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MODERNIZATION VS. DEPENDENCY IN THE CONTEXT OF COLONIAL BENGAL

MODERNIZATION VERSUS DEPENDENCY IN THE CONTEXT
OF COLONIAL BENGAL

By

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ABSTRACT

The Modernization theory, which since the 1950's has remained a major framework of analysis of the problems of Third World societies, provides no explanation of underdevelopment per se. The core idea in Modernization is that underdevelopment in the Third World can be avoided through the development of capitalistic type of societies. But this significant assertion is not backed by any systematic analysis of the structure and dynamism of the system of capitalism itself. The Modernization theory has failed to integrate an analysis of underdevelopment within its explanatory domain because of its theoretical reliance on the ahistorical assumptions of the Structural-Functional model. The Dependency theory, on the other hand, by looking at the historical development of capitalism as a world system and attempting to locate some of the structural contradictions of capitalism as a system of economy, has opened up some significant possibilities for developing theories about underdevelopment. By making capitalism as a referent point of analysis, the Dependency theory has made it possible to look at development as a dynamic process and underdevelopment as a problem of transition between pre-capitalist and capitalist societies. Our study of colonial Bengal suggests that the assumptions of the Dependency theory have greater explanatory power.

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INTRODUCTION

Recently, there has been a growing interest in the problem of underdevelopment in relation to the post-colonial societies of the Third World. This concern is evidenced by the continuous development of literatures, debates and polemics on this subject. The primary purpose of the present study is to investigate the problem of how one can scientifically approach the phenomenon of underdevelopment in sociology. The main objective is to locate the appropriate and fruitful method of analysing the problem of underdevelopment. A scientific approach to concrete facts begins with the formulation of a theoretical framework. "A precondition of any scientific approach to the concrete is to make explicit the epistemological principles of it. Every notion or concept only has meaning within a whole theoretical problematic that founds it".

The theoretical writings on the problem of underdevelopment in sociology are enormous and extremely varied, but two categories of approaches can be distinguished: Modernization and Dependency.

In the first and second chapter the major theoretical statements of both Modernization and Dependency have been presented. The Modernization approach in the works of Parsons, Smelser, Hoselitz, Moore, Levy, Eisenstadt, Bellah, McClelland,

Hagen, Lerner and Inkles and the Dependency approach in the works of Baron, Frank, Cardoso, Dos Santos, Laclau, Amin, Emmanuel, Bettelheim, Wallerstein and Banangi have been presented in order to understand how they conceptualize the problem of underdevelopment.

Having reviewed and critically examined both Modernization and Dependency, in the third chapter, we find that Modernization has failed to provide any viable and systematic explanation of underdevelopment. The Dependency, in contrast to Modernization, can rather emerge as a useful approach for dealing with that problem.

During the last two decades, in Sociology, particularly in American Sociology, Modernization has been the dominant approach to deal with the problem of underdevelopment in Third World societies. In the decade of 50's and 60's numerous researches have been done under the theoretical canopy of Modernization. But a close examination reveals that the whole set of Modernization theories has made no attempt to explain as to why does underdevelopment exist. In Modernization, the starting question is "how to do away with underdevelopment". In varying ways the Modernization theorists suggest that integration of the present underdeveloped societies within the system of modern industrial societies, is the clue to development. Implicit in them is the notion that underdevelopment can be overcome only through the development of capitalistic system of economies and politics like that of the societies of Western Europe and North America. Modernization has a pre-

scription but no diagnosis for underdevelopment. Underdevelopment has been considered as a natural condition which needs no explanation as to why it is there.

By turning away from historical explanation of change and development in Third World societies and failing to account for the impact of colonialism and imperialism on them, Modernization theorists have followed and strengthened the trend toward rationalizing and upholding the capitalist system of economy, particularly the American system of capitalism. They could not even present an analysis of the structure and dynamism of capitalism as a system of society. But it always remained central, though implicitly, to their analysis of Underdevelopment and development. In our view, Modernization has failed to integrate an analysis of underdevelopment within its explanatory domain because of its theoretical reliance on the Structural-Functionalism; methodological adherence to the dichotomous classification of societies into 'tradition' and 'modernity' and its ideological bias towards the expansion of the 'American Empire'. Modernization is theoretically, methodologically and ideologically limited to look at development as a dynamic process of change and transformation.

The Dependency theory, on the other hand, begins with question of why underdevelopment exists. The general answer is that it exists because of the capitalistic system of economy. While the question of capitalism was implicit in the Modernization theory, it has become explicit and an exclusive point of reference in the Dependency theory. The Modernization theory

argues that underdevelopment can be avoided in Third World societies through their integration into the system of modern industrial (capitalist) societies. The Dependency theory claims that this is how underdevelopment was created and is still being reproduced. The theory of development in Modernization has become the theory of underdevelopment in Dependency.

The Dependency theorists seek to explain underdevelopment in terms of the structure and dynamism of the capitalist system. Capitalism is a system of economy which can thrive only on uneven development. Development and underdevelopment are, therefore, the two sides of the same system of capitalism. "Development on the one side and underdevelopment on the other are in mutual and dialectical interdependence". Common to all the dependency theorists is the assertion that underdevelopment in Third World societies is the creation of the developed capitalist countries.

Capitalism, since its birth and development in Western Europe and later in North America, has become, because of its own internal structural imperatives, a world-wide phenomenon - a system of world economy. Within the system of world capitalism the Third World societies, for centuries, have been playing the role of peripheries being primarily the supplier of raw materials and markets for the manufactured goods of advanced capitalist societies. Such asymmetrical relation, in view of the Dependency theorists, lies at the root of underdevelopment. While in the metropolises capitalism produced and accelerated the process of development, it created underdevelopment in the

peripheries by thwarting their indigenous processes of transformation from pre-capitalist to capitalist societies. Baron, Frank, Laclau, Amin, Emmanuel, Cardoso and others have attempted to delineate the process of underdevelopment in Third World societies in the context of this general theoretical problematic.

We think the Dependency theory as useful and appropriate for dealing with the problem of underdevelopment because it presents a general framework that enables one to locate the object of study, identify the conceptual apparatus and formulate propositions for empirical investigations. By looking at the system of capitalism as a referent point and taking into account the historical dimension of change in Third World societies, the Dependency theory provides an opening for an intelligible and systematic explanation of underdevelopment in sociology.

An analytical model or a theory is, however, insignificant without empirical support in its back. A theoretical abstraction is useful only when it is relevant to concrete situations. In the present study we, therefore, also attempt to examine a concrete situation of underdevelopment in Bengal* in terms of the major assumptions of the Dependency theory.

Empirical support to the framework of Dependency has so far been largely drawn from the specific historical situation

*Bengal became a part of the larger political unity of India in the time of Akbar (1556-1606). Throughout the whole colonial period (1757-1947) it remained as a part of India but remained the centre of colonial administration. In 1947, the Eastern part of Bengal, because of its muslim majority, became separated from India and joined with Pakistan. In 1971, this Eastern part of Bengal again became separated from Pakistan and established the state of Bangladesh.

of underdevelopment in Latin America. It is mainly in the context of the Latin American societies that most of the analytical concepts and categories of Dependency have been formulated. There is still a serious deficiency in literature about underdevelopment in Asia and Africa. The present attempt to account for the underdevelopment of Bengal from within the Dependency perspective has considerable import because it would help to increase our understanding of underdevelopment in a specific Asian situation and contribute to the assessment of the generality of the Dependency theory as well.

