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FRANK AND AMIN

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CONCEPTUALIZATIONS OF DEVELOPMENT AND UNDERDEVELOPMENT: THE WORKS OF FRANK AND AMIN

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The works of Andre Gunder Frank and Samir Amin have had a tremendous influence and impact on the study of development and underdevelopment. Despite the many criticisms, this analysis has argued that these authors more so than anyone else have forged on to formulate a more comprehensive theoretical approach to the understanding of development and underdevelopment as the dialectically constituted results of metropolitan capital accumulation. It is argued that the works of Frank, and Amin should be assessed as sum totals and not as separate treatises. By analyzing the works as wholes and not independent entities this paper shows that there is consistency and continuity in both Frank's and Amin's conceptualizations of development and underdevelopment as a dynamic unity—a system of relations complexly and dynamically differentiated in terms of power and control of the means of producing history.

Research on underdeveloped countries today cannot ignore the contributions made by Andre Gunder Frank and Samir Amin in the understanding of development and underdevelopment. Frank was, more than anyone else, the catalyst in fomenting a movement of criticism against the developmentalist model of stages of economic growth, and of course it was he who first proposed a sustained focus on the thesis of the development of underdevelopment. Amin, in turn, “brought to their most elaborated forms, the development-of-underdevelopment interpretation of backwardness and the associated interpretation of unequal development as a pattern of homogeneous growth in the center and stagnation or highly uneven growth in the periphery,” (de Janvry, 1981 : 15). Except for scattered criticisms (see Brewer 1982, Brenner 1977, Laclau 1971, Palma 1978, Dos Santos 1973) not much efforts have been made to flesh out the consistency

and continuity in Frank's and Amin's theorizations of development and underdevelopment.

This paper is an attempt to delineate the dynamic consistency in the "development of underdevelopment" thesis, as it has been formulated by A.G. Frank, and Samir Amin. The aim is not to provide an exhaustive review of each theorists' detailed argument but to facilitate terms of guidance for an inquiry into their formulations of the development of underdevelopment. Although the emphasis is on Frank and Amin, this choice should not be taken as a denial of the important contributions of other theorists, such as Oswaldo Sunkel, Fernando Henrique Cardoso, Celso Furtado, Arghiri Emmanuel, Theotonio Dos Santos, and Immanuel Wallerstein. Indeed, there are many points of similarity and overlap among them, as they have borrowed from and built upon one another's work.

DEVELOPMENTALISM AND THE DEVELOPMENT OF UNDERDEVELOPMENT THEORY

"The development of underdevelopment," a phrase introduced by Andre Gunder Frank is perhaps most succinctly captured in his essay on "The Myth of Feudalism" when he (1967 : 3) said of "underdevelopment" that it "is the necessary product of four centuries of capitalism itself." An understanding of this claim must be made against the background of the argument of "developmentalism" that held sway in Western thinking especially during the two decades following World War II. The argument of developmentalism rested on the assumption of a single world-historical process, uniform in its basic dynamics, motive force, and directionality, and characterized by a sequentialist time-line extending as a continuum from some point of origin lost in the mists of the past, through the slow emergence of "primitive" society and the gradual accretions of "cultural traditions," to the "tradition-bound" and "ascriptive-based" formations of feudalism, and finally to quantifiable degrees of "post-traditional" and "achievement-based" modernity. The later sequences in this developmental process were typically labelled "modernization," a derivative of certain readings of turn-of-the-century theorists such as the Webers. These derivative readings, which remembered the large categories and broad generalizations better than the complexities of detailed argument (including the gaps and ambiguities thereof), were marked by a peculiar blend of populism, liberal elitism, and technocratic optimism, all of which came together most forcefully in the United States. The conjunction of such components in a distinctive world-view, and world-mission, are discernible not only in such landmark works as Lerner's *The Passing of Traditional Society* and

Daniel Bell's *The End of Ideology* but also later works that were ostensibly critical of them (e.g., Bendix's "Tradition and Modernity").

The developmentalist argument was not so much ahistorical, strictly speaking as it was a rather simple-minded view of history as a uniform chronological sequence of events : history fundamentally equated with a physicalist concept of "real-time," or "the time-line of the actual world," particularly as that concept had been deployed in biologicistic-evolutionary thinking. Different historians could very well write different histories of this or that country, or of the world as a whole, and these differing histories would understandably display different emphases and reflect different ideological positions or cultural identities of the historian-writers; but there was, after all, really only one actual history of the world and its various parts, the chronology of actually occurring events. This single, uniform time-line of the world, recoverable scientifically from surviving traces of the past, was judged to be the common foundation shared by, and variously obscured by, all the traditionalist or folk-specific "histories" (cultural traditions, myths, nationalisms, etc.) that sought to cast the world's time from their own, necessarily partial and biased, points of view.

