victims in some respects and secondly, it's quite dangerous if you say it's something culturally inherent, there is

something “wrong” with Africa or Africans that explains why development has not been successful. When you objectively look at the situation, you see that the structural barriers and obstacles for African development remain very strong.

So what would you say are the political possibilities of breaking with patterns of dependency?

Well, I quite like Samir Amin’s arguments, and not just him, but also others, who argue that what African countries need to do is to prioritise development that benefits their own economies and their own societies. He calls it delinking, but delinking is not a call for autarky or putting the walls up and not dealing with the rest of the world. It's simply about prioritising the social, economic and political needs of each country, trying to guide investment and trying to control the activities of foreign investors and engagement in a way that benefits society as a whole. This doesn't necessarily mean a return to import substitution policies for example, but it does mean that each country and each government has to take control of its own destiny and not simply rely on the magic of the market. Rather, to focus inwardly and also expand and utilise the linkages that each country has with the outside world, and regionally with each other, to try to promote development. I think one of the interesting things about African economics, is that if you look at when African countries trade with each other, the quality of the trade, the quality of the economic activity, is much better than when they generally export to the outside world.

This is because they are not simply exporting commodities, and the terms of trade are not necessarily going down in perpetual decline. The countries trade with each other in a way so that backward and forward linkages to the economies are developed, where you have spillover effects from trade in terms of transport and services. All of these things are added when African countries trade with each other, whereas when they simply export their products to Europe, the United States or to China, then there is very little value-added. Money is made outside of the continent, and there is no real addition to developmental goals. So in that sense I think regional trade will also help. I think the fundamental thing is that African governments have to prioritise and manage the process so that development is central and everything is done to promote domestic capacity, building up industries, diversification, and so on. Because if you leave it to the multinationals or if you leave it to the external actors, then I think the exploitative relationships just carry on and nothing will change.

What are challenges when it comes to industrialisation? On the one hand, the WTO and bilateral trade agreements bar you from using a range of industrial policies, and on the other hand, if you diversify and upgrade, it

also means you have to compete with China. On top of that, there is the challenge of promoting a green path of development?

The African Economic Outlook for this year is entirely about the green economy, and how the environment needs to be prioritised in any development initiative, because in terms of global climate change, you don't want an Africa that is industrialising by contributing to climate change, because that will create further problems for the continent. But also in terms of ethical development, we have to be aware of the environment.

Concerning China, they are now domestically restructuring their economy, so that does provide some opportunities for Africa. Wages have gone up across China, and because of that, China is not going to be the workshop of the world. So, already we are seeing investors moving to other parts of the world, Ethiopia is one example. We however don't want a race to the bottom where they are only going to Africa because of cheap labour. You then need a strong host state, as the investors are obviously going there to make money. What you need is the state to control and guide these investments to try to promote backward and forward linkages. I was in Ethiopia a couple of weeks ago visiting some of these workshops, these industrial parks I should say, and it's quite impressive actually. The government has provided a lot of resources to build the facilities for these investors, and there's thousands and thousands of Ethiopians working at these factories now, including managers and accountants. The plan is to build a network of industrial parks across Ethiopia, the government is supporting this and the hope is that there will be spillover effects and skills transfers.

In terms of tax evasion and financialization, where do you see that within a dependency framework? Obviously, it's a clear example of resources being siphoned off, but in terms of being able to delink or being able to control those flows, it would take a lot of regional cooperation, am I right?

I think yes, all of this is possible, I think one of the problems is that up until now, the African Union and other regional organisations have not reformed as much as they can and should, and political commitment to develop and strengthen these institutions has been lacking. We are starting to see that changing, with Economic Community Of West African States (ECOWAS) and also in East Africa, with the East African Community becoming stronger. I would hope that the Southern African Development Community (SADC) moves in that direction, there are certainly some very keen governments there. Because once these regional organisations and even continental organisations decide on policies, and these policies are implemented, then the kind of wholesale capital flight from Africa can at least be addressed. The other side to this story is the role of particularly the British, their crown dependencies and their different islands in the West

Indies, the Isle of Man and elsewhere, which benefit the City of London, the financial system, and the global capitalist system. They make it very easy, despite all their rhetoric, for crooks to send their money overseas. Switzerland as well, of course. Tax evasion is not only an African problem, it is a global problem, and it's a problem of bankers essentially running the system in some respects, having immense political influence and power, and continuing this kind of system that extracts capital from Africa and other parts of the developing world and sends it to the North. Therefore, there is a lot of double standards when it comes to the developed world criticising corruption, because yes it is wrong, we know that, and we know that much of the political elites in Africa are corrupt. But they are like this because they are facilitated and helped by a financial system that allows this to happen. That needs to be addressed.

Do you think there is a greater space for opening up more radical politics today than there was during the Cold War? I'm thinking about Sankara in Burkina Faso, where there were many examples of real radical politics that took place but the leaders were literally shot.

