



## The Logic of Dependency Theory Revisited

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# The logic of dependency theory revisited

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Tony Smith

There is . . . a huge dose of provincialism and even reverse chauvinism in the claim by some radicals that American imperialism bears the main responsibility for misery and starvation in the economically backward parts of the world.

Barrington Moore Jr.  
*Reflections on the Causes of  
Human Misery and upon Certain  
Proposals to Eliminate Them*

Since James Caporaso<sup>1</sup> felt obliged to take me to task in the Autumn 1980 edition of this journal for what he believes to be my failure to appreciate the true strengths of dependency theory, I shall comment in turn on his unequivocally enthusiastic reception of this approach to the study of change in the Third World, whose limitations Mr. Caporaso fails altogether to perceive. The vehicle for discussion is the recent publication of two books Mr. Caporaso reviewed—*Dependency and Development in Latin America*, by Fernando Henrique Cardoso and Enzo Faletto,<sup>2</sup> and *Dependent Development: The*

For a fuller review of dependency theory, the reader is invited to refer to chapter 2 of my *The Pattern of Imperialism: The United States, Great Britain, and the Late-Industrializing World since 1815* (New York: Cambridge University Press, to appear in September 1981).

<sup>1</sup> James A. Caporaso, "Dependency Theory: Continuities and Discontinuities in Development Studies," *International Organization* 34, 4 (Autumn 1980): 605-628.

<sup>2</sup> Trans. by Marjory Mattingly Urquidí (Berkeley and Los Angeles: University of California Press, 1979).

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*Alliance of Multinational, State and Local Capital in Brazil*, by Peter Evans<sup>3</sup>—although, as we shall see, the heart of the matter is the characteristics these works share with an entire literature.

Let it be said at the outset that doubtless Mr. Caporaso and I agree on certain matters. I believe that dependency theory is correct to insist on the relevance of economic considerations to political issues, on the importance of foreign actors to the internal affairs of relatively weak states, and on the way global historical developments condition the range of options Third World countries may choose to follow. I have no difficulty, for example, accepting the proposition that in their struggles for political and economic change, the poor of the Third World usually find that their local enemies are drawing strength from their international connections. Imperialism may manifest itself in various forms, but certainly one of these is through international class alliances, which the dependency literature has been particularly clear in pointing out. I assume, moreover, that though he makes no mention of it in his essay, Mr. Caporaso would agree that the *dependentistas* have rendered a service by putting normative questions such as that of distributive justice squarely on the agenda in the study of comparative and international political economy. While it would be unfair to say that writers unaffiliated with this school have ignored such issues, it is true that dependency theory has been especially systematic and self-conscious in their emphasis.

The debate over dependency theory correctly begins, therefore, not with questions such as whether imperialism influences specific structural features of southern development (for unquestionably it does), but with the manner in and the degree to which an analysis of imperialism can account for the chief features of such basic aspects of development as the character of capital formation and the sectoral form industrialization takes in the Third World, the pattern of income distribution there, or the advent of military regimes in so much of Africa, Asia, and Latin America. As its very name indicates, dependency theory is defined by its answer to these questions. Put briefly, it holds that economic processes are the basic structural force of history, and that over the last several centuries it has been northern capitalism (first in its mercantile, then in its free-trade, later in its financial and today in its multinational guises) that has been history's locomotive. Those lands and peoples are "dependent" that are not "autonomous" (a favorite word of many of these writers that is never rigorously defined, as is the case with much of their lexicon) in the face of these external economic forces. Thus, Evans writes that dependence is defined "most simply as a situation in which the rate and direction of [capital] accumulation are externally conditioned . . . Contemporary dependency theorists see the international division of labor as shifting substantially on the surface while continuing to have the same fundamental effect" (Evans, p. 27). As for Cardoso and Faletto: "A system is dependent when the

accumulation and expansion of capital cannot find its essential dynamic component inside the system” (Cardoso and Faletto, p. xx). Evans is particularly careful to underscore the significance of his definition:

Simply put, imperialism is a system of capital accumulation based on the export of capital from advanced countries to less developed regions (or more precisely, center capital’s acquisition of control over the means of the production in those regions) accompanied by the utilization of political and military resources to protect and maintain the means of production over which control has been acquired. Political empires do not qualify as imperialism in the post-Hobson sense unless they are designed to foster the accumulation of capital. Extraction of the surplus product of a less developed country by a more developed country is not imperialism unless the dominant country has acquired control over the means of production in the poorer country. The theory of imperialism assumes that the system works primarily to the benefit of capital controlled by citizens of the dominant country . . . (Evans, pp. 16–17)

The major criticism to be made of dependency theory is that it exaggerates the explanatory power of economic imperialism as a concept to make sense of historical change in the south. Too much emphasis is placed on the dynamic, molding power of capitalist imperialism and the socioeconomic forces in league with it locally; too little attention is paid to political motives behind imperialism or to the autonomous power of local political circumstances in influencing the course of change in Africa, Asia, and Latin America. Note that this objection is not to the use as such of a global, historical analysis of the development of the international division of labor and its attending class formations on the periphery, but to an excessive reliance on this mode of analysis for interpreting the basic features of an extremely complex series of events. Nowhere in this literature do we find, for example, recognition that local physical, social, or political forces might for their own autonomous reasons have been simply unable to generate industrial development, so that imperialism is only partially and secondarily, if indeed at all, responsible for the present predicaments of many countries of the Third World. By contrast, nowhere do we find any recognition of what Thorstein Veblen called the advantages of backwardness, or of the positive, substantial uses these countries can make and have made of their contacts with the international system. Instead, where dramatic change has occurred, we are solemnly told this creates only a “semiperiphery” that actually reinforces the overall structure of western domination. And nowhere do we find the recognition that what often most concerns imperialist states and determines their conduct toward the weak are great-power, geopolitical matters, and not immediate issues of trade and investment. Indeed, for all the talk about the challenge dependency theory has raised to mainstream development studies in the United States, nothing has been said about how completely it dismisses the assumptions of mainstream international relations theory as well.

Apparently Mr. Caporaso would deny that dependency theory rests upon propositions as rigid and reductionist as those I have described. He cites the Evans and Cardoso-Faletto volumes as evidence of the literature's openness to a consideration of the variety of forces affecting change on the periphery. He speaks of the active role these authors accord the state on the periphery, and he emphasizes that in addition to the impact of imperialism there, Cardoso and Faletto see

a parallel set of domestic configurations that must be taken into account. These latter forces must not be seen simply as competing for influence with the external ones but rather as criss-crossing and fusing with them in complicated though not mysterious ways . . . [They] do not make the mistake of overemphasizing the global system and treating domestic society and politics as derivative. (Caporaso, pp. 607, 617)

Were this an accurate reading of these books, I would have no quarrel with dependency literature. Unfortunately, *pace* Mr. Caporaso, there are sharp limits to the concessions to theoretical elasticity that even the boldest of the *dependentistas* will make. While the best of them may recognize the influence local circumstances have on local events (by contrast with those who study only the movements of the international economic system), they do so only to reaffirm ultimately the overriding power of economic imperialism. Of course, there are dependency theorists and dependency theorists. Mr. Caporaso seems to disavow the work of Immanuel Wallerstein and André Gunder Frank, for instance, and for my part, I have no difficulty in agreeing that Cardoso and Evans are better than most. (Although I am no Latin Americanist, Evans's work appears to be based on a wealth of original empirical research, while the Cardoso and Faletto study, especially in its 1979 Introduction and Post Scriptum, is theoretically innovative.) Nevertheless, these authors share certain presuppositions that, even if handled less mechanistically than one usually finds in this school, still present problems not at all indicated in Mr. Caporaso's admiring review. In a word, they credit the economic force of international capitalist imperialism with far more power than it actually possesses or has possessed to determine the evolution of the economic, social, and political structure of Africa, Asia, and Latin America. At the very core of their *problématique* lies the conviction that the essential problems of Third World development today grow from the "dependency" of these regions on the forces of capitalist imperialism.

