

- (eds) *Development as Theory and Practice: Current Perspectives on Development and Development Co-operation*, Harlow: Longman.
- Paloni, A. and Zanardi, M. (eds) (2006) *The IMF, the World Bank and Policy Reform*, London and New York: Routledge.
- Reed, D. (ed.) (1992) *Structural Adjustment and the Environment*, London: Earthscan.
- Simon, D. (1995) 'Debt, democracy and development in Africa in the 1990s', in D. Simon, W. Van Spengen, C. Dixon and A. Nārman (eds) *Structurally Adjusted Africa: Poverty, Debt and Basic Needs*, London and Boulder, CO: Pluto Press.
- Wood, A. (1997) *The International Monetary Fund's Enhanced Structural Adjustment Facility: What Role for Development?*, Briefing Paper, Bretton Woods Project (available on the Project's website at <http://www.brettonwoodsproject.org/brief/esaf.html>).

2.6 Dependency theories: From ECLA to André Gunder Frank and beyond

Dennis Conway and Nikolas Heynen

Dependency theory, more than a theoretical construct, is a way of understanding historically embedded, political-economic relations of peripheral capitalist countries, especially Latin American countries, within the broader context of the global economy. It is, essentially, a critique of the development paths, policies and strategies followed in Latin America, and elsewhere in the periphery (Amin 1976, 1992 argues the African case). Dependency theory emerged as a critical lens through which the history of Latin American development, marginalized as it was by Western hegemony, could be better understood; the 'development of underdevelopment', no less. The initial theorization was a *structuralist* perspective by economists who were associated with the United Nations Economic Commission for Latin America (ECLA). This was soon transformed, and informed, by more critical *dependency* notions and the spread of Marxist and neo-Marxist critiques of imperialism (Palma 1978).

Perhaps one of dependency theory's most important characteristics is that it was a product of Latin American scholarship (much of it written in Spanish) rather than Western scholars. These authorities theorized on the Latin American condition as 'insiders', as erstwhile, often passionate, native sons. This gave rise to a more informed, and more involved, appreciation of the reasons for Latin American underdevelopment, as *dependistas* dealt with the context of various countries' specific national circumstances, and theorized about Latin America's structures of social organization and localized behaviours. For Caribbean (and English-speaking) readers, Norman Girvan edited a special edition of *Social and Economic Studies* in 1973, with contributions translated from the Spanish. More widely, it was the publication of the writings of André Gunder Frank (and the collection and translation of other Latin American original contributions by North American Latin Americanists) which brought the dependency school's ideas to the notice of North American and European development studies (Chilcote 1984).

Prior to the Second World War, Latin American countries' economic strategies primarily followed a development path based on the export of natural resources and primary commodities to core countries. Many, including Argentinian Raúl Prebisch, Brazilians Paul Singer and Celso Furtado, and Chilean Osvaldo Sunkel, felt that Latin America's historical marginalization and resultant underdevelopment was perpetuated by such unequal commercial arrangements. While

free market notions of 'comparative advantage' suggested that Latin America should benefit from their export strategies, ECLA economists argued otherwise. Their structuralist assessments had core countries, particularly Britain and the United States, benefiting at Latin America's expense.

Consequently, Prebisch and other ECLA structuralists insisted that major structural changes in development policy would be necessary to improve Latin America's economic situation. They proposed structural changes which favoured switching to more domestic production under tariff protection as a means of replacing industrial imports. In line with this strategy, capital goods, intermediate products and energy would be purchased with national income revenues from primary exports, and technology transfer would be negotiated with transnational corporations. This development strategy – often referred to as import substitution industrialization (ISI) – became widely practised throughout Latin America and the Third World/global South in general.

Although ECLA structuralist analyses recognized some of the problems underlying Latin American underdevelopment, the proposed ISI remedies brought other, more problematic, forms of dependency. Multinational corporate power and authority over technology transfer and capital investment emerged as a new form of dependency. Fernando Henrique Cardoso (1973) pointed this out in his assessments of power and authority in Brazil, and characterized the situation in such peripheral economies as 'associated dependent development'. Indeed, Cardoso felt that the dependent capitalist process of 'import substitution industrialization' occurred mostly under authoritarian regimes, and further, that state policies would favour multinational capital at the expense of labour.

Prebisch's (1950) identification of core-periphery relations as the global historical heritage behind unequal development meant that Latin America faced a formidable structural reality. Imperialism, colonialism and neocolonialism needed to be challenged more rigorously, because peripheral capitalism was not the answer for Latin American development. Accordingly, alternative critical commentary more deeply rooted within Marxist and neo-Marxist ideologies emerged, to better explain Latin America's subordinate place within the global economy, and to better understand the processes that led to such exploitive and dependent relations. ECLA structuralism was recast in *dependencia* terms.

Baran's influential (1957) *Political Economy of Growth* described the reasons for Latin America's underdevelopment within a Marxist framework as being a consequence of advanced nations' forming special partnerships with powerful elite classes in less developed countries, which benefited the minority class of Latin American elites rather than economic development more generally. Baran felt that such 'partnerships' perpetuated core countries' maintenance of traditional systems of surplus extraction, thereby making domestic resources continuously available to them, while rendering the economic development of Latin American countries unlikely, because any surplus generated was appropriated by the power-elites. Accordingly, Latin American countries remained subordinate and the core's monopoly power grew from the unequal commodity exchanges.

André Gunder Frank (1967, 1979) further developed Baran's ideas, by focusing on the dependent character of peripheral Latin American economies. In Frank's prognosis, '*the development of underdevelopment*' was the concept which best characterized the capitalist dynamics that both developed the core countries and caused greater levels of underdevelopment and dependency within Latin American countries. Frank used this conceptual framework to explain the dualistic capitalist relations which had occurred, and which would continue to occur between Latin American and core countries, as a result of the latter's continued political-economic domination.

Although there was a popular perception that Third World countries regained some sense of self-determination following decolonization, Frank argued that this was a fallacy. Rather, exploitation of many Third World countries by colonial and neocolonial core countries intensified following their achievement of political 'independence', further contributing to greater unequal relations. Thus, given the class-based stratification of Latin American society, which Baran blamed for the

development of ties between Latin American elites and capitalist and political leaders from core countries, revolutionary action to remove such elites from power would be needed to forge a reformulation of international capitalist relations.

