

Introduction: Why Should We Discuss Dependency Theory Today?

Why write a book about dependency theory today? Most economics students have either never encountered the theory in their curriculum, or have only heard of it as a theory employed in the past. As a group of young scholars interested in how global economic structures and historical conditions influence the political economy of developing countries, we want to explore what relevance dependency theory can have today. With the rise of neo-classical economics in the 1980s, dependency theory became marginalised and was ultimately cast aside. This happened despite its popularity in the mid-20th century, particularly in the Global South. Using this collection of interviews with various scholars, we hope to inspire students and academics to revisit the key tenets of dependency theory and consider how some of the original work can be used to examine the persistence of global inequalities today.

Dependency theory grew influential in Latin America in the 1960s and 1970s, largely in reaction to modernisation theory and free trade policies, which originated in the West. The proponents of modernization theory claimed that underdeveloped countries were held back by certain cultural characteristics, or their lack of adherence to specific economic policies that followed given “stages of growth”. While a variety of perspectives existed within the broad school of dependency theory, they all rejected modernisation theory’s ahistorical approach to development and criticised its failure to account for the importance of the role of global economic and political structures.

One of the key tenets of dependency theory is its attention to the role of history and, in particular, the role of colonialism in constructing the positions of different countries within the global economy. Analysis of why a country occupies a certain position within the world economy should therefore begin at the global level. Dependency theorists argue that, beyond the end of formal colonialism, the value transfers of profits have continued to flow from the Global South to the North. This implies that the “core countries” of the North continue to benefit from their extraction of wealth from the “peripheral countries” of the South. Within such a framework, the underdevelopment of countries in the South can be explained via their continued exploitation at the hands of the North, rather than only by way of internal policy failures.

At this point, however, the different strands of dependency theory begin to diverge. Those who follow Andre Gunder Frank's theory of "the development of underdevelopment" argue that development in core countries always produces underdevelopment and poverty in the periphery. On the other hand, the proponents of "dependent development," following Cardoso and Faletto, and Peter Evans, argue that, with the right policies (albeit not those recommended by modernisation theorists), a limited form of developmental catch-up is possible within the system. Dependency theory also encompasses world systems theorists and structuralists. And, in fact, some regard dependency theory as more of an approach than a theory, which becomes apparent upon reading some of the interviews in this collection.

With the interviews contained in this book, we aim to explore the degree to which different strands of dependency theory can explain underdevelopment. In particular, we want to develop an understanding of the theoretical elements academics find useful today, as well as examine their limitations. While we tried to engage with as many scholars and major theorists who employ dependency theory as possible, we could not obtain interviews with all of them. The collection should therefore be considered as a window into some possible ways of thinking about dependency theory's relevance today, rather than a complete overview.

Dependency Theory: Tensions and Contradictions

Our contributors disagree on a number of key fault lines when it comes to both analysing the mechanisms that sustain relations of dependency and the possible ways of changing these relations.

Divergences emerge on fundamental questions about the nature and history of capitalism. For instance, Samir Amin argues that capitalism only took on its full economic form with the industrial revolution in England, and politically with the French revolution. *Dependencia* scholars, however, go back to the start of colonisation in the 1500s to examine the roots of the capitalist nature of Latin American countries, and their position as peripheral economies as they were integrated into the world economy. Nonetheless, Amin and *dependencia* theorists agree that the way Latin American countries were positioned as peripheries within the global system made it difficult for them to catch up with advanced countries.

Another fault line lies in how the different scholars we interviewed interpreted development, and the extent to which development is possible under capitalism. Some, like Ian Taylor, argue that industrialisation is necessary and that the capacity to industrialise is still available, pointing to Ethiopia as an example. Others, such as Peter

Evans, argue that industrialisation no longer provides adequate employment opportunities, and that the development of service sectors offers more potential in terms of job-creation. Yet others, such as Samir Amin, emphasise other aspects of development such as national autonomy, rather than simple (peripheral) industrialisation, while Ramón Grosfoguel argues that the term ‘development’ itself is inherently problematic, and that economic development is not possible within the current system at all.

Whether the key mechanisms that underpin relations of dependency are primarily economic or if political, social and epistemic mechanisms are equally important, is also an area of tension between the scholars in this book. On the one side, we find Patrick Bond, who argues that we need to understand the material conditions of the system to analyse the causes of the reproduction of African poverty. On the other side of the spectrum, we find Ramón Grosfoguel, who argues that reducing the analysis to examine only economic and material conditions is a fatal mistake. He argues that the system needs to be analysed as a whole. For instance, sexism and racism are among its organising principles, just as capitalist profit-seeking is. Thus these various inequalities cannot be disentangled from one another. Sabelo J. Ndlovu-Gatsheni echoes similar sentiments in his discussion of decoloniality, an approach that builds on, but also goes beyond, the dependency framework. Ndlovu-Gatsheni indicates that dependency theory was limited by its Marxist outlook, which did not accommodate epistemological and ideological dependencies that contribute to underdevelopment in the Third World.

Furthermore, the role that local elites play in perpetuating relations of dependency is brought up in the interviews with Rex McKenzie, Sabelo Ndlovu-Gatsheni and Miguel Centeno. Both McKenzie and Ndlovu-Gatsheni draw on Franz Fanon when considering how colonial systems and mind-sets are reproduced by local elites after formal independence. This is another example of looking beyond economic structures to understand relations of dependency.

The relationship between the local and the global is another point of contention, or at least a topic where the differences in emphasis by the interviewed scholars become apparent. While all agree that there is a dialectic relationship between the global and local, there is disagreement regarding the strength of global structures, which form the context within which countries operate. This, then, has implications for how these scholars view the possibility of changing a country’s position within the world economy. While most consider global structures to be crucial to perpetuating dependence, many still propose solutions along national, rather than global, lines (Evans and Grosfoguel are the only scholars, among those interviewed, that explicitly propose solutions at the

global level). This is a contradiction inherent in much of dependency scholarship.

