Theories of Development and Modernization: A Critique of Developmentalism

During the postwar decades of the 1950s and 1960s, when U.S. global expansionism and domination of the world economy had reached new heights, development theory came under the grip of cold war ideologists like W. W. Rostow, who set the parameters and shaped the direction of development theory in line with U.S. foreign policy objectives. What came to be known as "developmentalism," mainstream modernization theory became the ideological arm of U.S. expansion throughout the world for the supposed purpose of diffusing "development" and "democracy" to the Third World. ¹ Several theoretical variants of developmentalism thus came to complement and reinforce the establishment and later consolidation of conservative development theory that dominated the field until the late 1960s and early 1970s, when radical alternatives to developmentalist theory set the stage for a basic reorientation in studies of international development and global political economy.

This chapter provides a critical analysis of mainstream theories of development and modernization grouped under the general rubric of developmentalism. ² It examines the main variants of this approach in a critical light and sets the stage for an analysis of alternative theories of development taken up in subsequent chapters of this book.
DEVELOPMENTALISM: A CRITICAL ANALYSIS

According to Manning Nash, a major spokesman of the developmentalist school, there are "only three modes of attacking the problem of social change and economic development." These are (1) the ideal typical index approach; (2) the diffusionist approach; (3) the psychological approach. The first mode is ideal typical in that

the general features of a developed economy are abstracted as an ideal type and then contrasted with the equally ideal typical features of a poor economy and society. In this mode, development is viewed as the transformation of one type into the other. . . .

The second mode is the acculturation view of the process of development. The West (taken here as the Atlantic community of developed nations and their overseas outliers) diffuses knowledge, skills, organization, values, technology and capital to a poor nation, until over time, its society, culture and personnel become variants of that which made the Atlantic community economically successful. . . .

The third mode . . . is the analysis of the process as it is now going on in the so-called underdeveloped nations. This approach leads to a smaller scale hypothesis, to a prospective rather than a retrospective view of social change, to a full accounting of the political, social, and cultural context of development. 4

The Ideal Typical Index Approach

The index method is an attempt to deal with the problem of economic development and social change through the comparative statics of polar ideal types. This model, also referred to as the gap approach of C. P. Kindleberger, 5 has in turn two major variants: the pattern variable approach and the historical stage approach. Common to both of these variants is the assumption that underdevelopment is an original state, which may be characterized by indices of "traditionality." Further, in order to develop, underdeveloped countries must abandon these characteristics and adopt those of the developed countries—the process of "modernization." 6

The pattern variable approach refers to the application of the Parsonsian pattern variables to the study of particular underdeveloped countries or regions of the Third World. There are five pattern variables, each of which characterize the various aspects of "traditional" and "modern" societies. 7 Consisting of two polar alternatives of value orien-
tation, these variables are (1) universalism and particularism; (2) specificity and diffuseness; (3) achievement and ascription; (4) affectivity and affective neutrality; (5) collectivity-orientation and self-orientation.8

The major spokesman of this approach in its application to the study of economic development is Bert F. Hoselitz.9 Hoselitz argues that the presently developed countries exhibit the pattern variables of universalism, functional specificity, and achievement orientation—all of which are viewed as characteristics of modern society—while underdeveloped countries are characterized by their opposites—particularism, functional diffuseness, and ascription—viewed as indices of traditionality.10

In conceptualizing the problem in these terms, what Parsons, Hoselitz, and their functionalist followers suggest is that traditional societies (for example, underdeveloped countries) must move away from particularistic normative structures toward universalistic systems, away from role diffuseness toward role specificity, and away from ascription of one’s place in society toward achievement of social position. Thus, the solution for underdevelopment requires a greater penetration of modern economic principles and institutions. And by this is meant “free markets,” “free enterprise,” “modern tax systems,” the “rationalization of the state,” and so on.11