Besides arguing that the dependent core-periphery relationship was best articulated at the national scale, Frank also posited that a similar metropolis-satellite relationship occurred at smaller (regional) scales. In particular, he described similar dependent circumstances occurring between cities in Latin American countries and their peripheral hinterlands. Within this more localized scenario, the city and its periphery becomes increasingly polarized as a result of the capitalist relations between them, namely the metropolis exploiting its satellites. Dense networks of metropolis-satellite combinations formed what Frank referred to as 'constellations across national space' (Frank 1967).

Frank's notions of *dependencia*, which are perpetuated through global capitalism, ran counter to dualist notions that sought to explain Latin America's peripheral position in terms of modern versus traditional structures. Frank contended that by conceptualizing Latin America's underdevelopment as a function of feudal, or traditional, structures, the dualist perspective failed to truly comprehend the historical significance and transformative impact of capitalism's penetration of the continent's economic, political and social structures. This dependent relationship that Frank posited drew sharp criticism from many, however. Laclau's (1971) analysis is perhaps the most notable.

Laclau asserted that Frank's analytical method has significant shortcomings because it is based on an erroneous characterization of Marx's notion of modes of production. Instead of basing the construction of a mode of production on social or class relations, as Marx did, Laclau claims that Frank's reliance on market relations as the defining quality of the processes under which production occurs is inherently flawed. As a consequence, Laclau concludes that Frank's analysis offers little more than an account of a history that is well reported; in effect, he contributes nothing to theoretical explanation in terms of determining conditions.

The resultant tensions within Frank's analytical framework as a result of arguably incorrect, or less than accurate, usage of Marxist ideology, led the way to other neo-Marxist investigations of the linkages and possible reconciliation between dependency theory and Marxism. One was Ruy Mauro Marini's fundamental thesis in *Dialéctica de la Dependencia* (1973), which concerned the 'super-exploitation' of labour in dependent countries as a necessary strategy for capitalists to partially compensate for the falling rates of profit arising out of unequal exchange. Seeking to 'end the debate', Chilcote (1984) effectively situated the various capitalist and socialist approaches to the 'development of underdevelopment' – structuralism, *dependencia*, internal colonialism, neo-Marxism, even Trotskyism – as a full set of alternative theories and perspectives on development and underdevelopment. He also finds a place for Wallerstein's more worldly focus in the collection of alternatives. Wallerstein (1974, 1980) adapted dependency notions not only to comment on the commercial relations between the core countries and Latin America, but also to examine world historiography in terms of the dominant and subordinate relations that successive emerging cores, their peripheries and semi-peripheries have experienced, from the long sixteenth century, through eras of capitalism to the present globalizing era (the post-1980s).

Following Chilcote's (1984) insightful synthesis, Ghosh (2001) has further updated the record and provided us with a contemporary critical appraisal and overview of contemporary thoughts on the full set of alternative dependency theories and their 'development of underdevelopment' underpinnings. Agreeing with Ghosh, we feel that the dependency paradigm is still relevant as a partial explanation of the paths to development and underdevelopment that the core and peripheral Latin American nations followed. Furthermore, there are significant 'inter-temporal paradigm shifts' in the theory's wider application in our rapidly globalizing world. As Ghosh reminds us: 'There are indeed many issues and areas of development where dependency plays a major role. Some of these are: aid dependency, technological dependency, dependency for foreign capital

investment, trade dependency, dependency for better human capital formation and so forth' (Ghosh 2001: 133).

Ghosh then points out the all-too-obvious connections between the divergent trajectories of capitalism's expansion in the global North as opposed to the global South, with the equally obvious assessment that 'unequal competition' remains an extremely powerful dependency relationship in globalization's transformative, disciplinary and destructive influences (Conway and Heynen 2006). Just as the imperialism of old imposed colonial regimes that fostered dependency and underdevelopment, modern globalization of the post-1980s has several salient features that are de facto successors to these imperial mechanisms:

- a programme of binding individuals, institutions and nations into a common set of market relationships;
- a calculated economic strategy of the capitalist economies, corporations and international financial institutional systems to encourage and stimulate capitalist growth for 'winners' – core and emerging markets – not the 'losers', with no comparative advantages, weak or failed states or the corruption-weakened;
- a means of extracting surplus through the exploitation of the cheap labour, high-quality manpower and resources of the global South (Ghosh 2001: 158).

Both Ghosh (2001) and Taylor (1996) argue convincingly that the evolving world system of core-periphery relationships has entered its postmodern phase of new dependency relationships, ecological uncertainty, rapid technological change, and a multiplicity of cross-cutting flows of information, cultural messages and knowledge exchange, at multiple scales and scopes of influential power and authority – ranging from the global to the local, from the exceptional to the ordinary, and from the elites to the bourgeoisie and working classes. Taylor (1996) draws parallels from the experiences and characteristics of earlier Dutch, British and American hegemonic cycles to chronicle the transition of the world's modern core-periphery system to a new postmodern (and globalized) 'world impasse', where 'all we can be sure of is that there will be many surprises for humanity' (Taylor 1996: 224).

Dependency thinking has come a long way since its initial Latin American interpretations, but even in today's globalizing world, the geopolitical and geo-economic struggles under way in Latin America are anything but predictable, and can no longer be framed so easily in the structural terms of core US hegemony and Latin American dependency. Furthermore, and as a concluding recommendation on how dependency theory might best be reread and refashioned, dependency thinking today requires us to confront the power hierarchies of the recent past (and present), using much more informed critical perspectives on the gendered roles of women, as well as men, in the development process. The primacy of capitalism's system of production and class struggle, which for so long anchored dependency theory's macro-level explanations of inequality and underdevelopment in the global South, needs to be further rethought and scaled down to incorporate micro- and meso-level assessments and examinations of class-based and gendered agency at the household, community and regional levels (Scott 1995). This way, the 'real-life economics' of more than half the globe's six billion people who are dependent and underdeveloped can be more effectively understood and evaluated in terms of their sustainability, democratic participation and accountability, their social power and authority (Ekins and Max-Neef 1992).

GUIDE TO FURTHER READING

- Chilcote, R. (1984) *Theories of Development and Underdevelopment*, Boulder, CO, and London: Westview Press.
 Ghosh, B. (2001) *Dependency Theory, Revisited*, Aldershot and Burlington, VT: Ashgate.
 Kay, C. (1989) *Latin American Theories of Development and Underdevelopment*, London and New York: Routledge.

