International development: theories of modernization, dependency, globalization a...

Sociology

Minhchau Truong ID 125 Prof. Kevin Maclean Midterm Exam Citation Black, Maggie. The No-Nonsense Guide to International Development. (London: New Internationalist Publications Ltd, 2007). Naim, Moises. Illicit: How Smugglers, Traffickers, and Copycats are Hijacking the Global Economy. (New York: Anchor Books, 2005). Reding, Nick. Methland: The Death and Life of an American Small Town. (New York: Bloomsbury, 2009). Thurow, Roger and Scott Kilman. Enough: Why the World's Poorest Starve in an Age of Plenty. New York: Perseus Books, 2009). 1.) Modernization Theory was used to justify the process of decolonization and intervention by the United States, which had the ulterior motive of gaining access to new markets and thus boosting the national economy. The U. S. separated this theory from Cold War ideologies with the distinguishing feature that it emphasized GNP and technical measures. The theory is ethnocentric and is posited in the belief that there is a ceaseless struggle against scarcity and that underdeveloped nations must overcome this natural state.

The role and ability of the developed state was framed by the teleological doctrine that began with preconditions to " take-off", which was recognition that economic progress was necessary to move from " tradition" to " modernity" to the final " take-off", to the " drive to maturity" (which was expected to be completed in 1-2 generations), to the " age of high-mass consumption" (similar to the historical patterns of the U. S.). The strengths of Modernization theory included its organized capitalism, integration into the world economy, and outlook of economic expansion.

These changes were to be achieved through institutions and a shift from earlier colonial hierarchy and integration into the United Nations family (a de jure equality). However, the weaknesses overpower benefits. The theory naturalizes “ underdevelopment” as something that can be changed easily, and discounts implicit historical, geographical, sociological circumstances or specific constraints. Furthermore, it disregards underdeveloped countries by trivializing conditions by labeling it as the “ global norm”.

Economics is foremost on the agenda, rather than politics, because capital accumulation for developed states- not actual welfare of the concerned state- is the main objective. The theory displaces the more correct principle of the right to self-definition. The linear growth implied by the theory can only be achieved by mass consumption, competition, individualism. Essentially, modernization theory is an ahistorical narrative imposed by ethnocentric developed states that could not possibly relate to their underdeveloped states.

Dependency Theory sees the historical relations of inequality, the unequal relationships developed between industrialized countries versus underdeveloped. Theoretically, the problem is explained as: economic growth in advanced industrialized countries did not lead to a growth in poorer countries. Dependency theory acknowledges that modernization theory directly contradicted neo-classical economic theory- the Pareto optimal, that economic growth was beneficial to all even if benefits not equally shared, this was not evident in the relationship between industrialized nations and unindustrialized nations.

The strengths of dependency theory included that is accounted for real history as opposed to modernization theory, which was a philosophy of history. It saw states as a global structure, and saw inequalities as a problem rather than a way to promote competition and equalizations. There were realistic expectations, unacknowledged that imposition of " development" was actually an act of exclusion. What was preferred was a more natural, predestined process of inclusion.

Economically, dependency accurately determined the outcomes of modernization: poor countries exported primary commodities to rich countries, which the rich countries used to then manufacture products out of them, therefore adding value to the overall product during the manufacture, which they then export back to poorer countries. In the end, these poorer countries would never earn enough from exports to pay for their imports due to the added value. However, the weaknesses are substantial, and expose the logical fallacies dependency theory is built upon.

It is more of a critique than an independent theory for improvement, there is some insight but not much. With dependency theory, there is little to no success from its initial conclusions. Its avocation for protectionism and trade tariffs was not enough for developing countries to emerge economically. The suggestion of Import Substitution Industrialization (ISI) was also not enough because the economic theory required implementation of incubation of domestic infant industries that many times were difficult to start-up without the help local governments.

Various avenues, tariffs, import quotas and subsidized government loans were many times not possible due to absence of political will or ability. The development of production channels were often times distorted or disrupted due to external forces or inability of states to handle. Here, an imperialist mindset is once again imposed onto undeveloped nations, Transnational corporations (TNCs) stationed in undeveloped nations impose standards and expectations, which are most pronounced in their monopolistic practices and assertion of political and economic agenda onto the concerned country.

