Modernisation and dependency theory essay sample

Technology, Development

The aim of this essay is to compare and contrast the modernization and dependency theories. It then attempts to determine which theory explains what is going wrong in developing countries. The essay begins by defining theory. Secondly, it defines the modernization and dependency theories and their examples that attempt to offer an explanation on what is going wrong in developing countries. A conclusion is finally drawn to summarize the comparisons and contrast between the two theories. Theory refers to a set of logical propositions that explain a given phenomenon. It is a set of organized ideas that offer logical explanations of the interrelationships among different variables, (Oxford dictionary, 2000). Development theories are, therefore, a set of logical propositions that explain how development occurred in history and how it should occur. Development theories particularly aim to reduce and eliminate oppression and poverty for example, in order to improve human conditions. Modernization is a process of change towards higher levels of development or civilization towards those of the western and European nations or the north countries.

Modernism entails a style and movement in art, architecture and literature popular in the mid 20th century in which modern ideas, methods and materials were used rather than traditional ones, (Ibid). It involves the association of economic growth and development with progress and civilization. Growth is perceived to be a natural process which can be facilitated by rational utilization of inputs and available resources. Dependency refers to a country or an area that is controlled by another country, (Opt. cit). It is a situation where a certain group of countries have their economies conditioned by another group of countries. It implies

reliance upon developed countries' local and international economic policy to stimulate growth. Overtime, developed countries' education systems, attitudes, manner of dress and consumption patterns are adopted by developing countries. Development is considered to be imitative in the sense that poor countries gradually assume qualities and characteristics of developed countries.

The modernization became significantly popular in the 1950's and 1960's. It arose from Western Europe's experience of economic history. It was boosted by the emergence of capitalism and the advancement of the industrial revolution. In 1960, an economic historian called W. Rostow devised five evolutionary stages in which a society passes through to attain economic development. They are called the linear stages model of economic development. Rostow states that economics provides the initial thrust of modernization. The stages are namely: * Traditional society; where production is limited by insufficiently developed economic techniques because of simple technology. Agriculture is the dominant form of production and the central organizing social elements are clan or extended family relationships. * Pre-conditions for take-off; where agriculture is the leading sector of production, hence, influencing growth in other sectors of production. That is, agro productivity increases and supports non-agricultural sectors.

Improvement then follows in transportation and other social facilities. * Take off stage; here there is expansion of modern industry yielding profits that can be reinvested in new plans and ventures. The demand for factory

workers increases, raw materials such as copper are processed to boost further industrial growth and, GDP per capita is usually 5-10 percent. Zambia for example, is undergoing this stage. Between 1880 and 1920, America's industry rose from 25 percent to 33 percent in national economic contribution while agriculture trickled down from 51 percent to 26 percent, (Davidson W. J. et al, 1994: 661). * Drive to maturity; where economic growth is sustained. Modern technology is extended throughout the expanding economy. National incomes of 10-20 percent are invested leading to output greater than population growth. Colonialism and exploitation of underdeveloped nations contributed to the acquisition of 10-20 percent national incomes. Sophisticated technology broadens the economy.

* Age of high mass consumption; this stage is prevalent in the world's most advanced economies like the US and Europe. Advanced economic sectors are dominated by consumer durables and service provision. The north nations attained this stage in the 1950s. The modernization theory suggests that all other countries can acquire modernity based on the idea of growth and expansion of capitalism and industrialism. Proponents argue that for a country to be considered modern, it has to undergo an evolutionary advance in science and technology which in turn leads to increased standards of living. The theory advocates; mass-media as means to disseminate modern ideas, encouragement of utilization of domestic resources, Western investment in factories, expertise and equipment. These therefore, trickle down development from a macro to a micro level. The United States of

America experienced modernization in the 19th century after the civil war through industrialization.

It involved industrial transformations in trade, industry, transport and communication. For example, railroads were introduced in 1882 and, from 1880 to 1914; steel production skyrocketed because of rich resources, cheap labor and aggressive management, (Davidson W. J. et al, 1994: 653). In the early 19th century, inventions were trial and error but they later became orderly and systematic. In 1876, a scientist called Edison Thomas Alvin introduced electricity and his first scientific laboratory. In 1898 there were nearly 3000 power stations in America. Electricity ran trolley cars, subways, and factory machinery. It therefore, revolutionized industry, (Ibid). Larger ships with larger engines were invented and American exports tripled in 1870 to 1900. Investors in these initiatives were internal. Alexander Graham Bell invented the telephone in 1876. Telephones modernized offices and eased business transactions. Industrialization helps rationalize economics, increases wealth, and increases productivity.

This leads to urban explosion and growth of cities. Mass media soared in 1889. Other sectors of production such as timber and steel, education and art bloomed in 1901 in America. In1927, Henry Ford invented the Model T cars. Cars contributed to social mobility, (Opt. cit). Political structures were more organized and, rights and freedoms were implemented. In the modernization theory, economic progress and civilization advance from traditional society, where ascription, particularism and collectivism are dominant, to a modern society, where achievement, universalism and

individualism are characteristic. In a traditional society, there is superstition and ascription of events to causality of mythical phenomenon. Societal organization is based on kinship and monarchy, tools and weapons are primitive, animals are used for farming and transportation, communication relies on marathon, drums and smoke, there is limited social mobility and, wealth is determined by material possession.