It is one of the dominant assumptions in the Dependency theory that, before their insertion into the system of capitalism, pre-capitalist social formations in Third World were undergoing a process of decomposition. New capitalistic elements were in process of formation in the womb of the social formations. In the fourth chapter we have examined the potentialities of capitalist transformation in pre-colonial Bengal. We have argued that under the impact of the increasing pressure for revenue by the feudal ruling class and the development of commerce and trade, pre-colonial Bengal society was in a process of disintegration. The existence of peasant pauperization and the development of a class of Khud Khast (Self) peasants in agriculture and the gradual penetration of money capital into the process of petty commodity production (Dadni) appeared to have represented the elements of capitalistic transformation in the society of pre-colonial Bengal.

Then in the fifth chapter we have examined how, under

the situation of colonial capitalism, were these indigenous transformative possibilities thwarted and new institutional features introduced to make Bengal responsive to the demands of the metropolitan capitalism. We have found that through the introduction of a new class of landlord by the promulgation of the Act of Permanent Settlement in 1793 and systematic destruction of the urban petty commodity mode of production by imposing different discriminatory tariff policies, removing the the native traders from commercial activities and creating a new demand for agricultural raw materials, English capitalism led to a blockage to the indigenous processes of change which just began to move to new directions around the formative years of the eighteenth century Bengal. Throughout the whole colonial period of one hundred and eighty two years, the position of Bengal within the world capitalist system remained to that of an exporter of raw materials and importer of British industrial goods. The English capitalism while generated development in the metropolis, simultaneously created underdevelopment in the dependent peripheral society of Bengal.

The Modernization theory, having failed to look the historical dynamics of the Third World societies and the inner contradictions of the very system of capitalism, could not develop any theory of underdevelopment. During the last two decades, under the direction of the Modernization theory, enormous amounts of literature have grown up centering around the problem of underdevelopment. But yet the question of why underdevelopment does exist remained unanswered. It is our

contention that the theory of Dependency can provide some appropriate answers to that end. Working within the larger premise of the Dependency theory sociology can possibly make some scientific arguments which would answer this most provocative question of our age: "WHY DOES UNDERDEVELOPMENT EXIST"?

CHAPTER I Modernization Theory

The modernization paradigm is chiefly the contribution of the American sociologists. After the end of the World War II and the rise of the 'New Nations' increasing interests began to generate among the American sociologists to provide an explanation of the emerging problems of the 'New Nations'. Various studies relating to the institutional features of the 'New Nations' and their problems and possibilities of transformation to modern societies began to emerge on the basis of some major theoretical and methodological developments in the field of sociology. Modernization studies in America began to develop, particularly under the direction of the Structural-Functional theory. During mid-50's the Structural-Functionalism was the dominant theoretical orientation in American sociology. "It was considered not as a special theory but as co-existence with sociology itself".¹ Parsons, Smelser, Levy, Moore, Bellah, Hoselitz and Eisenstadt being the pioneers of the modernization theory developed their explanations from the Structural-Functional perspective.

There is, however, another group of scholars who do not come under the same theoretical canopy in that they do not follow the Structural-Functional perspective except that they share the major assumptions of the paradigm. They base their analysis on the psychological assumption that personality - which

is built on the experiences of the childhood - is decisive in shaping the general progress of society. Prominent among this group of modernization theorists are McClelland, Hagen, Lerner and Inkles.

In the following pages we will present the major theoretical statements of the Modernization theorists in order to know whether and how they approached the problem of underdevelopment.

The Structural-Functional Theory and Modernization:
Parsons, Smelser, Levy, Moore, Hoselitz, Bellah and Eisenstadt
Talcott Parsons: Cultural Innovations and System Change

Parsons seems to have provided the groundwork of the Modernization paradigm by presenting a theory of system change. The fundamental principle of system change, according to Parsons, is the capacity of a social system to cope with its environment (the environment of a system, to him, consists largely of actions systems: cultural system, the other social sub-systems, personality system and behavioral organism), to gain mastery over it and to change it to meet the needs of the system. The more "advanced" the systems that play greater generalized adaptative capacity".² Central to the increase of the adaptive capacity of a social system, Parsons maintains, is the development of certain evolutionary universals, particularly a set of cultural innovations. A social system "jumps" from one level of adaptive capacity to another through the development of a new

system of values, particularly the religious ones. Parsons says:

I believe that within the social system, the normative elements are more important to social change than the "material interests" of the constitutive units. 3

Like Comte, Spencer, Durkheim and Rostow, Parsons drew a scale of unilinear evolution of society from primitive through an intermediary stage to modern systems. The change of a system starts with a process of differentiation. Every human society, he says, is comprised of religion, language, kinship and technology. At a certain stage a system of stratification develops by breaking through the ascriptive nexus of kinship. A process of differentiation starts among different social institutions. The development of stratification creates a problem of integration. Society immediately needs a strong political authority on the top for controlling violence, upholding property, marriage rules, etc., and assuring defense against encroachment from outside. The new system of stratification also put the existing cultural conditions under strain. "In the second stage of development therefore, there emerge a new system of values to legitimize the new authority in power, new modes orientations and institutions."⁴ A new equilibrium is attained with the evolution of a new cultural system. Without the evolution of a cultural system "no major advances beyond the level of primitive society can be made."⁵ Weber generalized that religious value had a tremendous role in the development of the rational capitalistic civilization

in the modern West. Parsons only extended this generalization claiming that not only in modern times but in all recorded past, society evolved from one type to another because of the evolution of the cultural system. It is the highest element in the cybernetic hierarchy of controlling factors.

Modern society, according to Parsons, is peculiar only to the West and fundamental to the evolution of modern society is a set of cultural innovations associated with the Protestant Ethic.

...modern type of society has emerged in a single evolutionary arena in the West, which is essentially the area of Europe that fell heir to Western half of the Roman Empire north of the Mediterranean. The society of Western Christianity then provided the base from which what we call the system of modern societies took off. 6

Apart from a system of values as a controlling phenomenon Western society has produced a host of evolutionary universals like a system stratification, bureaucratic organizations, money and market system and a system of liberal democracy. And the institutionalization of these evolutionary universals through a system ideology has greatly increased the adaptive capacities of the modern society. It "confers on its possessors an adaptive advantage far superior to the structural potential of societies lacking it."⁷

Parsons considered modern and non-modern societies as two distinct entities characterized by two different systems of values. He described the difference in terms of pattern variables. Modern society is characterized by universalistic, non-ascriptive and specific patterns and the non-moderns by

particularistic, ascriptive and diffused patterns.⁸ And modernization to him is a process of transition from particularistic to universalistic values.

He suggested that, to do away with underdevelopment the underdeveloped societies must evolve a system of modern industrial-(capitalist) values. At the highest normative level, structural change is of two types: endogenous and exogenous.⁹ For the underdeveloped countries change in the value system must be exogenous, "one where the principal model component comes from outside the society".¹⁰ He says "unlike biological genes cultural patterns are subject to diffusion". In modern times, America, according to Parsons, is the highest type of society. It has institutionalized a far broader range of freedoms that had in any previous society.¹¹ So more specifically, Parsonian modernization is a process of 'Americanization'. Parsons provided a theory of structural change to back up his idea that modernization of the underdeveloped countries depends on the diffusion of the values of the American society.

Neil J. Smelser: Differentiation and Development

Smelser has presented a theory of modernization from the same Parsonian framework of analysis. He says a social system when it undergoes change passes through three different but interrelated processes: differentiation, discontinuities between differentiation and integration and integration. In the first stage change begins with differentiation - the

separation of the different institutions from one another. Differentiation creates new roles, institutional features and organizational complexes which obviously come in conflict with the old system of norms and values. There arises a problem of societal integration. The discontinuity between differentiation and integration tend to breed conflict, chaos and upheavals. In the absence of commonly shared values political attempts to control these dissatisfactions are initially frustrated.

