

# REVIEW ARTICLE

## THE POLITICAL ECONOMY OF DEVELOPMENT

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Since the mid-1960's there has emerged a plethora of studies attempting to provide an explanation of the underdevelopment of the third world and the relations between rich and poor countries. In neo-classical economics, this has been characterised by the popularisation of "development economics". In radical scholarship, the emergence has frequently been labelled as the formation of a new school of "neo-Marxism", associated with names like Harry Magdoff, André Gunder Frank, Pierre Jalée, and Baran and Sweezy.

But common to all development economists and most neo-Marxists has been a tendency to perceive the relations between rich and poor countries as being purely economic in nature. In its crudest form, this emphasis on the realm of the economic has focussed on foreign investment, multi-national corporations and foreign aid as the basic mechanisms of imperialism, and international profit flows as the criterion of exploitation. For example, in the familiar work of André Gunder Frank, imperialism is equated essentially with the industrialised capitalist countries sucking a nebulous thing called an 'economic surplus' (not to be confused with the Marxist category of surplus value) out of the poor countries.

It can certainly be argued that there is an economic motivation behind all forms of Western capitalist involvement in the third world, but it is too simplistic and misleading to reduce this involvement entirely to a matter of economics. Imperialism operates not just at the level of economics, but also at the levels of politics, culture and ideology. Only by the recognition of these latter expressions of imperialism is it possible to appreciate both the subtlety and the pervasiveness of Western-capitalist dominance of third world societies.

It is precisely this recognition which sets The Political Economy of Development apart from so many recent publications on a similar theme (and with similar titles). The Political Economy of Development is comprised of transcripts of a series of discussions broadcast on the ABC radio programmes "Lateline" and "Investigations" during 1975 and 1976. The transcripts have been selected to include consideration of a wide variety of expressions of third world dependence on the West. For example, consideration is given to issues like the debt problems which come with a dependence on foreign aid; the cultural and psychological consequences of third world reliance on Western sources of literature; and the impact on the third world of dependence on Western technical advisers (both economic and scientific) and Western Technology. As well, there are included discussions of already-existing or emerging responses by the third world in order to overcome this dependence, in particular the New International Economic Order, nationalist struggles against neo-colonialism in Africa, and the Maoist theory and practice of social and economic development. In general, then, the book provides an excellent balance of subject matter.

The list of participants in the various discussions comprises a veritable 'who's who' of experts on the theory of third world development and underdevelopment. To name but a few: André Gunder Frank, E.F. Schumacher, Cheryl Payer, Basil

Davidson, Ruth First, Mahbub Ul Haq, Geoffrey Barraclough, and Jan Tinbergen, However, because each separate discussion involves up to four participants at once, these widely regarded experts are not always given the opportunity to develop their ideas fully. Interesting lines of discussion are sometimes interrupted in mid-stream and important issues are too often raised without being developed. Hence the participants are not always heard at their best or most lucid and discussions tend to become polemical. So despite the star-studded cast, The Political Economy of Development provides no more than a general introduction to the topics under discussion. This, perhaps, simply signifies that a format suitable for radio is not as satisfactory in a tabulated form.

That the discussions are of only a general, introductory nature is not offered as a criticism, but simply to locate this book within a spectrum of theoretical complexity. Without doubt, the discussion between Mahbub Ul Haq, Emma Rothschild and Debesh Bhattacharya on the attempts by a number of third world countries to establish a New International Economic Order provides the best introduction to this issue of any available sources. There are two other discussions which warrant particular emphasis because of their contribution to previously neglected areas of analysis. One is on the ideology of Friedmanism in operation in Chile, and the other is on cultural imperialism, specifically in relation to Donald Duck comics. These shall now be considered briefly in turn.

The imperialism of ideology is seen no more clearly in practice than when Western technical 'experts' are called in to determine or administer development programmes in third world countries. This belief in the technical and intellectual superiority of the West fosters an adherence to the ideology that development is simply a process of imitating or becoming like Western capitalist societies. Its implications can also be positively destructive.

The case of the American economist, Milton Friedman, whose economic strategies are being adopted, under Friedman's supervision, by the Chilean military junta, is the subject of a discussion between André Gunder Frank and Ted Wheelwright. Friedman leads the 'Chicago school' of economics which advocates the ideology of free (sic) market capitalism and an emphasis on strict monetary controls. In the application of this ideology in Chile, Friedman has been associated with an economic strategy which entails a dependence on the US through financial assistance and foreign investment, and relies on tight political controls in order to complement drastic cuts in government expenditure and wages. Frank calls this a strategy of 'economic genocide'. The result of Friedman's policy in Chile has been a large increase in the level of unemployment, a rapidly expanding foreign debt, and no substantial decrease in the rate of inflation. Frank and Wheelwright concur that this represents not the failure, but the success of Friedman, whose techniques of economic control go hand in hand with the Chilean military's strategy of political repression. Both must be seen as means of reinforcing the ascendancy of the compradore bourgeoisie of Chile at the expense of the welfare and political freedom of the rest of the population.