In a modern society, there is no dominance of tradition, social mobility is largely determined by hard work and achievements, technology is sophisticated, wealth is determined by both material and monetary terms, people are innovative and entrepreneurs. Communities are considerably industrialized. The modernization theory has its shortfalls in that it dictates Western and European theories as recommended values. It devalues tradition such as clans and polygamy. It ignores the differences that grow between countries. It assumes unlimited resources of national expansion. It does not consider the global impact of factors such as trends of trade on third world nations should there be macroeconomic market failure. This freezes third world economies as they rely on global trade policies. Modernization also ignores negative environmental externalities such as global warming. Developed nations such as the US and China largely contribute to global warming and pollution of the seas and oceans.

The theory also considers poverty in third world nations to be internally induced. Dependency developed early into an important theoretical concern within the larger context of expanding revolutionary movements in the 1960s and 1970s, across Africa and Latin America for example. It was a way

to understand class conflict and to aid in the formulation of strategies to restructure developing nations, (Hogan M. J. and Peterson T. G, 1991: 101). These formulations are the replacement of capitalism with socialism which led to revolutions. The dependency theory also serves to explain imperialism in a broader context in economic, political and socio-cultural perspectives. Marxism proposes that economics are the key determinants of political, social and cultural forms, (Ibid). The dependency theory emerged as an explanation of development and underdevelopment. Underdevelopment is seen as a function of the expansion of capitalism, not as a natural state through which economic systems evolve.

According to Theotonio dos Santos in 1970 (quoted by Hogan and Peterson, 1991: 102), dependency is a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. The dependency theory establishes the relationship between development and underdevelopment. For example, Britain as a metropolis flourished at the expense of Zambia, the periphery. The improvement of underdeveloped nations is a function of the prosperity of the developed nations, (Opt. cit.). Imperialism is a guarantee that whatever development occurs in the underdeveloped nations is dependent upon and complementary to the developed nation’s needs, that is, the latter influences economic growth in the former as a function of its own economic interests. Subordination of underdeveloped countries results from internal structures that operate on behalf of developed countries’ interests.

The principle of imperialism rather overlooks the importance of internal social and cultural factors as sources of underdevelopment. The structure of foreign trade in the dependency paradigm – historically, exports of raw materials and import of manufactured products- arrests economic growth, skews income distribution, and fosters private investments, trade negotiations, and credit transactions- instruments of developed countries' policy that act to preserve the internal balance of social forces favoring their interests. In 1987, the World Bank reported that many developing countries are still dependent on earnings from primary production, (WBAR, 1987: 45). The dependency theory also implies dependent social classes and dependent military organization. Dependency limits the options available for change as underdeveloped countries are technologically dependent, culturally dependent, capital dependent, ideological dependent , and industrial dependent. According to Kenneth Kaunda (quoted by Legum C., 1966: 208), he clearly stated that Zambia needed foreign money, foreign capital for investment.

To give more jobs to the Zambian people; to bring more know-how, so that members of trade unions could learn how to function and perform. Dependency limits possibilities for change and autonomous developments in the periphery are associated with the metropolis. Dependency formulations emphasis on international relations as foreign aid, foreign investment, and trade relations, that is, the metropolis influences the periphery. Dependency theory concludes that underdevelopment is an externally induced condition. The World Commission on Environment and Development (quoted by Warren

M. D. et al, 1989: 162), states that poverty grows as poor countries export growing amounts of scarce resources. Dependent countries lack the capacity to sustain independent development because their economic structures are dependent ones.

Dependant industrialization involves multinational corporations raising capital from local resources, hence, integrating local capitalists into dominant economies. Developing countries' outflow of income attracts foreign loans. The receipt of foreign loans results in greater domination of national decision-making autonomy, that is, borrowers are obliged to concede to lenders as a condition of the loan. Policies are then explained to and approved by lenders; the local economy then invariably opens to foreign capital, (Hogan and Peterson, 1991: 107). Zambia's macroeconomic situation steadily deteriorated after the mineral boom that took place in the first ten years of independence (1965-1975). This was manifested in high variable rates of inflation, chronic budget deficits and deterioration in balance of trade with its trading partners. The high debt level can be attributed to increased borrowing and failure by Zambia to attain total debt cancellation, (ZHDR, 2003: 21). Zambia's debt situation is unsustainable and is a heavy burden on present and future generations as it poses serious constraints to sustainable economic growth. International development agencies such as the World Bank, seek to upgrade the standards of living in the less industrialized nations of Africa, Asia, Latin America, Oceania and the Caribbean.

They help poorer nations make more efficient use of their resources due to their technological disadvantage, (Warren M. D. et al, 1989: 162). The World Bank, International Monetary Fund and the United Nations proposed aid to underdeveloped nations in 1958 through several debates with developed nations, (Lloyd T, 1968: 145). Deforestation, desertification and droughts are endemic on underdeveloped nations; these natural factors retard the local people's well-being. Underdeveloped nations are hence integrated within the global market. Developing countries' marketable goods are unskilled labor and raw materials such as petroleum, copper, gold, sugar, coffee, rubber and cotton. They are some of the most demanded products. The development finance policies mobilize natural resources not for development but for the interests of foreign manufacturers.

According to McMaster C. (1974: 79), economic slowdowns in developing countries reflect dependence on agriculture affected by adverse weather resulting to poor quality and low quantity production. To conclude, since the industrial revolution, those who live by ' tradition' have been looked upon by many ' modernists' as backward, lazy and stupid. Not all indigenous knowledge is applicable to development concerns. This perception has endured through the industrial society and its agencies for international development. The lack of initiative to modernize in developing nations can be attributed to the following; the adoption of inappropriate policies and false inappropriate advice from Eurocentric experts from developed countries, increasing differences between the rich and poor countries, and poor resource allocation. According to Zuma (quoted by Maharaj B. et al,

2010: 118), it is hard to remove exchange controls on domestic corporations in order to engage capital flight. Black capitalists focus primarily on promoting small businesses without affecting domestic industrialization.