

2. Dependency Theory: Its Enduring Relevance

Adebayo O. Olukoshi

Director, Africa and West Asia, International IDEA, Distinguished Visiting Professor, University of Johannesburg

By Maria Dyveke Styve

Professor Adebayo Olukoshi emphasises the relevance of dependency theory today in making our analyses informed by historical context and the importance placed on the role of power relations in shaping development outcomes. While pointing out some of the limitations of the theory, and the need to refine the approach to account for the changes in the international system over the past decades, he nonetheless points to the usefulness of employing the lens of dependency to understand enduring North-South inequalities. But before coming to the question of the relevance of dependency theory today, I'm keen to understand how Olukoshi became interested in dependency theory to start with.

Has dependency theory been an important academic influence for you?

I was introduced to underdevelopment and dependency theory very early in life. Before becoming an undergraduate student at Ahmadu Bello University in northern Nigeria, home at the time to the radical political economy Zaria School that drew some inspiration from and compared favourably with the vibrant Dar-es-Salaam School in Tanzania, I had had the opportunity in my secondary school History classes to take topics in West African history that included the European slave trade, the so-called “legitimate” trade in primary commodities which served essentially as a prelude to the colonial conquest, and the nationalist anti-colonial struggle that paved the way for independence. I was especially struck in those classes by the thinking and activism of historical figures like J. Africanus Horton, Edward Blyden, J. Casely Hayford, Nnamdi Azikiwe, Kwame Nkrumah, and Sekou Toure, to cite just a few of them, and the positions they developed at different points in time for the retrieval and assertion of the dignity of the African and the rebirth of the African world. Engagement with the thinking and recorded exploits of these activists paved the way for my introduction to

the broader, global pan-African movement, the debates that animated it, the options for action that were considered, and the linkages between the African Diaspora that emerged out of the slave trade and the struggles for national liberation and regional renaissance across the mother continent that unfolded after the Second World War. Thus it was that I delved into the life stories and writings of Marcus Garvey, Henry Sylvester Williams, Booker T. Washington, W.E.B. Du Bois, and others.

Following the completion of my secondary school education and entry into Ahmadu Bello University, my curiosity was fed - and my horizon considerably expanded - through the diverse range of seminars and courses on offer on campus at the time. The courses, in their design, mostly added up to a bold and gigantic enterprise in rethinking all aspects of Africa's past and present in order to build a transformational tomorrow. It was an enterprise that captured my youthful imagination and interest alongside those of my many contemporaries drawn from across different disciplines. We engaged, with the guidance of our professors who were themselves immersed in regular Faculty-based and university-wide discussions, in interpretative readings of the works of Frantz Fanon, Pierre Jalee (especially his *Pillage of the Third World*), Dani Wadada Nabudere (in particular, *The Political Economy of Imperialism*), Eduardo Galeano (*Open Veins of Latin America*), Segun Osoba (notably his 1977 essay "Decolonization in Nigeria as a Programmed Transition to Neo-colonial Dependence"), Kwame Nkrumah, and Walter Rodney whose book, *How Europe Underdeveloped Africa*, resonated extensively among us and reshaped our thinking. Through Walter Rodney, we got our introduction to Eric Eustace Williams' seminal work, *Capitalism and Slavery*.¹¹

To be sure, the radical thinking to which we were exposed in Zaria was not without its fair share of strengths and weaknesses. Indeed, amidst the collective commitment to the quest for a more just world that united the different authors we studied, it was also remarkable that they had many differences in approaches and analyses which we needed to wade through in order to make sense of the core premises of the broad school of thought to which they belonged. Engaging with the different works and the different perspectives they offered made it possible for me and my colleagues to formulate some of the questions that exercised our young minds and to which we needed answers. Some of the questions include the following:

¹¹ Pierre Jalée, *The Pillage of the Third World* (London: Monthly Review Press, 1968); Dani Wadada Nabudere, *The Political Economy of Imperialism* (Dar Es Salaam and London: Tanzania Publishing House and Zed Press, 1976); Eduardo Galeano, *Open Veins of Latin America: Five Centuries of the Pillage of a Continent* (London: Monthly Review Press, 1971); Segun Osoba, "Decolonization in Nigeria Programmed Transition to Neo-Colonial Dependence," *AAU: Afr. Stud. Rev.* 4/5, no. 1 (2006 [1977]); Walter Rodney, *How Europe Underdeveloped Africa* (Dar es Salaam: Tanzania Publishing House, 1972); Eric Williams, *Capitalism and Slavery* (Chapel Hill: The University of North Carolina Press, 1944).

