

# The Illusion of Progress: How International Development Discourse Comforts the Comfortable

Turned in on  
December 14, 2018

by  
Daniel G. Leonard

for the class  
MSID 4001 International Development: Critical Perspectives on Theory and Practice  
at  
University of Minnesota Twin-Cities

taught by  
Dr. Mohamud A. Jama

## Abstract

International development has been a growing field of study over the past half-century. Through multiple incompatible models, the discourse surrounding the relationship between the global rich and poor has evolved rapidly. However, despite the neo-Marxist schools of thought predominant in academic development settings, the practice of development is presently neoliberal in nature. This discrepancy is discussed, along with its effects on global poverty and core-periphery relations.

**Keywords:** *development, core, periphery, modernization, dependency, neoliberalism*

## 1 Introduction

Since the decolonization of Western empires in the second half of the twentieth century, the field of international development has been host to intense debate over the efficacy of its various theoretical underpinnings as well as what “development” means as a concept.

Colonialists’ attitudes toward their subject populations were overwhelmingly negative. Westerners looked upon captive populations as if their traditional ways of life were “primitive” or “backwards,” and frequently justified their colonial endeavors as exercises to use the land and labor of the indigenous peoples for “productive” purposes, often involving a progressive notion of education of the unwashed masses. The real impetus for colonization in the era of classical liberalism was not humanitarian, but rather the expansion of finance-capital in the West and the necessity of its export to new markets (Lenin, 1917). The conception of development at its inception was thus as a forced transition of world cultures toward subservience to Western capital. It is evident that in practice, if not in theory, the whole of development discourse remains an ideological project in the interests of a minority class whose interests run counter to its own stated goals.

## 2 Early Postcolonial Development: The Modernization School

The world order after the Second World War continued Western hegemony over the vast majority of the world, albeit in a new form. The age of vast empires ruling over captive populations, subject to the whims of European monarchs, had come to an end; however, colonialism had brought the imperial bourgeoisie a standard of living requiring constant consumption from the colonial subjects. Empire could not relinquish its monopolies on resource extraction and free labor, and maintained these controls despite the independence of former subjects. Development is now run through global capitalism, free trade, and international treaties,

but lurking under the surface is the military might of the former empires which the colonial subjects know all too well.

The idea of certain civilizations living “backwards” lives in need of improvement towards the Western ideal carried on through decolonization, and in the middle of the twentieth century became the centerpiece of what would come to be called modernization theory. Thinkers in this school placed the impetus of development – defined as the attaining of a Western industrial state – upon the peoples of the Third World. As Tipps (1973) identifies, the language of the “savage” and the “civilized man” disappear, yet the ideological foundation of nineteenth-century ethnocentrism remains. Modernization theorists “continue to evaluate the progress of nations. . . by their proximity to the institutions of Western, and particularly Anglo-American societies” (Tipps, 1973, p. 206). The new dichotomy is “modern” versus “tradition,” where formerly colonized societies must take it upon themselves to eschew established customs and pull themselves up to the rest of the world.

The modernization school makes little attempt to mask its ideological bent, likely due to its significant financial support from the United States government. Modernization theory was during the Cold War used to direct Third World countries away from communism and towards open relations with the West, and thus found itself at home in the whitepapers of the U.S. State Department (So, 1990). The Western governments found it effective to have a coherent framework with which to justify newly-independent nations’ staying within their orbits.

The development project, as defined by McMichael (2004), was the nation-state-centric model of development pursued through the Bretton Woods system from the 1940s to the 1970s. Decolonization was in full swing, and newly-formed countries were eager to improve their lives outside the bounds of colonial government. The endpoint for a nation in this era was considered to be the achievement of Western-style luxury and affluence. Newly-formed states designed themselves around development, making large public expenditures to build infrastructure and state-building projects. The states that took this route adopted Western capitalism, and enormous loans were distributed to countries across the global South, many in food and most in hard currency. Industries spawned from Western investment and began exporting cheap products en masse to the West.

While the changes observed during the development project appear as success, they mask the parasitism of Western influence. For the gains that these nations made internally, former imperial nations reaped even greater rewards. Monocropping, introduced by colonial powers to produce one major product for the imperial homeland, was insufficient to feed the new nations’ growing urban industrial proletariat. Thus, even lush nations were importing grains on a large scale from the United States. These imports came at a price – large loans from Bretton Woods institutions and Western states would need to be paid back, but many countries found themselves in debt traps, getting new loans to pay off the interest on previous ones (McMichael, 2004). Despite radical growth, the industrial sector of these new economies was dominated by the finance-capital of Western nations, where foreign investors enjoyed majority stakes in domestic firms.

