Andre Gunder Frank
Why do some countries remain 'Underdeveloped'?

"Underdevelopment is in large part the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries."

Reacting to 'Modernization Theory'

Walt Whitman Rostow argued in "Stages of Economic Growth" (1960) that all societies developed through a series of stages beginning with (1) Traditional Society, (2) Preconditions for 'take-off' (3) Growth integrated in the structures of society (4) Drive to Maturity & (5) High Mass Consumption. Basically this means that society develops when its political, economic, educational institutions this claimed to be a 'universal model' of development, but its critics argued that it was based on a limited number of Western economies which made it inappropriate for universal application.

AGF and others also noted that it failed to take into account the impact of Imperialism & Colonialism. As Rostow put it, "The now developed countries were never underdeveloped, though they may have been undeveloped." The underdeveloped countries do not remain in their 'original' or 'traditional' stage, but are structurally incapable of developing on their own.

AGF's analysis is highly dependent on history and he argues that "our ignorance of the underdeveloped countries' history leads us to assume that their past and indeed their present resembles earlier stages of the history of the now developed countries." This leads to misconceptions about how the richer/developed countries achieved that status.

Key Terminology for Dependency and Underdevelopment

Metropolis: This refers to the 'core', or 'centre' of the imperial structure. If, for example, we talked of Latin America under Spanish rule, Spain would be the Metropolis or Metropolis. (Within a colony, the metropolis can also refer to the capital city through which the imperialist funnel the resources of the colony to the home country).

Satellite: This refers to the colony itself which is owned by the Metropolis. In other versions of Dependency Theory these areas are known as 'Periphery' or 'Semi-Periphery' countries. Sticking with the case of Spain, a Latin American country like Argentina or Chile might be considered one of their Satellites.

AGF argues that "these metropolis-satellite relations are not limited to the imperial or international level, but penetrate and structure the very economic, political, and social life of the Latin American colonies and countries." In other words, the whole structure of the colonial society limits its later development because it is dependent on the structures of the imperial system that kept them down in the first place!

What evidence does AGF use to back up his theory?

1. In contrast to the development of the world metropolis (which is no one's satellite), the development of the national and other subordinate metropolises is limited by their satellite status. The capitalist system in general limit

2. Satellites experience their greatest economic development, (particularly industrially) when its ties to the metropolis are weakest, (such as during war time). However, once the Metropolis recovers from its crisis, it re-establishes the trade which 'choke off' any independent progress that had been made!

3. Regions which are the most underdeveloped and feudal-seeing today are the ones which had the closest ties to the metropolis in the past. When the market for the once-extracted resource disappears, the Metropolis abandons them to their own devices, which inhibits autonomous growth leading to ultra-underdevelopment.

4. Because he's a 'Marxist', AGF thinks that there's little difference between ECONOMIC and POLITICAL POWER!
What are the Practical Implications of "Dependency Theory"?

1. The success of the advanced industrial economies does not serve as a model for the currently developing economies. The unique conditions that led to their rise are long past, therefore would be impossible to mimic.

2. The 'trickle down' model of economics that is common in developed countries does not apply to underdeveloped regions. That model will not help to 'diffuse' the benefits of economic growth, therefore shouldn't be a policy for governments in underdeveloped regions.

3. Since the market only rewards productivity, dependency theorists think you shouldn't just measure growth in terms of GDP. Dependency theorists do not deny that economic activity occurs within a dependent state, but think that they should emphasize social indicators far more than economic indicators.

4. Dependent states should attempt to pursue policies of self-reliance. Contrary to the neoclassical models (such as those promoted by the WB & IMF), greater integration into the global economy is not necessarily a good choice for poor countries. Rather than complete isolation, however, self-reliance should be interpreted as a policy of controlled interactions with the world economy: poor countries should only endorse interactions on terms that promise to improve the social and economic welfare of the larger citizenry.

With 'World System Theory', this becomes slightly more complicated, by adding a category known as the 'semi periphery'.

Influence in Africa

Guyanese historian Walter Rodney offered a strong criticism of the impact of colonialism on Africa when he wrote "How Europe Underdeveloped Africa"

"African development is possible only on the basis of a radical break with the international capitalist system, which has been the principal agency of underdevelopment of Africa over the last five centuries." (1972)

Why should I care about 'Dependency Theory'?

Although AGF was American, most 'Dependentistas' were from Latin America, therefore this is an example of a theory to describe a global phenomenon that actually emerged from the area affected. (We'll see the same with Shiva). Similarly, though emerging from Latin America, it’s ideas have been taken up by other former Satellite/Periphery nations in both Africa and parts of Asia. Even if you don’t agree with the theory, you need to understand it and acknowledge its influence.

Critiques of Dependency

Many argue that while there might be a grain of truth in AGF’s ideas, the wealth of developed countries did not ONLY come from colonial exploitation, but due to ‘state regulation’ and the growth of domestic markets. Others argue that the ‘Dependentistas’ did not pay enough attention to the ‘cultural’ aspects of development or to the ecological consequences of treating industrialisation as necessary for collective well-being. For an accessible explanation of these ‘cultural’ factors see Niall Ferguson’s TED "The 6 killer apps of prosperity". Others focused on European’s Geographic /Environmental advantages. Jared Diamond’s “Guns, Germs and Steel”, for example argues that Europe gained and maintained its dominance because of superior weapons (guns); Eurasian diseases weakened and reduced local populations, who had no immunity, (germs); and durable means of transport (steel), all of which enabled imperialism.
AGF and the Green Revolution

Writing many years before Vandana Shiva, in an article called “Reflections on Green, Red and White Revolutions in India” (1973) AGF took note of the possible economic and environmental impact of Norman Borlaug’s Green Revolution (see Shiva Handout).

