INTRODUCTION:

In the light of Trade Liberalization and Privatization packages under the auspices of World Bank and International Monetary Fund (IMF) and of the previous experiences of developing countries as to undergo matured theories regarding development and under-development in developing economies, the relevant areas to be probed for a critical analysis is the theory of dependency and development of under-development. The chapter 2 exclusively deals with it in details.

1.1 INCOMES CLASSIFICATION OF ECONOMIES AND EMERGENCE OF DEVELOPMENT THEORIES AND PARADIGMS:

On the average, China, India and the people of Africa have lower incomes than the people of Latin America, while the Latin Americans have incomes lower level than the people of East Europe relatively to Western Europe, New Zealand, Australia, North America and Japan. The ranges of individual country incomes overlap, average incomes of individual countries give a snapshot impression of the geographical distribution of incomes in the world. Within each country, family incomes differ greatly. The incomes of the lower incomes group in developing country are shared by the peasants cultivating by peasant farmers will be the largest sector.

In a developed economy the income generating sector is large scale manufacturing (larger share in G.D.P) while services
will be the largest employment generating sector.

How does the economy move from a primitive technology of agriculture to modern technology based agriculture and services for enormously increased incomes? is the basic problem of economic development of the developing world. Development theory has undergone a sea-change during last five decades. The change is by no means total, nor is there universal agreement on what it takes for a country to develop, but the early faith in the ability of the state to direct development seems to be given way to a greater reliance on markets. Inward oriented strategies are more and more replaced by outward oriented strategies.

In the recent past, many developing economies implemented market oriented reforms. With these changes has come a growing recognition that development is a multi-dimensional process, within which, price reforms, investment and institutional building are complementary. It is also true with India too, welcoming foreign direct investment and opening economy via liberalization and privatization as part of globalizing the economy. The nature extent and efficacy of the state's role and involvement in planned economies failed and now they are (Erstwhile USSR and other East European economies are centrally planned economies) in transformation towards market economies. We also have another set of economies from third world i.e., economies from Africa, i.e., Zimbabwe and Kenya in 1980's adopted the pro-market policies devised by the World Bank and IMF. Especially in Zimbabwe these radical reforms could not sustain as well in Ethiopia the same
experience took place.

1.2 DEPENDENCY - A SCHOOL OF THOUGHT:

The problem of development and conditions of development forever is a passionate subject for the development economists. At the first outset, the problem of development and under-development in Latin America, within the perspective of dependence on foreign sector/factors appeared very interestingly in the first half of 1960s. The formal beginning of the dependency school (D'School) is usually traced to A.G. Frank's article of 1966 illustrating the essentials of the new approach.

A few years later his book appeared under the title "Capitalism and under-development in Latin America." It was viewed initially as the finest and comprehensive exposition of the underemployment. On the other hand, Frank himself was considered as the originator of the D'School. One can classify the D'School into Frankian and Post-Frankian periods. In fact the initial stream of most radical dependency studies was mainly authored by Caribbean and Latin American economists such as F.H. Cordoso, T. Dos Santos, A. Quijano, R. M. Marini, O. Sunkel, C. Thomas, J. Nun, V. Bambirra and others.

In the 1970s the research methods of the D'School were taken up by scholars from other continents and of other nationalities Africans: S. Amin, G. Amin, A. Emmanuel: Asians : Sen. R., S. B. De Silva, S. Lal as well as European the British and French in A.G. Frank, the Development of under development. Monthly Review, 1966.
particular whose contribution to the development of the D'School centered around numerous critical articles. Tracing the dependent nature of development of Third World is difficult but one can locate the contributors. New works based on theoretical and methodological achievements of the D'School have been incorporated into many conceptions of development of the third world capitalist economy. They indeed inspired the new ways in the evolution of economic thought. They encouraged as well political action on the international level, forming the theoretical basis for the concept of the New Economic Order. Nevertheless, their work has contributed to our understanding of the third world dependence and development.2