Peter Evans is especially blunt in making this point. Quoting Samir Amin, he affirms that "the starting point, as always, is imperialism" (Evans, p. 16). And he continues:

Imperialism remains the frame for the analysis of dependent development. Except for the inroads of socialism or state collectivism . . . the international economy is dominated more thoroughly than ever by capitalist relations of production and exchange. Control of capital internationally is still concentrated in a few industrialized countries of the west

(and Japan). Production in both the center and periphery is still directed toward the accumulation of capital controlled by center country corporations. The political and military resources of center states are still used to preserve and maintain capital invested in the periphery. Despite all that has changed, the essential features of imperialism as it was described by Hobson and Lenin remain. (Evans, p. 50)

The thrust of Evans's study leaves no doubt that as a "frame for analysis" the dynamics of imperialism offer the key to the understanding of the basic aspects of the development process in the Third World. Although his chronology is woefully vague, he finds it was changes in the core that motivated changes on the periphery from "classic dependency" to "dependent development." Thus, states and the national bourgeoisies on the periphery found their position improved after "the debacle in Indochina made some decentralization of the means of violence appear advantageous even from the point of view of the United States" (Evans, pp. 23–24). Thereafter, thanks to the "centripetal logic of strategies for growth coming out of multinational headquarters" (Evans, p. 12), these economies came even more to witness their internal "disarticulation" by virtue of the insertion of important sectors into the international economy rather than their national integration; the "exclusion" of the mass of the population from the fruits of economic growth; and the preservation of the hierarchy of states with the hegemony of the northern industrial countries being reinforced as lands like Brazil came to form the semiperiphery (Evans, pp. 14–54). Certainly, Evans credits the local state and bourgeoisie with important roles to play in producing such circumstances. It is precisely the richness of detail he provides about Brazil that distinguishes his study. Yet, as if to underscore the overriding importance he accords the international economic system, Evans devotes his entire last chapter to the argument that Mexico and Nigeria are undergoing much the same internal evolution as Brazil, despite their sharp previous differences domestically (Evans, chap. 6).

At first reading, the Cardoso and Faletto study may seem to be far more concerned than Evans's with recognizing distinctions among Latin American countries and the contribution local factors have made to the different evolution of social life there. Indeed, Mr. Caporaso takes as an epigraph for his essay their concern to establish "diversity within unity" (Cardoso and Faletto, p. xvii). With their notion of unity, however, the literature's familiar predilection once again manifests itself. Thus, we read that this unity is to be found in "dialectical analyses [that] 'explain history in its totality'" (Cardoso and Faletto, p. xiii). In other words, they work from the Hegelian presumption that the whole is greater than the sum of its parts. As the reader might uneasily anticipate, we are led back by this route to the source of history's original dynamism, the economic force of capitalist imperialism:

The historical specificity of the situation of underdevelopment derives from the relation between "nerinheral" and "central" societies . . . there

exists among the developed and underdeveloped economies a difference, not only of the stage or state of the production system, but also of function or position within the international economic structure of production and distribution: some produce industrial goods; others, raw materials. This requires a definite structure of relations of domination to assure an international trade based on merchandise produced at unequal levels of technology and cost of labor force. (Cardoso and Faletto, pp. 16-17)