Within this developmentalist concept of history, it seemed obvious that all extant "countries" (the vagueness of that designator being indicative of the weak formulations of part-whole relations in developmentalism in general) could be located on the continuum of the world's time-line. That is, it seemed only natural to regard cultural evolution as an extension of biological evolution, just as the latter has been regarded, increasingly since the early 1800s, as an extension of the physiochemical evolution of the universe. This extension of uniformitarianism, combined with the persisting belief that observed cross-sectional variations provide an approximate mapping of unobserved (or not directly observable) longitudinal differences, clothed in a new garb the pre-Darwinian conviction of "primitive cultures"—i.e., the conviction that the "exotics" who had been encountered by European explorers and ethnographers were survivals of prototypical human cultures. The new garb of "modernization," of "modernity *versus* tradition," continued to acknowledge "stages of world history" but shifted the emphasis to "stages of development *within* world history" and asserted a claim of technocratic activism with respect to "stage transitions." On the one hand, a sort of "ontogeny-phylogeny" principle was preserved—that the "ontogeny" of a given country recapitulates the "phylogeny" of world-historical stages of development; on the other hand, it was assumed that a cross-sectional array of countries at any given date on the world time-line would display some range of "stage representatives," conceivably ranging from "the primitive," or, at least "the feudal," to various "mixtures" (e.g.

“dual economies”) of “the primitive” and “the modern” (or “the feudal” and “the capitalist,” or “the feudal,” “the capitalist,” and “the socialist”), to those that are “most advanced” on the scale of modernity, to those that are thoroughly “modern.” The claim of technocratic activism had to do with the question whether stages could be “skippɛd,” or, short of that, whether the “recapitulation” process could somehow be accelerated. Could, for example, “the most developed countries” hasten the process in “less developed countries” (“LDC’s”)—especially through governmental actions such as the transplantation of technology and behavioral regimes (*e.g.*, socializing for “achievement motivation”), capital credits, and the like—such that the “LDC’s” would quickly become like their “benefactors”? What are the conditions of “accelerated development”? What factors discriminate those “LDC’s” that are amenable to “accelerated development” from those that are not? What constitutes the “critical mass” or “the take-off stage”? And why do some “LDC’s” stubbornly fail to “take-off” despite all the “external stimulus” that is poured into them?

Because of developmentalism’s peculiar view of history, it is understandable that Rostowian theorists (Rostow, 1960) could comfortably generalize from their reading of British (or English) history a map of the most recent “stages of development within world history,” according to which the “LDC’s” are variously located in earlier stages of development and, as such, typically exhibit varying degree of mixture of capitalist (“modern”) and feudal (“pre-capitalist” or “traditional”) forms of organization and mentalities. But it was against just this sort of view that Frank argued when—in “The Myth of Feudalism,” as in the *locus classicus* of his critique, “Sociology of Development and Under-development of Sociology” (1969 : 21-94)—he defined “underdevelopment” as a *consequence*, not a predecessor, of capitalism.

ANDRE GUNDER FRANK

Frank’s theory of development and underdevelopment must be seen not within the confines of a single volume but through the proliferation of years of publications. It is only by such consideration that one can adequately grasp Frank’s theory in its totality—which was impinged on and to some degree suppressed, as a result of publication difficulties, and had to be articulated piecemeal as changing conditions permitted.

Much of Frank’s theorizations grew out of his rejection of the a priori assumptions of theories of modernization which, he argues, do not lead to quite an understanding of societal development and underdevelopment. Frank’s disputes are premised on the failure

of prevailing theories of modernization to begin with an adequate conceptualization of historicity, which in turn resulted in a failure to appreciate that development and underdevelopment can be adequately understood only within a single historical process—that is, within the framework of the development of a single world capitalist system.

For Frank the lack of capital or a country's insularity—a presumption of the existence of antiquated, economic, cultural, social and political internal arrangements—is not the root cause of underdevelopment. Underdevelopment is a phenomenon integral to global capitalism, resulting from the historical process of the capitalist mode of production. Underdevelopment, is not an innate characteristic nor an original state, it results from the process whereby “the metropolis expropriates economic surplus from the satellites and appropriates it for its own economic development,” (Frank, 1969 : 9). Development and underdevelopment are therefore not independent polar opposites but dialectically constituted societal formations which emerge out of the dynamics of surplus expropriation in the process of capital accumulation. The dynamic nature of Frank's argument enables him to demonstrate that even though development and underdevelopment are structurally different they are in fact relational due to the internal contradictions of the world capitalist system. He identifies three sets of contradictory relations that generate unequal development ; (i) the contradiction of expropriation/appropriation of economic surplus; (ii) the contradiction of metropolises-satellite polarization ; and (iii) the contradiction of continuity in change. These contradictory relations, dialectically constituted, simultaneously stimulate metropolitan capitalist development and satellite structural underdevelopment, societal formations which are produced and reproduced as part of the same process of world capitalist accumulation. Frank, in emphasizing this dialectical unfolding of societal formations noted that the underdeveloped regions of the world today were from their very inception capitalist commercial enterprises. These satellites, regardless of their economic institutional arrangements, plantations or haciendas, were fashioned by external metropolitan forces which interacted with the internal to afford adequate response to profit accumulation, expanding their means of production with the purpose of augmenting supply of their products. When, however, their productive capabilities declined, metropolitan capital fled abandoning these peripheral regions. Since the presence of metropolitan capital, metropolitan links, produce peripheral underdevelopment then the absence of such should stimulate growth. Frank insists that given the dynamics of surplus expropriation peripheral underdevelopment is

greatest when these links are weak. He cites several Latin American countries which in the course of the Spanish depression in the 17th century (during the Napoleonic wars), during the first and second World Wars, and the Great Depression of the 1930s, experienced some growth. Chile and Brazil in particular, two peripheral countries, during the depression and war years witnessed marked economic strides. But, with the economic recuperation of the metropolis Frank argues, the active restoration of capitalist dominance commenced—a process by which Chile and Brazil, Latin America in general was reintegrated into the underdeveloped world of satellites.

