

Andre Gunder Frank, *The Development of Underdevelopment*, 1966

Following his undergraduate studies at Swarthmore College and graduate work in economics at the University of Chicago, Andre Gunder Frank moved to Latin America in the early 1960s to take a position at the University of Chile. There he became well-known worldwide for his critique of modernization theory.

We cannot hope to formulate adequate development theory and policy for the majority of the world's population who suffer from underdevelopment without first learning how their past economic and social history gave rise to their present underdevelopment. Yet most historians study only the developed metropolitan countries and pay scant attention to the colonial and underdeveloped lands. For this reason most of our theoretical categories and guides to development policy have been distilled exclusively from the historical experience of the European and North American advanced capitalist nations.

Since the historical experience of the colonial and underdeveloped countries has demonstrably been quite different, available theory therefore fails to reflect the past of the underdeveloped part of the world entirely, and reflects the past of the world as a whole only in part. More important, our ignorance of the underdeveloped countries' history leads us to assume that their past and indeed their present resembles earlier stages of the history of the now developed countries. This ignorance and this assumption lead us into serious misconceptions about contemporary underdevelopment and development. Further, most studies of development and underdevelopment fail to take account of the economic and other relations between the metropolis and its economic colonies throughout the history of the worldwide expansion and development of the mercantilist and capitalist system. Consequently, most of our theory fails to explain the structure and development of the capitalist system as a whole and to account for its simultaneous generation of underdevelopment in some of its parts and of economic development in others.

It is generally held that economic development occurs in a succession of capitalist stages and that today's underdeveloped countries are still in a stage, sometimes depicted as an original stage, of history through which the now developed countries passed long ago. Yet even a modest acquaintance with history shows that underdevelopment is not original or traditional and that neither the past nor the present of the underdeveloped countries resembles in any important respect the past of the now developed countries. The now developed countries were never *underdeveloped*, though they may have been undeveloped. It is also widely believed that the contemporary underdevelopment of a country can be understood as the product or reflection solely of its own economic, political, social, and cultural characteristics or structure. Yet historical research demonstrates that contemporary underdevelopment is in large part the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan countries. Furthermore, these relations are an essential part of the structure and development of the capitalist system on a world scale as a whole. A related and also largely erroneous view is that the development of these underdeveloped countries, and within them of their most underdeveloped domestic areas, must and will be generated or stimulated by diffusing capital, institutions, values, etc., to them from the international and national capitalist metropolises. Historical perspective based on the underdeveloped countries' past experience suggests that on the contrary, economic development in the underdeveloped countries can now occur only independently of most of these relations of diffusion.

Evident inequalities of income and differences in culture have led many observers to see 'dual' societies and economies in the underdeveloped countries. Each of the two parts is supposed to have a history of its own, a structure, and a contemporary dynamic largely independent of the other. Supposedly only one part of the economy and society has been importantly affected by intimate economic relations with the 'outside' capitalist world; and that part, it is held, became modern, capitalist, and relatively developed

precisely because of this contact. The other part is widely regarded as variously isolated, subsistence-based, feudal, or pre-capitalist, and therefore more underdeveloped.

I believe on the contrary that the entire 'dual' society thesis is false and that the policy recommendations to which it leads will, if acted upon, serve only to intensify and perpetuate the very conditions of underdevelopment they are supposedly designed to remedy.

A mounting body of evidence suggests, and I am confident that future historical research will confirm, that the expansion of the capitalist system over the past centuries effectively and entirely penetrated even the apparently most isolated sectors of the underdeveloped world. Therefore the economic, political, social, and cultural institutions and relations we now observe there are the products of the historical development of the capitalist system no less than are the seemingly more modern or capitalist features of the national metropolises of these underdeveloped countries. Analogous to the relations between development and underdevelopment on the international level, the contemporary underdeveloped institutions of the so-called backward or feudal domestic areas of an underdeveloped country are no less the product of the single historical process of capitalist development than are the so-called capitalist institutions of the supposedly more progressive areas...

That present underdevelopment of Latin America is the result of its centuries-long participation in the process of world capitalist development, I believe I have shown in my case studies of the economic and social histories of Chile and Brazil. My study of Chilean history suggests that the Conquest not only incorporated this country fully into the expansion and development of the world mercantile and later industrial capitalist system but that it also introduced the monopolistic metropolis-satellite structure and development of capitalism into the Chilean domestic economy and society itself. This structure then penetrated and permeated all of Chile very quickly. Since that time and in the course of world and Chilean history during the epochs of colonialism, free trade, imperialism, and the present, Chile has become increasingly marked by the economic, social, and political structure of satellite underdevelopment. This development of underdevelopment continues today, both in Chile's still increasing satellization by the world metropolis and through the ever more acute polarization of Chile's domestic economy.

The history of Brazil is perhaps the clearest case of both national and regional development of underdevelopment. The expansion of the world economy since the beginning of the sixteenth century successively converted the Northeast, the Minas Gerais interior, the North, and the Center-South (Rio de Janeiro, São Paulo, and Paraná) into export economies and incorporated them into the structure and development of the world capitalist system. Each of these regions experienced what may have appeared as economic development during the period of its golden age. But it was a satellite development which was neither self-generating nor self-perpetuating. As the market or the productivity of the first three regions declined, foreign and domestic economic interest in them waned and they were left to develop the underdevelopment they live today. In the fourth region, the coffee economy experienced a similar though not yet quite as serious fate (though the development of a synthetic coffee substitute promises to deal it a mortal blow in the not too distant future). All of this historical evidence contradicts the generally accepted theses that Latin America suffers from a dual society or from the survival of feudal institutions and that these are important obstacles to its economic development.

During the First World War, however, and even more during the Great Depression and the Second World War, São Paulo began to build up an industrial establishment which is the largest in Latin America today. The question arises whether this industrial development did or can break Brazil out of the cycle of satellite development and underdevelopment which has characterized its other regions and national history within the capitalist system so far. I believe that the answer is no. Domestically the evidence so far is fairly clear. The development of industry in São Paulo has not brought greater riches to the other

regions of Brazil. Instead, it has converted them into internal colonial satellites, de-capitalized them further, and consolidated or even deepened their underdevelopment. There is little evidence to suggest that this process is likely to be reversed in the foreseeable future except insofar as the provincial poor migrate and become the poor of the metropolitan cities. Externally, the evidence is that although the initial development of São Paulo's industry was relatively autonomous it is being increasingly satellized by the world capitalist metropolis and its future development possibilities are increasingly restricted. This development, my studies lead me to believe, also appears destined to limited or underdeveloped development as long as it takes place in the present economic, political, and social framework.

We must conclude, in short, that 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. On the contrary, underdevelopment was and still is generated by the very same historical process which also generated economic development: the development of capitalism itself. This view, I am glad to say, is gaining adherents among students of Latin America and is proving its worth in shedding new light on the problems of the area and in affording a better perspective for the formulation of theory and policy.

Andre Gunder Frank, "The Development of Underdevelopment," *Monthly Review* 18, 4 (September, 1966) 17-31.