In the social sphere, traditional societies, it is argued, have insufficient social mobility, due to the ascription of social position and the lack of achievement motivation among individuals. In the cultural framework, they contend that certain values associated with the developed countries, such as hard work, thrift, and achievement orientation, are absent in the underdeveloped ones. Therefore, according to these theorists, development requires programs that will instill proper values in individuals and modernize institutions; in the process, these countries will then eventually evolve from the state of traditionality to that of modern society.12

Another variant of the ideal typical approach that has pervaded the mainstream developmentalist literature during this period has been that of W. W. Rostow.13 In his book The Stages of Economic Growth: A Non-Communist Manifesto Rostow argues that all societies pass through five stages of economic growth. The initial stage is called “the traditional society,” characterized by traits supposedly typical of the rural, non-capitalist sector of underdeveloped countries. Next is the “preconditioning” stage, followed by the “take-off,” the “drive to maturity,” and, finally, the “age of high mass-consumption.”14

What Rostow’s theory suggests is that the underdeveloped coun-
tries are simply at a lower stage of social evolution than that characteristic of the advanced, industrial capitalist nations of the West. In fact, most of these underdeveloped countries are classified as traditional; in order to develop, they must pass through the five successive stages that Western capitalist nations passed through long ago.

There are, however, a number of major flaws in this kind of thinking. First, as Keith Griffin points out, "it is exceedingly improbable that one can gain an adequate understanding of present obstacles and future potential for development without examining how the underdeveloped nations came to be as they are." Thus, "to classify these countries as 'traditional societies' begs the issue and implies either that the underdeveloped countries have no history or that it is unimportant."

Although Rostow claims to have introduced into his model historical process, what we actually get from his "evolutionary" scheme is a series of snapshots that freeze the development process in five different moments of time. Hence, Rostow never clarifies how a country gets from one stage of economic growth to another. What is more, taking the developmental pattern of the Western capitalist nations as his reference point, Rostow wants to construct a universal model of development that underdeveloped societies must inevitably adopt if they wish to develop.

The distortion imposed by this kind of analysis, which uses "unilinear conceptions of historical development," overlooks the degree to which the development opportunities (colonies, export markets, etc.) which existed earlier no longer exist, but have become positive advantages and weapons for maintaining dominance... by [the] established centers of industrial power... The unilinear-historical dogma is both a mode of frustrating dynamic growth (as a political doctrine) and a faulty conceptual framework for examining the potentialities and necessities inherent in the development of the subordinate countries in the contemporary world.

In neither the pattern variable approach nor the Rostovian historical stage approach is there an examination of the actual structure of development in the global-historical context. "Even within its extremely narrow limits," write Baran and Hobsbawm, the Rostovian theory can neither explain nor predict without introducing considerations that are completely irrelevant to the stage schema. It simply fails to specify any mechanism of evolution which links the different stages. There is no particular reason why
the “traditional” society should turn into a society breeding the “preconditions” of the “take-off.” Rostow’s account merely summarized what these preconditions must be. . . . Nor is there any reason within the Rostovian stages why the “preconditions” should lead to “take-off” to maturity, as is indeed evidenced by Rostow’s own difficulty in discovering, except long ex post facto, whether a “take-off” has taken place or not. In fact the Rostovian “take-off” concept has no predictive value. Similarly, when it comes to analyzing the “inner structure” of the “take-off” or of any other stage, the Rostovian theory subsides into statements of the type that “things can happen in any one of a very large number of different ways,” which constitute a rather limited contribution of knowledge.

