

“Poverty in the Developing Countries is caused by the Development of Underdevelopment”: Unpacking Andre Gunder Frank (1967) In Twenty First Century Third World Politics

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Abstract: *This study is a re-examination of the essence of Andre Gunder Frank's (1967), landmark statement that “poverty in the developing countries is caused by the development of underdevelopment”, in which he held external forces arising from imperialism as being responsible for the poverty in the Third World. The main aim of the study is to re-evaluate Frank's earlier statement in the light of contemporary Third World Politics using the Historical Descriptive method and Dependency Theoretical Framework of analysis. The study discovered that poverty is still at the root of Third World's underdevelopment and is even growing at geometrical proportion in the developing countries in the 21st century. This makes Frank's landmark statement of (1967), very much relevant today as it was the time he made it. But holding only external forces arising from imperialism whether old or new solely responsible for the growing poverty in the developing countries does not add up to explain the alarming rate of poverty increase and underdevelopment in the Third World in the 21st century. The study equally discovered that before the close of 20th century and within two decades into the 21st century that the developing countries under a United Third World Front known as the Non-Aligned Movement made formidable successful pressures on the United Nations and other international organizations on several issue areas to liberate their societies from underdevelopment orchestrated by poverty. As a result of the fore-goings the study came to the conclusion that many things are fundamentally wrong with manner and ways the Third World Societies conduct their domestic affairs. The study therefore recommends a reorganization of Third World Countries domestic, economic, political and social structures in line with the dawn of a New World Order of dynamism as the key to unlocking developing countries' underdevelopment occasioned by their high level of poverty. Equally, the developed countries of Northern hemisphere should show humanitarian understanding in their dealings with the Third World Countries instead of their current imperial overlord orientations in their relations with the developing countries to correspond reasonably well with a New World Order of a Globalized village.*

Keywords: Poverty, Underdevelopment, Developing Countries, Third World, Dependency, Globalization and United Nations.

INTRODUCTION

To start with, the idea that advanced societies secured their own advancement by under-developing poor countries is at the heart of Gunder Frank's statement and dependency theory generally. Frank's statement made in 1967 in his work, “Capitalism and underdevelopment in Latin America tries to capture a common experience of exploitation by richer and more powerful societies. All Third World Countries have experienced such exploitation to

some degree, and it was strongly believed by many Third World leaders that it was persisting even after independence (Smith, 2003, p.13).

Therefore, Third worldism has been to some extent driven by a sense of grievance against the developed countries who appear to have rigged the rules of the international economy against Less Developed Countries (Rothstein, 1997, p.51).

Poverty in the developing countries continues to be a real and significant feature of these societies. This aspect of developing countries life increased between 1975 and 1990. However, some progress was made in the reduction of Third World poverty in the 1960s when Frank made his landmark statement and the 1970s, but the 1980s were the lost decade for the poor.

Of the 4.6 billion people living in developing countries 1.2 billion live on less than US\$1 a day and 2.8 billion on less than \$2. This according to (Smith, 2003, p.14) is despite a doubling in real terms of average incomes between 1975 and 1998. But nevertheless, there was an overall decline in poverty, which was recorded during the 1990s, with the proportion of people living in less than \$1 a day falling from 29 to 24 percent. This was however achieved by high rate of economic growth in countries with large number of poor people notably China and India. But population growth meant that number of people in poverty slightly increased between 1987 and 1998. Also, only in Asia, Middle East/North African region have the number in poverty fallen. It is very important to note that in sub-Saharan Africa; almost half of the continent's population is now poor as average per capita income fell by one percent every year for the last quarter of a century.

More so, the number of poor people in Latin America and Caribbean increased by twenty percent. If a relative rather than absolute measure of poverty is taken, shares of the population living in poverty in all regions, increased dramatically in Latin America and the Middle East (World Bank, 2000, p.24).

Globalization and its associated problems have further exacerbated the underdevelopment going in the Third World in line with Andre Gunder Frank's several publications. This is because the benefits or gains of globalization like increased trade foreign investment and the dissemination of technology are not spread to the Third World as in the developed countries. Those Third World Countries that benefit do so marginally like East Asia, while majority of the Third World Countries continue to depend on the sale of primary commodities.

Third World Countries equally have accepted the inevitability of Foreign Investment otherwise known as (FDI) and the dependency that comes along with it like subordination in the international division of labour, their solidarity front the Non-Aligned Movement has been greatly undermined and underdevelopment in the Third World continues to thrive in line with Frank's statement.

The above situation is worsened by the spate of domestic economic problems in the Third World, ranging from policy failures, and mismanagement to debt crises.

The fore-goings coupled with warfares between and within Third World States has not diminished the essence of Frank's statement made in 1967. For example the Iran-Iraq war, the Gulfs war, conflict between India and Pakistan, the war in the Central and Horn of Africa as well as the intended conflicts that engulfed Liberia and Sierra-Leone in the 1990's and recently the conflicts in Sudan and Central African Republic. The consequent human suffering and economic loss have contributed disastrously to the underdevelopment that is developing in the Third World Countries.