The utilization of the dialectical method to assess the process of development and underdevelopment enabled Frank to flesh out the contradictions in the relationship, to show that whenever the metropolis' mode of production is affected by depression or war, the nature of its internal and external relations changes; this in turn provokes changes in the internal relations of the satellite. Within the metropolis, the internal contradictions between the forces and relations of production have to be resolved; a process that takes precedence over metropolis-satellite external relations. The metropolis focus of attention on the alleviation of its own decaying internal conditions facilitates the erosion of metropolitan control over the satellite and this in turn serves to propel the transformation of the latter's internal mode of production. Within the satellite local control emerges to replace the foreign mode, halting in the process the expatriation of surplus while enabling and accelerating local development. However, as soon as the metropolis economically recovers, it re-establishes its monopolistic dominance over the satellite reactivating the process of underdevelopment.

The contradictions emerging out of the dialectical process of capital accumulation are not restricted to the structural relations of metropolis-satellite polarization (at the global level); they are pronounced in the production relations among societal enclaves and arrangements at the local national level. Particularly in the underdeveloped peripheries, the metropolitan-satellite network relations are characterised by the mode of segmentation between town and countryside, between latifundia and minifundia. Frank demonstrates from an analysis of Chile how these arrangements are fashioned in a chain-like manner to facilitate the exploitative dominance of the developed metropolis and to simultaneously transform the satellite into an underdeveloped, economically drained appendant.

The monopoly capitalist structure and the surplus expropriation/appropriation contradiction run through the entire Chilean economy, past and present. Indeed, it is this exploitative relation

which in chain-like fashion extends the capitalist link between the capitalist world and national metropolises to the regional centers (part of whose surplus they appropriate), and from these to local centers, and so on to large land owners or merchants who expropriate surplus from small peasants or tenants, and sometimes from these latter to landless laborers exploited by them in turn. At each step along the way, the relatively few capitalists above exercise monopoly power over the many below, expropriating some or all of their economic surplus and, to the extent that they are not expropriated in turn by the still fewer above them, appropriating it for their own use. Thus at each point, the international, national, and local capitalist system generates economic development for the few and underdevelopment for the many (Frank, 1969 : 7-8).

Frank has argued in the above quote that the nature of capitalist accumulation is such that every nook of satellite societal formation is exploited—even the not so conspicuous native Indian social enclaves in world society—not in an attempt to ameliorate underdeveloped depressed conditions but to perpetuate them. Metropolitan capitalists penetration of the economic, political and social structures at the local level, has facilitated the proliferation of “hegemonic dominance” over the periphery. As Dos Santos says, “conditioned” every sector of the satellite, forging strong alliances with the local bourgeoisie—a group Frank (1972 : 5), characterizes as the “lumpenbourgeoisie” because their relative powerful position (at the local level) is contingent on their association with the bourgeoisie of the metropolis. For Frank, the lumpenbourgeoisie constitutes a social class whose links with the metropolis is crucial to the development of underdevelopment. Their alliances with the metropolitan capitalist class render them the chief instrument and bastion of metropolitan capitalist exploitation and the periphery’s internatl colonization. The profound implications of this relationship are manifested in the manner in which the lumpenbourgeoisie fashion socio-economic structural arrangements and articulate policies which to a large extent enhance their own interests but, even more, maximize opportunities and create conditions for drawing off local resources through foreign dominated and controlled organizations.¹

Foreign control of the commercialization of raw materials, and even more so foreign ownership of the principal means of producing

1. Dos Santos places much emphasis on the manner which the internal structures of periphery is conditioned to constitute a dependent of international capitalism. He argues that, for change to occur these internal structures must be changed.

them (1) limited the potential spread effects of available forward linkages by transferring processing to the metropolis (or in some cases to other dependent economies); (2) they limited domestic processing expansion if the line of processing conflicted with the metropolitan economic financial or political interest; (3) they diverted capital investment and the provision of infrastructure into export productive directions other than those of the possibly available forward linkages ; (4) they induced the importation of goods that competed with forward linked domestic production through prices that were competitive or even privileged through tariffs and/or exchange rates. Where some raw material processing occurred locally anyway, it was usually financially or commercially controlled or the installations owned outright by metropolitans, who then imposed similar limitations on potential domestic spread effects of this processing (Frank, 1979 : 118-119).

In the network linkages of development and underdevelopment the state constitutes a vital connection between the lumpenbourgeoisie and international capital. The state, Frank explicitly argues, is the instrument of the lumpenbourgeoisie and metropolitan capital that serves to enhance development and underdevelopment by facilitating surplus expropriation. Architects of state policies promulgate rules and programs of industrialization geared toward import substitution, and not toward the alleviation of the economic problems of the local populace.

