

## 8. The Political Economy of Africa and Dependency Theory

### Patrick Bond

*Professor of Political Economy, Wits University*

By Ushehwedu Kufakurinani

*This chapter is based on a fascinating discussion I had with Patrick Bond over Skype on the 12th of August 2016. In the discussion, Bond gives his own understanding of dependency theory and its explanatory power, and explains some of the limitations of the theory. Patrick Bond is based in South Africa and is professor of political economy at the Wits School of Governance. He also holds a position as Director of the University of KwaZulu-Natal Centre for Civil Society in South Africa. He is a prolific writer whose areas of interest cover a range of subjects that largely explore the political economy of Africa.*

### **Interpreting and Contextualising Dependency Theory**

For Patrick Bond, the simplest explanation of dependency theory is that the North gets richer the more it exchanges with the South, which in turn gets poorer because of a value transfer. This value transfer happens as African countries import capital and consumer goods with high surplus value while they export local products with low value. A more complex version of dependency theory, which was worked out in Brazil among other places, articulates the problems related to dependent and weak economies without the ability to form backward-forward linkages.

For Bond, the 1980s brought in new ways of understanding uneven development that contributed with interesting insights about extreme inequalities in Africa, among other things. A core understanding on dependency theory has also been developed based on an examination of colonial power relations in Africa, dating from King Leopold's Congo, the plantation systems, and settler colonial taxes, to exploitation related to multinationals of this day. Samir Amin picked up these ideas and improved on dependency theory. Bond believes the theory remains relevant even more so today because the North-South system of extraction is more extreme and complex, for

example due to international trade.

### **Explanatory Power of Dependency Theory**

The explanatory power and the relevance of dependency theory lie in its ability to show and explain power relations. A number of examples can demonstrate how the theory remains relevant. Bond referred to HIV/AIDS which he considers to be one of the biggest threats to Africa. he noted that drugs for AIDS, which were developed in the North, were heavily priced in the 1980s and 1990s at 15 000 USD per person per year. African countries depended on the North for HIV/AIDS medication and this syphoned off their financial resources. Today, however, most African governments have facilities with the United Nations that allow for access to AIDS medicines for free after some heavy advocacy.

Bond also drew on other examples to which dependency theory can be applied. He referred to the Zimbabwean migrant labour system. Northern capitalist systems with sophisticated extraction systems like mining houses or big plantations can find ways of attracting African labour that is ultra-cheap, and they usually depend on women who are reproducing labour power and subsidising the capitalist system through their social production. Dependency continues to manifest itself in a variety of forms, including the manner in which medical and pension systems are developed and executed, with greater benefits accruing to big multinationals rather than to workers. For Bond, such cases underscore the continued relevance of dependency theory.

Dependency theory is even more relevant if we are to understand the relationship of Africa with the BRICS countries (Brazil, Russia, India, China and South Africa). Bond notes that this relationship can be contextualised within dependency theory in two ways. Firstly, the systems of exploitation are more amplified because when the Chinese, Brazilians, Indians, Russians and South Africans work in Africa they are more extreme and exploitative than Western countries. The latter have systems of accountability, shareholders, corporate responsibility and there are even groups that campaign against systems seen as unjust which are imposed by the World Bank and other international institutions. Such involvement is limited when it comes to BRICS and their relations with Africa. It seems BRICS countries' main objective is simply extraction and maximum exploitation.

Bond gives the example of a manager of an Indian company based in Zambia who is on YouTube at a publicised event boasting that they bought a copper company for 25 million and now they were making 500 to 1000 million dollars a year. Bond also referred to the case of Zimbabwean diamond production which was dominated by

Chinese capital and operated under shady deals and connections between the Chinese and corrupt government ministers. The country lost some \$15 billion and was only able to account for \$2 billion. Bond is of the opinion that the exploitation of Africa and her resources by the BRICS is much more amplified by the companies from these countries which are desperate because the rate of poverty is worsening in their countries of origin and in some cases their dependency on raw materials is much higher.

The second way in which dependency theory can be contextualised is by the manner in which the BRICS have operated in relation to both the North and South. According to Bond, the BRICS have become “sub-imperial deputy sheriffs for world imperialism,” through their role in the World Trade Organisation, the IMF, and the Paris Club. For Bond, this is clearly articulated in the manner in which the BRICS have been helping to propel multilateral imperialism as sub-imperialists with a regional accumulation agenda. South Africa, for example, has helped legitimise multilateral institutions in the region that reflect the interests of the North.