REFERENCES

- Amin, S. (1976) *Unequal Development: An Essay on the Social Formation of Peripheral Capitalism*, New York: Monthly Review Press.
- Amin, S. (1992) *Empire of Chaos*, New York: Monthly Review Press.
- Baran, P. (1957) *The Political Economy of Growth*, New York: Monthly Review Press.
- Cardoso, F.H. (1973) 'Associated-dependent development: Theoretical and practical implications', in A. Stepan (ed.) *Authoritarian Brazil: Origins, Policies, and Future*, New Haven, CT: Yale University Press, pp. 142–76.
- Chilcote, R.H. (1984) *Theories of Development and Underdevelopment*, Boulder, CO, and London: Westview Press.
- Conway, D. and Heynen, N. (2006) *Globalization's Contradictions: Geographies of Discipline, Destruction and Transformation*, Abingdon and New York: Routledge.
- Ekins, P. and Max-Neef, M. (1992) *Real-Life Economics: Understanding Wealth Creation*, London and New York: Routledge.
- Frank, A.G. (1967) *Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil*, New York and London: Monthly Review Press.
- Frank, A.G. (1979) *Dependent Accumulation and Underdevelopment*, New York: Monthly Review Press.
- Ghosh, B.N. (2001) *Dependency Theory Revisited*, Aldershot and Burlington, VT: Ashgate.
- Girvan, N. (1973) 'Dependence and underdevelopment in the New World and the Old', Special Number, *Social and Economic Studies*, 22(1): March.
- Kay, C. (1989) *Latin American Theories of Development and Underdevelopment*, London and New York: Routledge.
- Laclau, E. (1971) 'Feudalism and capitalism in Latin America', *New Left Review*, May–June: 19–38.
- Marini, R.M. (1973) *Dialéctica de la Dependencia*, Mexico: Ediciones Era.
- Palma, G. (1978) 'Dependency: A formal theory of underdevelopment or a methodology for the analysis of concrete situations of underdevelopment?', *World Development*, 14(3): 881–924.
- Prebisch, R. (1950) *Economic Development in Latin America and its Principal Problems*, Lake Success, NY: UN Department of Economic Affairs.
- Scott, C.V. (1995) *Gender and Development: Rethinking Modernization and Dependency Theory*, Boulder, CO: Lynne Rienner.
- Taylor, P.J. (1996) *The Way the Modern World Works: World Hegemony to World Impasse*, Chichester: Wiley.
- Wallerstein, I. (1974) *The Modern World System, Volume 1. Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century*, New York: Academic Press.
- Wallerstein, I. (1980) *The Modern World System, Volume 2. Mercantilism and Consolidation of the European World-Economy, 1600–1750*, New York: Academic Press.

2.7 The New World Group of dependency scholars: reflections on a Caribbean avant-garde movement

Don D. Marshall

This chapter does not aspire to a chronology or a historical sequencing of events. Instead it examines retrospectively the rise and demise of an intellectual movement in the anglophone Caribbean under the animating force of decolonization. Allowance is made for a foray into the reasons behind the thwarted impulses of that age and the present decline of radical critique in the modern neoliberal period.

Introduction: Post-New World intellectual currents

Since the emergence of the New World movement in the early 1960s, it might be reasonable to expect that gathering forces in the international system – shaped by the imperatives of globalization – would present the spectre of the emergence once more of vital new political forces. Then, as now, the region was thrown back into contemplation on the relevance of its development strategy. With the benefit of the backward glance, 'New World' was first founded in Georgetown towards the end of 1962, against the backdrop of a long general strike and growing racial conflict between African-Guyanese and Indian-Guyanese. The early founders aspired to invent an indigenous view of the region, convinced that the modernization ideologies very much in vogue embraced neither a strategy for real, independent development, nor an understanding of the political-economic legacy of the Caribbean, of which more later.

In the first decade of the twenty-first century, Caribbean intellectuals in the main, particularly social scientists, take on the colour of their historical environs: if neoliberal capitalism cannot be challenged successfully, then to all intents and purposes it does not exist; all that remains is the challenge of massaging a link between market liberalization and populist statism. To be sure, this concern among Caribbean scholars and commentators does not preclude expression of despair in some quarters over the sustainability of the island-national project of the Caribbean. This forecast is based on an understanding of the export impetus girding contemporary capitalism, and the difficulties associated with making the transition in political economies dominated by merchant capital.

Decolonization and the rise of New World

The New World movement in the anglophone Caribbean was marked by an optimism of will and intellect. Newly independent governments were seen to be in pursuit of development guideposts to chart a self-reliant future. At the popular level, claims for social equality through redistribution became intensely salient as an expression of justice. And knowledge producers within both the academic and the literary community, no longer under the heel of colonial power, focused their energies on either transformative or ameliorative development agendas. Social dialogue and action seemed governed by an impulse towards West Indian self-definition, manifested in discussions on race, class, culture and the question of ownership and control of the region's resources. The general decolonization horizon within which such mood and thought moved was also marked by raging debates occurring in the academic world between modernization theorists and neo-Marxist scholars. The New World group – largely comprising historians and social scientists – would come to draw from, and intervene in, these debates, combining serious enquiry into the development possibilities under capitalism, with integrative, normative and programmatic thinking on nation building.

Considered by their pragmatic counterparts in government, media and academy as 'radicals', this cluster of writers and commentators across the Caribbean came to be known as the New World Group (NWG). Their thoughts and ideas on socialism, national self-determination and the delimiting horizons of capitalism reached a West Indian mass audience through public lecture series, various national fora, and newspapers and newsletters of their creation. *New World*, a Jamaica-based magazine, first appeared in 1963 and was published fortnightly under the editorship of Lloyd Best, with assistance from a host of University of the West Indies (UWI, Mona Campus) scholars – George Beckford, Owen Jefferson, Roy Augier, Derek Gordon, Don Robotham and Trevor Munroe, to list a few. From 1965, *New World* was published as a quarterly. Bearing the imprint of the UWI, the 'New World' would serve as a loose association attaching its name to anti-imperialist, consciousness-raising activity across the region. Indeed, NWGs were said to be formed in St Vincent, St Lucia, Washington, DC, Montreal, St Kitts, Trinidad, Barbados, Anguilla, Jamaica

and Guyana. Other publications that appeared either as complements to or refinements of *New World's* mission included *Moko* and *Tapia*, Trinidad-based, weekly newspapers appearing in 1969, *Abeng*, a Jamaican newsletter launched in the same year, and the 1970 St Lucia-based *Forum*.