Frank points to the contradictions in the peripheries industrial links as these are extended and insists that they foster underdevelopment. The dynamics of industrialization based on import substitution he argues, is such that instead of reducing the dependence on foreign imported consumer goods through local production, increases it. Local peripheral production he maintains, necessitates the importation of hardware and raw materials—the machinery necessary to manufacture these consumer products—from the metropolis. The reliance on very costly import technology is such that it increases foreign exchange expenditure which in turn necessitates an increase in the prices of locally produced goods to offset expenditure for the imported technology. Insofar as production costs escalate, consumers return to the purchase of cheap foreign imports stymying the growth of industries. And when, as often is the case alliances are formed with foreign investors, local industries must produce an additional profit for repatriation. National peripheral capital, itself underdeveloped, that is, kept repressed under the dictates of metropolitan capital, is, unable to compete under these circumstances. Its role is restricted to being the junior partner of international capital to facilitate the

process of sucking surplus out of the satellite furthering the process of underdevelopment. Frank's analysis of industrialization based on import substitution, as such, assesses the impact of international capital on the continuous process of peripheral underdevelopment as the links become complexly intertwined with peripheral capital. This analysis extends further linking peripheral agriculture production relations with import substitution, industrialization and international capital. According to Frank, the high costs of replacement parts exhaust the satellite's foreign exchange reserves creating a deficit which customarily is paid for by income accrued from domestic agriculture [what Frank (1981) calls agribusiness], or from high interest loans borrowed from international agencies such as the International Monetary Fund (IMF). The dependence on the agriculture sector or on foreign loans to offset the financial burdens of the already depressed peripheral economy only serve to continue and further underdevelopment. Frank contends that the financial burdens of import substitution industrial programs, and IMF loans are most often than not brought to bear upon the local population—people who can ill afford the cost of the import substitutes but must pay for the projects (industries). As Cheryl Payer (1974) remarks, pushing the periphery's population further into "the debt trap."

Frank builds on the analysis of how the links in the forces of underdevelopment interact and converge through international financial agencies such as the IMF, to produce and reproduce development and underdevelopment. The IMF according to Frank, contrary to its stated policies of fiscal responsibility and self reliance, contributes to the furtherance of favorable conditions that serve to exacerbate the dominant exploitative role of the metropolis over the satellite. Rules promulgated by this organization constrain underdeveloped countries into submitting to regressive national policies such as the devaluation of the periphery's currency. These neo-imperialist policies imposed from without undermine the very core of internal, social, political and economic structures of the underdeveloped countries. External political pressure is also brought to bear on underdeveloped countries to ensure that internal repressive measures are undertaken to enhance the continuous growth of metropolitan profits. Frank insists that any repugnance emanating from within the borrowing countries, especially at the decision making level, to the metropolitan influenced 'unpopular measure,' is dealt with as a prerequisite for the receipt of loans. Simply put, local political architects not amenable to external super exploitative measures that bring about 'increased bondage through IMF debts,' must be replaced.

Frank's analytical stress on the dynamics of development and underdevelopment enables him to show how the methods of capital accumulation has taken on new dimensions without drastically altering the metropolis exploitative role of the periphery. Import substitution he argues is increasingly being replaced by export promotion. "To some extent, this manufacturing export is simply the extension of industrial production originally developed for import substitution" in its dynamic interlocking relationship with the state (Frank, 1981 : 97). Frank classified the reasons given by the state for the promotion of export manufacturing as follows :

- (1) the achievement of a healthy balance of payments in particular, and external balance in general, through substantial increases in exports and foreign exchange earnings ;
- (2) the advancement of the technical training of the labor force and the technological development of the economy ;
- (3) increased employment and the elimination, or at least the amelioration, of unemployment ; and
- (4) the promotion of "self-reliance," "in dependence," and economic development" (1981 : 102-103).

Frank rejects the above reasons as fallacious. Instead he contends that manufacturing has impinged on the foreign exchange earnings of underdeveloped nations, increased their indebtedness, escalated unemployment, and promoted further underdevelopment while increasing their dependence on foreign capital. The vast majority of peripheral manufacturing industries he observes, are subsidiaries of multinational firms.² In *Crisis in Third World* he clearly demonstrates that these industrial organizations have inveigled more farmers and peasants off the land than they can employ, creating a large industrial reserve army. Multinational subsidiaries are geared toward assembly or production which entails minimal skills. They do not contribute to technical training or technological development. Instead, they become the prime movers in the deskilling of the workforce through their simple task structures and repetitive manufacturing processes.

Frank's underscores the dynamic interchanging relationship between industries and capital ; an interactive pattern which serves to transform and promote capitalist domination and control over the satellite. Investments like technology he argues, are contained in a tenuous economic balance and most frequently are utilized for pur-

2. The exploitative role played by multinational corporations has also been emphasized by Sunkel and Furtado, the latter insisting however, that penetration by capitalist enterprises does not necessarily modify the economic structure of the penetrated regions.

poses of competing with, pressuring into alliances, and/or eliminating rival domestic firms, in order to facilitate domination by metropolitan subsidiaries. In the case of mining, for example, investment activity is restricted to extracting and partial refining of resources. Fractional processing is conducted in order to eliminate the "over-burden," thus reducing trans-oceanic cost, bringing greater profits to foreign investors. Much of the capital used to finance this limited industrialization process is utilized for purposes of improving the local infrastructure to facilitate and accelerate the exploitation of the satellites' valuable resources. Almost always, the capital and technology utilized in the partial industrialization process is controlled by metropolitan multinational corporations which promote industrialization only insofar as it maximizes exploitation and expatriation of profits.