1.3 THE VIEW OF DEPENDENCY:

Any attempt to put into precise words regarding D'School meets with difficulties. There are several reasons for such a state of affairs. First, the sheer volume of output of D'School is a barrier of considerable magnitude for historians and critics of economic, social and political thought. Reading the works of individual even the most well known authors is, unfortunately, no substitute for more through acquaintance and can not ensure a correct appraisal of the whole body of work. The contributions of

2 The approach of Soviet and Polish economists to the problem of dependence and its implications is more thoroughly treated by A.W. Kubiak in "Studies on the Development theory", Research Institute for the Developing Economies, Warsaw School of Economics, 1986, Warsaw, Poland.
various dependence writers diverge widely in respect of their subject matter, point of view and conclusions. The views of individual authors evolve, under the impact of discussions, their research objective.  

The D'School is a user of more or less diverging views but unanimous, however, as far as the subject matter is concerned Dependence and development or under development of the third world) as well as methods of analysis (historical, inter-disciplinary, dialectical, globally oriented approach). The long term perspective adopted by the dependency writers in their investigations allows to identify changes in economic and social structures. Analyses are carried out on the basis of historical information encompassing the period of expanding mercantilism which spread overseas (chiefly to Latin America) the formation of the export oriented colonial economy (1600 - 1850) that underwent some modifications retain, however its export orientation (1850 - 1930) the period of development characterized by import substituting industrialization as well as the present time marked by the expansion of transnational corporations into the backward areas.

Investigations of economic phenomena are usually set against the complex background of social and political matters seen in the

perspective of class relations and in an institutional environment. The extent to which the socio-political phenomena are actually incorporated into the analyses can vary, however, from fairly small in the works of Frank to a very large in Cordoso's. The dependency writers are primarily interested in the participation of various classes in the generation of income in relation to production or social costs of production, and above all in the distribution of income or benefits that various classes derive from particular models of production and distribution.

The D'School writers accept gladly some form of dialectics, look at various phenomena in their movement and mutual interaction. They encompass to a greater extent global phenomena. It should be stressed that the periphery is analysed either as constantly interaction with the centre or as an element of the world economy.

Surprisingly, the D'School yields many categories which diverge widely from their standard economic interpretations. The traditional economic structure is changed, with the production relations. Karl Marx, Engels, Lenin focussed their interest on the relations of production in different social formations and on different levels of advancement within one formation. The focus on the relations of distribution was taken from Rosa Luxumberg. The spotlight on the distribution is precisely what differentiates the dependency writers from contemporary marxists who carry on only the approach of Marx. For this reason, the
D'School is sometimes called the "Neo-marxist" paradigm.

Among the numerous descriptions and classifications of the current, the analysis of G.Palma stands out as a particularly interesting and precise:

1. The works of G.Frank, Dos Santos, Marini and Pizzario as well as F.Hinkelmert constitute an attempt to construct a theory of under-development of the Latin America.

2. The approach of Sunkel and Furtado is an effort to reformulate Economic Commission for Latin America (ECLA)'s analyses of dependent development.

3. The remaining contributions started by Cardoso and Paleto give analyses of concrete form in which dependence appears and develops. The typology referred to above does not consider numerous researchers 'applying methodology of dependence such as, S.Amin, Emmanuel, Wallerstein. The Carribean dependency authors (Thomas, Levitt) or Indian Economists (S.Lal, R.Sen and S.B., De Silva). Neither does Palma examine the evolution of the dependency school as a whole nor the modifications in view of particular authors belonging to S.G.Palma. Dependency a formal theory of under-development or a methodology for the analysis of concrete situations of under-development?
It would be a mistake to think the systematization of the multifaceted dependency thinking as an easy task. The characteristic features of this body of knowledge (and at the same time its weak points) are precisely the multiple formulation of fundamental problems and the multidirectional evolution of views held by its proponents. As much as we agree H.Bermestein that it is possible to discern certain common features as well as difference in the views of the dependency economists.