Such explanations and predictions as Rostow attempts are therefore little more than verbiage which has no connection with his stages theory or indeed with any theory of economic and social evolution.18

“Why,” Baran and Hobsbawm ask, “should a man adopt a theoretical approach so obviously defective and indeed self-defeating?” They conclude: “At least one plausible answer may be suggested. Professor Rostow, is, on his own admission, primarily concerned not with arriving at a theory of economic development, but with writing a ‘non-communist manifesto’.”19 “As to the efficacy of the policy recommended by Rostow,” Frank reminds us that “no country, once underdeveloped, ever managed to develop by Rostow’s stages.”20 Writing in the summer of 1967, Frank asks, “is that why Rostow is now trying to help the people of Vietnam, the Congo, the Dominican Republic and other underdeveloped countries to overcome the empirical, theoretical, and policy shortcomings of his manifestly noncommunist intellectual aid to economic development and cultural change by bombs, napalm, chemical and biological weapons, and military occupation?”21

The Diffusionist Approach

Closely related to both the Parsonian pattern variables scheme and Rostow’s stages of economic growth is the diffusionist approach. This approach to the study of economic development is based on two major assertions: (1) that development is largely the result of the spread of certain cultural patterns and material benefits from the developed to the underdeveloped nations; and (2) that within each underdeveloped nation a similar process of diffusion takes place from the modern to the
traditional sectors. The underlying assumption of both the ideal typical index approach and the diffusionist approach is the traditional/modern dichotomy. The main procedural difference between these two is that, while the former is concerned with classifying and identifying the characteristics of these societies at different stages of development, the latter examines the very same framework in terms of the penetration of certain influences from the modern to the traditional sectors. And both of these theoretical approaches are based on the notion of a "dual society."

The dualistic conception of underdevelopment centers in the common point of identifying and classifying the various characteristics of the traditional and modern sectors of the underdeveloped countries (in order to justify the transformation of the former into the institutional framework of the latter). The dual society thesis, insofar as it asserts a conceived isolation and separation of these sectors as "self-contained" entities, obscures the underlying relationships between the two sectors in the development process.

The crucial question in an analysis of the development process in actual societies is not the mere identification of two or more distinct parts; it is rather the analysis of the relationships that exist between them. Rather than advancing our knowledge on the nature of such relationships, however, the dual society thesis has served as a convenient ideological justification for not only the continuation of imperialist policies (since underdevelopment is viewed as a result of traditions that resist the international acculturation process), but for the implementation of the diffusionist approach to policy decisions, both at the inter- and intranational levels.

The acceptance of the dual society thesis, then, has led developmentalists to argue that for development to occur, capital, technology, institutions, and values must be diffused from the developed to the underdeveloped countries, and within each underdeveloped nation the same process of diffusion be repeated from the modern to the traditional sector of the economy and society.

"Modernity is not a geographical question, but a class question," James Petras reminds us. "In Latin America there exists a stratified modernity which coincides with the strata controlling the economic resources of the country."22

Traditionalism and modernity vary according to the levels of analysis of the socio-economic system. One can discover modernity at the level of the productive unit (techniques) and yet discover traditionalism at the level of social relations (worker-owner).

The interpenetration of modernity-traditionalism is the typ-
ical form of development of modern capitalism and command relations in the subordinate countries. It is usually expressed in the utilization of modern techniques of production and traditional social relations in order to maintain labor docile or under control. The decisive conflict hence cannot be as "dualists" would have it, between a modern sector and a traditional sector, but between those social classes having access to modern life through their socio-economic power and those subordinate classes exploited through traditional social relations.\textsuperscript{23}

This theory, writes Johnson, "is particularly salient in providing a rationale for U.S. and international aid programs."\textsuperscript{24} "At the very least," he adds,

the diffusion theory represents a much more sophisticated rationalization for imperialist activities than the old doctrines of "manifest destiny" and "white man's burden." Yet in its final analysis, this theory underlies a form of cultural imperialism that accompa-

nies economic imperialism.\textsuperscript{25}

The wide-ranging implications of the diffusionist theory are clear.