When it comes to the question of whether it is necessary to break with relations of dependency, and if so, whether this is possible and how it can be done, the scholars interviewed take different views. Peter Evans, for example, argues that there is a need to change the global rules of trade and investment, and that the strengthened position of countries like China and Brazil has meant that developed countries can no longer dominate the rule-making processes. Vernengo, on the other hand, argues that building strong and effective domestic institutions can drive improvements for people in developing economies, even within a structure of dependent development. Meanwhile, Samir Amin emphasises the importance of national popular projects, and the potential for *delinking* to create space for more autonomous development. Amin's idea of delinking is not synonymous with autarky, but refers to a project that aims to compel the system to adjust to peripheral needs, rather than adjusting to align with the needs of the core. The call for more radical solutions comes from Ndlovu-Gatsheni and Grosfoguel, who, through the analytical lens of decoloniality, call for moving beyond Western-centric modernity. Ndlovu-Gatsheni describes this as a move to “de-patriarchalise, de-racialise, de-tribalise, decolonise, de-imperialise and democratise”.

Related to the issue of breaking from dependence is the discussion of the few countries that have managed to make the transition from periphery to core. The rise of the East Asian countries is highlighted in almost every interview. Evans explains the rise of South Korea through its comprehensive development strategy, including redistribution of land, human capital, and indicative industrialisation (“dependent development”). Others, such as Vernengo and Amin, argue that the rise of South Korea was only possible due to US support, resulting from the communist threat of North Korea. Notably, Evans does point out that the context within which South Korea now finds itself leaves it with little room to manoeuvre. He also notes that the country's ability to continue to deliver social protection is limited, and therefore does not consider South Korea to represent a viable development path for other periphery countries to follow. Vernengo also highlights the US as a historic example of a less developed, raw materials exporter that managed to obtain a dominant position in the world system, with the emergence of the dollar as the international reserve currency. The cases of South Korea and the US appear exceptional, as they did not face limitations in the form of global exploitative structures, which periphery countries are currently dealing with.

Critiques of Dependency Theory Emerging From This Collection

Most of the scholars interviewed point to areas where dependency theory needs to be expanded or refined. For Adebayo Olukoshi, the main limitation of what was

mainstream dependency theory was an acute poverty of class analysis and a tendency to treat underdeveloped countries as a collection of homogeneous units, without attending to the complex class relations underpinning both domestic and global accumulation processes.

Grosfoguel and Ndolvu-Gatsheni argue that decoloniality builds on the key tenets of dependency theory, while also expanding it to include other key elements such as racism and sexism, in order to inform a fuller understanding of the logic of the current world system. Grosfoguel also mounts a critique of dependency theorists for a lack of consistency between their diagnosis of the problem and the solutions offered. While these scholars emphasised the importance of global structures in the continued exploitation of the South, they still considered the nation-state the necessary locus of action for challenging these global structures. Grosfoguel argues that the solutions need to be global if the roots of the problems are global. Local and national actions are necessary for change to occur, but they are not sufficient by themselves.

Some Unorthodox Applications

While dependency analysis tends to be confined to the study of economic relations between the Western core and the Third World periphery, a number of less common applications emerge from the interviews. For example, Bond emphasises the usefulness of dependency theory when analysing emerging South-South relations and the dominance of BRICS. Bond argues that the BRICS-countries operate as “sub-imperial sheriffs” of world imperialism, and that South Africa, for instance, has used its regional influence to legitimise multilateral institutions, which represent the interests of the North, within Africa. Honita Cowaloosur emphasises the complex nature of how Chinese special economic zones function in Mauritius and several other African countries. She illustrates how Gunder Frank’s conceptualisation of core and periphery is useful in this analysis, but notes that it must be adapted to understand the Chinese operations.

Furthermore, McKenzie points to how the plantation economy in Caribbean countries can usefully be conceptualised through a dependency lens, and how the notion of the plantation as a “total institution” is insightful when analysing the current challenges in the region. László Bruszt highlights the usefulness of dependency theory when analysing intra-European relations after the Cold War. He argues that the peripheral positions of many Eastern European countries have to be analysed individually, as there are variations in the situations of dependency in different countries.

Conclusion: Is Dependency Theory Relevant Today?

While the interviews show that there are many versions of dependency theory, they also

illustrate the relevance of many of the central tenets of dependency theory when analysing the inequalities of the world today. Olukoshi argues that despite the need to refine dependency theory to account for the changes that have taken place in the international system, the basic principles of the theory offer inspiration for those wanting to understand and change the current global system. Raw materials are still mainly exported from the South, and countries that have moved into manufacturing are often still in a dependent and subordinate relationship with the core countries. Financial wealth moves from the South to the North, and, as the interview with Higginbottom shows, this applies even in areas of South-South trade-relations. This highlights the need for more data on where and how money actually flows between countries, beyond simple analysis of global value chains.

Of particular relevance for understanding divergence in the development of countries in the world economy is dependency theory's emphasis on global structures, core-periphery relations, and the importance of historical analysis. However, many of the interviewees also indicate that there is a need to expand the theory, with some scholars highlighting the theory of decoloniality as a good example.

We deliberately chose to present the interviews in a variety of styles, emphasising different aspects in each discussion. We would like to thank our external reviewers, Farzana Chowdry and Raymond Xu, for their excellent feedback. We hope you will enjoy reading the interviews as much as we have enjoyed our conversations with the scholars, and that this collection can inspire more conversations on dependency theory and its relevance today.

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