The first issue of *New World* focused on Guyana's development dilemma. The analysis moved beyond conventional state-centric explanations about the country's savings gap, low technologies, unskilled, undifferentiated labour markets and inadequate infrastructure. Guyana's, and indeed the Caribbean's, limited development, it was argued, was a function of the region's structural dependent linkages with Europe in terms of its value system and its economic relations. This point of view resonated with the dependency perspective first advanced by Paul Baran and subsequently extended by others who specialised in Latin American area studies. It was certainly a more assimilable 'angle' for Norman Girvan and Owen Jefferson to deploy in their doctoral theses explaining Jamaican underdevelopment (circa 1972), than the market-deficiency arguments of neoclassical proponents. As Girvan and Jefferson saw it, the move towards self-government and independence could not arrest the process of underdevelopment so long as the domestic economies remained dependent on foreign capital and terms of trade set under colonial rule.

Principally, the path of resistance for New World associates was forged out of opposition to Arthur Lewis's (1955) import substitution industrialization (ISI) model, favoured by Caribbean governments in the 1960s and 1970s. Briefly, the ISI programme required state provision of incentives to transnational enterprises in order to attract offshore industrial operations. The various budgetary and fiscal preparatory statements placed emphasis on the prospects for increased employment, technology transfer and stimulated markets for local inputs.

Beckford (1972) and Best and Levitt (1968) levelled a critique of Lewis's model that was representative of the dominant positions New World associates adopted on the question of Caribbean capitalist development. With epistemic insights drawn from orthodox Marxists and Latin American structuralists, their research fitted the growing canon of work seeking to establish dependency as the source of persistent underdevelopment. Beckford and others in the NWG would enrich this stock argument by anchoring the dependency concept within the plantation experience of Caribbean societies.

Dependency theory and plantation economy

Beckford's (1972) *Persistent Poverty* defined the historic plantation slave economy as a quintessentially dependent economy, the units of which included Caribbean land, African unfree labour and European capital. This is Best and Levitt's (1968) 'pure plantation economy', as no other economic activity occurred outside the sugar plantation. Beckford's work was as much a repudiation of Caribbean development strategies as it was a paradigmatic challenge to the liberal fallacy of 'progress'. For him, the mode of accumulation in the region remained a modified plantation economy variant, as dependent investment and aid ties with London and other metropolitan cities persisted. After lamenting the disarticulation between branch-plant production and the rest of the host economy, and the general mono-product character of local economies, Beckford (and, later, Best and Levitt) outlined other structural features of the plantation economy which generated underdevelopment:

- land requirements of plantation production tended to restrict domestic food production;
- terms of trade often deteriorated as rising food and other imports presented balance of payments difficulties;
- stagnant educational levels tended to foreclose on product diversification options and improvements.

Havelock Brewster (1973), seized by the plantation economy argument, argued that foreign capital could not possibly champion industrialization in accordance with common needs and the

utilization of the internal market. This was so, he surmised, because the gridlocked nature of a plantation economy, with its lack of an internal dynamic, its reliance on outdated technologies and hierarchical management practices, guaranteed for the region a subordinate role in its relationships with core firms and countries.

From all this we may gather that, unlike their dependency counterparts in Latin America, most New World associates relied less on external-determinist explanations to explain Caribbean underdevelopment, than on the *internal* workings of Caribbean economies to account for the region's structural dependency, even as they were careful to note that the characteristics of these economies extended back to colonial relations between Britain and the West Indies. *Dependistas* and structuralists, on the other hand, placed the centre-periphery relations they depict within the context of macro-historical forces, intent on locking peripheral societies into an unyielding spiral of exploitation and poverty.

Interestingly enough, Walter Rodney, a Guyanese historian, and Jamaican political scientist, Trevor Munroe, could be said to have framed Caribbean development in such deterministic terms, except that they singled out the social legacy of the plantation experience as especially debilitating for non-white races. Both were inspired by Marx's historical materialist method, but Rodney was inclined to argue that nation building in the region had to be about renewing spirits, constructing grounds for black liberation and pursuing self-reliance. Trevor Munroe's perspective was expressed in more classical but nuanced terms, as he was mindful of the plantation slavery experience. As he would frame it, underdevelopment in the region was the predictable outcome of undeveloped class formation – itself partly perpetuated by that mix of domestic policies which threw the territories back on traditional activity and on traditional metropolitan dependence. The extent of the lag in technological, market, infrastructural and resource development will pose a challenge to aspirant Caribbean societies committed to constructing a capitalist economy.

Of the NWG, however, Best's dependency perspective evinced a deep-seated ambivalence towards Western discourses on development. Perhaps he was self-conscious of the post-colonial scholar's place in such literary transactions, of the dangers of succumbing to the neoclassical association between open economies and automatic economic growth. In the context of plantation economies, such assumptions muddled an already complex situation, Best argued. His dependency perspective was consistently embedded in extended and detailed analyses of ruling circles. Apart from addressing the aforementioned features of neocolonial dependency in the region, he singled out the shared outlook of Caribbean elites and Western development planners as a major brake on effecting meaningful socio-economic transformation. Not surprisingly, his appeal was for a shift in the register of social consciousness on the part of the ruling elite. The colonial hangover apart, Best failed to draw sufficient attention to the degree of class conflict inherent in decolonization as new class forces move to reorient the social system and the values which define that system.

The demise of New World

As the 1970s dawned, the New World movement shuffled to a halt as division arose over strategies, tactics and modes of resistance to neocolonialism. By this time, Best was especially critical of the group, decrying what he saw as New World's fatal attraction for governments, and a tendency to substitute policy-oriented research for contemplative scholarship. Increasingly, such knowledge products, he argued, amounted to exercises in self-justification, and as such were quite explicit disclosures of governmental discourse in action. He was also resistant to the idea that the NWG could move towards the formation of a political party or organization contending for power. In a polemic entitled 'Whither New World', Best (1968: 2) spoke of the tensions of the group, offering the following observation: 'There is among us, much unwitting intolerance, little cool formulation, hardly any attentive listening and even less effective communication.' Munroe would come to

lament their facetious pursuit of class unity and vowed to distance himself from what he termed the 'bourgeois idealism' of New World.