\textit{The Psychological Approach}

Perhaps the most influential exponent of the psychological approach to economic development has been David McClelland. According to McClelland, the key factor in economic development is what he calls "the need for achievement" or "n achievement motivation," which denotes "a desire to do well, not so much for the sake of social recognition or prestige, but to attain an inner feeling of personal accomplish-

ment."\textsuperscript{26} In McClelland's conception, economic development is a product of a high degree of individual motivation or need for achievement: "In its most general terms, the hypothesis states that society with a generally high level of n achievement will produce more energetic entrepreneurs who, in turn, produce more rapid economic development."\textsuperscript{27} It is not the economic, political, or social structure of a society that shapes the nature and direction of its development, but rather the "values, motives, or psychological forces that determine ultimately the rate of economic and social development... The Achieving Society... suggests that ideas are in fact more important in shaping history than purely materialistic arrangements."\textsuperscript{28} Thus, contrary to historical materialism, this approach is rooted in the basic notion of "human nature," entangled with all of its idealist connotations.
Change, according to this view, comes from the human mind, not from the basic structures of society; nor does it come from the dynamics of the material conditions in which one finds oneself and with which one constantly interacts. No, economic growth is the result of attitudes and psychological traits.29

This is clearly evident, for example, in Arthur Lewis’s conception of economic growth:

Economic growth depends on attitudes to work, to wealth, to thrift, to having children, to invention, to strangers, to adventure, and so on, and all these attitudes flow from deep springs in the human mind. There have been attempts to explain why these attitudes vary from one community to another. One can look to differences in religion . . . or one can look to differences in natural environment, in climate, in race, or failing all else, in the accidents of history.30

For Lewis, then, one need not look at social organization or social structure to determine the presence or absence of economic growth. Of course, according to this logic, to experience economic growth the people of the underdeveloped countries must acquire, or develop, the “right” attitudes. And, short of sufficient indigenous effort on this front, the “burden of growth” in the underdeveloped areas falls, to Lewis’s mind, on the knowledge, skills, and “entrepreneurial ingenuity” of the chosen capitalists of the industrial West. Lewis’s concealed and subtle presentation of the problem in these diffusionist terms is an exercise in the justification of economic and cultural imperialism.

Similarly, for McClelland, the present economic, social, and political structure of underdeveloped societies does not matter at all: there is no need to change the present structural arrangements. What is needed is the diffusion of ideas: increasing n achievement; protestant conversion; education; reorganizing fantasy life. The diffusion of these values is important, according to McClelland, if the United States is to maintain a sound imperialist foreign policy toward the underdeveloped countries. Directing his message to a specific audience—the readers of the Harvard Business Review—he writes that, although “China was politically free under Chiang Kai-Chek . . . it lacked the dynamic of a really self-sacrificing achievement effort until it was taken over by the Communists.” Thus:

Unless we learn our lesson and find ways of stimulating that drive for achievement under freedom in poor countries, the Commu-
nists will go on providing it all around the world. We can go on building dikes to maintain freedom and impoverishing ourselves to feed and arm the people behind those dikes, but only if we develop the entrepreneurial spirit in those countries will we have a sound foreign policy.\textsuperscript{31}

\section*{FURTHER OBSERVATIONS ON THE CRITIQUE OF DEVELOPMENTALISM}

The starting point of any analysis of Third World societies should be a clear understanding of the concept of “underdevelopment.” And yet it is precisely here that a great deal of confusion seems to be centered.

Much of the writing of mainstream economists and sociologists on the question of underdevelopment assumes that underdevelopment is an “original state” characterized by “backwardness.” This inherently static conceptualization of underdevelopment denies the historical process of exploitation and plunder of Third World societies by European colonialism and imperialism.

The works of a number of other developmental economists, particularly Lewis, Kindleberger, Kuznets, Nurkse, and Adelman and Morris, prompt further observations on the development process. I turn first to Lewis, since he clarifies a number of assumptions inherent in the economic analysis of development and outlines the parameters of what he calls “the theory of economic growth.”