Industrial production in satellites is dependent on imported equipment which Frank contends, has enabled multinational firms to compound profits through the system of unequal exchange. Unequal exchange is multifaceted. On the one hand it is reflected in the (satellite based) multinational subsidiaries overpricing their imports and underpricing their exports. This process denies the host country a fair share of the profits. On the other hand Frank shows that a substantial part of the profit derived from cheap wages, goods and raw materials in underdeveloped countries is expatriated to the metropolis instead of being reinvested in the local economy. The super low cost goods which result from the super exploitation of cheap labor are then exchanged on the world market for enormous profits that benefit metropolitan capitalists (Frank, 1979, 1980, 1981).

The process of unequal exchange feeds back into the state which is instrumental in the reproduction of underdevelopment. According to Frank, politically repressive and dictatorial regimes facilitate this entire process of profit accumulation which is enhanced through superexploitation. Authoritarian and dictatorial political leaders all seem to "appeal" to the metropolitan monopoly capitalist to judge who is more adept in the articulation of repressive policies which create maximal conditions for capitalist endeavors and maximization of their profits. Frank maintains that whatever the stated goals, the policy formulations most often than not facilitate the periphery's draining of resources, hence its underdevelopment, and the metropolis development.

Frank's works have been subject to a wide-ranging set of criticisms. In many instances these criticisms attend superficially to the complex claims of his argument and utilize as the basis of criticism the very models of developmentalism, stages of economic growth, etc., that Frank has attacked (see Oxall, 1975; Booth, 1975). However, some criticisms have more constructively focused on inconsistencies, am-

biguities, and alleged inaccuracies in Frank's theorization. For example, it is argued, and I agree that crucial concepts in his theoretical formulation have not been defined (see Cardoso, 1977, for a discussion on this issue). Furthermore Palma (1978), Taylor (1977), Brewer (1982), Brenner (1977), and Bernstein (1979), have pointed out that class as a unit of analysis is given minimal consideration by Frank, although they proceed in formulating their critiques as if Frank's theorization is altogether devoid of class relations. It is not that Frank totally dispensed with class in his analyses, as these authors tend to lead one to believe; rather it is the inadequate treatment of this relation that necessitates critical response. What Frank's analyses really lack is how in the process of capitalist exploitation, class formations complementary to other arrangements and relations of development-underdevelopment emerged and how these practices were reproduced over time.

Analogous to the above, Frank has been criticized for totally dispensing with relations of production in his analysis of capitalism (Laclau 1971), and of overemphasizing the effects of external forces on underdevelopment with little attention directed toward the influencing internal forces (Dos Santos 1973). Laclau argues against Frank's insistence that world-historical structure is fundamentally ordered by the capitalist mode of production, claiming that Frank mistakenly regards various countries as capitalist when in fact they are characterized by noncapitalist modes of production but are forced into "participation in a world capitalist economic system" (Laclau, 1971: 30, 38).

A symptomatic reading of Frank's texts reveals that relations of production and internal forces constitute integral parts of his theorization. These are addressed by Frank to varying degrees as salient instruments of development and underdevelopment. A more major flaw in Frank's theorization, (one that corresponds closely to Laclau's) is the weakness of his treatment of the articulation of modes of production within a capitalist world-historical structure, and the continuity of the exploitative forces that emanated from that articulation. This weakness led to certain ambiguities that operate at two distinct levels; as a set of theses, and as a set of contradictions in the capitalist system, all of which account for or generate underdevelopment, yet with no explicit congruency between the two. Had Frank utilized the mode of production as the unit of analysis, he would have been able to flesh out the production-reproduction of development and underdevelopment, the impact and influence of the forces and relations of production, the unfolding of social formations and their residual effects on succeeding ones. This focus of stress, we will see, is much more pronounced in the works of Amin.

SAMIR AMIN

Amin insists, no less than Frank, that an adequate understanding of the inequalities that are characterized as "underdevelopment" can be achieved only through an inquiry into the conditions and processes of differentiation within the world-historical structure of production. The fundamental and overwhelming fact of the contemporary world is not its division into a First World of capitalist societies, a Second World of socialist societies, and a Third World of underdeveloped or "backward" societies. Rather, it is the fact of a single, integrated world-historical structure, which is first and foremost capitalist in mode of production. As he stated the point in a contribution to the journal *Terzo Mondo*, "The predominance of the capitalist mode of production expresses itself" not simply at the level of those nation-states of the metropolitan core that are most obviously capitalist, but also at the level of the *world system* which constitutes a

characteristic of contemporary reality. At this level, the formations (central and peripheral) are organized in a single hierarchical system. The disintegration of this system—with the founding of socialist states, true or self-styled—does not change anything... ..Socialism cannot be in fact the juxtaposition of national socialisms, regressive with respect to the integrated (but not egalitarian) world character of capitalism. Nor can it be a *socialist system* separate from the world-system. It is precisely for this reason that there are not two world markets, one capitalist and the other socialist, but only *one*—the capitalist—in which eastern Europe participates, albeit marginally (Amin, 1972 : 13).