- Was Africa always in a state of underdevelopment? If so why? And if not, when and how did the continent become underdeveloped?
- Why are some countries referred to as the first or developed world and others, like ours, described as the underdeveloped world?
- What explains the wealth of some nations and the poverty of others – even amidst plenty – and why are the rich getting richer and the poor trapped in perpetual poverty, if not getting poorer?
- Why do Africa's primary exports attract such poor and unstable world market prices, and who determines the value of the primary commodities, where and how?
- What is the relationship between underdevelopment, dependence, and neo-colonialism?
- What are the mechanisms and instruments by which underdevelopment and dependence are sustained?
- Is an autochthonous path to development still open to African countries and how might this be secured?
- Are there options for overcoming underdevelopment and dependence, and who could be the bearers of such a struggle for emancipation?
- Does international development assistance contribute to overcoming underdevelopment or perpetuating and reproducing it?

The search for answers to the questions that preoccupied us as undergraduate students led us inevitably into the debates that were going on in Latin America and elsewhere around the world about the state of underdevelopment in other regions and the crises of dependency which some non-African countries were experiencing. Andre Gunder Frank's easily digestible works were the initial prime points of entry for us but as we went into more advanced political economy classes, the writings of scholars like Fernando Henrique Cardoso, Enzo Falleto, Theotonio Dos Santos, Celso Furtado, Anibal Pinto, Osvaldo Sunkel, etc. became an important part of our menu of readings. We reviewed the texts produced by these authors alongside the series of analytic arguments made by the likes of Paul Baran, Paul Sweezy, Norman Girvan, and Johan Galtung, among others. The Singer-Prebisch thesis propounded by Hans Singer and Raul Prebisch and which served as a spur for many of the *dependentistas* whose works we were reading was also one which we debated just as we delved into the interesting perspectives offered by Immanuel Wallerstein's world systems approach, Aghiri Emmanuel's *Unequal Exchange*¹² and his fierce debate with Charles Bettelheim, etc.

¹² Aghiri Emmanuel, *Unequal Exchange: A Study of the Imperialism of Trade* (London: Monthly Review Press,

Samir Amin's prolific contributions, mainly drawing on African and comparative historical experiences, brought the core concerns of the *dependentistas* nearer home for us, as did Claude Ake's pieces on the continent's political economy, and the contributions of scholars such as Colin Leys. In the same vein, we dug into the different elements of the Dar-es-Salaam debates on Africa's underdevelopment.

Without any doubt, the underdevelopment and dependency school was a very broad house with different degrees of nuance among the authors. Nevertheless, it was an important foundational influence that was to shape my scholarship and the kinds of perspectives which I have sought over the years to bring to my understanding of the development challenges of our time in general and, more particularly, the enduring difficulties of transformation which Africa has been grappling with. I have endeavoured in my work to employ the insights offered by the dependency approach whilst striving not to be mechanical, reductionist, or trapped in an unhelpful rigidity. In so doing, I have striven as much as possible to deploy the key strengths of dependency theory in my writings, not least the accent which it places on the importance of historical context, the clarity it offers that underdevelopment is not an original state or a fatal condition, and its emphasis on the role of power relations in helping to shape outcomes alongside other factors. Reading Karl Marx and the works of succeeding generations of Marxists has been useful in helping me to infuse class analysis into my study of contemporary Africa – and in doing so, I have been able to find various meeting points between Marx and some of the leading *dependentistas*- that I believe has helped to enrich my understanding.

What were some of the key insights coming out of dependency theory?

For a body of thought that emerged with radical propositions that were in diametric opposition to the established and dominant Modernisation School, the dependency approach represented a breath of fresh air for all those who were eager for alternatives to the unilinear-evolutionist ideas of the former. Those ideas virtually implied that underdevelopment was a natural state from which African and other countries could only escape by rigorously copying and following *the* path – or an acceptable version of it - that had been trodden by the developed countries centuries back. Epitomized at the time by W.W. Rostow's book, *The Stages of Economic Growth*, the postulates of the Modernisation School tended to be as ahistorical as they were mechanical, devoid of attention to context, and premised on an unhelpful binary opposition of the "traditional" and the "modern". A one-sided and stylized reading of European/American development experiences bereft of politics and contradictions, and offered as a general,

universal story applicable to all humankind led to justifiable charges of ethno/euro-centrism against the proponents of modernisation approaches. Many were those from the school who conflated modernisation with westernisation and held up the “western” as the ideal of the modern against which all other experiences of development – or lack of it – were to be measured and evaluated.