It has even been disputed that the concept of Third World does not exist any longer, that even if it does exist, that it is a mystification designed to conceal dependency and exploitation as well as a device allowing rulers of the Third World Countries to present a common interest between themselves and the masses to disguise their own alliance with metropolitan interests in their continuous underdevelopment of the developing countries.

From 1998-2015, there were still 2.3 billion people in the developing countries attempting to survive on less than \$2 a day (World Bank, 2000; UDNP, 2015).

In fairness to Frank's statement of 1967, there continues to be a symbiotic relationship with poverty in the developing countries with low levels of productive capacity, low life expectancy, high infant mortality, illiteracy, unemployment and underemployment, low deplorable status of women, resistance of political change, concentration of power, debt crises and unequal distribution of resources (Mbah, 2007, ch.33).

Poverty in the developing countries today continues to undermine every development efforts in these societies, as problem to be confronted arising from poverty including the "Silent genocide of high infant mortality, poor nutrition and low standard of living" subsists.

EXPLAINING DEPENDENCY THEORIES VIS-À-VIS FRANK'S STATEMENT

Having unpacked and explained in broader terms Frank's statement as contained in the quote, our next task is to explain dependency theory.

Dependency can be defined as an explanation in the economic development of a state in terms of the external influences: Political, economic and cultural or national development policies.

Dependency theory was developed in the 1950s under the guidance of the Director of the United Nations Economic Commission for Latin America (ECLA), Raul Prebisch. Prebisch and his colleagues were troubled by the fact that economic growth in the advanced industrialized countries did not necessarily lead to growth in poorer countries (Mbah and Obiora, 2015, p.23). Indeed, their studies suggested that economic activity in the richer countries often led to serious economic problems in the poor countries. In short, this kind of relationship has been held responsible for the absolute poverty in the underdeveloped countries.

The ECLA group characterized the world as divided into centre (the developed, industrialized North) and periphery (the underdeveloped, agricultural South), the relationship between them was determined by the structure of the world economy. Prebisch and his colleagues solution to this situation was forced industrialization through protectionism and import substitution, and an interventionist role of the state in economic management and infrastructural development. Various governments attempted to apply the ECLA model but its performance was unimpressive and Prebisch admitted that it was flawed. Mbah and Obiora (2015, p.234) stressed that three issues made ECLA's policy difficult to follow. First is that the internal market of the poorer countries were not large enough to support the economy of scale used by the richer countries to keep their prices low. The second issue concerned the political will of the poor leaders of the countries as to whether a transformation from being primary products producers was possible or desirable. The third point revolved around the extent to which the poor countries actually had control of their primary products, particularly in the area of selling those products abroad.

These obstacles led to the intensification of the search for new theories. Accompanying this was in the Western World where there were campus revolts, the rise of the new social environments, ethnic strife, the economic downturn and the rebuff in Vietnam, all combined to shake the legitimacy of the liberal ideology in general and the liberal theory of development in particular (Satyabrata, 2017, p.312). The dependency theory developed along this theoretical backdrop.

Andre Gunder Frank in "capitalism and underdevelopment in Latin America (1967)", is perhaps the most notable among the dependency theorist. Following ECLA tradition, he attributes underdevelopment mainly to external factors, focusing mainly on trade relations, Frank showed the external mechanisms of control exerted by the centre (or metro pole), upon the periphery (or satellite). Frank showed how the world capitalist economy as it has evolved since the sixteenth century, led to the transfer of surplus from one set of countries, the metro poles to another the satellites. The centre according to Frank maintains the periphery in a state of underdevelopment for purposes of super exploitation. He argues that underdevelopment was not an original or inherent condition rather it was the determined outcome of the historical relationship between dominant and subordinate states. That as underdevelopment was a product of capitalist development; it would only end when the capitalist system collapsed.

In the present world system, the advanced industrialized countries with the U.S.A at the top constitute the metro pole, and the backward agricultural countries exporting primary commodities are the satellites. The former are rich and the latter are poor, both owing to unequal exchange relations. Thus, Frank argues further that development and underdevelopment are products of the same system that is world capitalism.

For Frank, socialist revolution was the only solution, which entails autonomous socialist industrialization as the only way to development for the underdeveloped countries. This made Frank to be regarded as a "world systems theorist" rather than a dependency writer.

AN EVALUATION OF THE STRENGTHS AND LIMITATIONS OF DEPENDENCY THEORIES VIS-A-VIS FRANK'S STATEMENT

It may be pertinent here to reference other dependency theorists as a point of beginning in evaluating Frank's statement and that is the seminal work by Fernando Henrique Cardoso and Enzo Faletto (1969), "Dependency and Development in Latin America", this work concentrated upon the domestic experience of dependency, involving an analysis of different types of export economy, their emphasis being on whether the export sector was foreign or nationally owned and the impact these had upon class relations and the forms of state they gave rise to. But unlike Frank, Cardoso and Faletto did not offer a deterministic view of dependency theory, they believe that social actors were faced with real choices and the variations in the structure of the dominant class explained different political outcomes. This led them to contend that independent development was not impossible and that revolution was not inevitable (McLean and McMillan, 2009, p.146).