Mr. Caporaso regrets that these authors did not specify a "theory" of dependency, and are content to describe the historical genesis of such a situation (Caporaso, p. 615). But there is no mystery here, if one but understands them aright. As the authors characteristically explain, theories must be of the whole not of the part—and, given their aforementioned definition of dependency, Latin America only qualifies to be the latter. It is thus altogether reasonable from their perspective that they should conclude that "it seems senseless to search for 'laws of movement' specific to situations that *are dependent*, that is, that have their main features determined by the phases and trend of expansion of capitalism on a world scale" (Cardoso and Faletto, their emphasis, p. xxiii). In short, while Cardoso and Faletto repeatedly insist that different countries will have different reactions to capitalist imperialism (an unsurprising position to take unless one is at the head of this motley literature and feels obliged to help it forward), they maintain the central assumption of all dependency theory, that economic forces generated by capitalist imperialism emanating from the United States, western Europe, and Japan remain the *primum mobile* of historical change on the periphery. One may welcome the sophistication of their work compared to other dependency studies and appreciate particularly the attention they pay to social change within Latin America over time, without at the same time believing that they ultimately conclude by finding, as Mr. Caporaso reports, that "the interweaving of the internal and external is complicated and, in terms of influencing outcomes, the former is at least as important as the latter" (Caporaso, p. 617). It may well be true that the "internal" is important with respect to "little" questions such as why one society developed toward slavery while another produced wage-earners in Latin America, and so account for diversity there. But if we are concerned with what are for the dependency school ultimately the larger issues of development, we must look instead to the matter of "unity" or the "external." Thus, if we would know why all these peripheral economies are "underdeveloped," "disarticulated," and "exclusionary," or why even apparent progress results in movement only to the semiperiphery that in fact reinforces the domination of the United States and its allies, we must study the movement of the whole, the totality, that is the logic of capitalist imperialism. Mr. Caporaso's failure to distinguish these levels of inquiry and the importance to be attached to them is the failure of his essay.

The evidence offered by these books should be enough to document that, whatever their other differences, the members of this school share a common,

basic *problématique* in analyzing Third World development. As I indicated above, their approach is open in my opinion to serious question. For the purpose of this comment, however, it is enough simply to establish the priority they give to the study of imperialism for investigations into Third World development in order to refute the characterization of the literature at the hands of Mr. Caporaso. But have I done enough? Other authors may later appear whom other apologists will claim are free of the strictures outlined here and the character of dependency theory may once again be said to have been inaccurately portrayed, just as Mr. Caporaso criticizes my essay<sup>4</sup> on the basis of two books that appeared after my article had been published.

Let me therefore conclude by attempting to situate this literature historically, and to suggest thereby that the limits of dependency theory are constructed of even stronger stuff than a closed analytical system. In a word, dependency theory represents a historically concrete attempt of Marxism to absorb southern nationalism into a kind of ideological united front. I do not know why Mr. Caporaso obscures so thoroughly as he does in his long discussion of various historical methods the central fact that dependency theory constitutes a rather standard variant of Marxist analysis. Cardoso, Faletto, and Evans freely admit their debt to Marx, and the kinds of debate one finds in this literature (such as over the degree of autonomy to accord the state) are certainly common fare in Marxist circles in the west today. The novelty of dependency theory is that it has extended the study of advanced capitalist expansion into the roots it has sunk on the periphery in an effort to understand the serious problems of development confronting the Third World. In the process, it has won the sympathy of many nationalists in the south who are looking for some explanation for the terrible dilemmas facing their societies and for some program of action whereby these ills can be remedied. In short, there is a practical, concrete, ideological appeal to dependency theory that explains why it structures its arguments and fails to overcome its shortcomings as it does. It is ironic that these writers who delight (often with good cause) in exposing the ideologically based assumptions of mainstream North American work on Third World development should be so oblivious to the historically imposed limitations of their own efforts. The sorrow of it all is the suspicion that in its rigidity and narrowness, dependency theory carries within it the seeds of the betrayal of the very revolution it seeks, so leaving the wretched of the earth where they have almost always been—without genuine intellectual support.

<sup>4</sup> Tony Smith, "The Underdevelopment of Development Literature: The Case of Dependency Theory," *World Politics* 31, 2 (January 1979): 247-88.