Generally the subject matter of the dependency theory is constituted by the state and dynamics of the economy in the developing countries (of the periphery) beginning with the medieval period to right now.

All the D'School writers negate western linear evolutionism with assumptions of permanently traditional and backward character of peripheral economies vis-a-vis the developed countries (Centre) and thus invalidate the principle of development imitating the path of the rich countries. According to them the periphery was not always poor, there was a time when its level of development was equal or even surpassed the achievements of the western countries. It is stressed that exploitation of other parts of the H.Bernstein, "Sociology of underdevelopment Vs. Sociology of Development" in D.Lehmann (ed) Development Theory. Four Critical Studies, London, 1979.

This assumption is typical of Western Economic theories of under development, e.g. of Leibenstein, Nurkse, Rostow, Lerner etc.
world was one of the important factors in the success of the early coiners in capitalists development. In other words, the drain of surplus from the periphery was and still is the most important source of the primitive accumulation of capital. The dependency authors have come to the conclusion that historical development of capitalism on the world scale leads to the emergence of different forms of inequality (in terms of class and space) which underlines the complementarity of the two parts of the world. The countries which were drawn later into the world capitalist economy. The development of the centre and of the periphery -this interdependence was from the beginning qualitatively different - it was just dependence. 9

Initially they assumed that dependence based on inequality between the centre and the periphery was the fundamental characteristics of functioning and development under capitalism on the world scale and hence stress was laid upon specific features and mechanism of peripheral development. D'School writers claimed that development of the periphery is dependent and dependence


itself is the reason for differentiation of development prospects in the centre vis-a-vis periphery. It is because dependence reflects the differentiating and asymmetrical process of capitalist production and reproduction on the world scale; its analysis is a key to the explanation of under-development and advancement of the periphery.

1.4 WHAT IS DEPENDENCY ? WHAT ARE THE MECHANISMS OF ITS EMERGENCE AND REPRODUCTION ? WHAT FORMS IT DOES ASSUME ?

Apart from the category of dependence and its impact upon the development of the periphery, the dependence economists devoted attention to the manifestations and consequences of dependent development as well as to explain the various forms of dependence.

Dependencies emphasized the lack of autonomy in the development of the periphery (S.Amin), its totally external conditioning development of under-development and exploitation of the periphery by the centre, (Frank, Dos Santos, Hinkel, Marini, Caputo, Pizzaro, Emmanuel), inability of the state to effectively steer the capitalist development and its subordination to the world system (Frank, Cardoso), lack of interdependence between the development of key dynamic sectors in the economy, gaps in the process of capital reproduction (Cardoso), social marginalisation of the exploited classes etc.

A number of publications concerning various aspects and manifestations of dependence had to face the challenge of processes that have proved to be a severe test for a variety of propositions advanced by the dependence writers. Numerous
controversies were stirred by such descriptions of dependency.

Since the D'School writers failed to provide a full and generally accepted definition of dependence in relation to the developing countries and analysis of a developmental effort not actually defined. 10

Historical studies as well as real economic processes occurred in the 1970's demonstrated that the periphery is not only a heterogeneous part of the world, but it is also rapidly changing. Some countries of the periphery, developing in the conditions of dependence, made considerable head away on the path of development. For instance Australia and United States of America were indeed a dependent part of the capitalist economy, but managed to transform themselves into the countries of the Centre. Thus, the central thesis about the decisive or determining influence of dependence upon the development of the periphery was threatened. It was also claimed that, now a days interdependence replaced the relation of dependence. As a result, new conceptions of interdependence have been advanced as a substitute for the theory of dependence.

Criticism in relation to the D'School implies greater need for more precise definitions as well as more thorough research into the relationships between dependence and (under) development. The D'School itself concentrated its efforts on analysis of processes taking place within the periphery and did not explain

unequal development of its various parts, nor the reasons for rapid growth and structural change in the group of the dozen or so countries of the third world and their external expansion. Therefore a number of researchers turned to the analysis of the world system, seeking there more convincing solution to the persistent and growing doubts.