The breakthrough in development thinking and practice which dependency theory offered laid in part in the argument that underdevelopment was and remains the outcome of a particular configuration of the relationship between the countries of the global North and those of the global South that worked in favour of the former and to the detriment of the latter. The issue at stake was not, therefore, one of finding a way to mimic the experiences of the developed countries or await aid from them in order to achieve a catch-up but of a wholesale redefinition of the relationships that produced development for one party and underdevelopment for the other. Based on this thinking, it also became clear that, in contrast to the unilinear evolutionism of the Modernisation School, and its implication of a globally uniform model of development in which one size fits all regardless of history and geography, there are in fact many different paths by which countries can achieve socio-economic and politico-cultural transformation so long as they are able effectively to renegotiate their position and role in the international division of labour. Samir Amin’s insightful contributions on the significance of the mode of integration of African countries into the world economy and the nature of their articulation into processes of globalization are particularly useful in this regard. They formed an important part of the rich debate that took place on the imperative and methodology of “de-linking” underdeveloped and dependent economies from a global system of accumulation that stymies their development prospects.

What were some of the key limitations of dependency theory?

It is to be expected that the dependency theory challenge to the Modernisation School would be met with stiff resistance from the adherents of the latter. In defence of their position, they accused the *dependentistas* of being too “ideological”, one-sided in their reading of the functioning of the global system, and autarchic in their prescriptions for change. The critics tended to forget that their own perspectives were no less ideological in orientation and partisan in favour of a *status quo* that seemed to offer no tangible exit from underdevelopment for most countries in the global South other than a commitment to a policy and politics of mimicry. The limited merit of the Modernisation School’s reactive critique of dependency theory was not, however, to say that the *dependentistas* did not have weaknesses in their approach with which they had to grapple. For me, one significant deficiency in much of mainstream dependency theory was the acute poverty of class analysis from which it suffered. Treating underdeveloped

countries as a collection of homogenous units vis-à-vis equally homogenous developed countries may have been convenient for the clarity of the analysis of the roots and dynamics of underdevelopment and dependency; the unacceptable cost was that the class relations underpinning the inter-related processes of domestic and global accumulation were lost from view. Attempts inspired by Johan Galtung's structural theory of imperialism to introduce a dimension of analysis of internal relations of power within centre and peripheral countries only helped marginally to address this deficiency without fully resolving it.

Furthermore, in the hands of some of its least nuanced exponents, dependency theory often ran into the risk of being a little too clichéd, rendered as a mechanical answer to the challenge of underdevelopment that left little or no room for a meaningful exercise of local agency. As with most social science theories that take on an omnibus character, development "success" and "failure", to whatever degree, were uniformly explained by the same variable: dependence. This shortcoming reinforced the overwhelming focus of dependency theory on the external determinants and drivers of underdevelopment/development, with little attention to internal factors that are at play and the ways in which both the external and internal get interwoven to shape policy and politics.

Dependency theory survived the Modernisation School fightback and the identified weaknesses in its own internal construct and logic to flourish through much of the 1960s and 1970s as the paradigm of choice. This was to continue until first, the neo-liberal triumph of the late 1970s and early 1980s onwards, and then the collapse of the Berlin Wall, the Soviet Bloc, and the dissolution of the Soviet Union itself, created a wholly different global context which some were to characterize as marking the end of history and the decisive triumph of liberalism as the only meaningful path open to humanity. Amidst the triumphalism of the West over the collapse of the communist experimentations in the old Soviet Bloc, the reunification of Germany to symbolize the end of the historic East-West Cold War, the widespread economic crises bedevilling the debt-distressed countries of Africa and Latin America especially, and the imposition of IMF/World Bank structural adjustment programmes on most of the countries under the banner of a "Washington Consensus", the very idea of development came under severe assault. Some neo-liberals were to suggest that development as such was dead and that in matters of economic growth and social change, there was no other alternative open to the countries of the South other than to embrace wholesale market liberalisation.

The 1980s and 1990s were years of ascendancy for neo-liberalism and as development thinking and practice, including national and regional socio-economic planning went

into recession, dependency theory also seemed to become less fashionable among scholars and policy intellectuals as the business of gazing at inflation and monitoring various macro-economic indicators became the main game in town. However, to be out of fashion was not necessarily to be irrelevant. Structural adjustment was, at heart, a reorganization of the basis for accumulation both domestically and globally on the back of a broad-ranging market liberalisation effort. Domestically, labour has been consciously pushed and social policy retrenched and pushed back in favour of capital and the quest for super profits. Internationally, liberalised economies in Africa, Latin America and Asia have been integrated into a reconfigured global model of accumulation in which finance capital and the array of speculative dealers organized around it have assumed a leadership role. Not surprisingly, domestic inequality has expanded alongside continuing poverty and the gaps between the global North and global South have remained, only slightly mitigated by the re-emergence of a China which has propelled its socio-economic transformation by pursuing a carefully controlled policy of central planning and selective opening, the direct opposite of the open economy liberalisation which most of the other countries of the South have followed under pressure from the international financial institutions and bilateral donors.