The result of these discontinuities is a three-way tug-of-war among the forces of tradition, the forces of differentiation and new forces of integration. 12

After a period of general disturbances and social control there emerge a new system of values to legitimize the new modes of actions and institutions. The dissatisfactions are harnessed and brought to bear on the problems of fashioning a new and more specialized structure. A new system of values brings in a new equilibrium. Smelser applied this model in explaining the changing nature of the working class in Britain during the Industrial Revolution.¹³ Smelser thinks that the present underdeveloped countries are now passing through a process of differentiation under the impact of industrialization and urbanization. So, what is most significant is the evolution of system of values to legitimize the changes brought about by differentiation.

Values

Marian J. Levy: Modernization as a Universal Social Solvant

Central to Levy's idea is the assertion that modernization is a particular process of social change through which there will emerge a global system of industrial-(capitalist) societies characterized by a set of common values and goals.

Industrial-(capitalist) society first evolved in the West because of the forces intrinsic to the society. The industrial-capitalist societies of Western Europe and North America are 'indigenous developers'. Apart from the enormous use of technology and inanimate sources of power, which is a criterion of modernization, these societies are characterized by rationality, secularism, functional specificity and emotional neutrality.¹⁴ Modernization in his view has fulfilled its historical mission in the West.

Now it has turned its face to the 'New' nations only to complete the circle. The purpose of modernization in the new nations or the 'late-comer'¹⁵ societies as Levy puts it, is essentially the same - the creation of industrial-capitalist society of Western variety. He thinks that the 'indigenous developers' will make contact with the late comers and change will come to the latter through the diffusion of the technology and culture of the former societies. The traditional systems of kinship, family, religion and behaviours are obstacles to smooth transition.¹⁶ But the penetration of the values of the indigenous developers will destroy these obstacles and establish a new industrial society with a new culture and new modes

culture

of orientations.

Once the contract is established, there will be some transfer of the relatively modernized structures to the relatively non-modernized society. When such transformations are made, they are inevitably subversive of the status quo of the relatively non-modernized society and usually explosively so. 17

Levy believes that modernization is one of the universal and irreversible processes of history. He is optimistic that the latecomer societies will definitely get integrated to the system of western industrial-capitalist societies through contact and diffusion and eventually there will emerge a global system of modern-industrial-(capitalist) societies. Modernization to him is a universal social solvent.

Wilbert E. Moore: Industrialization from Stasis to Stasis

The keyword in Moore's theory of modernization is industrialization. Industrialization to him is meant "the extensive use of inanimate sources of power for economic production and all that entails by way of organization, transportation, communication and so on".¹⁸ Industrialization requires the application of science and technology, an open system of stratification and a stable political order. But the 'first-order requirement' is ideological - 'a minimal consensus on ultimate values'.¹⁹ Moore's main argument is that industrialization through an ideological transformation is a way out of underdevelopment.

Moore presented a three-stage model of social trans-

formation through industrialization: a static, pre-industrial stage; a dynamic transitional stage and a static stage following the Industrial Revolution.²⁰ The countries of the Western Europe and North America reached the final stage of development following the Industrial Revolution in England. The most important conditioning factor for the early arrival of these societies on the final stage was "ideological" associated with Protestant Ethic.

The present underdeveloped countries in his view are passing the dynamic stage - a transitional phase of industrialisation. But the existing system of traditional values are not favorable for such transformation. About the system of kinship Moore says:

(It) perhaps...offer(s) the most important single impediment to individual mobility, not only through the competing claims on Kinsmen upon the potential individual recruit but also through the security offered in established patterns of mutual responsibility. 21

In the underdeveloped countries therefore,

...extensive value changes are the most fundamental condition for economic transformation. 22

Successful transformation can be carried out through the diffusion of the values of the Western industrial societies. "During transition industrialism is...an externally induced system."²³ He thinks, the underdeveloped countries cannot develop in isolation with the developed countries. The developed countries will provide the ideology and the values of development.

Now industrial societies are models of imitation or source for techniques, but also source of goals in regard to affective orientations. For just as industrial societies export knowledge in the form of technology and technologists they also export ideology and ideologists. 24

He also believed that there will eventually emerge a global system of industrial (capitalist) societies sharing certain goals and values in common.

What is involved in modernization is a "total" transformation of a traditional or pre-modern society into the types of technology and associated social organization that characterize the "advanced", economically prosperous and relatively politically stable nations of the Western World. 25

Bert F. Hoselitz: Achievement-orientation and Development

Hoselitz presented his views on modernization in terms of the Parsonian pattern variables. According to him, Ascription - Achievement and Diffusion-specificity are "key dichotomies" between underdeveloped and developed countries. The developed societies are characterized by achievement-orientation and functional specificity. Social differentiation on the basis of achievement and a differentiated occupational structure independent of the ties of family and clan organizations helped creating the modern industrial-capitalist societies.

The underdeveloped countries on the other hand, are characterized by the principle of ascription and diffused role patterns.

Underdeveloped countries typically display sharp social polarities, steep ranking low mobility, a disregard for economic performance as status conferring...distinctions between economic roles and roles in other fields of social action are much less emphasized than in more advanced societies. 26

This ascriptive principle of status differentiation and role allocation account for the lack of upward mobility, pluralistic social structure and increased productivity. For Hoselitz, classification and socio-psychological action patterns form strategic variables linked to development.²⁷ He therefore, prescribed that, to develop, the underdeveloped countries must eliminate the ascriptive criterion and take on the criterion of achievement-orientation. Modernization needs a significant alteration in the social stratification system.

This is a strategic area in the realm of social relations which requires relatively rapid and profound modification. 28

In his view this can be done and modernity can be attained through rational planning for industrialisation under the authority of a group of political elites who are urbane, educated and exposed to the values of the modern western society.

Robert N. Bellah: The 'Protestant Ethic' in Asia

Central to Bellah's thesis is the idea that the success of modernization in the underdeveloped countries, particularly in Asia, depends on the transformation of the existing traditional religions. The Asian societies in order to change to

industrial capitalist societies must develop something akin to the values of the 'Protestant Ethic'. This he argued on the basis of his theory of the relationship between religious evolution and the general progress of human society.

He says religion is a complex of symbols and actions which reveals man's ultimate conditions of existence, provides a stable set of definitions of the world around and gives identity and stability both to social and the personality systems. Religion, however, is not a static phenomenon. He contends that religion moves from compact to differentiated stages. And in close conjunction with this evolution religious collectivities become more differentiated from other social institutions like politics, family, etc., and there is an increasing consciousness of the self as a religious subject.²⁹ This growth of individual freedom has profound impact on the progress of human society.

According to him, broadly there are five different stages of religious evolution - primitive religion, archaic religion, historic religion, early modern relition and modern religion. And

...at each stage the freedom of personality at society has increased relative to the environing conditions. Freedom has increased because at each successive stage the relation of man to the conditions of his existence has conceived as more complex, more open and more subject to change and development. 30

Modern religion has emerged only in the West with the emergence of the 'Protestant Ethic' and this resulted the development of modern society. He says,

...let me simply say that I stand with Weber
 ...in attributing very great significance to
 the Reformation, especially in its Calvinist
 Wing in a whole series of developments from
 economics to science, from education to law. 31

Like Weber, Bellah finds that the religions of Hinduism
 Islam and Buddhism are characterized by 'Other-Worldliness' and
 this constitutes the barrier to modernization. Only in Japan
 he says the Tokugawa religion was oriented towards 'this
 wordly' activities and hence it remained to be an important
 force in Japan's modernization.³² However, he is convinced
 that the traditional religions of Asia can significantly con-
 tribute to modernization through the evolution of certain
Protestant values. For modernization in Asia the traditional
 religions,

...must be able to rephrase its religious
 symbol system to give meaning to cultural
 creativity in wordly pursuit... If modern-
 ization is to be successfully accomplished
 either traditional religion, must be able to
 make this transition...or it must be able to
 withdraw from major spheres of life and allow
 secular Ideologies to complete the transition. 33

Like other modernization theorists Bellah also suggests
 that extensive value-change is a condition for modernization.