The disintegration of the NWG was in part a result of the attention given by many to the immediate realms of the policy process. Mona-based economists, in particular, played key advisory roles in the Michael Manley administration of the 1970s, while others across the region responded to appeals from governments for technical and project management assistance. But there are some scholars who instead place emphasis on the internal arguments between Best and others on the question of New World's relevance and its activist orientation. Their analysis, in my view, falls short precisely because they do not recognize sufficiently that New World, like any avant-garde movement, became compromised not so much by bourgeois acceptance as by *absorption into the intelligentsia*. Attendance to career, administration and public service would spawn a culture marked by keynote address, cocktail attendance and doctoral authority. Consequently, the new radicals were to be found on the outskirts of black power movements, drawn less to its ideology than to the struggle for worker freedom and justice.

On a wider intellectual plane, New World could be said to suffer the slump it did largely because the dependency concept itself lacked lasting explanatory power. Overall, there was a circularity in the dependency argument: dependent countries are those which lack the capacity for autonomous growth, and they lack this because their structures are dependent ones. Other scholars have also made the point about development in the world economy being, in fact, *dependent* development, pointing to foreign investment relationships between core states and firms. By the late 1970s, the emphasis among neo-Marxists shifted away from an independent weight placed on 'dependency' as undesirable, towards either a normative condemnation of state capitalism or an appeal to Third World states to *negotiate* the scope of their dependency.

Summary: Back to the future

If we posit that openings for dissent are as necessary to democracy as securing consent, then Caribbean civil and uncivil society can continue to offer sites for objection and challenge. But there has been no New World equivalent emerging out of the tensions of the present neoliberal period. True the rise and influence of non-governmental organizations (NGOs), particularly women's organizations, trades unions and the galvanizing work of the Caribbean Policy Development Centre, along with that of critical scholars, have served to exert pressure on increasing public transparency and inclusion. To be sure it is not at all clear that NGOs constitute an intrinsically virtuous force for the collective good. These can run a similar course to that of the New World. Beyond a certain point, NGOs may lose the critical element that caused them to come into existence, as they render services to governance agencies, take funds from them or 'cross over' to work for government institutions and organizations which they previously challenged. Market mentalities predominate in government bureaucracies, business firms and academy in the early twenty-first century. Academicians from the UWI, particularly social scientists, are exhorted by media, business and government commentators to give advice and attention to the technicality of social control or constitutional and other reforms. In most issue spaces, ruling discourses of technocratic expertise seem to suppress alternative perspectives arbitrarily. The UWI's role in this is not entirely surprising, as the University's struggle for relevance and its sensitivity to budget efficiency do make for a climate where conformity to the prevailing common sense seems the best course for research programming. Hegemony-affirming research thus continues to triumph. Political and intellectual challenges are foreclosed in the prevailing environment, where priority of survival continues to be asserted both as an operating principle and as a rationale for the absence of radical critique. This is the 'bourgeois villainy' Best would speak of when the case was hardly self-evident among intellectuals of New World. The associates then at least managed a discussion of Caribbean dependency that was enriched by site characteristics of plantation production relations. This added colour to

parallel debates in Latin America. For New World associates, the dependency concept had operative power; it encouraged an interesting entry point for challenging the colonial mode of accumulation. It also fashioned an intellectual cachet of dissent in the region, illuminating history and social fact as economic paradigms came under challenge.

GUIDE TO FURTHER READING AND REFERENCES

- Beckford, G. (1972) *Persistent Poverty: Underdevelopment in Plantation Economies of the Third World*, Morant Bay, Jamaica, and London: Maroon Publishing House and Zed Press.
- Best, L. (1968) 'Forum: Whither New World', *New World*, IV(1): 1–6.
- Best, L. and Levitt, K. (1968) 'Outlines of a model of pure plantation economy', *Social and Economic Studies*, 17(3): 283–326.
- Blomstrom, M. and Hettne, B. (1984) *Development Theory in Transition*, London: Zed Books.
- Brewster, H. (1973) 'Economic dependence: A quantitative interpretation', *Social and Economic Studies*, 22(1): 90–95.
- Dookeran, W. (ed.) (1996) *Choices and Change: Reflections on the Caribbean*, Washington, DC: Inter-American Bank.
- Hendriks, C.M. (2006) 'Integrated deliberation: Reconciling civil society's dual role in deliberative democracy', *Political Studies*, 54: 486–508.
- Lewis, R.C. (1998) *Walter Rodney's Intellectual and Political Thought*, Kingston, Jamaica, and Detroit, MI: University of the West Indies Press and Wayne State University Press.
- Lewis, W.A. (1955) *The Theory of Economic Growth*, London: Allen and Unwin.
- Marshall, D.D. (2000) 'Academic travails and a crisis-of-mission of UWI social sciences: From history and critique to anti-politics', in G. Howe (ed.) *Higher Education in the Anglophone Caribbean: Past, Present, and Future Directions*, Mona, Jamaica: University of the West Indies Press, pp. 59–84.
- Munroe, T. (1990) *Jamaican Politics: A Marxist Perspective in Transition*, Kingston, Jamaica, and Boulder, CO: Heinemann Publishers (Caribbean Limited) and Lynne Rienner Publishers.
- Rodney, W. (1972) *How Europe Underdeveloped Africa*, London: Penguin.

2.8 World-systems theory: Cores, peripheries and semi-peripheries

Thomas Klak

Definition

World-systems theory (WST) argues that any country's development conditions and prospects are shaped primarily by economic processes, commodities chains, divisions of labour and geopolitical relationships operating at the global scale. World-systems theorists posit the existence of a single global economic system since at least the start of European industrialization around 1780–90. According to WST doyen Immanuel Wallerstein, and others, the global system dates back even further, to at least 1450, when international trade began to grow, and when Europe embarked on the 'age of discovery' and colonization (Frank and Gills 1993). Contrary to much social science thinking, WST stresses the futility of a 'statist orientation' – that is, the attempt to analyse or generate

development by focusing at the level of individual countries, each of which is profoundly shaped by world-system opportunities and constraints (Bair 2005).