These new endeavours have partially abandoned the initial subject matter of the dependents i.e., the relationship between dependence was included into the analysis of the mechanism of the world capitalist economy. A.G.Frank in his reassessment of the dependency thinking, its genesis and achievements brought into relief entitled "Dependence is Dead. Long live / Dependence and the Class Struggle'.

1.5 THE CONCEPT OF DEPENDENCY :

One can discern two types of approach in descriptions and attempts at a definition of dependence. The first one creates dependence as economic and social category and seeks its roots in the relations between the classes of the Centre and of the periphery. Such relations determine the mechanisms of functioning of the peripheral economies. The second approach develops certain propositions of the early structuralists. The essence of dependence is sought among the economic factors (productive forces) which exert impact upon the social aspects of development.

The notion of dependence itself gradually widened and acquired greater depth. A.G.Frank who is reputed to have founded the whole approach, did not in fact, explain the nature of dependence. He did not show its sources and premises and merely drew attention to its manifestations (the surplus drain, creation of the capitalist structure), the greatest merit in the study and identification of economic dependence of the peripheral countries upon the centre should go to the Latin American Economists in particular Dos Santos, Cardoso, Faletto as well as to the Canadian economist C. Leys.

According to Dos Santos, dependence is a situation of conditioning in which the economies of one group of countries are conditioned by the development and expansion of others. If one is to comprehend the nature of dependence one has to say that Dos Santos investigated the economic relations generated within the periphery as well as inter-relationships between different international and national elements which create the dependence situation. In this and other works, Ds Santos emphasis that the interlinked elements he refers to are to be found not only among the forces of production, but above all, in social groups and class forces.

Thus the conception of dependence can not be understood without turning towards analyses of the inter-relationships between dominant interests in the hegemonic centres and the

12 T. Dos Santos, the crisis of Development theory and the problems of Dependence, op. cit. p. 79.
dependent economies. All this suggests that, if the actions of dominant forces in the centre did not find the basis and support in the actions of the dominant classes of the periphery, it would have to be dependent. Thus, dependence has social nature. Hence, through class alliances, dependence is a set of relationships in which the external factors are reflected at numerous levels of internal changes, which in themselves, can reinforce the model of external relationships. Economic alliances explain why the world capitalist system is reflected in the development of the periphery.  

Dependence is no longer an external matter. "The national situation says Dos Santas, is determined by its own specific movement. The international situation within which this movement is accomplished constitutes a general condition and not the cause of national processes, since this situation is an element constituent of the inside of nation that determines the impact of the international situation upon the national reality."  


T.Dos Santos. The crisis of development theory, op.cit. p.72
The most significant contribution to the understanding of the class nature of dependence is authored by Cordoso. According to him, the economic process is as social process whereby different social groups and classes attempt at the creation of an economic system which allows for the attainment of their goals and interests.\footnote{Cardoso, the Industrial Elite in Latin America, in Bernstein (ed) Underdevelopment and Development, op.cit. pp.193-194.} As a result, analyses is focussed on characterizing a common and conflicting interests of various classes, inside the periphery and in the world scale. Cordoso and Faletti conclude that common interests i.e., the economic prerequisites, between the various classes of the centre and of the periphery and the relevant states lead to class and state alliance. In a manner the economic processes occurring in the periphery are seen as originally linked to social and political processes. They require to the investigated jointly and not merely analyses side by side and then put together. Cordoso and Faletto understand dependence as a part of social relations between various classes as well as between those classes and state. Thus Cardoso finds contradictions inherent in the state which created the nation without itself being sovereign, are at the heart of all dependency issues.\footnote{Markowska.E. 'Dependency debate on the concept of the State, in Economic papers, Warsaw School of Economics, Warsaw.'}
The relations between the dominant classes of the periphery and of the centre are not only based on and limited to external forms of exploitation and coercion. Such ties are deeply rooted in the conformity of interests between these classes. Economic alliances of classes of the Centre and the particular class in the periphery which realized the central bourgeoisie interests and reflects the organization of international capitalism constitute the origin of the classes formation processes in the periphery.