Within the bounds of global capitalism, it was impossible for newly-independent states to escape these traps. The development project, and the modernization theory that was its underpinning, failed to address the impact of colonialism on former colonies. From the very beginning, the project was used to ensure continuous profit rather than true global equity (Frank, 1966). Despite being “independent,” in many cases the former empire was permitted to write the constitution of the new nation. The system of land ownership – and the owners of land – thus stayed intact in nearly every postcolonial country besides Cuba, permitting European extraction of resources from native lands even in the age of independence. Eager to escape dependence on single-resource exports, countries sought to boost industrial production (McMichael, 2004), and in doing so gave a major boon to First World business. Newly-industrializing countries allowed foreign investment in their manufacturing, and soon found the bourgeoisie of the First World directly controlling the Third World proletariat. Labor-intensive products could be made inexpensively using the underpaid workers previously exploited by colonists, while capital-intensive products stayed at home.

### 3 A Neo-Marxist Critique: The Dependency School

The flaws of the modernization theorists did not go unnoticed. Many Marxists in Latin America criticized these normative and Western-centric assumptions implicit in the modernization model and developed a competing framework, christened dependency theory (So, 1990). Dependency theorists argued that the world

could be divided into a capitalist “core” which by the necessity of the capitalist system extracts resources from the global “periphery,” restricting the peripheral regions’ agency (Frank, 1966). The theory further improved on the Marxist understanding of imperialism. For the orthodox Leninist, imperialism would collapse as individual great powers consolidate control over shrinking resources (Lenin, 1917); dependency theorists argue that the core should be seen as one unitary entity which imposes a dependency relationship (Ferraro, 2008). Most importantly, dependency theory recognizes that the historical trajectory of Western countries cannot act as a model for the development of the periphery, as the core has never experienced colonialism (So, 1990) – Rostow’s “stages of growth” are completely irrelevant to the periphery.

Despite the theoretical advancements of the dependency theorists, the practice of development continues to remain within the interests of the global core. Few countries have totally eschewed the Western capitalist model, and those who operate outside the bounds of the global financial system often do so as a result of sanctions rather than self-imposed isolation. The examples of those that have, however, provide insight into why dependency theory has not affected the policies of mainstream international development.

The failure of dependency theory to materialize the radical change it calls for can best be attributed to an inability to fully antagonize capital. Marxist and anti-imperial movements were able to gain ground in the final quarter of the twentieth century, but were frequently crushed by Western interests. For instance, see Burkina Faso after 1983 (coup 1987), Chile after 1970 (U.S.-backed coup 1973), or Libya after 1969 (U.S.-backed coup 2011). The lack of class analysis within dependency theory outside of the core-periphery dichotomy leaves dependency theory’s policy proposals poorly staged to prevent the core from imposing its will upon the periphery. Members of the New Left placed too much emphasis on the transcendentalist nature of a desired post-revolutionary culture, failing to truly antagonize or even significantly impact the dominant capitalist class (see Schiff, 1973). Thus, despite the neo-Marxist dependency theorists’ efforts, the neoliberal world order developed approaching the turn of the century.

## 4 A Continued Hegemony: Globalization

Following the end of the Bretton Woods system, the global financial order entered what McMichael (2004) terms the era of globalization. Individual Third World states were led to collapse by the development project and its neoclassical economic system, and out of their ashes the global core shaped new state systems ripe for further extraction. Rather than an increasing GNP, the globalization project set as the premier marker of development a country’s successful participation in the capitalist world market. Thus, open free trade in all goods and services was revered as the supreme policy goal for Third World nations.

The global core had previously found the postcolonial nation-state to be an effective source of resource extraction and cheap labor; however, the idealist self-reliance and equitable provision of public services would come to be seen as a hindrance by Western bankers and financiers. The debt crisis of the 1980s allowed the Western powers to impose structural adjustment programs on the global South, requiring privatization and openness to capital as requirements to escape the debt trap. Periphery countries were required to relinquish their sovereignty to the Western financial institutions, and the little agency Third World nations had enjoyed would soon vanish (McMichael, 2004).

Internal policies of nations are no longer determined by internal factors, but by the whims of the global managerial class, who exist outside the bounds of any political system and are only beholden to their financial backers. The World Trade Organization sets binding rules on nation-states, requiring that periphery nations expose themselves to Western monied interests or face sanctions. The global financiers require countries to adopt structural adjustment programs in order to receive money, or even to refinance crippling debt. These programs often include provisions for the privatization of public services and reduction in social benefit programs. In many countries, privatization of state resources and public services allowed Western financial services corporations to reap profits by exploiting the impoverishment of Third World residents (McMichael, 2004).