WST has identified a number of regularly occurring historical cycles associated with the level and quality of business activity. These cycles account for economic booms and busts of various durations. The main economic periods for WST are *Kondratieff cycles*, named after the Russian economist who discovered them in the 1920s. Each cycle, or *long wave*, lasts about 50 to 60 years and represents a qualitatively different phase of global capitalism, not just a modification of the previous cycle. Kondratieff cycles are themselves divided into a period of expansion and stagnation. There is first an A-phase of upswing, economic expansion and quasi-monopolistic profitability, fuelled by technological innovations and organized by new asymmetrical institutional rules. Price inflation increases during the A-phase. This then leads into a B-phase of increased competition, profit decline, economic slowdown and price deflation. The profit squeeze towards the end of the B-phase motivates capitalists and policymakers to create new and innovative ways to accumulate capital. They work to shift investment out of established economic sectors, regulated environments and production locations, and thereby create the conditions for a new Kondratieff cycle (Knox et al. 2003).

The previous Kondratieff cycle began in the 1940s, expanded until 1967–73 (A-phase), and then contracted through the 1980s (B-phase). Each cycle's organizing institutions and rules are both economic and political. For this cold war cycle, key economic rules and structures included the US dollar as the global currency, and supranational bodies such as the World Bank, the IMF and the G7. Political structures included the UN and the geopolitical divisions brokered at the Yalta conference. This divided Europe into US- and Russian-dominated zones, pitted global capitalism against Russian-led state socialism (communism), and presented the developing world as ideologically contested turf. The dawn of the twenty-first century finds the world in a new cycle. New institutions and rules, such as the World Trade Organization (WTO), neoliberal free trade and global financial liberalization, aim to stabilize and ensure quasi-monopolistic profitability and global power for core countries. As in the cold war cycle, the United States remains the pre-eminent core (and thus global) power, but its hegemony is now contested by other strengthening core countries and semi-peripheral countries, notably China.

Scholars and disciplines influencing, and influenced by, WST

WST is almost synonymous with its principal architect, Immanuel Wallerstein. Indeed, few influential theoretical perspectives are so closely linked to one contemporary scholar. WST's conceptual roots are largely in Marxism. Wallerstein (1979) says that WST follows 'the spirit of Marx if not the letter'. Evidence of Marx's spirit includes WST's emphasis on class, the state, imperialism and control over the means of production and labour power. WST's objections to classical Marxism include concern over a theoretical component known as *developmentalism*. This is the idea that societies move sequentially through feudalism, capitalism and socialism to communism, and that they can be analysed and transformed individually and separately from the world system. WST's alternative view – that there has been for centuries but one world economy, driven by capital accumulation – employs a concept of mode of production closer to that of Karl Polanyi than that of Marx.

WST has much interdisciplinary relevance, and has therefore attracted both supporters and detractors from across the social sciences. WST complements political-economic analysis rooted in the traditions of *dependency theory* (Cardoso and Faletto 1979), *uneven development* (Smith 1984) and *dependent development* (Evans 1979). A conceptually overlapping, but perhaps less economic, and highly influential alternative to WST is the *regulation school*. Usually applied at a more local level than WST (i.e. to national or subnational systems), regulation theory seeks to identify phases of capitalism of variable length, based on relations between a particular

prevailing method of accumulating capital and an associated 'mode of regulation', that is, a set of state regulations and behavioural norms (O'Hara 2003).

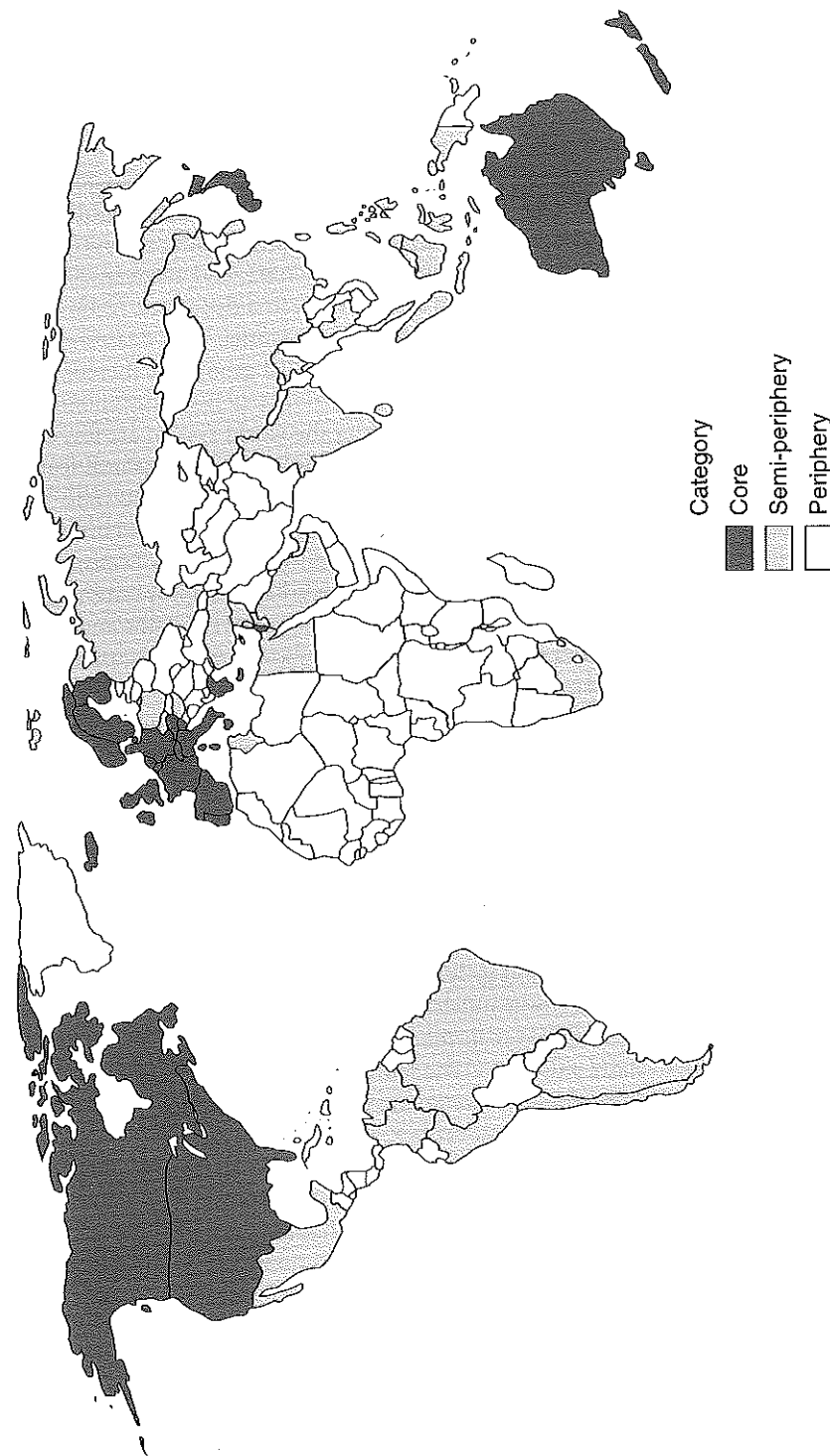
The geography of WST: Three groups of nation states