The differences between Frank's work and that of Cardoso and Faletto lie in Frank's emphasis on the external factors causing underdevelopment in the Third World Countries as well as his deterministic view of

dependency while the other scholars looked at the internal and external dynamics of underdevelopment in Latin America and concluded on the need for “associated dependent development”.

But be that as it may, the strength of the first generation dependency theorists are many and varied. First, they have stimulated ongoing debates about Third World’s underdevelopment and the need to address it by the international community taking cognizance of their colonial experience in the hands of the industrialized nations of Europe and North America.

Second, dependency theories have not only spawned vast critical literature, it has also evoked emotions and sympathies for the problems of the Third World within and outside the Third World.

Finally, it has provided alternative view point to the capitalist directed view point of Western scholars on path to development for nations in the name of Modernization theory. This is because they countered Western scholars on their rigid perception of development strategy as universal, instead of culture bound and situated under historical context.

However, the limitations of dependency theories for real world application are that first, the issues of political development and the role of internal factors in economic underdevelopment did not directly feature in the writings of first generation dependency theorists. This provided ammunition for their attack by the liberal scholars who provided these factors among others as causative agents of poverty and underdevelopment in the Third World Countries: population explosion, stagnant social structure, absence of agrarian reform, inefficient leadership, and corrupt officialdom, lack of education and entrepreneurial culture, and submission to fatalism. Although, liberal theories does not consider the multifaceted and often exploitative interstate relations historically carried on, as of much relevance in this regard; thereby concluding that development for the Third World is primarily the responsibility of the underdeveloped countries themselves.

Secondly, the dependency, theorists have been accused of ethnocentric bias as found in the liberal modernizers; that by taking the Third World as underdeveloped they have subscribed to tradition-Modernity dichotomy.

Third, early dependency theorists played down the critical role of class relations and class struggles in the development process. They were too simplistic in their class analysis, forgetting that it is only when you understand the nature of class formation that you can deal with the underdevelopment problem.

Finally, owing to the preoccupation of the theories of dependency with external factors regarding poverty and underdevelopment as is contained in Frank’s statement the dependency school generally failed to appreciate the reality of the development that has taken place in ex-colonies like South Korea and Taiwan.

. Again, despite the dependency relationship between the Northern hemisphere and the Third World which Andre Gunder Frank’s statement has blamed for the underdevelopment that is continuing in the Third World, these countries have been more effective in using the United Nations Organization and other international force to press further economic development e.g. the UN Special Fund was a partial response to Third World pressure for large amounts of UN economic development aid. Other new interests of the Third World are their struggle for the development of the sea bed to provide new sources of food, the international development of alternative sources of energy, resistance from the pressures from the westernized mass media and the cultural and scientific imperialism which introduces inappropriate technology and educational values into their societies. The Third World as a united force spoke collectively at World Trade Organization (WTO) meeting in Doha in 2001 when developed countries formed effective alliances on intellectual property rights, drug patents and agenda of future negotiations; this shifted the balance of power away from the rich industrialized nations (Smith, 2003, p.14).

But, (Mbah, 2007, p.530), notes that for the Third World to continue to spur the UN to deal with other such issues in the future and make considerable impact in international relations of the 21st century and beyond, that doing domestic front have to be reorganized. This is because political and economic problems may weigh them down from embarking on dynamic foreign policies vis-à-vis closing the gap between the Northern hemisphere and the Southern hemisphere.

CONCLUSION

Having surveyed the strengths and limitations of dependency theory to real world application, it is important to remark emphatically that despite some progress made towards overcoming poverty and underdevelopment by the Third World Countries; Frank’s statement in 1967, is still very much relevant in understanding and solving Third World’s present day poverty and underdevelopment quagmires.

However, before the end of the 20th century and in the first two decades of the 21st century, the Third World as a bloc in the international system have woken from their slumber to mount successful pressures on the developed industrialized societies to assist in halting underdevelopment in the Third World Countries. Their pressures on these

states and the UN, especially in the General Assembly and other international agencies have yielded fruits towards salvaging their poverty status.

The forces of globalization, which brought about greater interdependence among nations (although the developed countries have remained the winners in this process while the Third World are the looser) practically may not lead to the “revolution” or “de-linking” as was espoused by Andre Gunder Frank in 1967. Neither is “associated dependent development” of Cardoso and Fletto the answer to Third Worlds underdevelopment. A reorganization of the domestic economic, political and social structures in line with the dawn of a new world economy, political and social order holds the key to unlocking Third World’s poverty and underdevelopment conundrum.

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