In addition, many times, when a country did specialize in their production of goods, their own internal markets were not large enough to support the economies of scale. People either didn't have enough money or had a preference for outside foreign goods. Essentially, relations cannot simply be fixed, there is a much more dynamic complexity. Peripheral states cannot possibly " just catch up", they did not ask to be placed in their respective positions within the world economy, they were forced by dominate states (developed countries like the U. S. – they were labeled as " under-developed" when their " inequalities" were identified by us, pitted against our own standards- unfairly so. Advanced industrial economies can't serve as models for developing ones, their success was contingent upon highly exploitive colonial relationships (with the very underdeveloped countries they are trying to aid now, which is ironic) these relationships cannot be created. Implications of dependency include: Alternative use of resources preferable to current patterns of use- they don't want our methodologies.

The practice of diverted resources are maintained by dominant states and power elites within dependant states, this fixes nothing, rather, it further complicates relations between concerned " underdeveloped" country and those who are in control of them. There are overlapping interests, value and culture assumptions, assumption that this dependency is voluntary, elites believe key to economic development is to follow liberal economic doctrine, this is essentially hegemony. Economic growth does not equal economic development, more attention needs to be paid o social indicators- life expectancy, literacy, infant mortality, education, emergence of human index. Greater integration is not the answer, equality cannot be achieved World System Theory was first was labeled as “ Modern World system. ” An integration through market rather than political center, the state was an economic tool for capital accumulation by certain classes. The world was comprised of mini-systems, which made up world empires, which made up a capitalist world economy.

This world-wide perspective with historical depth of centuries was necessary to understanding the present. Single tripartite division of labor notion induced that countries do not have economies but are part of a world economy. The core zones benefited from monopolies, while the semi-peripheries were dominated by the core zones, and the peripheries themselves were developing countries dominated by both core and semi-periphery countries. Labor-intensive production took place in periphery states as a means to former states’ economic deliverance.

Periphery states’ subordinate status is due to a number of factors including, technological conditions and the difference in strength of states on the global market scale, thus the differential flow of surplus to core results in unequal exchange. However, the strengths of the theory lies in the assumption that capital accumulation on a global scale will in turn, benefit developing countries. The weakness of the theory is how it is debilitating regarding focus towards strong and weak states.

The theory concentrates on the historical evidence of failure rather than success, and discounts the class structure and economic growth, among other important elements, within states. The zero-sum economic narrative is limited, grounded in ahistorical euro-centrism. The theory polarizes periphery states by keeping them down, with the ideology of ruling groups presiding over them. Conclusively, the theory is a capitalist structure that operates on the endless accumulation of capital rather than the well-being of particular periphery states.

The contemporary forms of “ globalization” make these three theories of state-led development irrelevant and require us to rethink some of the assumptions upon which they were based for many reasons. Firstly, the increased but selective flow of financial capita between major metropoles exemplified in Illicit Trade shows the unrecognized potential of “ dependant” states, how they are actually able to thrive despite conditions (of scarcity, etc.).

In Illicit Trade, the examples of countries thriving on the wholesale of contraband commodities, or transshipment havens (Suriname, Nauru) shows how the differentiated labor markets within and across national borders have essentially been empowered, there is no definitive route to economic growth, illicit trade just so happens to be this new growth- for the good or the bad. The increased, but uneven integration of consumer markets worldwide proves the irrelevancy of modernization and dependency theory, as there was no prerequisite in this integration that was previously said necessary in the former theories.

The Governments were a emphasized factor in the theories for growth and development, however, in this context of globalization and illicit trade, the private facilitation of capitalist penetration from countryside to countryside has actually been the impetus. The new, emerging aspects of illicit trade is that it's not just a crime, or an underground phenomenon, but it could fashion economic possibilities. There is now an intrinsic connection to political structures, emerging Governments. High-profile trafficking organizations now have a heavy influence and control over governments.