WST's temporal cycles of systemic integration, order, turbulence, transition and reconstitution of the global economy play out variably across geographical space. The world-system is very unequal. Despite (or, world-system theorists argue, *because of*) several centuries of worldwide economic integration and trade, and more than a half-century of World Bank-led international development, global inequalities continue to rise. The difference in per-capita income separating the richest and poorest countries was 3:1 in 1820, 35:1 in 1950, 72:1 in 1992, and 108:1 in 2004 (UNDP 1999, 2006). Within this highly unequal world order are place-specific dynamics. At times, regions can rise and fall in terms of power, development and economic potential. WST describes this globally differentiated space with reference to nation states and regional groupings thereof. These fall into three categories (see figure).

Compared to long waves, the geographical components of the world system are less conceptually refined and empirically specified. With this caveat in mind, general geographical features can be described. Countries of the *core*, or *centre*, are the sites of global economic (and especially industrial) power and wealth, and the associated political and military strength and influence. Core countries feature higher-skill, capital-intensive production. Politically, they collectively establish and enforce the rules of the global order and, through these advantages, appropriate surplus from non-core countries. The *semi-periphery* is positioned between the core's strengths and the periphery's weaknesses. It mixes characteristics of the core (e.g. industry, export power, prosperity) and the periphery (e.g. poverty, primary product reliance, vulnerability to core decision making). The semi-periphery is the most turbulent category, in that its members most frequently rise or fall in the global hierarchy. In semi-peripheral countries, there is much hope for development and joining the core countries, and narrow windows of opportunity to do so. But there are also intense interactions, with core countries bent on fostering their own capital accumulation by maintaining the hierarchical status quo. The *periphery* is the backwater of the world system. It provides low-skill production and raw materials for industries elsewhere. It has poor living conditions and bleak development prospects. The semi-periphery versus periphery distinction for non-core regions is important. It avoids grouping such a heterogeneous set of countries with respect to development, industrialization, trade, resource control and geopolitics. Still, putting the world's 200 countries into just three groups inevitably glosses over much intra-group heterogeneity. Note the regional clustering of countries in the three categories in the figure. At present the core is mainly North America, Western Europe, Australasia and Japan. The semi-periphery is essentially East Asia, Latin America's larger countries and most of the former Soviet realm. The periphery is everything else, particularly Africa.

A nation state's position in the world system is historically *path-dependent*, but not deterministically so. Nation states can move between categories over time, depending on their accumulation regimes, development strategies and international aid and alliances. Indeed, WST is quite useful for analysing the upward and downward movement of countries over time. There is not agreement over each country's categorization, depending on the defining characteristics and their interpretation. In addition, relative positions *within* each of the three categories can also shift over time.

East Asia illustrates the semi-periphery's potential and turbulence (Gwynne et al. 2003). Following massive US aid and industrial export growth in recent decades, South Korea has recently been knocking on the core's gate, although it was set back considerably by the 1997 Asian financial crisis. Indonesia has traditionally been peripheral, but in recent decades it has arguably joined the semi-periphery. Its increased clout derives from economic growth based on industrial exports for Nike and others, large resource endowments, including oil exports, and its status as the world's



The world-system at the dawn of the twenty-first century
Notes: For an explanation of the country-level classification system shown in this figure, please see Gwynne et al. 2003.

fourth most populous country (see figure). China's industrial export boom and associated capital accumulation since the 1980s drove it into the semi-periphery. Now many Japanese and US leaders fear China's global resource hunger and ambitions as a soon-to-be core country (Zweig and Jianhai 2005).

Criticisms of WST

One capitalist world economy, divided by Kondratieff cycles, since at least 1450?

Need we subscribe to WST's totalizing global history to employ it effectively to understand recent development? Compared to Wallerstein, few writers employing a WST framework are as deeply historical, and few treat economic activities during previous centuries in such a globally holistic way. Much work, for example, has been done to identify the evolving features of capitalism associated with five Kondratieff cycles extending back only to 1789. Many other WST-influenced scholars focus on the dynamics of contemporary capitalism. WST purists may reject these approaches as insufficiently historical.

While Kondratieff cycles have considerable historical and empirical support (Mandel 1980), they remain controversial. Others have assembled evidence to cast doubt on the existence and significance of long waves, and to suggest instead that capitalism moves through phases of differing lengths, problems and features (e.g. Maddison 1991). As mentioned earlier, the regulation school is one alternative conceptualization of contemporary capitalist dynamics.

Metatheory?

Beyond the considerable empirical analysis of Kondratieff cycles and their associated production and technological features, many WST claims remain untested and are perhaps untestable. Most WST-influenced scholarship focuses on the contemporary global political economy, and the lack of time series data limits testing. Further, how could the simple three-category spatial division of the world system be tested? WST-inspired writing tends to read like an open-ended analysis of unfolding world events. Critics can claim that this method allows one to find and fit the data anecdotally to the theory. Better to think of a world-system *approach*, *analysis* or *perspective* than a world-system *theory*.

Neglect of the local?

Operating at the global level and concerned with economic cycles over decades, if not centuries, WST is too holistic to account for local dynamics. Indeed, WST underplays the generative role of local activities, initiatives, social movements and people.

Conclusion

World-systems theory, with its keen sense of historical, cyclical, technological and geographical patterns, has undoubtedly deepened our understanding of the global political economy. It is a satisfying antidote to the reductionism, ahistoricism and superficiality in most popular interpretations of economic change. WST's historical and holistic perspective and level-headedness serves to counter the recent hyperbole about the uniqueness of globalization and the inevitability of neoliberalism.

