

# POLI 441

## POLITICAL ECONOMY OF AFRICA'S DEVELOPMENT SINCE INDEPENDENCE

### SESSION 3 : DEVELOPMENT STRATEGY IN HISTORICAL PERSPECTIVE

Lecturer: Dr. Seidu Alidu

Contact Information: [smalidu@ug.edu.gh](mailto:smalidu@ug.edu.gh) / [seidualidu@gmail.com](mailto:seidualidu@gmail.com)



# UNIVERSITY OF GHANA

College of Education

**School of Continuing and Distance Education**

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# Session Overview

This session will focus on explaining the debate about the “secret” of development and why Western Europe rose to prominence ahead of the rest of the world. It will explore the major debates and explanations provided by both the Historicists and the Culturalists regarding why development success evolved in Western Europe and North America. The Culturalists argument lead my David Landes emphasizes the role of culture, institutions and geography; while the Historicists lead by Andre Gunder Frank refers to historical exploitation and cheap labour as the secret behind Western developmental success. These explanations have implication for Africa’s development and all will be discussed. The session will further explore the development strategies that were adopted by Now Developed countries during their catch up stages.

# Session Outline

The key topics to be covered in this session are:

- Topic 1: **THE RISE OF THE WEST**
- Topic 2: **THE CULTURALIST ARGUMENT**
- Topic 3: **THE HISTORICIST ARGUMENT**
- Topic 4: **THE IMPLICATIONS TO DEVELOPMENT**

# Reading materials

- Chang, H.-J. (2005) Kicking Away the Ladder: Developing Strategy in Historical Perspective, London: Anthem Press (Chapter 1, “Introduction: How did the Rich Countries Really Rich?,” pp. 1 – 9)
- Wade, R. H. (2003) Governing the Market: Economic Theory and the role of Government in East Asia’s Industrialization, Princeton: Princeton University Press (“Introduction”)
- Bardhan, P. (1993) “Symposium on Democracy and Development” *Journal of Economic Perspectives*, Vol. 7, No. 3, pp. 45-49
- Nye, J. (1991) “The Myth of Free-Trade Britain and Fortress France: Tariffs and Trade in the Nineteenth Century” *Journal of Economic History*, Vol. 53, No.1, pp. 23-46
- Soludo, C., Obgu, O., and Chang, H.-J., (eds.) (2004) The Politics of Trade and Industrial Policy in Africa: Forced Consensus? Trenton: Africa World Press, Inc
- Altenberg, T., (2011) Industrial Policy in Developing Countries: Overview and Lessons from Seven country Cases, German Development Institute Discussion Paper, No. 4/2011
- Yulek, M., (2015) Economic Planning and Industrial Policy in the Globalizing Economy: Concepts, Experiences and Prospects. New York: Springer

# Learning objectives

At the end of the session, students should be able to:

- Understand the what development strategy is
- Understand the developmental success of the rest of the world and their sources
- Be able to explain the major arguments for these successes and their implication
- Become familiar with the role of geography, institutions and culture in development
- Appreciate the limitations of these variables
- Understand the policy of hybridization in development

Topic one

# THE RISE OF THE WEST



# RISE OF THE WEST

In the last decade of the twentieth century, scholars engaged in a debate about the rise of the West.

They tried to explain why political and economic power was concentrated in the hands of several Western states (Western Europe and the United States).

Two approaches emerged in this ensuing debate; the cultural and the historical approaches.

Topic Two

# THE CULTURALIST ARGUMENT





# THE CULTURALISTS

The culturalists argue that the West rose to economic and political success because of two critical factors:

- rich because they have a culture that supports success
- they had virtuous social, economic and political institutions.

# SUPPORTIVE CULTURE

The most prominent exponent of this view is the Harvard Professor David Landes in his book “The Wealth and Poverty of Nations (1998).”

- Landes discusses how geography has been benevolent to Western Europe in terms of development
- The Protestant work ethics
- The social system of individualism

# VIRTUOUS INSTITUTIONS

Landes also believe Western Europe was able to nurture institutions that were virtuous and these institutions provided a proper checks and balances for the needed developmental quest to take effect.

The institutions are largely Anglo-Saxon driven and include the following:

- Democracy
- Good bureaucracy
- independent judiciary,
- transparent governance,
- financial institutions

Topic Three

# THE HISTORICISTS ARGUMENT



# THE HISTORICISTS

The exponents of the historical approach argue that the success of the West was accidental and temporary and built upon two critical conditions:

- Expropriation of African natural resources
- Forced uncompensated labour from Africa

# HISTORICISTS

They argue that the industrial success of the West had nothing to do with supportive institutions and virtuous culture.

It was also deemed to be temporary because they believe the two conditions above (colonialism and the slave trade) will not be permanent and so will the Western industrial success.

A prominent advocate of this approach is Andre Gunder Frank in his book “ReOrient: Global Economy in the Asian Age (1998)”.

Topic Four

# IMPLICATIONS FOR DEVELOPMENT



# IMPLICATIONS

The reason why such a debate became necessary is the fact that it had an implication for the present and the future of development.

This is because participants thought they had discovered the “secrets” to why some nations are rich and others poor and this knowledge can be used by other societies who hope to achieve similar success (WB and IMF conditionalities and Professor Ha Jo Chang’s response).



# IMPLICATIONS

The culturalists see the cause of poverty as the behavior of the poor while the global historicists see it as a result of the relationship between the poor and the rich. The implications are enormous.

The implication for the culturalists view is that the poor are primarily responsible for improving their position while the implication for the historicist is that the system of political and economic relations must change to create greater equity.

# References

- Chang, H.-J. (2005) Kicking Away the Ladder: Developing Strategy in Historical Perspective, London: Anthem Press (Chapter 1, “Introduction: How did the Rich Countries Really Rich?,” pp. 1 – 9)
- Wade, R. H. (2003) Governing the Market: Economic Theory and the role of Government in East Asia’s Industrialization, Princeton: Princeton University Press (“Introduction”)
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