

**ANDRE GUNDRE FRANK'S ALTERNATIVE "EXTERNAL" APPROACH TO
UNDEVELOPMENT: A CRITICAL EVALUATION OF THE RADICAL SCHOOL OF
THOUGHT**

Paramita Chakraborty

Assistant Teacher (Political Science); Nalanda Vidyapeeth
Chakramnagar, Anandapally, Kolkata – 700104
Email – paramita2511@rediffmail.com

Abstract

The article begins by touching upon the raging debate between different explanations provided by political theorists - namely, modernization theorists and Neo Marxist dependency theorists regarding the reasons behind a country's underdevelopment. It then explains how modernization theorists hold the internal conditions of a country to be responsible for a country's underdevelopment. The article then moves on to Frank's external approach to underdevelopment where he claims that external factors are responsible for a country's backwardness. However, in doing so, he contradicts himself sometimes and that is what is dealt with next. Finally, an evaluation of Frank's theory in the backdrop of existing modernization theories is provided resulting in the true appreciation of Frank's seminal work.

“...underdevelopment is not due to the survival of archaic institutions and the existence of capital shortage in regions that have remained isolated from the stream of world history.”

-----A. G. Frank.

Keywords – backdrop, external approach, modernization, neo Marxist dependency, raging, seminal

1. The Debate:

The collapse of the colonial empires after the Second World War resulted in the establishment of a multiplicity of states with each one claiming sovereign and independent status. These “new states”, which came to be known as the Third world, required immediate development and hence resulted in a mad scramble among development theorist to offer viable development solutions. But, such solutions first required a proper analytical explanation of the problem of underdevelopment. The modernization theorist attempted to do the needful by arguing that the “internal” conditions of a country were responsible for its inability to develop and such conditions should be taken into account in determining its potential for development. However, the NeoMarxist Dependency Theorists like Andre Gunder Frank categorically refuted the arguments of the Modernizationists in his path-breaking essay “The Development of Underdevelopment (1966) published in “Monthly Review” and put forwarded a completely

contrary explanation of underdevelopment which held that “external” economic relations of an underdeveloped country with a developed one to be the main reason for underdevelopment. He, therefore, criticized the theoretical categories on development propounded by the modernization school which have been distilled exclusively from the historical experiences of the advanced capitalist nations of Europe and North America and, thus, unable to explain and guide the problems facing by the third world countries. [3]

2. The Internal explanation:

The modernization school assumed that the problems of development in the third world countries are largely the byproduct of certain internal factors like traditional culture, overpopulation, little investment and archaic institutions which are thought to be responsible behind their backwardness and stagnation. From this perspective, while ignoring their specific histories, the modernization school held that the third world countries are now at early stage of development and, therefore, they should look at to the western countries as mentor and guide to follow the Western path of development leading to their progress and prosperity.[1] However, the main thread of argument advanced by the Modernization School pointed out that a nation's lack of development was a result of its failure to use its resources to stimulate required economic growth. The reason for underdevelopment was derived from a societies' failure to establish required institutional structure, showing that the solution to underdevelopment existed on a domestic level. In other words, underdevelopment was totally “internal” to a country and arose from the traditional institutions and capital shortage present in it. Eminent modernization theorist W.W. Rostow explained in his famous work “The Stages of Economic Growth a non-communist manifesto” (1960) that there were five stages of development. All societies must go through each of these five stages in their path of development. The advanced countries had all passed the advanced “take-off” stage and had achieved self-sustaining growth while the underdeveloped countries were still stuck in the preliminary “pre-conditions” or “traditional” stage.[2] They too needed to reach the “take-off” stage in order to achieve a massive and progressive structural transformation of the economy and society. The failure to develop from one stage to another was only due to domestic failure in creating the requirements of the stage. However, the “internal” explanation gained massive popularity in the West as it justified the transfer of wealth and technology from developed to developing countries. This was exactly the idea that Frank tried to refute through his “external” explanation of underdevelopment.

