



Theories of Development – Goals, models, and strategies

Dependency Theory

Between the end of the Second World War and the 1990s, many colonies in Africa and Asia gained independence. The vast majority of these states still struggle with poverty and inadequate economic and social structures. Overcoming these problems requires a clear analysis of the causes, which in turn can become a promising strategy. On this basis, two opposing development theories emerged in the 1960s: modernisation theory and dependency theory.

Proponents of the dependency theory see the causes of underdevelopment in external economic dependency on the industrialised countries, i.e. in developments caused from outside (**exogenous causes**). Underdevelopment is seen as a consequence of colonialism, and the integration of former colonies into the capitalist world market is a continuation of this dependency (neocolonialism). Unequal trade conditions keep the developing countries poor, as they continue to act as cheap suppliers of raw materials for the industrialised countries, or as low-wage countries producing cheap products for the world market without benefiting from the added value (e.g. in the clothing industry).

For these countries to develop, dependency theorists recommend temporary **dissociation** from the world market until their own economies are strong enough to meet their own basic needs. Only then can they return to the world market as equal partners.

The **dissociation strategy** demands the economic isolation (dissociation) of a country to achieve development independently of the global market. This is intended to minimize the negative consequences of world market integration. The economy is only oriented towards the domestic market and independent of the global market. This can be achieved, for example, through high protective tariffs and the use of domestic resources. The model for this strategy is the Chinese development path under Mao Zedong. This includes, above all, the establishment of a basic materials industry and the further development of the manufacturing industry. Other examples of the application of the dissociation strategy can be found in North Korea, Cuba and Albania.

From Rice Fields to Killing Fields

This basic idea of the disassociation strategy has been implemented several times, for example in Burma, now Myanmar, in Cambodia and in Cuba. The Cambodian Khmer Rouge, led by Pol Pot, took the most extreme approach. Between 1975 and 1979 they set out to completely seal off the country and force their own people to supply themselves from nowhere. The "Killing Fields", where tens of thousands of Cambodians were killed, document the failure of this social model and the endless violence that followed.

Countries that have pursued this strategy (e.g. China) have quickly reached their limits, as a complete withdrawal from world trade is unrealistic and external influences cannot be completely ruled out. Nor can it explain why "white colonies" such as Australia, Canada or South Africa have developed well economically despite their colonial history. Nor can it explain why countries that were never colonies, such as Ethiopia and Thailand, are now considered developing countries. Nevertheless, the theory has been used to explain underdevelopment in many Latin American countries, where other theories have failed.



Critics accuse proponents of dependency theory of focusing exclusively on external causes of underdevelopment. The accusation is that the aspect of personal responsibility is not taken into account.

Nevertheless, the theory has had a significant influence on development cooperation today, giving rise in the 1970s and 1980s to concepts such as 'helping people to help themselves' and the guiding principle of 'satisfying basic needs'.

However, by the 1980s, persistent poverty and the failure to meet basic needs and the resulting continuing development deficits in large parts of the world led to a crisis for both theories. Their claim to explain and overcome development and underdevelopment worldwide with just a single theory had failed.

A new explanatory approach was needed.

Assignment:

- a) Read the text carefully and look up unknown terms.
Mark the answers to the following questions in the text:
 - How does the theory explain uneven development?
 - What strategies are suggested and pursued to fight underdevelopment and to what end?
 - How successful was the approach in the end, i.e. what did reality look like and what criticism is voiced?
- b) Complete in the table and prepare to present the theory and its strategies to a partner.



Fact Sheet: Theories of Development

GROUP A: Modernisation Theory

reasons for underdevelopment	
strategy	
goal	
reality	
criticism	

GROUP B: Dependency Theory

reasons for underdevelopment	
strategy	
goal	
reality	
criticism	