In the opening paragraphs of his widely circulated work \textit{The Theory of Economic Growth}, Lewis states:

\begin{quote}
First, it should be noted that our subject matter is growth, and not distribution. It is possible that output may be growing, and yet that the masses of the people may be becoming poorer. . . . But our primary interest is in analyzing not distribution but growth. Secondly, our concern is not primarily with consumption but with output. Output may be growing while consumption is declining.\textsuperscript{32}
\end{quote}

Lewis insists that he will carry on his study “from the angle of the growth of output, and not from the angle of the growth of consumption.”\textsuperscript{33}

Later on, we find another qualification that further narrows the scope of his study. After discussing some of the problems in defining “output,” Lewis says: “We mention these problems so that pedantic
reviewers shall not be able to say that we are not aware of them. We do not, however, have to solve them. For our concern is not with the measure of output, but with its growth.\\textsuperscript{34} He then explains that, for the purposes of his study, “the definition [of output] must . . . relate to goods and services—‘economic’ output, in the old fashioned meaning of ‘economic’—and not to some such concept as welfare, satisfaction or happiness. It is possible that a person may become less happy in the process of acquiring greater command over goods and services. This frequently happens to individuals, and it may also happen to groups.”\\textsuperscript{35} But for Lewis, the central question is growth. “This book,” he says, “is not . . . an essay on whether people ought to have or to want more goods and services; its concern is merely with the processes by which more goods and services become available.”\\textsuperscript{36} But “available” to whom? The important question here is who gets what and how, not growth toward an abstract and undefined end.

Nowhere do we see in Lewis’s work a sense of concrete historical process. In a nine-page section on imperialism, he writes that it is “only marginally related to economic analysis, and we can touch it only very briefly”; and that, of all the various causes of imperialism, the one of foremost importance is that “some nations want more or better lands upon which to settle their peoples.”\\textsuperscript{37} A bit later he says “migration may lead to war because other countries refuse to accept immigrants, or because they treat them badly.” For Lewis, “what causes a nation to believe in militaristic glory is one of the unsolved puzzles of the universe.”\\textsuperscript{38} Commenting that “class structure throws little light on the problem,” he implies that Western imperialist domination is nothing more than a figment of a few radicals’ imaginations, because “the richest countries tend to be peaceful, enjoying what they have, and envying none.”\\textsuperscript{39}

Arthur Lewis is not alone, however, in the production of this kind of nonsense; other developmental theorists fall into a similar kind of ideological trap. “One of the great ethical issues of our time,” writes Art Gallagher, Jr., the editor of Perspectives in Developmental Change, is “the extent to which the developed nations of the world are willing to help the less fortunate and to provide such help without binding the less fortunate to closed ideological systems.”\\textsuperscript{40}

Writing at the turn of the century, the British economist John Hobson comes closer to the truth on the real motives behind such ideological statements expressed above by Lewis and Gallagher. “Industrial and financial forces of Imperialism,” Hobson writes,

operating through the party, the press, the church, the school, mould public opinion and public policy by the false idealization of
those primitive lusts of struggle, domination and acquisitiveness, which have survived throughout the eras of peaceful industrial order, and whose stimulation is needed once again for the work of imperial aggression, expansion, and the forceful exploitation of lower races. For these business politicians biology and sociology weave thin convenient theories of a race struggle for the subjugation of the inferior peoples, in order that we, the Anglo-Saxon, may take their lands and live upon their labours; while economics buttresses the argument by representing our work in conquering and ruling them as our share in the division of labour among nations, and history devises reasons why the lessons of the past empire do not apply to ours, while social ethics paints the motive of “Imperialism” as the desire to bear the “burden” of educating and elevating races of “children.” Thus are the “cultured” or semi-cultured classes indoctrinated with the intellectual and moral grandeur of Imperialism.  

Developmentalist ideology notwithstanding, the historical record makes it abundantly clear that the history of the underdeveloped countries in the last five centuries is the history of the consequences of European expansion:

By the end of the sixteenth century . . . the agricultural economies of the Spice Islands, the domestic industries of large parts of India, the Arab trading-economy of the Indian Ocean and of the western Pacific, the native societies of West Africa and the way of life in the Caribbean islands and in the vast areas of the two vice-royalties of Spanish America [were] all deeply affected by the impact of Europeans. . . . The results [of European expansion] on non-European societies were . . . sometimes immediate and overwhelming.  