One of the epochal consequences of the capitalist mode of production has been the integration of world-historical structure into a system of hierarchical differentiation between a dominant metropolitan center and a subordinate increasingly marginalized periphery. This differentiated structure resulted not from a process of "un-even evolution," in which a few societies evolved from feudalism into capitalism, while all other societies were for various reasons unable to make the transition and were thus "left behind." The capitalist mode did indeed develop more rapidly and more forcefully in a few societies. But it took all other societies with it, assigning them particular niches, as it were, in the development of a capitalist world-historical structure. The underdeveloped or "backward" societies of today are not and never have been some stagnating or frozen remnant of a feudal past. They are a direct consequence of the relations of power—*e.g.*, in unequal exchange and capital accumulation—that characterize the capitalist mode of production. Center and periphery are locked in a

dialectical relation in which the center is “autocentric” and seeks to govern itself in terms of its own internal needs and dynamics (which is not to say that it is immune to, or independent of, the periphery; to the contrary), while the periphery is “extraverted” and ruled predominantly by structural forces originating in the metropolitan center. In short, the center-periphery relation is characterized by :

- (1) domination by the fundamental law of the dominant mode, which determines the conditions of reproduction of the entire formation (thus, for example, the law of capitalist accumulation determines both the conditions of reproduction of capitalist society, and all the complex relations between its various parts, including a capitalist industrial economy and a peasant economy;
- (2) the consequent transfer of a portion of the surplus generated in the dominated modes to the dominant mode (thus, for example, the transformation of a portion of rent into profit);
- (3) the political supremacy of the dominant class in the dominant mode, the other dominant classes being, at best, reduced to the status of allies;
- (4) the supremacy of the ideology of the dominant mode (Amin, 1977 : 34).

Amin’s argument emphasizes the process of accumulation on a world scale as the chief dynamic of the core-periphery relation. Capital accumulation benefits the metropolitan core by siphoning capital in the form of natural resources and cheap labor power from the periphery. In the center there is a plurality of sectors with a multiplicity of industrial and related activities which enable the center to have a high level of productivity in many areas. The periphery on the other hand, suffers a paucity of such activities and has high productivity in very few areas. Such areas of high productivity are transferred through international trade to the center in the form of profits. In short, labor is rewarded unequally between core and periphery, with the result being a system of unequal trade in which the discrepancy between production cost and market prices is maintained in the transfer of products between center and periphery, much to the benefit of the center.

This “unequal exchange”, as Amin as well as Emmanuel (1972) have described it, is inherent in the capitalist mode and, as such, comprises a major manifestation of the dialectical contradiction of that mode. Core-periphery exchange in capitalism is between high-wage and low-wage products. This amounts to an inequality of exchange, because at any level of productivity the periphery worker must work many hours to produce what a core worker produces in a few hours. This unequal exchange is necessary to an expanding world market in which the object is profitability to the core. To that end, in fact, the core will export capital to the periphery in the forms of

various investments—not because it is constrained to do so by an absence of suitable investment opportunities in the core but because it can receive higher rates of return in the periphery. This is what Amin means by the “necessary” aspect of unequal exchange: insofar as the remuneration of labor at equal rates of productivity is lower in the periphery than in the center, products from the periphery are of interest to the center as a return on investments and as an expansion of world-scale markets. On the one hand, this marginalizes the periphery, since wages paid to periphery labor, even when underwritten by capital exported from the center, do not constitute both a cost factor and a demand-creating revenue in the periphery; they are marginalized as a cost factor only. Most of the demand is created by revenues that are siphoned back to the center, with the remainder of the demand absorbed by the small privileged sector (the lumpenbourgeoisie) of the periphery through the revenues paid to it. On the other hand, however, the marginalization resulting from this reciprocity of unequal exchange also constitutes a contradictory situation in which, in the long-run of world-market expansions, continued profitability will depend more and more upon a growing demand that finally can come only from the large numbers of workers in an increasing marginalized periphery.

According to Amin, capitalism is marked by an inherent tendency to extend profitability through market expansions that will resolve the contradiction between its capacity to produce and its capacity to consume. It is continually seeking greater numbers of consumers for metropolitan products and cheaper sources of raw materials. As a part of this expansion tendency, transfers of capital to the periphery are utilized basically for the production of low-cost exports that do not compete with products directly exported from the metropolitan center. The so called “new” force of production in the periphery, *i.e.*, “external capital,” penetrates and transforms the internal relations of the periphery, subordinating them to the dominant characteristics and exploitative trappings of the center’s commodity economy. Thus, through this process of “internationalizing” the work force, monopoly capital increasingly determines production, consumption, and the cost of labor not only in its own developed metropolis but also in the underdeveloped periphery.