S.N. Eisenstadt: Institutionalization and Change

Eisenstadt is one of the most prolific writers of
 modernization. His central argument is that modernization in
 the underdeveloped countries depends on the creation of a
 "common symbolic framework" under the direction of a strong
 centralized authority.

Eisenstadt's key concept is institutionalization.³⁴ He says social change begins with differentiation. This is to him the first stage of modernization. When new roles and structural organization are created. But the evolution of new roles and organizations generate a problem 'order' breeding conflict and confusion between the old normative structure and the new orientations. Society at this stage needs certain new norms and sanctions and certain policies through which these norms and sanctions can be upheld and applied to a relatively large and complex variety of institutions. What is needed is a new value system - a new level of common identification under the domination of a strong centralised political authority. This is done in the second-stage of modernization and is termed as the process of 'institutionalization'.

What is problematic to Eisenstadt, therefore, is not how does change begin at the first stage but how can the changes brought about through differentiation be absorbed for attaining sustained growth in modernization. The underdeveloped countries, particularly the Asian countries, according to him, have undergone some processes of differentiation under the impact of their pre-existing social structures, colonialism and the Western influence.³⁵ But in the absence of institutionalization of the new changes these countries have not been able to gather sustained growth in development and reached to a stage he says, the 'breakdowns of modernization'.³⁶ Like others, Eisenstadt's prescription against underdevelopment is also the creation of a new system of values. But unlike Parsons,

Moore, Hoselitz and others he maintains that tradition is not always inimical to modernization. Modernity and tradition can co-exist side by side.³⁷ Some elements of tradition can significantly help the process of 'institutionalization'.

Socio-Psychologies theories of Modernization: McClelland, Hagen, Lerner, Inkles

David C. McClelland: N Achievement and Development

Harvard psychologist David C. McClelland is one of the chief exponents of the second mode of the modernization paradigm. His major contention is that throughout the whole period of human history and at present as well, economic development has been attained by a small group of entrepreneurial people characterized by a typical psychological trait 'need for achievement'.³⁸ People with high need for achievement are innovative and dynamic. They have a drive towards worldly success - interest in scientific discoveries and productive entrepreneurial activities. They are typical Weberian persons.

Weber's description of the kind of personality type which the Protestant Reformation produced is startlingly similar to the picture we have drawn of a person with achievement motivation. 39

According to him the Western industrial capitalist society is the product of people with high need for achievement. The self-reliance values which are characteristic of Protestantism led to independence training of children by the parents. This in turn produced N achievement in children which results in economic development. But the underdeveloped countries are

characterized by a wide lack of this psychological 'trait' in human personalities. In his views the traditional systems of kinship religion and stratification obstruct the growth of personalities with "N" achievement.

His prescription against underdevelopment is therefore the creation of people with "N" achievement. For this firstly, the tradition should be eliminated.

A people must break with traditional ways
... if they are to live at a higher economic
level. 40

A new set of norms and values somewhat akin to the values of protestantism should be attained. The spread of education intensive psychological training, exposure to mass media can significantly help in this direction. Particularly McClelland believes in "ideological campaign" as an instrument for spreading the Western values.

The psychologist accordingly concludes that ideological movements of all sorts are an important source of the emotional fervour needed to convert people to new norms. 41

Everett E. Hagen: Development through the Rearrangement of the Power Structure

Development, in Hagen's view, requires the emergence of the creative individual; the individual who has high needs for achievement, autonomy and order. These individuals come from groups in society that have been deprived of their previous positions due to changes in historical conditions.

All traditional societies are relatively stable, stagnant

and resistant to innovations. But at a certain period of history due to outside invasions or internal political changes the existing traditional elites loose their authority and status. Being alienated from the traditional centres of power and status they develop a peculiar psychological challenge to the whole system of traditions. Particularly, Hagen says, mothers began to train their children to get innovative in order to take revenge of their father's loss of status. As children gradually become to be dominated by their mothers the vicious circle of authoritarianism begins to break up. Society gradually evolve a new group of elites with high achievement orientation and autonomy. The era of social change begins. To substantiate his thesis Hagen presented examples from the history of England, Japan, Columbia, Indonesia and Burma.⁴²

In his view the underdeveloped countries are characterized by authoritarian social and political systems. And this accounts for the lack of creative personalities in those societies. He maintains that, to develop, the underdeveloped countries must evolve "social and cultural creativity of a high order".⁴³ Implicit in his thesis is the notion that the redistribution of the political power under the impact of the Western nations is the clue to modernization.

Daniel Lerner: Empathy and Modernization

MIT sociologist Danial Lerner is another key figure in the second group of modernization theorists. According to

Lerner modern industrial society is the product of modern personalities characterized by a distinctive psychological ~~&~~ trait 'empathy'. "In modern society more individuals exhibit higher empathic capacity than in any previous society".⁴⁴ A man with 'empathy' is mobile, dynamic, secular and rational. He has a sense of participation in public forum, market place and political arena. Empathy is an "indispensable skill for moving out of traditional settings."⁴⁵

In his view modern society with a high sense of empathetic capacities developed according to a regular sequence of phases, beginning with urbanization, proceeding through literacy and mass communication, and extending to political participation.⁴⁶ The emergence of empathetic personalities and modernity in the underdeveloped countries will follow the same processes. The Western model:

...provided suitable terms for describing the degree of modernization present in a given society at a given time. 47

Alex Inkles: 'Modernity Syndrome'

'Modernity syndrome' which is one of the most popular concepts in the recent psychological studies on modernization is chiefly the contribution of Harvard sociologist Alex Inkles. Modernity to him is not mere technological development or political maturation rather a psychic state characterized by a variety of psychological qualities. And these constitute what is termed as 'Modernity Syndrome'. Central to this

syndrome are:

- ...(1) openness to new experience....,
- (2) the assertion of increasing independency
- ...(3) belief in the efficacy of science and medicine and a general abandonment of passivity and fatalism in the face of life's difficulties;
- and (4) ambition for oneself and one's children to achieve high occupational and educational goals. Men who manifest these characteristics.
- (5) Like people to be on time and show an interest in carefully planning their affairs in advance. It is also a part of this syndrome to
- (6) show strong interest and strive energetically to keep up with the news of national and international import... 48

Modern society is the product of modern personalities characterized by these psychological qualities. Modernity in the underdeveloped countries implies the institutionalization of these values at the level of personality system. Inkles says:

- ...Societies that have more modern individuals
- ...will experience accelerated structural change towards increased modernity. 49

Like Lerner and other psychological theorists, Inkles believes that the number of modern people with modern psychic qualities can be increased through education, industrialization, urbanization and mass communication. He has faith in the psychic unity of modern man and modern society.