“In many cases,” writes Griffin, “the societies with which Europe came into contact were sophisticated, cultured and wealthy.” European expansion and plunder throughout the world since the fifteenth and sixteenth centuries, while extremely beneficial for the development of the imperial centers, had disastrous effects on indigenous peoples:

Colonialism in Latin America, as in the rest of the world, was a catastrophe for the indigenous people. In the areas of more primitive civilization the population virtually disappeared within less than thirty years. In the areas of advanced civilization the people were completely subjugated.
Spanish penetration of Latin America began in the Caribbean area. ... The Spaniards gained control over the natives by breaking their political structure. The chiefs were liquidated and the rest of the community were allocated to individual claimants. ... The combination of brutality, slaughter, high tribute, slavery, forced labor for gold mining, destruction of the social framework, malnutrition, disease and suicide led to the extinction of the indigenous population.44

And, according to the British economic historian E. E. Rich:

It has been reckoned that at the approach of the Spaniards, in 1492, total Carib population in Hispaniola was about 300,000. By 1508 it was reduced to about 60,000. A great decline had brought it to about 14,000 by 1514, as serious settlement began; and by 1548 it had reached a figure which indicated virtual extermination, about 500.45

Apparently, these facts have no bearing on social and economic development in the developmentalist model. The theorists of this school remain silent not only on the effects of European colonialism but also of contemporary U.S. imperialism.

Charles Kindleberger, another prominent developmentalist, writes: “Growth and development are often used synonymously in economic discussion, and this usage is entirely acceptable.”46 Further on in his essay, he gives us an ideological rationale for his interest in the underdeveloped countries, and the importance of development in these countries vis-à-vis U.S. foreign policy:

The writer is a native of the developed part of a developed country, and ... economic and political development in the rest of the world is of concern to his country. In addition, he is persuaded that events abroad have their repercussions on the United States—not all events, to be sure, but certainly cataclysmic ones.47

Concerning growth and economic development in general, Kindleberger asserts that “anyone who claims to understand economic development in toto, or to have found the key to the secret of growth, is almost certainly wrong. ...48 And yet there is a positive element” to his essay, we are told. This element turns out to be that “the writer is in favor of the market”.49
Development that ignores the market, or provides elaborate substitutes for it, is likely to fail in the grand manner. The market may not be very effective; but in the present stage of economic wisdom, when allowance is made for its evident deficiencies the result is better than any alternative.\textsuperscript{50}

Economist Simon Kuznets puts it this way:

The populations in underdeveloped countries today are inheritors of civilizations quite distinctive from and independent of European civilization. Yet it is European civilization that through centuries of geographical, political, and intellectual expansion has provided the matrix of modern economic growth. . . .

This statement is again part of the explanation of the weaknesses in the social and political structure of underdeveloped countries today. . . . The intellectual revolution with the introduction of science, the moral revolution with the secularization of Christo-Judaic religions, the geographical revolution with the formation of national states, all occurred within the context of European civilization, not in Asia, Africa, or the Americas.\textsuperscript{51}

Bold ideological assertions such as those above have pervaded the entire mainstream developmentalist literature, so much so that it is impossible to separate metropolitan social science from the dominant capitalist ideology.

Here is another example. Ragnar Nurkse wonders: “What is it that breaks the deadlock?”—that spurs “some parts of the world [to] economic development”? His answer: “the American economy has been abundantly supplied with the human qualities of enterprise and initiative; but we cannot take it for granted that they are present in the same degree elsewhere.”\textsuperscript{52} Later in his argument, Nurkse writes:

According to [the] Marxian or rather neo-Marxian doctrine of economic imperialism, advanced capitalist economies are under a compulsion to export capital, and in this way to dump their surplus produce abroad, in order to keep the internal economy operating at a prosperous and profitable level of activity.

