DEPENDENCY THEORY

INTRODUCTION TO INTERNATIONAL DEVELOPMENT
FALL 2014
Case: Exxon Mobil in Papua New Guinea (from “Vice,” 2014)
Huge investment
Disagreements over consequences
Resistance

“We thought that they were here to improve our way of life, but that never happened. They just want to leave us in a primitive life... They are here to win by making us lose” (Vice interview, 2014)
Questions (in pairs)

Why does this case offer a critique of modernization theory?

How does it support the arguments made in dependency theorists?
Agenda

1. Understanding dependency
   a. Obstacles
   b. Diagnosis
   c. Prescriptions

2. In-class exercise: critique of dependency
Dependency theory: the view from the South

Raul Prebisch

Fernando Enrique Cardoso
Core gains, periphery loses
Robin Hood in reverse
How did the core underdevelop the periphery? The global division of labor

Source: http://www.boondocksnet.com (adapted)
How did the core underdevelop the periphery? Haiti plantations
How did the core underdevelop the periphery? Multinationals
How did the core underdevelop the periphery? Tariffs on imports
How did the core underdevelop the periphery? Military interventions
How did the core underdevelop the periphery? “Neo-indirect rule”
Contrasting modernization and dependency theories

<table>
<thead>
<tr>
<th>Obstacle to development</th>
<th>Modernization</th>
<th>Dependency</th>
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<tbody>
<tr>
<td>Traditionalism</td>
<td>Capitalist world system</td>
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<td>Role of the developed world</td>
<td>Helping hand</td>
<td>Extraction</td>
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<td>Role of capitalism</td>
<td>Promotes development</td>
<td>Constrains development</td>
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</table>
One proposed solution: socialist revolution
Another proposed solution: import substitution industrialization
Agenda

1. Understanding dependency
   a. Obstacles
   b. Diagnosis
   c. Prescriptions

2. In-class exercise: critique of dependency
Question (in pairs)

You have now learned about some of the central tenets of dependency theory. Given your understanding of the theory, come up with a critique of its central assumptions and prescriptions. What would you say are some of the limitations of this theory?
Some possible critiques and limitations

Possibility of surviving outside the capitalist world system is limited

Revolutions represent a risky strategy without any clearly positive outcome and with possibly high human costs

Some countries actually developed in the context of the world capitalist system, e.g. Taiwan (see reading for next class)
For next class…

Alice Amsden on Taiwan (only selected pages):

What was Taiwan’s development experience, as described by Alice Amsden?

According to Amsden, why does the case of Taiwan represent a challenge to dependency theory?
Extra slides
The story of Nicaragua
Jose Santos Zelaya
Canal competition
Marines in Nicaragua
Given interventions such as this, would you say that the reason why Nicaragua hasn’t developed is related to its “traditionalism”? 