Modernization Paradigm: Major Assumptions

Within the modernization paradigm there is a considerable variety of emphasis on different levels according to whether conceptual priority is assigned to cultural orientations or personality factors; according to the substantive designation

of its ideal-typical modern (e.g. 'inanimate sources of power',⁵⁰ 'empathy' or 'need for achievement') or what are regarded as the cultural mechanisms of modernization (e.g. Industrialization, urbanization, institutionalization or mass communication at the level of social processes); according to the concrete areas of social action focused on - the family, religion, education, the role of intellectuals, and so on.⁵⁰ But at the core of the paradigm there remained a series of basic assumptions.⁵¹ These are like the following:

- A. The nature, structure and the change of a society are comparable to that of an organism. Like an organism, society moves from simple and homogenous to complex and heterogenous but highly integrated structures.
- B. Social change is natural, continuous and imminent. Change is inherent in the system undergoing change. What is problematic, therefore, is not how does change come about but how can order be restored in the system experiencing change.
- C. Social change is evolutionary, developmental and progressive. All societies are moving towards the same goal through the same uniform processes. Each successive stage is progressive because it attains the greater 'generalized adaptive capacity'.
- D. Social change is not 'deterministic'. A variety of causative factors operate behind the process of social change. In explaining social change the attribution of causal primacy leads to over-simplification.
- E. The urban-industrial capitalist societies of Western Europe

and North America are the most developed societies. They have reached the final and the ultimate stage of social development. They are highly differentiated and yet highly integrated through a common ideology. In comparison with other non-Western societies they have the highest generalized adaptive capacities.

F. The main driving force behind the creation of modern urban industrial societies in Western Europe and North America has been a system of cultural values associated with the Protestant Ethic.

G. The developed and the underdeveloped societies belong to two different and contrasting stages of social development. The underdeveloped countries are characterized by particularistic, ascriptive and diffused patterns while the developed ones are characterized by universalistic, non-ascriptive and specific patterns.

H. Modernization refers to a process of institutionalizing the values of the industrial (capitalist) societies. The diffusion of capitalistic ideology rather than capital and technology is the clue to modernization in the underdeveloped countries.

I. The traditional systems of kinship, religion, stratification and other traditionalistic behavioral patterns constitute barriers to modernization. The total destruction of all traditional elements is a necessary condition for the institutionalization of the new system of values.

J. In the West the entrepreneurial elites have been instru-

mental to modernization. In the underdeveloped countries too the elites (political, intellectual, bureaucratic, military, etc.) exposed to Western education and culture can be instrumental to modernization.

K. Once the institutional kernels of the developed societies are established, they necessarily would lead to the development of similar irreversible structural and organizational outcomes in their spheres and to the general process of sustained growth and development, all of them presumably moving in a general common evolutionary direction. Modernization is destined to create a system of modern industrial-capitalist societies where, in spite of diversities at the societal level, there will remain a unity in ideology.

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CHAPTER II Dependency Theory

Out of the various objections to the Modernization theory, an alternative approach to underdevelopment began to develop in sociology from the mid-60's. This is now termed as the Dependency theory. In the following pages we will discuss the development of this approach in Latin America and other places and will also present its various interpretations by different scholars.

DEPENDENCY IN LATIN AMERICA: THE EMERGENCE OF A PERSPECTIVE

The interest for an alternative framework of explanation of underdevelopment in Latin America began to generate primarily in response to the failure of the modernization paradigm there. The intellectual foundation of the paradigm, however, is rooted in the Marxist tradition in sociology.

The Dependency Model evolved essentially from two schools of thought: one nationalist and sometimes anti-imperialist but non-Marxist whose analysis emanated from economists grouped around the Argentine, Paul Prebisch, in the Economic Commission for Latin America; and the other anti-imperialist and Marxist in orientation whose ideas stemmed from imperialist theory generated by analysis of European expansion during the late 19th century. 1

ECLA and modernization in Latin America:

The United Nations Economic Commission for Latin

America (ECLA) was established in 1948 in Santiago, Chile, to provide an explanation of underdevelopment and policy suggestions for modernization in the post-war Latin American societies. The starting point of the ECLA's analysis was Latin America's 'peripheral' status vis-a-vis the advanced industrial 'centres', as manifested primarily in the region's historical evolution as an export-oriented economy.² The ECLA for the first time made a frontal attack upon the theoretical and empirical basis of 'outer-directed export-led growth model' expounded by the orthodox international trade theory. Instead, the Commission provided a thesis of the 'inward-directed growth model' in the form of Import Substitution industrialization. It suggested that the clue to modernization in Latin America was not in the free trade but rather in the creation of an industrial infrastructure geared to the satisfaction of the demands of the goods which were previously met by imports. In order to ensure the supply of the increasing amount of capital needed for the new industrialization program, foreign investment, foreign aid and co-operation at different levels were considered necessary and desirable. Accordingly, different multi-national corporations were provided investment opportunities and aid programs drawn up to generate capital for industrialization.

The new program of modernization was put forward on the pretext of creating a national capitalist class who would combat the traditional landed oligarchies, help expanding the volume of production for the internal market and thus overcome

the dependency on the metropolitan capitalist class.

But the experiences of 60's proved that the ECLA's modernization program rather widened the gap between the 'centre' and the 'peripheral' economies and also between the poor and the rich Latin Americans. Instead of the development of an independent capitalist class with the support of the state power, Latin America in the decade of 60's began to be controlled and dominated by the military-bureaucratic oligarchies.³ By drawing a distinction between the 'centre' and the 'peripheral' economies and by locating the causes of underdevelopment in the expansion of the liberal policy of free trade the ECLA made a good starting point for a historical analysis of underdevelopment. But eventually it failed to bring about a useful model of development in Latin America. Since mid-60's ECLA's modernization program began to break up. A new dependency analysis began to develop to provide a new framework of studies of development and underdevelopment.

The Development in Latin America of the 'Dependency Theory' of underdevelopment in the post-war era was a response to the changing political conditions and opportunities that had been wrought...by the crisis of world capitalism during the 1930's and 1940's. Analogous to the rise of Popular Fronts (including New Deal), and Keynesianism in the imperialist metropolis, certain Latin American countries witnessed the rise of populist bourgeoisie nationalist regimes dedicated to the economic reality of import substituting industrialization and the political policy of 'developmentalism' and the ideological legitimation through 'structuralism' and 'dependency'. Ultimately, the latter found its most important and influential expression in the work of the United Nations Economic Commission for Latin America (ECLA).... 4

Dependency Paradigm: Background in Marxist tradition

While the existential reasons for the development of the dependency paradigm in Latin America have been the inadequacies of the modernization model of development advanced by the ECLA, the ideational inspirations have been drawn mainly from the mainstream of the Marxist tradition in sociology.

The inherent nature of the capitalist system to penetrate into the pre-capitalist societies and the implication of such intrusion has been a subject of discussion since Marx. Marx observed that the acquisition of new areas and markets in order to expand the volume of profit was one of the dominant features of the capitalist system. The capitalist system tends to expand into the non-capitalist economies and "bring them into dependence on the world market".⁵ He also pointed out that these developments of the international division of labour determined by the need of the advanced countries, were accompanied by and were the expression of those structural changes - notably the growth of monopolies.⁶ But as to the implication of such penetration of capitalism into the non-capitalist regions Marx appeared to have remained in a different, somewhat ambivalent, position. Marx defended capitalist penetration into the colonies on the ground that it would create the material basis of bourgeoisie society. Marx supported the conquest of Mexico and the annexation of California by the United States, India by the Britishers and Algeria by the French.⁷ Marx spent very little time on the changing social

structures of the colonies under capitalism.

Theoretically, the most important innovation after Marx was the characterization of the epoch of imperialism by Hobson, Hilferding, Kautsky, Rosa Luxemburg and Lenin.⁸ They rendered explanations of why it was imperative for a capitalist system to expand into the non-capitalist societies. Their account of imperialism, however, delineated the laws of motion of capitalist development in the west and tended to ignore the concrete historical realities of capitalism in the colonies. "None of them go in essence beyond Marx in attributing any independent weight, role, or nature to the Third World".⁹ Lenin said that 'capital export' was one of the principal features of monopoly capitalism and this was at the root of rivalry among the dominant capitalist countries. His analysis was purported to explain the changing structure of Western capitalism and visualize its effects on the international political affairs. He observed that the 'export of capital' had some obvious consequences on the direction of capital and enterprises of the colonized countries. He mentioned the ambiguous position of Tsarist Russia as both subject and object of imperialist relationship, ^{but} ~~But~~ never developed a theory of underdevelopment as a part of his general scheme of imperialism.