My own reaction to this doctrine is that if such a compulsion existed—and it may have existed to some extent in the past—there would be nothing sinister about it. On the contrary, it would be a highly beneficent compulsion.\textsuperscript{53}
Nurkse fails to see that, as profits from the export of capital continue to pour out of the underdeveloped countries, the advanced capitalist economies experience a further accumulation of capital; this method becomes highly profitable for the metropolitan monopoly capitalists, not for the underdeveloped countries.

For Nurkse, not convinced even of his own assertion, the last resort is to go all out in defense of monopoly capital. In response to the "thesis contained in . . . the Marxian doctrine of economic imperialism [that states] the exploitation of backward areas by monopoly capitalism," Nurkse writes:

where foreign investment has been associated with exclusive concessions in the debtor countries, there may have been some economic basis for it. . . . In order to reap an appropriate return from investment . . . [the private investor] may need an exclusive concession. This is not the whole story, but it does furnish a plausible argument in defense of the monopoly element in past foreign investment.55

There are, however, a number of "more sensitive" developmentalists who appear at least partially to have abandoned the ideological premises of their earlier work; among them are Irma Adelman and Cynthia Taft Morris. In their book Economic Growth and Social Equity in Developing Countries, Adelman and Morris seem to have arrived at a different set of conclusions on the nature and structure of recent growth patterns in the underdeveloped countries than that of their earlier study.56 "In the 1950s," they write,

Development economists and other specialists . . . thought that if policy actions were taken to speed up a country's economic growth, increased popular participation in the political process and a more equitable distribution of income would eventually follow. They assumed, in other words, that increases in the rate of growth of such components of economic development as industrialization, agricultural productivity, physical overhead capital, investment, and per capita GNP were closely associated with increases in the extent of political and economic participation.

Since about 1965, however, development specialists have begun to realize that development [i.e., neocolonial development] does not work in the expected way.57

Building upon their earlier work, and testing the various relation-
ships between a long list of economic, social, and political indicators, Adelman and Morris attempt to discover "the extent to which the benefits of economic growth in underdeveloped countries during the 1950s and 1960s reached those most in need."58 Adelman and Morris's conclusions should be instructive for those developmentalists who continue to perpetuate the old myths. "The results of our analyses came as a shock to us," they explain.

Although we had believed economic growth to have unfavorable social, cultural, and ecological consequences, we had shared the prevailing view among economists that economic growth was economically beneficial to most nations. We had also not greatly questioned the relevance today of the historical association of successful economic growth with the spread of parliamentary democracy. Our results proved to be at variance with our preconceptions. In view of their unexpectedness, we undertook a variety of cross-checks during the two years before we sought their present publication. Case studies and other historical and contemporary evidence coming to our attention have been so overwhelmingly consistent with our findings that . . . we present them here with considerable confidence in their validity.59

Contrary to the "basic premise . . . that sustained economic growth leads to higher real incomes for even the poorest segments of the population" in the underdeveloped countries, "statistical analyses . . . strongly suggest that this optimistic assumption has no basis in fact."60 Furthermore,

inequality of income tends to be greatest where the exploitation of an abundance of natural resources coincides with a concentration of assets in the hands of expatriates . . .

Our analysis indicates that the relationship between level of economic development and the income share of the poorest 60 percent of the population is asymmetrically U-shaped. . . . The process of economic modernization shifts the income distribution in favor of the middle class and upper income groups and against lower income groups. . . .

An even more disturbing implication of our findings is that development is accompanied by an absolute as well as a relative decline in the average income of the very poor. Indeed, an initial spurt of dualistic growth may cause such a decline for as much as 60 percent of the population. . . .

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Our results tend to confirm Paul Baran’s hypothesis that extreme inequality at the lowest levels of development occurs because the benefits of dualistic growth ... accrue to ruling coalitions of expatriate businessmen and indigenous property owners. ... [Thus] economic modernization has had little direct effect on the sharing of political power.