The dependency on illicit trade has pervaded into the basic exchange of commodities, thus the interaction of people, thus it is now well stitched into the fabric of existence, it has constituted cultures. The entire disarraying manifestations of illicit trade has now coalesced, it is now a part of history, it has become facet of life. 2.) The manufacture, distribution, and sale of methamphetamine rose largely out of the recent developments of Globalization and free trade, long term trends in agricultural and pharmaceutical companies, and the action of government lobbyists.

These basic components make up for what Reding describes in Methland, as the meth epidemic of today. Reding's best illustration is his microcosmic case example of Lori Kaye Arnold, starting from the origins of her entrepreneurial endeavors to her quick succession of wealth and monopoly control over meth. Lori's decision to drop out of high school and house herself through her meth delivery service exemplifies the opportunities of income that are available to small rural communities subjugated to lack of employment.

Due to this facet, production of meth transferred to underground population sites of small town meth addicts (like Lori) and outlaw chemists. Rural economies of small towns like Oelwein were gradually taken over by profiteering industries. The turning over of Iowa Ham to Gillette to Iowa Beef Products (IBP) to Tyson, resulted in a shrinkage of worker demand and stationary wages. In January 2006, Tyson officially closed the plant , " the initial workforce had been reduced from nearly two thousand people to ninety-nine, a remarkable, devastating loss of revenue in a town of only six thousand" (Reding 2009, 53).

Ottumwa, a town in southeast Iowa endured the same hardship that crept into Oelwein. The town was eventually also starved of tax revenue and disposable income from the shut-down of the town's railroad, air force base, and the sale of its meat-processing plant to Cargill. And like Oelwein, " Methamphetamine moved into the new economic gap," and helped to sustain not just the market in Oelwein, " but also in towns all over Iowa, Missouri, Nebraska, Kansas, and the Dakotas" (Reding 2009, 60). It was Lori's success in Ottumwa that made her decide to expand her horizons in meth distribution.

Lori went straight to her middleman in Des Moines, and continued in her ambitions to her supplier in Long Beach, California. Meanwhile, Lori's own enterprise fueled the franchises of people like Jeffrey William Hayes and Steve Jelinek, such is the lucrative nature of the meth business. Lori's eventual partnership with the Mexican Mafia, the Ameczua brothers ushers in powerful forces that make up a web of interdependence, all revealing the scale of hold meth has on not just small towners like Lori, but also our local and global economy. The U. S. mmigration policy could not prevent the influx of Mexican immigrants that came, who were now seen as excellent transportation devices for large quantities of the meth throughout California and the west. Midwestern residents who just lost their jobs were now headed for booming labor-markets in Los Angeles and San Diego, becoming ideal social and business connections for drug cartels like the Amezcua brothers. These factors enabled drug cartels to expand their business prospects, but also provided a source of income for those involved, a major motivator.

Additionally there was the appeal of the drug itself. Meth was powerful; a vocational drug rather than a recreational one, it was perfect for labor-intensive occupations, thus effectively converting mere middlemen or workers into consumers. The cost-effective narcotic had been around since industrialization, and its cheap convenience was made all the more apparent when rural economies collapsed and people felt like they needed the drug in order to survive. For all these reasons, meth was a sustainable business in its inception that allowed it to go unnoticed.

The precursor to meth production (ephedrine, and soon, pseudoephedrine) was made readily available by pharmaceutical companies and engineers in legal, enormous, and unmonitored supplies. The high-demand for these precursors provided a huge incentive for pharmaceutical companies to prevent purchasing restrictions that the Drug Enforcement Administration

(DEA) was trying to enforce. When the DEA discovered bulk shipments of ephedrine being redirected to the Amezcua brothers, there was also a realization of a “ narrow processing window” of ephedrine that was perfect for the meth trade.

Cooperation from the nine processing factories in India, China, Germany, Czech Republic and pharmaceutical companies was the only thing needed. Despite DEA efforts, pharmaceutical industry lobbyists blocked every single anti-meth bill with help of key senators and members of congress. The relentless battle of ephedrine and pseudoephedrine prohibition was most often times won by powerful companies and corporations, thus the manufacture, distribution, and sale of meth proceeded.