Lenin's theory of imperialism put emphasis on the structural changes in capitalism rather than upon the relations between the metropolitan countries and their colonies.... 10

Marxist studies of capitalism, however, began to develop

Baran
 x in a new direction since the emergence of the 'new nations'. The Marxist scholars of the post-war period became increasingly interested in the nature and the structure of capitalism in the Third World. In contrast to Marx and other classical Marxists these people argued that Western capitalism had destroyed the potentialities for capitalist transformation in the colonies and thus resulted in underdevelopment. Baran, one of the pioneers of this new strand of thought in Marxist tradition, came up with an argument that the capitalist penetration extracted an important part of the underdeveloped country's surplus for appropriation in the developed countries and thus prevented the possibilities for autonomous capitalist transformation in the colonies. Using a concept of 'economic surplus', instead of Marxist theory of surplus value, Baran studied both the structural dynamism of the advanced capitalism and the mechanism of the growth of underdevelopment in the peripheral societies of the Third World.¹¹ Similarly, Magdoff says:

...underdevelopment can best be analysed against the entire panorama of colonialism, economic expansionism, and rivalry among colonial powers, beginning with earliest distortions introduced by the West into the colonial world. 12

Such an interpretation of underdevelopment in the context of the rise and expansion of Western capitalism is also apparent in Sweeny, Julee and other distinguished contributors in the 'Monthly Review'. In the recent literatures this group of people is sometimes called 'Neo-Marxist' in that they developed a new mode of interpretation of the dynamism of the capitalist system in the West and the consequences of its expansion into

the non-capitalist societies; brought in certain new conceptual apparatus and devised new strategies for development. The most fundamental difference between the classical tradition in Marxism and the 'Neo-Marxist' is the insistence of the latter on the discovery of the laws of motion of capitalism in the underdeveloped societies.

The development of the dependency analysis in Latin America is an extension of this 'Neo-Marxist' interpretation of underdevelopment. While the 'Neo-Marxist' have been engaged in building a general theoretical framework of underdevelopment, the dependency analysis started with the specificity of the historical situations in Latin America.

THE FRANKIAN MODEL OF DEPENDENCY

Andre Gunder Frank's 'Capitalism and Underdevelopment in Latin America is the 'opening gun' in the formulation of a new paradigm in Latin America. His thesis states:

Underdevelopment is not due to the survival of archaic institutions and the existence of capital shortage...on the contrary underdevelopment was and still is generated by the very same historical process which also generated economic development: the development of capitalism. 13

Frank claims that modernization theory is empirically invalid, theoretically inadequate and policy wise ineffective in promoting development. In his view, the modernization theory has failed to come to terms with the contemporary historical reality of development and underdevelopment.¹⁴ Frank redefines

the notion of underdevelopment by insisting that it is neither origin, nor is the remnants of an ancient feudal past. "The now-developed countries were never underdeveloped, though they may have been undeveloped." Underdevelopment is rather the direct result of capitalist penetration in the underdeveloped countries. Underdevelopment is not an organic growth from within, but a structural growth from above.

Frank advanced two theoretical innovations in the context of his analysis of underdevelopment in Latin America. Firstly, in contrast to the theory of 'Dual Society' (as well as by orthodox Marxism)¹⁵ Frank argued that since the very first phase of its colonial history Latin America had been thoroughly integrated into the World capitalist structure.

A mounting body of evidence suggests...that the expansion of the capitalist system over the past centuries effectively and entirely penetrated even the apparently most isolated sections of the underdeveloped world. 16

Latin America since then turned into a capitalist society in that it started participating in the general process of commodity production.

The penetration of the capitalist process of production necessarily gave rise to a resident commercial bourgeoisie, which directed this process and shared its benefit in economic and political alliance with the metropolis. 17

Hence, to Frank, it makes no sense to speak of feudal, semi-feudal or archaic elements in Latin American society. The thesis of dual economy is false and "serve only to intensify and perpetuate the very conditions of underdevelopment."¹⁸

The second theoretical innovation relates to the three

contradictions of capitalism to which Frank proposed to outline the mechanism of capitalist underdevelopment. These are: the contradiction of Expropriation/Appropriation of economic surplus; the contradiction of Metropolis/Satellite polarization and the contradiction of continuity in change.

The contradiction of Expropriation/Appropriation of economic surplus:

On the basis of Baran's economic theory Frank said that the capitalist system is wrought with the contradiction of expropriation and appropriation of economic surplus. The metropolitan capitalist country expropriates a significant part of the economic surplus produced in the domestic satellites and appropriates it for its own development. Within the structure of the World capitalism there is a constant outflow of surplus from the satellites to metropolises. What is most significant, according to Frank, is that while expropriating the economic surplus of the satellites, the metropolitan capitalism also introduces this contradiction in the satellite economies. In Chile, Frank writes:

The monopoly capitalist structure and the surplus expropriation/appropriation contradiction run through the entire Chilean economy... Indeed it is this exploitative relation which in chain-like fashion extends the capitalist link between the capitalist world and national metropolises to the regional countries..., and from these to local centres, and so on to large landowners or merchants who expropriate surplus from small peasants or tenants, and sometimes even from these latter to landless labourers exploited by them in turn... at each point the international, national and local capitalist system generates economic development for the few and underdevelopment for the many. 19

Within the structure of the world capitalist system the domestic satellites are, therefore, necessarily limited to underdevelopment. Capitalism is destined to produce uneven development between metropolises and the satellites.

The contradiction of Metropolis-Satellite Polarization: The contradiction of surplus expropriation-appropriation results in metropolis-satellite polarisation. Within the structure of the World capitalism while the metropolis keeps on developing "the satellites remain underdeveloped for lack of access to their own surplus and as a consequence of the same polarization and exploitative contradictions which the metropolis introduces and maintains in the satellites domestic economic structure."²⁰ Polarization starts increasing not only between the World metropolises and national satellites but also within the satellite economies among other region and "between rapid development of towns and industrial centres (and) lagging and declining in the agricultural districts".²¹

This contradictory metropolitan centre - peripheral satellite relationship, like the process of surplus expropriation/appropriation, runs through the entire World capitalist system in chain-like fashion from its uppermost metropolitan World centre, through each of the various national, regional, local and enterprise centres. An obvious consequence of the satellite economy's external relations is the loss of some of its economic surplus to the metropolis...the metropolis tends increasingly to dominate the satellite and renders it even more dependent. ²²

Frank posited that the satellite capitalist countries, regions and localities by virtue of this contradiction were condemned to underdevelopment. He observed that the lesser is the

relationship with the metropolis the greater is the degree of development in the satellites.

...the satellites experience their greatest economic development...if and when their ties to their metropolises are weakest. 23

This metropolis-satellite polarization, to Frank, is the most important for understanding the process of underdevelopment. Because it is, in the discussion of this notion Frank maintained that:

...one and the same historical process of expansion and development of capitalism throughout the World has simultaneously generated and continues to generate both economic development and structural under development. 24

The contradiction of Continuity in Change: By the contradiction of continuity in change, Frank argued that the contradictions of surplus expropriation/appropriation and the metropolis-satellite polarization as the essential structural imperatives of development and underdevelopment remained the same throughout the whole period of the expansion and the development of the capitalist system at all times and in all places. The different satellite countries due to independence and other political revolutions had undergone different historical changes at different periods. But the essential contradictions of the capitalist system as such have remained the same. In studying underdevelopment what is most significant, to Frank, is to refer to the continuity of the fundamental contradictions of the capitalist system.