Throughout his analysis Amin continues to explain that the periphery’s economy is extraverted for it is constituted of sectors geared toward exchange with the outside. He affirms that these economic sectors, whether they are based on agriculture, production of raw material, or a combination of both, are constantly being financed, transformed and dominated by foreign metropolitan capital. Amin illustrates this claim by pointing to the foreign presence in

the periphery's agriculture sector which he argues has become increasingly industrialized. He sees agriculture as geared toward the production of fewer crops, or processing of staples for the external market at the benign neglect of providing for domestic consumption. The transformation in agriculture has brought about the proletarianization of the peasantry coupled with an enormous reserve of unskilled labor. It has intensified uneven distribution of income by increasing differences in rewards of labor. Amin recognizes that this transformation process has accelerated the exodus of profits, especially since the agricultural industries that are owned and controlled by metropolitan multinational corporations ruin local craftsmen (for they must now compete with industries) and contribute to the periphery's dependence on imported food products. Turning to the question of the diffusion of technology, Amin also views this as contributing to unequal development and underdevelopment. He concurs with Frank that the technology diffused to the periphery is determined, controlled and hence dependent on the center. Local industries, he is quick to point out, are mostly subsidiaries of core monopolies with production concentrated on semi-finished goods and some import substitutes. These industries usher the capitalist mode of production into the periphery, stunt local competition, intensify exploitation and unemployment, and result in economic disintegration (see Merhav, 1969). Amin's approach, however, bears two major differences from that of Frank. First, Amin, takes a more in-depth historical approach to reveal changes in technological development, the impact of this technology on the international labor process and unequal specialization, and, more importantly, its link to class formations; a process in which the owners of monopoly capital control and transform technology and with it world societal relations. Amin makes it abundantly clear that this control and transformation of technology enable metropolitan monopolies to draw the periphery more firmly into the imperialist system. Through a system of unequal exchange—by royalties, payments for use of patents, purchasing of spare parts etc.—metropolitan capitalists extend their dominant control over peripheral economies thereby accruing greater profits. This process of domination ensures further exploitation, unequal, and underdevelopment. According to Amin, industrialization has brought about the subordination of agriculture to capital, and proletarianized the peasantry in the periphery. It has also contributed to the hierarchical class relations in society while simultaneously aiding the homogenization of the metropolis and the segmentation and underdevelopment of the periphery. He shows that through an interlocking network of political and economic relationships among the different sectors and modes of production, metropolitan capital integrates the advanced

(developed) capitalist nation while it aggressively penetrates the periphery, creating and sustaining (in the periphery) segmented structural arrangements, along with an uneven underdeveloped economy with sectors relatively juxtaposed and directed toward the outside.

Amin makes similar arguments concerning the diffusion of capital which he insists is limited and utilized specifically to accrue greater profits on investments while subordinating and maintaining local capital in a fragmented state. Invested in light industries, in high productivity economic sectors, and regions that offer higher returns, central capital drains off wealth and intensifies unequal development and social inequality in the periphery. Concurrently, it retards peripheral economic growth, gives rise to and sustains unequal specialization :

It is the search for profits, and that alone, that leads central capital to establish light rather than heavy industries in the periphery. With the same productivity, wages are lower in the periphery than at the center. In a given branch of production, using the same techniques, the increase in profit resulting from emigration of capital from the center to the periphery will be greater in proportion to the "lightness" of this branch. It is this force that accounts for unequal specialization (Amin, 1976 : 233).

Amin further explains that metropolitan capital forms alliance with the local bourgeoisie to ensure the maximization of profits and low wages. He affirms that local capital is fragmented because foreign monopoly capital determines the nature of peripheral investment while it simultaneously prevents local capital from becoming centralized. This economic domination makes the peripheral bourgeoisie less able to compete. Instead they become the "junior partner," in metropolitan capitalist superexploitation of the periphery's labor and natural resources. The peripheral bourgeoisie group invest their local capital in trade sectors and other services which complement metropolitan monopoly capital. They wield local political power which more often than not is exercised to benefit themselves and global capitalism more generally. The state serves as an instrument of the bourgeoisie class by this process of furthering exploitation.

In comparison with Frank, Amin extends his analysis further and is less ambivalent as to the dialectical nature of the role of the state, capital, and labor at the international level. As he sums it up :

Specifically, in capitalist formations the role of the state is essential for the reproduction of the concrete conditions of accumulation (including class alliances necessary to this reproduction,

economic policies favoring them, etc.). Politics is the arena wherein the alliances of hegemonic block form and dissolve. The same is true of the world system of capitalist formations. The conditions for the reproduction of the world hierarchy are determined at the state level : international division of labor, class alliances on a world scale, and so on...State control of money and credit is (thus) the economic policy of the bourgeoisie as a class. Capitalism cannot function without the state, without centralized money and credit... they (policies of state) speed up accumulation and then "restore order" by means of a crisis ; this is a time of heightened competition favoring big business and of organized pressure on the proletariat.... they manage external relations, that is, they maintain or improve the national position *vis-a-vis* competing centers in the international division of labor (Amin, 1980 : 21-24).