The development project had allowed Western nations to maintain the colonial division of labor in extracting resources and labor-power from the global South. The globalization project furthered this premise, but in addition allowed the extraction of profit directly from the states the development project had built as if governments did not exist at all. Thus, the globalized world acts as one unified, continuous economy. This is strikingly evident in the size of the global unemployed, who number far greater than in previous

eras. Frobel, Heinrichs, and Kreye (1976) presciently describe this phenomenon in terms of the reserve army of labor (see Marx, 1887, ch. 25.2), applied to a global scale in the shadow of the colonial division of labor. The development structure of the global south is designed – by Western interests – to provide a seemingly-inexhaustible supply of labor, the individual persons of which are overworked and spent quickly.

The non-governmental organization (NGO) serves important facets of contemporary globalization. Since the mid-nineteenth century, this structure has played important roles in international governance. In 1876, King Leopold II of Belgium sought funding for a scientific NGO, L'Association Internationale Africaine, with claimed humanitarian aims in developing the Congo river basin. In reality, the Association's sole aim was the personal enrichment of the king, and quickly formed into a state controlling large swaths of Central Africa. Promising free trade with the world powers, Leopold II's puppet organization was granted absolute control over the Congo basin in the Berlin Conference of 1884-85, and proceeded to extract resources through one of the most brutal colonial regimes imposed upon Africa (Sayre, 1919; see also Charnovitz, 1997). While no other such organization has since received the blessing of de facto statehood, it is notable as an early example of Western world powers awarding great control over development to an unaccountable organization in pursuit of a liberal ideal (in the case of the Congo Free State, free trade of natural rubber to all nations). Today, small NGOs are growing at a rapid pace and serve a different purpose – that of cultural change. Charnovitz (1997) notes that NGOs are often based in core countries, and amplify the views of the core, regardless of how prevalent those views are in the periphery. NGOs also serve to break down the nation-state system, creating cross-border associations free to roam unbound by the rigid hierarchy of states. While organizations may be non-profit, they frequently count as members or directors large for-profit corporations. Thus, even the most “humanitarian” of NGOs implicitly serve the goals of Western capital, either knowingly or unknowingly.

## 5 Discussion

Development as an academic discipline is inherently flawed, if not in theory then certainly in practice. Since the nineteenth century, organizations have been formed by Western colonial interests in order to extract riches from the land and labor of the global South. While academics have provided string critiques of this system, the practice of international relations remains a one-way street for extraction and oppression. The global periphery has not been permitted to achieve true independence from the core, and remains stuck within the colonial legacy. Save for the Republic of Cuba and the Democratic People's Republic of Korea, there are few extant examples of periphery social structure outside the model implanted by the core.

## References

- Charnovitz, S. (1997). Two centuries of participation: NGOs and international governance. *Michigan Journal of International Law*, 18(2), 183–286.
- Ferraro, V. (2008). Dependency theory: An introduction. In G. Secondi (Ed.), *The development economics reader* (pp. 58–64). London: Routledge.
- Frank, A. G. (1966). The development of underdevelopment. *Monthly Review*, 18(4), 17–31. doi:10.14452/MR-018-04-1966-08\_3
- Frobel, F., Heinrichs, J., & Kreye, O. (1976). Tendency towards a new international division of labour: Worldwide utilisation of labour force for world market oriented manufacturing. *Economic and Political Weekly*, 11(5/7), 159–170.
- Lenin, V. I. (1917). *Imperialism, the highest stage of capitalism* (T. Delaney & K. Goins, Trans.). Petrograd.
- Marx, K. (1887). *Capital: A critique of political economy* (F. Engels, Ed. & S. Moore & E. Aveling, Trans.). Moscow: Progress Publishers.
- McMichael, P. (2004). *Development and social change: A global perspective* (3rd ed.). London: Sage Publications, Ltd.
- Sayre, F. B. (1919). *Experiments in international administration*. New York: Harper & Bros.
- Schiff, M. (1973). Neo-transcendentalism in the New Left counter-culture: A vision of the future looking back. *Comparative Studies in Society and History*, 15(2), 130–142.
- So, A. Y. (1990). *Social change and development: Modernization, dependency, and world-system theories*. London: Sage Publications, Ltd.

Tipps, D. C. (1973). Modernization theory and the comparative study of societies: A critical perspective. *Comparative Studies in Society and History*, 15(2), 199–226.