...my emphasis is on the continuity of capitalist structure and its generation of underdevelopment rather than on many undoubtedly important historical changes and transformations....25

On the basis of these two sets of theoretical arguments Frank formulated his version of the dependency analysis - the notion of the development of underdevelopment. Frank was convinced that it was the structure of the world capitalism which produced and now maintains the underdevelopment of Latin America. He argued that the development of underdevelopment will persist until the people of Latin America come out of the World capitalist system by means of revolution.

THE DEPENDENCY PARADIGM: POST-FRANKIAN DEBATE IN LATIN AMERICA

The Frankian model of dependency since its early conceptualization has led to considerable debate and polemics among the Latin American social scientists. Since Frank increasing interests have generated to examine or redefine the concept of dependency and underdevelopment. By and large, the larger proposition that underdevelopment is explicable in the context of the growth and expansion of the Western capitalism, earned credence. But as to the structure and dynamism of the peripheral Latin American societies and the process of the growth of underdevelopment therein, differences from Frank began to develop.

Frank has been accused by the subsequent dependency theorists in Latin America for his assertion of the development of capitalism in Latin America and his outright emphasis on the drainage of 'economic surplus' as a mechanism of the growth of underdevelopment.

Frank argued that Latin America has been capitalist

since it was incorporated into the World market during colonial period. He refused to believe the persistence of certain feudal relations or non-capitalist modes of production. This has become one of the most debated aspects of the Frankian model of dependency.

Frank, according to the critics, concentrated much on the penetration of the market economy and gave very little attention to the changing production relations and ways in which these relations coexisted at local, regional and national levels. What seems to have appeared uncomfortable to them is the Frankian definition of capitalism. In this respect Laclau probably has made the most thoroughgoing attack on Frank.

Laclau says:

The first surprising thing is that Frank totally dispenses with relations of production in his definition of capitalism and feudalism. 26

Frank used the word 'capitalism' to refer to a system of market production rather than a mode of production. Laclau thinks that Frank has confused the two concepts 'Capitalist mode of production' and 'Participation in the World economic system'. Laclau approves that the 'dualistic thesis' has no validity in Latin America but, in contrast to Frank, he maintains that in Latin America still are there the remnants of the feudal or the pre-capitalist modes of production. Because 'the maintenance of the pre-capitalist relations of production in the peripheral areas is an inherent condition of the process of accumulation in the central countries.'²⁷

The second line of argument in the post-Frankian debate

centres around Frank's idea of the mechanism of the growth of underdevelopment. Frank observed that within the structure of the metropolis-satellite relationship there is a constant drainage of economic surplus from the satellite to the metropolis through an unequal exchange of trade and this is how underdevelopment was created and is still sustained. The satellite because of the non-realization and non-availability for investment of its economic surplus is condemned to underdevelopment. In this aspect Frank's critics tend to argue that Frank has over emphasized the vertical relation between the metropolis and the satellite and did not demonstrate the importance of horizontal ties within the dependent societies. Frank's stress on the colonialists or imperialists as the main actors and tended to overlook the importance of the actors drawn from within who supported the establishment of capitalist hegemony and latter turned as the most ardent promoters of the colonial and the imperialist interests in the domestic satellites. Frank's concern was more with the setting of the actions rather than the actors per se.

Brazilian dependency theorist Dos Santos asserted that the process of underdevelopment could not be understood simply in terms of the drainage of 'economic surplus'.

The process under consideration rather than being one of satellization as Frank believes, is a case of the formation of a certain type of internal structure conditioned by the international relationship of dependency. 28

The World capitalist system creates certain institutions and classes within the satellites to further their interests and

perpetuate their control. These institutions and the classes form the internal structure of dependency and limit the possibilities for development in the satellites. The structure of dependency creates structural underdevelopment.

Dos Santos writes that:

By dependency we mean a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected.... 29

Dependency is not a situation where a satellite economy submits to the exploitation of a metropolitan economy, "but rather a basic relation that constitutes and conditions the internal structures of the dominated or dependent regions. Dependency implies an economic, social and political situation in which the structure of societies is conditioned by the needs, actions and interests of other and dominant nations".³⁰ Dos Santos says that in Latin America there were three different structures of dependency in its three different periods of history. Firstly, the colonial dependence characterized by the acquisition of land, mines and manpower in the colonized countries. Secondly, the financial industrial dependence characterized by the development of a productive structure in the satellites devoted to the export of raw materials for the metropolitan countries. Thirdly, the technological-industrial dependence based on the investment of capital by the multinational corporations.

Each of these form of dependence corresponds to a situation, which conditioned not only the international relations of these countries

but also their internal structures: the orientation of production, the forms of capital accumulation, the reproduction of the economy, and, simultaneously their social and political situations. 31

In Dos Santos views, the problem of underdevelopment can be more adequately understood if it is explained in the context of the internal structure of dependency and not merely in terms of the 'loss of surplus' as Frank did.

Similarly Cordoso maintains that the Frankian notion of 'development of underdevelopment' tends to ignore the internal dynamism and the class formation in the domestic satellites. In contrast to Frank, Cordoso developed a thesis of 'associated-dependent development'. In it he argues that even within the structure of the World capitalism the domestic satellites of Latin America have experienced some sort of development through the process of industrialization and other investments of the multinational corporations. In the satellites it is possible to have 'dependent development' and that this process can lead to important changes in the old oligarchic class structures.

The rise of monopoly capital and the phenomena of corporations have brought about new forms of dependency characterized by the change in foreign investment from raw materials and agriculture in the direction of industrial sectors, and by new patterns of economic ownership such as the joint venture enterprise. These changes are accompanied by a type of development that creates a restricted, limited and upper class oriented society. 32

What is significant in the study of underdevelopment, according to Cordoso, is to refer to the 'dynamic interrelationships' which obtain between politics and economics of the domestic

satellites. The Frankian notion of development of underdevelopment and the assumption of a lack of dynamism in dependent societies, to him, is misleading.³³

The Frankian version of dependency has also been criticised by Wellfort, Hinkelmmert, Marini, Torres, Falletto, Vasconi, Quijano and many other Latin American social scientists.³⁴ Objections have been raised either against his insistence on the capitalist transformation of Latin America or against his notion of the development of underdevelopment within the metropolis-satellite structure of relationship.

Frank's response to his critics: LumpenBourgeoisie and Lumpendevlopment

In response to his dependency critics in Latin America, in 1973 Frank came up with a new volume of study: Lumpen-Bourgeoisie and Lumpendevlopment. In it Frank concedes that his historical analysis lacks depth and the description of the class structure is schematic and simplistic. Frank re-affirmed that "it is more important to define and to understand underdevelopment in terms of classes".³⁵ In the new book he attempts to "clarify the dialectic relationship between the actors and their changing setting".³⁶ In it he demonstrates how in Latin America a class of dependent bourgeoisie emerged in response to the capitalist demands of the production and the export of raw materials and how it is this dependent bourgeoisie who generates a policy of underdevelopment through the use of the state power. He retains the word 'underdevelop-

ment',³⁷ but approaches it in the context of internal class formation and the changing structure of dependence in Latin America. However, this relates to the mechanism of the growth of underdevelopment. Frank's assertion that Latin America is a capitalist country and the Latin American bourgeoisie has now no historical role, has seemed to have remained unchanged.

From the above discussion it appears that 'dependency' has emerged as the dominant perspective in the study of underdevelopment in Latin America. Since the publication of Frank's 'Capitalism and Underdevelopment in Latin America' in 1967, enormous research and studies have been conducted to demonstrate the validity of the 'dependency' perspective. In the dependency literatures two important analytical categories can be distinguished: one is related with the problem of conceptualization of the general features of the Latin American economy and the other is related to the nature of 'dependency' and the process of the growth of underdevelopment in Latin America.