Collaborating with the central bourgeoisie in the process of exploitation of the toiling masses of the periphery, certain peripheral classes not only foster the objectives and interests of the bourgeoisie in the centre, but also reinforce their own position in the social hierarchy becoming thus the ruling classes. The remaining classes and social groups and this yields the specificity of development in different countries of the periphery.

According to Cordoso, these economic alliances are not lasting. The choice of the collaborating class in the periphery is determined by current and long term interests of the bourgeoisie of the centre. At the same time, as the dependent


Cardoso, Associated Development, op.cit.
capitalist advances, the spectrum of social forces allied to the collaborating class widens. In this manner the incorporation of the periphery into the world capitalist economy leads to the emergence of a peculiar social system in which profits are distributed among the small section of the local economic interest groups and international bourgeoisie. In Cordoso view the system is not static, it reacts to the changes securing in the centre. 19

In relation to the problem of measurement of dependence, Cordoso stresses that such a measurement of dependence or independence of Sovereign states and its scope does not explain key problems:

a) the dependence of which socio-economic classes or groups has diminished?

b) which classes have become more independent?

c) what alliances and interests within each individual country and at the international level provide the direction to the historical process of development. 20

The problem of economic alliance as the fundamental cause of dependence and under-development of the peripheral countries belongs to the most widely discussed issue within the dependency thought.


Cordoso's views were upheld by G.Frank who thereby revised substantially his earlier propositions. In his book "Lumpen Bourgeoisie, Lumpen development, Dependence, Class and Politics in Latin America", Frank stresses that the most important thing is to understand under development in terms of social / economic classes. According to him, bourgeoisie generates the policy of under development in the economic, social and political life of Latin American nations through the use of Government as well as other state instruments.

Later C.Leys in his study of Kenyan society and economy arrives at the conclusions similar to Cordoso's that peripheral bourgeoisie collaborated with the bourgeoisie of the centre, and it is its natural ally in the exploitation of the peripheral.

The outflow of surplus is in view of Leys secondary importancein so far as it is a natural phenomenon in the capitalist development of the periphery. He also says 'under development of the periphery is not caused by the transfer of surplus which is appropriated by the metropolis capital, and this is irrespective of its dimensions. Such transfer should be considered as an effect of peripheral structure which discourage production investment that would rely in the surplus generated in


the periphery.\textsuperscript{23}

The second thesis was not confirmed by the Canadian economist Ms. Nicola Swainson, in her detailed study of capital structure in local and expatriate corporations in Kenyan industries, she maintains that local capital extended its pattern of accumulation into manufacturing industries. This has led to cooperation as well as competition with foreign capital.\textsuperscript{24}

This is a compromise between the two extreme formulations of Leys. It is possible to affirm, therefore, that at early stages of development the peripheral economy is dependent upon the internal social structures while at some later stages it is dependent upon the internal and external structures.

Economic and class alliances are clearly relevant to the problem of the state activity to its role in the transmission of dependence as well as to the nature of peripheral development.

The state policy as resultant from the class struggles and the fundamental relations of dependence in the periphery is, according to the D'School subordinated to the mechanism of operation of the world capitalist economy. The state under peripheral capitalism developed and strengthens as a resultant policies pursue by the dominant classes which are favourable to


the development of the corporate system as well as due to links between entrepreneurs are conducive to the emergence of a specific market, for the peripheral capitalism. In its operation it relied on income concentration and marginalisation of the society. In consequence the state is being separated from the nation and state policy does not serve the national interests.25