In practice, many scholars employing a WST perspective downplay the details and measurement of the cycles of upswing and downswing in the global economy. They focus instead primarily on contemporary trends, and adopt a qualitative approach to understanding business cycles,

global systemic change, and the associated realignments of geopolitical and economic power, constraints and potential. Many economists, and some WST purists, would judge a more qualitative version of WST to be insufficiently rigorous and therefore theoretically deficient. WST defenders would counter that a more qualitative approach is suitable, given their aim to see the 'big picture', and to decipher and rectify contemporary economic and political institutions and options.

GUIDE TO FURTHER READING

- Gwynne, R., Klak, T. and Shaw, D. (2003) *Alternative Capitalisms: Geographies of 'Emerging Regions'*, London: Hodder Arnold, and New York: Oxford University Press. Employs WST to examine the recent reconfiguration of countries in the semi-periphery of the global economy.
- Knox, P., Agnew, J. and McCarthy, L. (2003) *The Geography of the World Economy*, fourth edition, London: Hodder Arnold. Couples WST with economic geography to explore the workings of the contemporary global economy.
- Shannon, T.R. (1996) *An Introduction to the World-System Perspective*, second edition, Boulder, CO: Westview Press. Useful overview of WST, endorsed by Wallerstein.
- Wallerstein, I. (2004) *World-System Analysis: An Introduction*, Durham, NC: Duke University Press. Wallerstein's own introduction to the field.
- Wallerstein, I. (ed.) (2004) *The Modern World System in the Longue Durée*, Boulder, CO: Paradigm Publishers. Wide-ranging set of chapters by leading world-system scholars, providing a useful overview of WST.

USEFUL WEBSITES

- Fernand Braudel Center for the Study of Economies, Historical Systems, and Civilizations, Binghamton University, State University of New York, <http://fbc.binghamton.edu/index.htm>. The Center focuses on 'the analysis of large-scale social change over long periods of historical time'.
- Journal of World-Systems Research*, Institute for Research on World-Systems, University of California, Riverside, <http://jwsr.ucr.edu/index.php>. Free online journal devoted to WST.
- United Nations Development Programme, *Human Development Reports*, <http://hdr.undp.org/>. Global and comparative country data for a range of development indicators.

REFERENCES

- Bair, J. (2005) 'Global capitalism and commodity chains: Looking back, going forward', *Competition and Change*, 9: 153–80.
- Cardoso, F. and Faletto, E. (1979) *Dependency and Development in Latin America*, Berkeley, CA: University of California Press.
- Evans, P. (1979) *Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil*, Princeton, NJ: Princeton University Press.
- Frank, A.G. and Gills, B. (eds) (1993) *The World System: Five Hundred Years or Five Thousand?* London: Routledge.
- Gwynne, R., Klak, T. and Shaw, D. (2003) *Alternative Capitalisms: Geographies of 'Emerging Regions'*, London: Hodder Arnold, and New York: Oxford University Press.
- Knox, P., Agnew, J. and McCarthy, L. (2003) *The Geography of the World Economy*, fourth edition, London: Hodder Arnold.
- Maddison, A. (1991) *Dynamic Forces in Capitalist Development*, Oxford: Oxford University Press.
- Mandel, E. (1980) *Long Waves of Capitalist Development*, Cambridge: Cambridge University Press.
- O'Hara, P. (2003) 'Deep recession and financial instability or a new long wave of economic growth for US capitalism? A regulation school approach', *Review of Radical Political Economics*, 35: 18–43.
- Smith, N. (1984) *Uneven Development: Nature, Capital, and the Production of Space*, New York: Blackwell.

- UNDP (1999, 2006) *Human Development Report*, New York: Oxford University Press.
- Wallerstein, I. (1979) *The Capitalist World-Economy*, Cambridge: Cambridge University Press.
- Zweig, D. and Jianhai, B. (2005) 'China's global hunt for energy', *Foreign Affairs*, September/October.

2.9 Indigenous knowledge and development

John Briggs

Interest in indigenous knowledge systems developed particularly during the 1980s, primarily in response to dissatisfaction with modernization as a means of improving living standards for the majority of the population of the Global South. Modernization, through the diffusion of formal scientific and technical knowledges from the North to the Global South, has been seen to be an effective way of eradicating poverty. Consequently, development has frequently been conceptualized as a fundamentally technical issue, driven by the dominant science discourses of Europe and North America. By the 1980s, however, it had become clear that this transfer had not been wholly successful in transforming the lives of many, especially in Africa.

Alternatives were sought, and in promoting local-level, even antidevelopment, approaches, Escobar (1995: 98) perhaps captures the spirit best when he writes: 'the remaking of development must start by examining local constructions, to the extent that they are the life and history of the people, that is, the conditions of and for change'. This highlights the importance of local-level histories, geographies and sociocultural constructs in understanding community-level development, as well as the need for a more explicit acknowledgement of indigenous knowledge as a valid body of knowledge. Despite this, much current development thinking still reflects the dominance of formal science; development remains a technical challenge and the voices of the poor and dispossessed are still little heard. However, the challenge for a new vision remains, and there is increasing sympathy for the view that 'there is now an explicit understanding among many promoters and practitioners that farmer participatory research has clear advantages for the development of appropriate, environmentally friendly and sustainable production systems' (Okali, Sumberg and Farrington 1994: 6).

Although it is only in the last quarter of the twentieth century that the interest in indigenous knowledge has explicitly emerged in the literature, there were elements of an embryonic indigenous knowledge before then. Although William Allan's (1965) classic, *The African Husbandman*, is basically a standard development narrative of its time, focusing on issues of population and land pressure, there is nonetheless an acknowledgement that indigenous agricultural systems demonstrate a considerable knowledge of, and sympathy with, the environment. The first major discussions of indigenous knowledge in development, however, can be traced to a collection of papers in the *IDS Bulletin* in 1979 (see, for example, Howes 1979). This was followed by an important landmark work edited by Brokensha, Warren and Werner (1980). Richards (1985) took the debate forward with a study which showed how African farmers used their own knowledge systems as the basis for successful agricultural production. Interestingly, Richards' study raises the issue as to whether these local knowledge systems are complementary to formal science, or whether they are rather more radical alternatives, which better reflect the needs, aspirations and priorities of local people. Based on much of this pioneering work, indigenous knowledge has become increasingly important in discussions on sustainable development because of the ways in which such knowledge has apparently allowed people to live in harmony with nature while still being able to make a