This imposition of reactionary economic ideology is but one of many means by which third world countries are held within the capitalist fold. It is more subtle than overt intervention, but is able to achieve the same effect. It might also be added that the experience of Friedmanism in Chile has lessons for Australia. The recent and increasing popularity of the Chicago school amongst Australian economists, and the reflection of this in government policy is not because Friedmanites have privileged access to the truth of 'correct' economic management, but because the policies which they prescribe serve particular political interests of the dominant class.

The second contribution worthy of specific consideration entails a discussion with Ariel Dorfman, co-author of How to Read Donald Duck. (The notion of a 'symptomatic reading' will be familiar to those of an Althusserian bent.) The question Dorfman poses is to what extent does the content of Donald Duck comics



portray a hidden, but consistent ideology of social relations. He looks at this particularly in the context of Chile where, he contends, comic books are read widely as a source of popular culture. Dorfman, himself a Chilean (now in exile), argues that the underlying values of Donald Duck comics have the effect of reinforcing Western, capitalist values — the values of personal initiative and individualism and the goals of consumerism and financial success. Further, in Donald's frequent world travels, there is a consistent ideology of a natural Western supremacy. When Donald and his nephews (note that the Duck lineage is reproduced without the need for females) go overseas, they always undertake mercantile ventures to underdeveloped countries in search of some sort of treasure. The treasure is acquired by the Ducks entering into barter with the local inhabitants, whereby treasure is exchanged for useless toys and gadgets. The countries which they visit are always populated by primitive, often physically disfigured natives whose principal characteristics are naiveté and stupidity, so that they never realise that they are being 'had' in their bartering arrangements with the Ducks. (These primitives have no concept of equality in exchange because they have no concept of value.) Dorfman argues that the mercantalism of Duckland has an exact correspondence in the history of Chile's relations with the West. It symbolises the mechanism by which Western capitalism has extracted Chile's natural resources while the Chileans remain passive in their exploitation. For the Chilean readers of comic books, the legitimacy of Donald Duck's (ad)ventures becomes the legitimacy of Chile's exploitation.

It might be argued that the subject of Donald Duck comics is entirely trivial and unworthy of serious analysis. But it is precisely in this apparent triviality that its significance is to be found. Clearly, Donald Duck was no more important to the overthrow of Chile's socialist government of Salvador Allende than was the 'Beverly Hillbillies' to the formation of OPEC. Donald Duck should not be seen as part of a Disney conspiracy theory, but as part of a wider Western capitalist hegemony. When it is realised that Donald Duck, seemingly the most innocent of all 'beings', conveys an implicit ideology which serves to reinforce that hegemony,

then we start to realise how all-pervasive Western hegemony is. Dorfman probably overstates his case that Donald Duck is an agent of cultural imperialism, but a case does exist.

The Political Economy of Development is, then, a book containing eight separate transcripts. To a minor extent, the subjects considered in these discussions can be seen to overlap, but they are never integrated. We are left to ponder whether the examples of third-world dependence with which we have been presented are closely interconnected, or whether they are independent problems requiring independent solutions. Marxists consider that to see the various aspects of dependence as unrelated is to miss the whole complexity of the process of imperialism. Lenin, in his work Imperialism, established that the dynamics of capitalism necessitate expansionism, and that this will be articulated in any which serves the need of the accumulation process. Hence the question of development and underdevelopment should not be posed in terms of reforms to overcome the individual aspects of dependence, but in terms of overcoming the system of global capitalism which creates dependence in all its aspects.

But The Political Economy of Development does not offer a Marxist analysis: Marxist theory is scarcely mentioned and few of the participants would claim a commitment to Marxism. The participants do, indeed, generally advocate the need for changes in global relations but, as the final discussion clearly shows, there is no uniform opinion as to what form those changes should take. Certainly, the book cannot be branded as an example of "ABC left-wing propaganda" — an accusation leveled by a writer in the Financial Review. The concern to understand global inequality, the mechanisms which perpetuate it, and policies to overcome it is not the exclusive province of Marxists and other assorted radicals. It is to be hoped that people of all political and ideological persuasion will find the book eminently readable and be stimulated by the arguments presented. Whether the reader appreciates these arguments from a Marxist or a liberal perspective is certainly not determined within the book itself.

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