Before the re-emergence of China as one of the leading actors in the global economic system and the consolidation of its role as a pole of growth in the world, dependency theory was under pressure to come to grips with the fact of the rise of the East Asian Tigers. Not a few critics suggested in the course of the 1980s that the stories of socio-economic transformation that countries like South Korea, Malaysia, Indonesia, Singapore, and Taiwan were witnessing in differing degrees undermined the arguments of the *dependentistas* by showing that it was possible to develop without necessarily exiting the existing global order. A huge industry was to grow around the experiences of the developmental states of East Asia and what set them apart from other states in the global South. In self-defence, partisans of dependency theory were to argue, inter alia, that the East Asian model was heavily externally underwritten by the United States in its global geo-political strategy and ideological drive to stem the spread of communism, depended heavily on an export-led model built on preferential access to markets, thrived on the suppression of wages and workers' rights, including an army of super-exploited young female workers, and was built on a highly repressive and authoritarian political system. The implication of all this, according to the *dependentistas*, was that the so-called East Asian miracle was an exception borne of very particular historical circumstances and, therefore, not replicable for other countries seeking to break out of underdevelopment. Moreover, the initial mass impoverishment accompanied the change process in the East Asian countries combined with the high-handed treatment of

labour by the state and capital to make the East Asian experience not particularly appealing.

The critique of the East Asian Tigers delivered by the dependency school in defence of the basic premises of its thesis was not without foundation. Over a prolonged period of time, political authoritarianism was, indeed, a flipside of the effort at economic transformation and the rate at which the poor were lifted out of poverty was certainly slower than what was subsequently seen with the Chinese experience from the 1990s onwards. Still, like the Chinese example, the East Asia economic growth story and the social and political reforms that were to follow did suggest that the issue at stake was not so much that no development was possible at all for the countries of the global South within the prevailing international division of labour as that only a particular type of development could take place. Although a stream of dependency theorists did make reference to the possibility of a “conditioned” type of development within the global capitalist system, it is fair to suggest that that notion was itself cast within a framework of overall dependence which did not envisage the feasibility of a country like South Korea moving higher up the ladder in the global order of accumulation than many of the countries in the global North. It is precisely on account of this and the re-emergence of China, that some have argued that the old North-South divide in global affairs is obsolete as economic influence has been diversified with the rise of new major players in the global South – just as international geopolitics has also become multipolar.

What would you say is the relevance of dependency theory today?

While there can be no doubt that the world has witnessed tremendous change over the period since 1945 when the current global order was established, it is important to keep in mind that old lines of inequality still remain broadly in place in spite of the advances made by China and the East Asian countries, the emergence of new configuration such as the BRICS (Brazil, Russia, India, China and South Africa), and the relative decline in the influence of some of erstwhile economic powerhouses such as Italy, Spain, Portugal, etc. Although, thanks to China, the absolute numbers of people defined as living in poverty has gone down significantly, the global South is still overwhelming home to the largest numbers and concentrations of poor countries and people as compared to the global North. The continuing heavy dependence of many of the countries of the global South on raw commodity exports and their attendant disproportionate vulnerability to trade-related external shocks speak to their dependence. The terms of trade of the majority of the countries of the global South remain highly problematic and the open economy liberalisation policies that they mostly embraced during the 1990s in the name of structural adjustment. The magnitude of the illicit finances that flow out of the lesser developed countries, deepening domestic inequalities amidst an enduring overall North-

South inequality, and disproportionate vulnerability to the effects of climate change are just some of the problems which suggest that dependency theory is yet to be consigned to the dustbin of dead ideas.

Clearly, although the world has not been static and there is a general dynamic of change at play, some of the fundamentals of the system have remained intact – and the bottom rungs of the global ladder of accumulation continue to be occupied overwhelmingly by the countries of the global South. Dependency theory in its original form may be in need of refinement to accommodate the changes that are taking place in the international system but its basic principles offer inspiration for those interested in driving an agenda of reform towards a more sustainable order at a time when a rampant financialization underpinned by speculation to the detriment of production has already produced the worst global economic disruption since the Great Depression.