As the D'School development and its influence various studies appeared which were focussed on specific types of symptoms of dependence (in trade, finance and technology). The scope of these studies was usually restricted to the indication of various forms and manifestations of dependence and of its impact upon selected sectors of the peripheral economy. Such studies were aptly described by T.Billick as "Dependence worries" and were treated as a separate strand. Killick as well as Caporaso, Zare and Gobalet (all African Economists) introduced the distinction between dependence and dependency. The former is assumed to be result of trade capital or technological ties with other countries. It does not lead to lasting negative economic effects and economy, in question, is able to operate without such ties. But dependency on the other hand springs from the integration of

the periphery into the world economy and as such generates durable transformations in economic and social structures of the peripheral countries. Therefore dependency can justifiably be seen as a wider concept than dependence.

1.6 DEPENDENCY AND UNDER DEVELOPMENT:

The relationships between dependency and under-development constitute the central problem as well as the main point of contention of the D'School. However, this is not to say that the dependence writers devoted most of their effort to its study. The reverse is true, most of their attention was directed to the problems of functioning of the peripheral economy.

In the multifaceted opinions of the dependence writers one can discern three approaches to the problem of dependence and under development of the periphery.

1. Dependency generates growing under-development of the peripheral countries in relation to the countries of the centre.

2. Dependency leads to a specific, distorted pattern of development ie., to the so-called peripheral or dependent capitalism.

3. Dependency leads to a specific, distorted pattern of development, in other words, dependence promotes growth and development in some peripheral countries, while gives rise to under-development in some other areas.

27

1.7 DEVELOPMENT OF UNDER DEVELOPMENT:

For a long time the D'School was being identified with the under development and as such attracted the attention of both marxist and development economists. The diagnosis of under development which was contrary to the western theory of the identification of causes of under development in the external factors ie., the links with the capitalist countries and not in natural and economic conditions prevailing in the backward areas as well as the promotion of the idea of disassociation from the world capitalism as a necessary path of development in the periphery have made the D'School world renown.

The works of dependence writers of 1960s were fairly uniform in their conviction that capitalist development in the periphery was impossible both in case when it is imported from outside or generated in an autonomous fashion. It is quite surprising to note that in spite of the initial relative unanimity as regards the consequences of dependence there have always been quite diverging news among dependence writers as to what the dependency itself was. The difference were also particularly notable in respect of manner and mechanisms through which dependency influenced the under development in the periphery.

A.G.Frank indicates the existence of internal and external monopolies in the economies of the peripheral countries. These monopolies saturate the satellite economy with capitalist structures and generate the phenomenon of exploitation of satellites by metropolis. Its most visible manifestation is the
appropriation and transfer of economic surplus. A.G.Frank defined capitalism and feudalism are not modes of production but as a socio-economic system characterised by specific types of exchange relationship. He thus neglected their connections with class structures and relations of production and built what is rightly emphasized by e.Laclau static and mechanistic model of under-development incapable of fully explaining the social transformation brought about by capitalism in the peripheral countries. Similar drawbacks are shared by mechanisms of social and economic under development sketched in the works of Dos Santos and S.Amin. Dos Santos view is that capitalism was transferred from the centre to the periphery along with the mercantilist expansion of Western Europe into the vast areas of Latin America.

S.Amin in turn claims that dependent capitalism (which sub-ordinated pre capitalist modes of production existing in Latin America) originated as a result of the domination of unequal

28 A.G.Frank "Capitalism and Underdevelopment, op.cit.

29 E.Laclau : Feudalism and Capitalism in Latain America is New Left Review, 1971

exchange and asymmetric international co-operation. 31

All the dependence writers subscribing to the development of under development thesis do not mention the loss of the economic surplus. A..G.Frank devoted to this phenomenon in his analysis of the exploitation of Chile, but hardly mentions it in the case of Brazil. Moreover, the proofs of large scale transfers of surplus which are supplied by dependentists suffer from significant methodological drawbacks. Dos Santos in his calculation left out indirect contribution of foreign capital to the growth of production exports and imports which has led to the exaggeration of losses. Besides, he did not consider the time lag between the moment of investment outlays and the moment of repatriation of profits generated by it so that the calculations were very in-accurate. In Emmanuel's theory of unequal exchange, we can also find shortcomings those can partly be summed up as the limitation of his argument to the supply side only, the neglect of demand in the price mechanism for both means of production and exchange of commodities. Profits that the developing countries obtain from the production and sale of numerous goods are determined not only by this mechanism described by Emmanuel, but also by some other factors, such as monopolistic regulation qualifications and labour intensity in both groups of countries. The structure of resource allocation, state interventionist, which