Through the lens of Dependency theory, rural economies like the town of Oelwein would be encouraged to discontinue the market of meth because it has become a dependant source of revenue that creates unequal relationships between powerful entities (such as drug cartels, pharmaceutical companies, agricultural based corporations) and small town communities, poor job-seeking immigrants and aspiring meth cooks. The manufacturing of meth is not sustainable and does not result in equal or greater proportions of benefit for those dependant on the business, rather, it enslaves them.

Thus, dependency theory is good in its avocation of meth abolishment, but it does not provide other revenue generating substitutes or a way into economic stability. Dependency theory stresses independence while keeping up with developed nations, but in the case of Oelwein, their economy was crippled by external forces and now has to be rebuilt, and thus, their regeneration would require an initial dependence on outside sources. 3.) In 1940, Vice-President elect Henry Wallace, who formerly served as Franklin D.

Roosevelt's activist agriculture secretary desired to visit Latin America before starting his official duties. He was dispatched to Mexico as a representative, where he applied his unique perspective to the Mexico's destitute situation. Most Mexicans depended on farming. The Mexican revolution ousted a dictatorship and then seized land from a wealthy few and redistributed it among the poor. The new government had distributed out land to 1. 7 million landless peasants so that they could grow their own food, however this land form was not enough.

Mexico did not have the necessary support systems for agricultural scientists, the rural population was illiterate, soils were depleted of nutrients and heavily eroded, basic tools were lacking; tractors were rare- this in turn limited production growth. In addition, diseases often times wiped out the wheat crop, forcing Mexico to import half of its needs. Wallace's evaluative approach was to raise crop yields combined with Mexican farmer's disciplined work ethic. Wallace connected to the resources at the Rockefeller foundation asking to the President Raymond B.

Fosdick to conduct a study on how to increase Mexican harvests, Fosdick himself dispatched a trio of experts to scour the countryside. Soon enough, Harvard plant breeder Paul Mangelsdorf, Cornell agronomist Richard Bradfield, and University of Minnesota plant pathologist E. C. Stakman commenced on their research, convincing the foundation to set up a joint research program with the Mexican government in 1943, called the Office of Special Studies. The program's mission was to train Mexican scientist on how to breed higher-yielding varieties of corn, wheat, and beans.

Initial successes of the program included the newfound knowledge of " how to plant a few verities of inbred seed- the precursor to hybrid seed- allowing them to cross-pollinate naturally" (Thurow and Kilman 2009, 8). Stakman was interested in Mexico's second-biggest crop, wheat. Wheat was a crop often subjugated to the fugal epidemics that turned fields into tangles of dead plants, leading to the discontinued production of wheat by Mexican farmers which were an unfortunate lost opportunity for protein.

Stakman called upon two proteges from the University of Minnesota to aid him in his mission to end this plight, one would be the founder of the Green Revolution- Norman Borlaug. Borlaug, impatient by the time sucking process of cross-pollinating different varieties of wheat in rust-infested areas to find a natural immunity among them, decided on an unconventional method of breeding that including " shuttling newly harvested seed between the Yaqui Valley and his experimental plots near Mexico City" (Thurow and Kilman 2009,). In four years, Borlaug generated his first rust-resistant plants, setting in motion a series of events that would lead to the Green Revolution. The main achievements of the Food Revolution were the high-yielding wheat crops that occurred with every Mexican farmer, leading to the successive spread of the seed throughout Mexico, and therefore the end of Mexico's wheat shortage by the mid 1950s.

And unlike hybrid corn, farmers could “ save seeds from the best of their wheat harvest and plant them the next year to get the same results” (Thurow and Kilman 2009, 11). Borlaug’s wheat permeated to Asia, in India and Pakistan, which spurred Governments, private philanthropies and humanitarian organizations to fund and implement the construction of fertilizer factories, irrigation networks, infrastructure, and an introduction to new modern farming techniques.

Similar effects took place in Pakistan, Turkey, Afghanistan, Tunisia, Morocco, Lebanon, Iraq, China and elsewhere throughout Asia. Additionally, the Green Revolution encouraged foundations and organizations from around the world to establish research centers, projects, and laboratories specializing in number of agricultural-based crops (agroforestry to fish). The shortcomings were evident in its early beginning; the yields were plentiful but sucked so much out of the soil that water and synthetic fertilizer replenishment was necessary.