Another aspect of the dependency theory that Walter Rodney and other scholars refer to is the aspect of the petit bourgeoisie in Africa. Dependency analysts observed that there was a problem in the corporate world when the African elite made alliances with the Global North. Bond referred to South Africa’s former president Thabo Mbeki as one extreme case because of his New Partnership for Africa’s Economic Development (NEPAD), which is a brainchild of the West seeking to promote and legitimise neo-liberalism. For Bond, Mbeki is not critical of the nature of the relationship between the West and Africa and sees nothing illicit in the trade relations. What Mbeki advocates is a fairer trade relationship between the Global North and the South without attention to structural relations that make the latter poorer and poorer.

As such, dependency theory has its greatest strength in the effort it makes in understanding the material conditions of the Africans. This is in contrast to post-coloniality theories, for example, which make little effort to understand these material conditions in which the reproduction of African poverty occur. Such theories are satisfied with simple descriptions of some other contingencies associated with development without getting to the root of the causes of Africa’s underdevelopment.

### **Limitations of Dependency Theory**

Despite its explanatory power in understanding the operations of multinationals, there has been a very low subscription to the theory by scholars over the years. This can be attributed, explains Bond, to how mainstream economics conceptualizes theory. For him, the discipline of economics is so censorious that it is impossible to have a healthy

discussion on issues of global power relations and their impact on African economic development. Usually, Bond explains, these issues are discussed on the side-lines and not in mainstream economics discussions. To increase interest among economists in dependency theory, Bond proposes that the theory should be discussed in relationship to structural inequalities as well as the concept of uneven and combined development. In this way, dependency theory would be more robust to changing trends.

Nevertheless, dependency theory is not without its own challenges. Bond observes that dependency theory tends to emphasise the material aspects of understanding development at the expense of social aspects or elements of post-colonial theory by scholars such as Achille Mbembe. Dependency theory, and the political economy tradition at large, focuses only on those aspects that are deemed necessary for the reproduction of the system and for Bond, “usually culture and identity are not necessary but are contingent, they change from place to place.” For example, race and racism is different in North America, Zimbabwe or South Africa. Race is contingent and not structural in the way capitalism is. Gender, race, and ethnicity can be brought in to understand specific ways in which capitalism plays out. In this way, Bond therefore rejects the perceived neglect by dependency theory of cultural/social and ideological issues. Indeed, Bond’s explanations suggest that these issues are not neglected, but are brought in to explain very specific issues in our understanding of the workings of capitalism. Gender can, for example, be brought in to understand the colonial labour migrant system in which the women reproduce labour for capital and thereby subsidise the capitalist system.

To a certain extent, Bond recognizes that dependency theory is still epistemologically trapped within a framework that favours modernist notions of progress that are still Eurocentric. Notions of GDP or labour theory of value and how it is applied in Africa, for example, are very much entrenched in Western notions of progress. Dependency theory does not deviate in its perceptions of progress as it embraces ideas of ‘modern’ infrastructure, roads, schools and modern lifestyles that involve access to electricity and other facilities. For dependency theory, these modern attributes can be achieved by a non-capitalist system. Nevertheless, Bond cautions against the use of the term Eurocentric and the attributes associated with it. For example, to say that Africans should have clean air or water is not necessarily Eurocentric. Africans pursued clean water even before their contact with Europeans.

Bond notes that some scholars are of the view that dependency theory died in the 1970s. This death was partly because of the failure of dependency theory, for example, to explain the rise of the Asian tigers, namely Hong Kong, Korea, Singapore and Taiwan.

Dependency theory assumed that if you were a poor country and depended on the capitalist West, you could only become poorer. Yet the Asian examples demonstrated the possibility of dependent development in spite of their integration in the capitalist western world. For Bond, this is why the theory of uneven development becomes a better alternative as it helps to understand why some countries remain poor because of their ties to the West and its capitalist system while others manage to make it in spite of their ties, because they master the conditions for accumulation.

### **Conclusion**

This chapter has captured several observations made by Patrick Bond on dependency theory, its explanatory power and some of its limitations. Bond has demonstrated how the theory remains relevant in understanding the structural problems faced by many African countries. He, however, believes that a remodelled dependency theory in the form of the concept of uneven and combined development is much more relevant to explain emerging trends in the region. As shown, though dependency theory has been accused of failing to address issues such as race and gender, Bond feels that this is not fair because these issues are contingent as they take various forms from one space to another. The dependency theory, argues Bond, deals with the constant variables whose expressions can be in various contingent forms.