We also find little warrant for the widespread belief that increased political participation leads to a more equitable distribution of income. ... The relationship of income distribution to political power [involves] ... those effects of the distribution of wealth on political power that provide the basis for the Marxian hypothesis that economic structure determines the structure of political power.

In short, our analysis supports the Marxian view that economic structure, not level of income or rate of economic growth, is the basic determinant of patterns of income distribution. Our conclusions ... point strongly to the importance of social, institutional, and political transformations for the achievement of greater political and economic equality; and they underline the urgent need to discard as outmoded the view that economic growth in low-income countries typically benefits the masses.61

That Adelman and Morris have come a long way in formulating and asking the right kinds of questions on the structures of underdevelopment sets them apart from other developmentalists. Unfortunately, however, their deep-seated metropolitan ideology has not freed them to see the underlying realities of underdevelopment with total clarity. As apologists for capitalist industrialization, with a broad political base that includes middle-class participants, Adelman and Morris reject any kind of radical change that would disturb the power arrangements of the global political economy and weaken imperial control. To disqualify the option for revolutionary change, they offer us an ideologically-ridden statement that begs the question altogether: "Historical evidence," they write, "offers little basis for optimism on this score."62 Puzzled with the absence of an acceptable alternative strategy for development, Adelman and Morris first tell us that "the path to social justice through greater political participation is no less thorny than the path to social justice through improving the distribution of income."63 And in the closing lines of their book, they give us a vague and abstract statement as the ultimate paper strategy: "The only policy instruments that offer some hope for significant improvements in the standard of living of the poor ... [are those that promote] devel-
opment of the people, by the people, and for the people.”

The failure of modernization theory and developmentalism in general to explain the sources of the problems of development in the Third World during the past several decades has effectively discredited the mainstream theories of development economics. As one of its earlier proponents, Dudley Seers, has recently admitted in his article titled “The Birth, Life and Death of Development Economics,”

Development economics in the conventional sense has ... proved much less useful than was expected in the vigorous optimism of its youth. In some circumstances it may well have aggravated social problems if only by diverting attention from their real causes—indeed from the problems themselves.

Similarly, a long-standing critic of developmentalism, Deepak Lal, has concluded that “the demise of development economics is likely to be conducive to the health of both the economics and the economies of developing countries.”

In the light of its increasing irrelevance in development studies, and in response to the rise to prominence of other modes of theorizing on the predicament of less-developed states in the global political economy, mainstream development theory has in the past decade undergone some important changes to account for its erroneous, ideologically-ridden assumptions cultivated during the cold war era. Thus, the 1980s ushered in a series of reformulated and liberalized versions of the discredited developmentalist positions of the previous three decades in a last-ditch effort to survive a paradigmatic struggle in which alternative, radical approaches—dependency theory, the world system approach, and a variety of Marxist formulations—had already taken center stage. Thus began the establishment of special panels and commissions, the publication of special reports, and declarations on the necessity of an “urgent dialogue” between “the North and the South,” as well as a stream of books and studies on development issues. Proclamations by the proponents of these studies of a “new international economic order” based on “cooperation,” “free trade,” “debt relief,” renewed “aid,” and “export-oriented industrialization” schemes, within the context of a world economy controlled by the advanced capitalist states—which continue to wield economic power over the Third World through transnational corporations and banks, the IMF, the World Bank, and a host of other mechanisms of imperial control—have in reality served to institutionalize further capital accumulation in favor of the transnational monopolies and the classes that own and control them.
Remaining within such a framework, the newly refurbished mainstream development theories introduced into development studies during the past two decades (by way of systems analysis, Club of Rome reports, the Brandt Commission Report, OECD- and U.N.-sponsored studies and programs, privatization models, monetarism, world futures theory, international Keynesianism, and so on) have all failed to provide adequate answers to the problems of development in the Third World.67

To move on to a more penetrating level of analysis of the development process in the Third World, we explore in the next two chapters radical alternatives to mainstream development theory—the dependency and world system theories and Marxism.