And because farmers could afford fertilizer, this boosted their harvests even further, reinforcing dependency on foreign supplied fertilizers, and therefore diverting funds from the local economy to an outside economy. Increase fertilizer use also introduced pesticides and nitrates that were poisoning to millions and millions of acres of land and some drinking water. This chemical pollution led to a general distrust of the Green Revolution by environmental groups and negative press. Geopolitical considerations would overpower altruistic intentions of the Green Revolution.

The idea “ to create an international agency that would control vast grain reserves for the purpose of responding to emergencies and feeding hungry children” was shot down because it would “ reduce opportunities for the world’s agricultural powers to use their homegrown food aid as a tool for furthering their own diplomatic aims” (Thurow and Kilman 2009, 23). Ironically, the food revolution had empowered nations enough to the extent of elevating countries’ abilities for political and economic agendas.

Another disappointment of the Green Revolution was the failed momentum. Public consciousness no longer had a strong grip; the “ Malthusian Optimism” had befallen upon developed countries. The new crop surpluses and thus, low grain prices “ created a false sense of accomplishment and security in the rich world” (Thurow and Kilman 2009, 24). Financial institutions, religious affiliated and nonreligious charity organizations slowly turned away, and aid agencies shifted attention to other social programs.

Trends and use of agricultural subsidies have affected food security in developed and developing states more generally. The Green Revolution indirectly started overwhelming Government subsidies for exports, thereby instigating competition between developing countries. Between 1975 and 1985, the Green Revolution helped old U. S. customers such as Mexico and India to become less dependent on the west for grain. In order to keep domestic prices from depressing U. S. government subsidized exports of surplus wheat overseas.

The European Community followed along the same strategy, subsidizing exports of wheat, beef, butter, milk and so on- all in efforts to protect farmers. Big multinational commodities firms took advantage of the subsidies race, playing the U. S. and Europe against each other for the cheapest grain, resulting in a distorted world market. The two arising developments, rich-world subsidies and cheaper commodities harshly impacted farmers in the developing countries who were not aided by their impoverished governments and therefore could not compete with similar levels of subsidies.

Sasakawa Africa (Norman Borlaug and his team) and the Ethiopian government pushed for heavy production of crops resulting in surplus harvest through the late 1990s, and then a bumper year of 2001-2001, " when fields burst with about 13 million tons of grains and cereals" (Thurow and Kilman 2009, 72). But this positive outcome was not cultivated or optimized due to a number of factors unpredicted by Government and foreign aid shortsightedness. The government policy of structural adjustment failed the agricultural market in Ethiopia and Africa.

Under this new policy, government ended responsibility for market functions (such as buying, transporting, storing, marketing of crops, fertilizer) and left them to a private sector, in expectation that the sectors would pick up these tasks. But rarely did these sectors have the capital and infrastructure to complete such tasks. Roads to ports were appalling, let alone the practically nonexistent ties to foreign buyers- exporting options were dismal. The country's transportation network still relied on unproductive methods (donkeys), and local markets were undercapitalized to buy and store harvest.

This, along with the absence of storage facilities that forced crops to come into the market at the same time caused a nationwide glut of corn and wheat, triggering a free fall in grain prices. Ethiopian farmers suffered as what was reaped was far below what it had cost to sow. Another main effort to mitigate food famines in Ethiopia was a considerable amount of American food aid, but this was also not enough. After the 1894 famine, " Ethiopia routinely had been the largest annual recipient of emergency food aid…. U. S. ood aid was running at more than $250 million a year leading up to 2003" (Thurow and Kilman 2009, 88). The negative reaction to this, however, was the contraction of longer-term aid and projects to develop agriculture. In 2003, U. S. aid was $500 million and $5 million in development projects. It was illogical, food aid partly helped in aiding against the hunger, but never entirely, rather it seemed to be perpetuating it. Ethiopia became a global welfare state, its farmers and people at first feeling shameful and resentful to having willful acceptance that border on righteousness to aid.