3. Frank's External Explanation:

In reaction to the “internal” explanation of the modernization school, Frank offers an external explanation for third world development. To him it is neither feudalism nor traditionalism in the third world countries that explains their backwardness. In fact, it is wrong to characterize the third world countries as ‘primitive,’ ‘feudal, or “traditional,” because many countries like China and India were quite advanced before they encountered colonialism before the eighteenth century. Instead, it has been the historical experience of colonialism and foreign domination that reversed the development of many “advanced” third world countries and forced them to move along the path of economic backwardness. In trying to capture this historical experience of the degeneration of the third world countries, Frank formulates the concept of ‘the development of under development to denote that underdevelopment is not a natural condition but an artifact

created by the long history of colonial domination in the third world countries. He further stated that it was a misconception to believe that underdevelopment was a product or reflection of a country's own economic, political, social or cultural institutions rather the world capitalist system as an external phenomenon was accountable for the development of the countries in the first world at the cost of underdevelopment in the third world countries. [4] Frank explained his argument through his metropolis-satellite model. Metropolis were capitalist centers which sucked capital from the satellites like a vampire, making the latter poorer in the long run. Underdevelopment was in large part the historical product of past and continuing economic and other relations between the satellite-underdeveloped and already developed metropolitan countries. In fact, he went on to say that satellites experienced their greatest economic development and specially their most classically industrial development if and when their ties to the metropolis were the weakest. Frank substantiated his "external" explanation using numerous examples from Chile, Sao Paulo etc. The increasing satellization of Chile that was marked by underdevelopment in all spheres, the industrial growth in Sao Paulo that had not brought any riches to the other regions of Brazil, the regions of Brazil which developed underdevelopment after their productivity or markets declined, the semi-feudal condition of the "latifundia" which were once subjected to excessive commercial exploitation – were only some of the examples that Frank used to put forward the idea that underdevelopment stemmed from the exploitation of the backward third world countries by the completely "external" world capitalist system.[3]

4. Evident Contradictions in Frank's Approach:

Frank's "external" explanation of underdevelopment had a number of inherent contradictions. The linkages between external penetration of capitalism and internal class and power relations were unclear. According to Ernesto Laclau in his "Feudalism and Capitalism in Latin America" (1971) published in "New Left Review", this was exactly where Frank allegedly 'confused' the "external" and "internal" concepts. Frank criticized the "external" capitalist system for being the cause of underdevelopment but he overlooked the fact that there were local "productive units" that were on integral part of the system. Thus, the capitalist system, according to Laclau, was not entirely external but a combination of the two. Hence, isolation from the system would also mean isolation from the local productive unites and would result in further complexities.[5,6] Moreover, Frank criticized the modernizationists for assuming that the history of the underdeveloped countries was similar to that of the developed countries. But he himself made the same kind of generalization when he argued that the third world was a monolithic unity and argued that the "metropolis" created underdevelopment in the "satellites". This is where he confused the two concepts again and contradicted himself. The concept of asymmetric dependency was not usually valid as relations between the "metropolis" and the "satellites" were not zero-sum games. B.J. Cohen put it quite succinctly when he said that "economic relations with the metropolitan center" might act as an enormously powerful engine of growth in the periphery." This was seen in the satellites such as Greece, Spain and Portugal. Thus, it is to be said that Frank's perspective needed clarity as it confused the "internal" and "external" concepts and contradicted himself several times. This led his critics to consider his explanation as merely an "approach" and not a concrete theory. [7]

5. Evaluation:

Despite the differences in their approach, both the “internal” and the “external” explanations of Third World underdevelopment sought to explain the same reality. They originated in different areas with different executive judgments, different assumptions, different methodologies and different explanations. But both the theories were quite similar in being “too general”. According to Mehran Kamrava, both the theories displayed “analytical paucity” and examined the Third World with “thick doctrinal lenses”. However, Frank’s “external” approach had a fundamental advantage over the “internal” modernization perspective as it was open to historically grounded conceptualization in underdeveloped contexts, while modernization was locked into an illustrative methodological style by virtue of its very assumptions. That is why Frank’s theory was, perhaps, the most important and influential development in the study of Third World underdevelopment.

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