Yes. I think Bob Marley said something back then that they shoot all the heroes. It is certainly the case if you look at the history of Africa, that every time you had an African leader who has tried to challenge the on-going system, going right back to Patrice Lumumba, Amilcar Cabral, Sankara, Nkrumah, of course, all of these were either overthrown in military coups or literally murdered, so it is a very dangerous thing for political elites in Africa to challenge the system. I think, nowadays, at least with the diffusion of technology and information, it would be more difficult for the CIA or whoever to get away with this type of behaviour. I think there are probably more opportunities now to challenge the system, but people still have to be very careful. You know, when you look at someone like Gaddafi (I was never a fan of Gaddafi by the way and I would never defend him), but it was very interesting how the West very quickly moved against him and simply got rid of him. So these things can still happen. And the French, of course, still play a very dirty role in Africa. Despite all the claims that they wanted to get rid of Françafrique, it is still very much there. I think if I was in French-speaking Africa and I was an African leader who wanted to challenge the system, I would be more nervous than in a Portuguese or English-speaking country. The French don't seem to mind getting rid of people they oppose. But as I say, perhaps with the technology, the news and just access to information, it might be harder than it was in the past. But of course, what you need is for these leaders to emerge. If you look at the levels of democratisation in Africa now, there is certainly a long way to go, but it is much better than it was in the past, political leaders are held to account more now than they were in the past. In the old days, presidents could change constitutions and nothing would be done, or they would be presidents for life and that would be accepted. Now

across the continent, whoever tries to extend their tenure and try to stay in power, they generally fail because there is a big civil society mobilisation. So that's a big change from when the dependency theorists were writing in the 60s and 70s.

So I have a set of questions that go back to more about the theory and some of the critiques. We spoke about this already, but why do you think that there are so few dependency theorists today?

I think academia follows fashions, and students will not normally be exposed to this type of literature. I think the hegemony of neoliberalism, and the neoliberal economic thought over the last 20-30 years, has acted like an intellectual straightjacket. As a result, if you go across many economics departments in America and also in Britain, they are totally dominated by mainstream, orthodox people just doing micro studies, using regressions, etc. No wonder it is called the dismal science.

I think the other explanation is that there has been a feeling that perhaps the success of the East Asian Tigers has killed dependency theory. That was certainly the argument put forward in the 1980s, and it coincided with the rise of neoliberalism of course, so people were able to point to countries like Singapore or Taiwan and say look, these previously colonial territories were able to develop and therefore dependency theory is wrong. I think the problem with thinking about dependency theory like that is that dependency theory is a tradition, it is not really a single theory. It is an intellectual tradition that is asking why it is that most of the underdeveloped world is made up of ex-colonial countries. That is a fundamental question, why is it that over time, they remain in this structural position in the global economy? Andre Gunder Frank said that development was impossible. In some of his writings, he changed his approach somewhat, but he did originally say that essentially development in the periphery was absolutely impossible. Of course that is wrong, you had dependent development in East Asia, but it is still very much reliant upon external demands. Furthermore, China, for example, is still very much reliant on the American economy, it hasn't really experienced independent development. Nonetheless, I think the East Asian Tigers are a reason why dependency theory went out of fashion for a while. That in combination with the domination of neoliberalism can explain why dependency theory hasn't really come back yet, although I think it is starting to.

What do you think of the critique that dependency theory is too static and deprives Southern states of agency?

No, I think of course it is very easy to caricature dependency theory as this static theory, but as I said: it is not a theory, it is an intellectual tradition, and dependency is dynamic and it is dialectical so I don't see it as being a static, fixed thing, where there is no

agency. You have to look at the agency and see what kind of agency is being exercised by elites in African countries and other parts of the world. A comparison can explain why they make certain political choices and decisions. Nevertheless, it is a dynamic process, it changes over time, and countries have evolved and have moved up the international division of labour. But I think the point of dependency theory is to argue that the structure of the world economy and the way that the world economy expanded from the 16th and 17th Century onwards, has meant that the challenges for late developers are absolutely immense, and that obstacles in the way of economies' ability to move out of this kind of corner, as it were, are still strong and profound. I think that is what dependency theory is really saying: it is saying that you have got to look at the historical structural conditions of postcolonial states, why it is that they have remained underdeveloped, and accept that there are certain factors, structural explanations, as well as of course, bad political choices and decisions. As such, dependency theory is not a static thing as far as I am concerned.

One of the real weaknesses of academia and the study of Africa, is that many scholars fail to look at the deep historical roots and structures that underlie and underpin the contemporary situation. It is almost like African countries became independent last week and now we're going to discuss the way forward. We can't do that, we have to take the long view to look at the way in which societies and economies developed and were inserted into the global economy, in some ways very violently, and the way in which societies were distorted and in some countries destroyed, or at least radically restructured.