Throughout his analysis Amin continues to bring to the fore, and in greater detail than previous writers, the relation of development-underdevelopment to homogeneous growth in the metropolitan center, and the disarticulation, stagnation, and inequality in the periphery while emphasizing that development has always been unequal. This inequality, he insists, is precipitated by several factors, the most important of which holds that (1) the periphery is composed of heterogeneous sectors ; this heterogenous character impinges on the centralization of capital and fosters regional inequalities ; (2) the metropolitan developed center is homogenous ; this homogeneous character enables accumulation of capital which in turn is used to drain the resources of the periphery. By various methods of exploitation and domination the metropolitan center constantly influences the transformation of the periphery in such a way as to facilitate capital accumulation by foreign monopolists ; (3) the relationship between the center and periphery has always been one of unequal exchange to the benefit of the center. The net effect of these factors is that growth in the periphery is stymied, internal harmonious arrangements are destroyed resulting in chronic social, economic and political problems all of which serve to exacerbate the processes of underdevelopment and the periphery's dependence on foreign monopoly capitalists.

Brewer (1982) argues that Amin treats the core societies as if they are closed economies that at times seem to detach themselves from the analysis of the global system. To some extent this is true, especially insofar as Amin, in the course of his theoretical formulation and analyses, overemphasizes the "autocentric" nature of core economies.

SUMMARY AND DISCUSSION

The foregoing examination of Frank's and Amin's works on under-

development has shown that first of all, “underdevelopment” is not the structural form of a society when it first encounters capitalism. To be sure, its structural form is different from that of a capitalist society; but it is a differently *developed* form, not an *under-developed* form. Second, societies are not independent entities of separate and closely bounded integrity that, as such, then enter into interactions with one another (in the manner in which, for example, we are inclined to think of billiard balls interacting with one another in the physicalist spatiotemporality of a billiard table). Rather, they are relationally constituted as loosely and elastically bounded components of a world-historical structure or system of relations, a system of relations complexly and dynamically differentiated in terms of power and control of the means of producing history. Third, this world-historical structure has had the form of capitalism for centuries. Few, if any, societies or cultures have only recently encountered capitalism for the first time (the possible exceptions being very small populations such as the Tasaday). On the contrary, they have long been subject to the dominating forces of capitalism, and their conditions within the differentiation of world-historical structure have been determined by those forces. Consequently, if a contemporary society is judged to be “underdeveloped,” it is so *because* of the forces of capitalist “modernity,” not because it entered the capitalist world-historical structure in that condition. Fourth, the developmentalist understanding of history and of contemporary differentiations of world-historical structure (as depicted, for example, by quantifiable scales of “modernity” and in terms of varying mixtures of feudal and capitalist, or “traditional” and “modern,” forms) is not the value-free empirically validated theory of a nationally neutral (or international) science, as it claimed to be. Rather, it was and is another manifestation of the imperialist forces of capitalism, or of capitalist “modernity.”

In sum, the “development of underdevelopment” thesis is a manifold argument, containing several different levels of critique and proposal. Not only does it propose a particular understanding of contemporary inequalities of human condition, inequalities both among and within societies or nation-states; this understanding depends upon an underlying critique of certain prevalent conceptualizations of history, of society, and of social-scientific knowledge.

In general, both Amin and Frank have been unable to free themselves completely from an economic-deterministic framework. This shortcoming is most clear in their nearly exclusive emphasis on a rather narrowly defined economic conception of capital, capital accumulation, unequal exchange, etc. Although they do not explicitly engage in a reductionism that collapses all social relations into economic class relation, their largely instrumentalist account of state formations

and their relative neglect of such "cultural" processes as socialization to a particular behavioral regimen and the management of legitimizing world views (*e.g.*, stipulations of a semiperiphery as evidence of the success of core-directed development programs in elevating cooperative countries out of the periphery) tend to undermine their otherwise principled insistence of the importance of conceptualizing societal formations as loosely bounded partial totalities within world-historical structure.

Like Frank and Amin several Latin American social theorists, Sunkel, Furtado, Dos Santos, have also conceptualized development and underdevelopment as an integrative process of world capitalism. They however chose to emphasize different aspects of underdevelopment. Not that their theorizations are distinctly different from Frank, or Amin ; what appears to be evident is not so much the divergences in theoretical reasoning but more so a difference of emphasis, the explications of one or another dimension of development or underdevelopment (O'Brien 1975).

Dos Santos, for example, emphasized the manner in which the internal structures of the periphery are conditioned to constitute a dependent of international capitalism while Sunkel views development and underdevelopment as comprised of interdependent partial structures, constituted in a single unity. The developed structure is seen to be endogeneous, more susceptible to growth, and thus comes to dominate over the underdeveloped structure. These distinctions and relationships according to Sunkel are not restricted to the arrangements at the national levels between two countries ; they are evident within regions of a country as well.

Furtado expresses similar views, contending that underdeveloped countries are dependent subsystems of the developed ones ; a relationship more adequately understood within the structural dependent process of global capitalism. The interaction between core and periphery Furtado argues, has almost always been to create hybrid structures, partly tending to behave as capitalistic systems and partly perpetuating the features of the previously existing system.

These theories are basically in agreement with Frank and Amin, differing in only some details, with the greatest difference being their perspectives for political action (O'Brien 1975). Like Frank and Amin their methodology is basically Marxian and their theory is subsumed under the Marxian framework of capitalism, and constitutes "in particular a complementary part of the theory of imperialism" (O'Brien 1975: 11).

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