He noted that this revolution was in fact “counter-revolutionary in intent” and ‘misappropriated’ the word. Here ‘counter-revolutionary’ means that it goes against the idea of what a revolution should do. Even though Borlaug’s goal was to create higher yielding crops to help avoid conflict over diminishing food resources, AGF argues that it only served to deepen the economic dependency.

“It displaces poor and lower middle peasants to the advantage of richer ones: and, upon the eventual arrival of an ecological debacle or economic recession, the previously favoured richer middle peasants may be faced with economic ruination as well.” This scenario, Shiva will argue, played out in India with shocking consequences.

The dependence on certain types of seeds, pesticides, and artificial fertilizers was another problem he identified, writing “The potential ecological dangers of the green revolution, extension as it is of the capitalist industrial and technological revolution... centre on intensive drought, apparently the result of over-enthusiastic green revolution irrigation schemes which interfered with water levels in the ground and upset ecological balances.” This will resonate when you look into Shiva’s book “Water Wars.”

Finally, he asks the question “What do these trends harbour for the prospects of the green revolution in these poorer countries?”, a question that Shiva will help us to answers.
**Thinker's Background**

- AGF was born in Germany in 1929 to Jewish parents who fled to Switzerland when Hitler rose to power. They emigrated to the US in 1941. Generally, AGF is considered to be a German-American.
- He studied for his PhD in Economics under Milton Friedman at the University of Chicago. Friedman was famous for his *Free-Market/Laissez Faire* views, though AGF would later criticize him harshly!
- In 1962 he moved to Latin America, taking up a position as Professor of Sociology and Economics at the University of Chile, where he helped the government of Salvador Allende with reforms.
- When Allende's government fell in a 'Coup d'Etat' in 1972, he fled again to Europe, where he went on to hold the Chair of Economics (a type of professorship) in the University of Amsterdam, before retiring to Toronto until he died in 2005.
- His main focus was on 'World History'. You can see him in action here ([https://www.c-span.org/video/?116051](https://www.c-span.org/video/?116051)) where he debates forcefully with economic historian David Landes (Author of *The Wealth and Poverty of Nations*). He had a really strong accent, so be prepared!
- It is appropriate that, as a World Historian, he worked at nine universities in North America, three in Latin America, and five in Europe. He gave countless lectures and seminars at dozens of universities and other institutions all around the world in English, French, Spanish, Portuguese, Italian, German and Dutch.
- While he was a Marxist, he didn’t go along with all of Marx's ideas, particularly ideas about the 'Stages of History' that Marx held.

**Reading Tip:** Much of AGF’s work is steeped in Marxist Revolutionary language. This might seem very radical to some modern Irish readers. Would it change your opinion of AGF to know that he proposes that the only way to free a country from underdevelopment is “by violent revolutionary victory over their own bourgeoisie and imperialism.” This is serious stuff!!

**Personal Response**

(A.) Examine Essay titles on the 'Intro to Development' handout and identify ways in which AGF can help to inform your argument in both cases.

1. “Underdevelopment is caused by unfair terms of trade imposed by the west in collaboration with local leaders in developing countries.”
   a. 
   b. 
   c. 
   d. 

2. “Underdevelopment is caused by people in less developed countries not having the knowledge, technology and industry of people in developed countries.”
   a. 
   b. 
   c. 
   d. 

**Links to other aspects of the course**

Ideas around Development and inequality turn up in multiple areas of the Politics & Society Course. As you consider other perspectives, try and see where they agree or disagree with Frank.

1. AGF is explicitly writing as a Marxist, going as far as to advocate for violent revolution and overthrowing the capitalist system. Whereas we examine Karl Marx as describing the class structure within society, is AGF's argument just Marx 'writ large'?

2. What similarities can you see between AGF's view of the Green Revolution and those of Vandana Shiva?

3. Although Fr McDonagh has a religiously motivated sense of injustice and AGF's motivation is ideological (Marxist), to what degree do they come to similar conclusions?

4. In 'Imagined Communities' Anderson examines the process of how Latin American colonies began to develop a sense of Nationalism. Similarly, Freire's ideas emerge out of a deep concern for the inequalities evident in Brazilian society. Here, AGF also uses Latin America as his laboratory. Given that most Irish students are fairly unfamiliar with this area, have you been struck by how many interesting and useful concepts are emerging from there in this period? (particularly the late 60s to early 80s)

**Favourite Moment:** It's great when you start to see one aspect of the course 'bouncing' off other aspects. In the introduction to one of AGF’s books, *Latin America: Underdevelopment or Revolution*, he notes that his work has been "filtered through the also-changing prism of the author's and others’ Conscientization and understanding." He's been reading his Freire!!!

**Remember one of the key confusions here is the difference between underdevelopment and undevelopment?**

Experiencing colonialism is not the same as being a traditional society that has never known any development. Understanding this is a good shorthand to getting the difference between Modernisation and Dependency theory.