31 S.Amin "Unequal Development, London, 1974".

are all left out of consideration. In consequence, Emmanuel's theory is neither a sufficient proof for the existence of the inequality of exchange nor does it yield sufficient evidence to lack the thesis that dependence is at the root of progressive under-development of the peripheral countries. A.G.Frank says "even a nationalit Govt. can't successfully promote capitalist development because of the constraints imposed by the international environment". In his opinion the state remains an entirely sub-ordained element of global system irrespective of its political sovereignty. None of the dependence writers presented a full and convincing picture of all the mechanisms that could lead to the reproduction of under development in the countries of the periphery. Their explanation raise numerous doubts and leave many questions unanswered. It was fairly difficult to provide practical verification of Frank's contention about the development of under-development. In spite of the fact that Frank was fully conscious of the economic situation in Latin America which has resulted from the colonial and imperialist expansion, his definition of under-development is not quantitative and measurable but qualitative and non-measurable. Frank concludes that "Underemployment is not simply lack of development or non-development, but it constitutes a unique social economic structure generated by the integration of a given economy into the realm of developed capitalist countries.

The interests of foreign and local business class are clearly manifested in the creation of export oriented enclaves in agriculture and mining. The indigenous business class fostered establishment of industries production of luxury consumer goods. In this manner, the pattern of growth of demand, which, by the way, does not reflect the needs of the people. The emergence of dependent and distorted structure favoured the transplantation of new order. Monopolistic sectors which were not integrated into the domestic economic structure, such as altered organizational structure has effectively shifted the growth of demand for labour and excluded large portions of labour force from the market. Additionally, this was the fundamental method where dependent capitalism disseminated against masses. Thus, the dependency writers analyzed the structure of the periphery from the point of view of economic mechanism that created it.

The criteria followed by the dependence writer to the evaluation of under development are very general, quite imprecise. They do not provide the basis for easy comparisons between individual peripheral economies. The dependency theory is capable of giving a clear and precise typology of peripheral countries as regards the level and character of underdevelopment, except different studies specified the individual regions (Latin America, The Caribbean, Africa and Asia). It is not all straightforward to say that the poor suffers from exploitation and if year

to what extent? A number of D'School writers assume that poor classes are indeed exploited and oppressed but did not explain how this takes place?

Hence, lack of conceptual clarity affects to an equal degree the categories of under-development and exploitation.

The radical writers in D'School have given scope to numerous criticisms. The subsequent evolution of the D'School was greatly influenced by E.Laclaw whose critique had given rise to new way looking at dependence problems, and as well as the arguments of Warren and Weisskopf. The arguments of Warren and Weisskopf based on the comparison of growth rates in the countries of the periphery and those of the centre in 1970's. By taking the four South East Asian countries as examples, Warren has demonstrated that peripheral economies are capable of sustained growth through the development of the industrial manufacturing sector. While Weisskoof showed that a number of peripheral economies increased their national income at a faster rate than the centre.

CONCLUSION

So the growing development of under-development thesis was no longer relevant for atleast three groups of countries (i.e New Industrializing, Second generation of Industrializing and OPEC 35 B.Warren, Imperialism Capitalist Industrialisation in Left Review, 1978.

countries). It looks Palms is right in stressing that D'School writers are all too eager to jump from the analysis of specific economic, political and social contradictions generated by dependent capitalism to the conclusion that, in the situation of dependence, capitalism has lost its progressive character.