A consensus seems to have reached among the various dependency theorists that 'dependency' is not only 'external' but also 'internal' in that, the process of underdevelopment goes on not only through the expropriation and appropriation of surplus of the satellites but also the creation of certain institutions and classes within the satellites. In studying underdevelopment both 'external' and the 'internal' aspects of dependency should be taken into consideration. But as to the characterization of the general feature of the economy of Latin America opinion seems to differ. Frank and the Frankians

argued that Latin America has been a capitalist country since it was integrated into the World capitalist market. Implicit in Frank's position is the idea that, in Latin America the capitalist system has outlived its utility. The bourgeoisie is the 'immediate enemy'. Others led by Laclau maintain that in Latin America there is the co-existence of both feudalism and capitalism. Implicit is the notion that in Latin America there is still scope for bourgeoisie-democratic revolution. While Frank defined capitalism in terms of 'market relations' Laclau and others tend to define it in terms of 'production relations'. However, much debate is still going on centering around these and other aspects of 'dependency' in Latin America.

DEPENDENCY PARADIGM: BEYOND LATIN AMERICA

Study of underdevelopment in the historical context of the rise and expansion of Western capitalism was first systematically developed in Latin America. It is Latin America where the paradigm has been able to generate most debate and polemics and where it has undergone extensive empirical tests. But the relevance of 'dependency analysis' is now apparent in the studies of underdevelopment also in Asia, Africa, the Carribeans and even in Canada, Australia, New Zealand and in the studies of underdevelopment in some parts of Europe. In the following pages we would review the major sets of arguments that developed, beyond the continent of Latin America, attempting to analyse and understand the problem of dependency either

in general or in the context of any specific historical situations.

Peripheral Capitalism: Samir Amin on underdevelopment in Africa

Egyptian economic historian Samir Amin writes about underdevelopment and dependency in Africa. He states that in Africa the metropolitan capitalism, through the introduction of commodity production, colonial trade, and the investment of capital, has created a typical structure of society - he called the "peripheral capitalism".³⁸ While at the centre the metropolitan capitalism is characterized by autocentric expansion, development and capital accumulation, at the periphery capitalism is not an exclusive mode of production. It is distorted kind of economy consisting of different modes of production and characterized by "a crucial distortion toward export activities".³⁹ Without turning into a self-oriented system the African peripheral formation has become extroverted through disarticulation. What Amin is essentially arguing is that the capitalist penetration in Africa has 'blocked' the indigenous process of transition from pre-capitalist to capitalist system and in turn created a dependent capitalist structure. This dependent structure of 'peripheral capitalism', characterized by export oriented economy, lumpenbourgeoisie, and a bureaucratic-oligarchic structures, is the structure of underdevelopment. In his view, "underdevelopment refers to formations whose process of transition has been blocked"

due to integration into the structure of World capitalism.⁴⁰

Colonial Mode of Production: Jairus Banaji on the problem of the conceptualization of dependent economies

The task of conceptualizing the general feature of the dependent economies has been, from the beginning, a problem to the dependency theorists. Frank characterizes the dependent economies of Latin America as 'capitalist', Laclau claims the existence of the features of both capitalism and feudalism while Amin prefers to designate them as 'peripheral capitalisms'. In the context of this problem Indian Sociologist Jairus Banaji appears with a new concept of 'Colonial Mode of Production'.⁴¹

Banaji argues that metropolitan capitalism in all dependent societies, without destroying the precapitalist laws of production and improving the productive forces, imposes certain new 'laws of motion' or relations of production. So what we find in the dependent societies is a structure of production which is neither feudal nor exclusively capitalist. This new structure of production is characterized by a combination of both the 'subsistence' and the 'monetary' sectors.

Commodity circulation and monetisation induces colonial subjects to cease traditional production and to engage in peasant cash crop and export production and to labor in introduced plantations, mines and other enterprises; but for such production to continue essential support is required from the subsistence sector, which comprises elements of the traditional economy conserved and reconstructed by colonialism. 42

This is what Banaji calls 'The Colonial Mode of Production' -

the character of which "is expressed chiefly in the fact that the laws which govern their reproduction are derived from their subordination to imperialism".⁴³ What is significant in this concept is that Bananji, in contrast to Frank and to some extent Laclau and Amin, tended to conceptualize the nature of the dependent societies in terms of 'production relations' rather than 'market relations' or 'relations of exploitation'. The concept of the Colonial Mode of Production also suggests that the dependent economies, in spite of their distinct historical situations and the divergence in their specific form of restructuring by the colonialists, can be characterized to have possessed some "sufficiently uniform economic features".⁴⁴

The French Anthropologists: On the problem of the conceptualization of dependent economies

Recently a group of French Anthropologists have demonstrated with a number of empirical supports that there may be a co-existence of different modes of production in the colonies under capitalist dominations. The work of Terry, Dupre, Rey and Meillassoux represents an attempt to come to grips with the multi-structural character of economic systems in the underdeveloped countries.⁴⁵ They found that in the colonial economies the pre-capitalist relations are not completely wiped out by the capitalist relations. Rather in most of the cases "pre-capitalist mode is retained and its relations of exploitation reinforced by alliances of the colonial power with

certain indigenous classes".⁴⁶ Claude Meillassoux observed that,

Through low wages and precarious employment the labourer is periodically expelled from the capitalist sector and sent back to the rural areas. 47

Consequently, preservation of the relations with the village and the familial community is an absolute requirement for the wage earners, and so is the maintenance of the traditional mode production as the only capable of ensuring survival.⁴⁸

The important theoretical element in the studies of these French Anthropologists is their insistence on using the Marx's historical analysis of the mode of production. According to Marx an economic system is determined by the dominant mode of production which again is a combination of the forces of production and the relations of production.

The specific economic form, in which unpaid surplus labor is pumped out of the direct producers, determines the relation of rulers and ruled, as it grows immediately out of production itself and reacts upon it as a determining element. Upon this is founded the entire formation of the economic community which grows up out of the conditions of productions itself, and this also determines its specific political shape. It is always the direct relation of the owners of the conditions of production to the direct producers, which reveals the innermost secret, the hidden foundation of the entire social construction, and with it of the political form of the relations between sovereignty and dependence.... 49

In Marx's view, in a given place at a given time, the economic system can be best characterized by the predominant mode of production, although more than one mode of production may co-exist at any point in time.⁵⁰

The French Economists: Bettelheim-Emmanuel debate on the mechanism of capitalist exploitation

While the French Anthropologists were engaged with the problem of characterizing the mode of production in the dependent economies, French Economists Charles Bettelheim and Arghri Emmanuel have been trying to develop theories on the mechanism of capitalist exploitation - i.e. how does the dominant capitalist country exploit the dependent ones?

Emmanuel argues that the principal form of capitalist exploitation is the 'Unequal Exchange' which in turn is due to the inequality in wages between the dominant and the dependent countries. Wage is the value of the labour power which is equal to the price of commodity. Emmanuel observes that the dominant capitalist countries are exploiting the dependent ones by selling the goods produced in the dependent countries at a higher price in the World market. The labourers of the dependent countries are given prices for those goods lower than the World market. Exploitation manifests also in the fact that the dependent countries are forced to buy in exchange the products of the developed countries which required a smaller number of hours of labor.

...the increase in economic inequality between nations is rooted in "unequal exchange". This expression is used to convey the idea that on the world market the poor nations are obliged to sell the product of a relatively number of hours of labor in order to obtain in exchange from the rich nations the product of a smaller number of hours of labor. 51

To Emmanuel, therefore, exploitation implies the transfer of

value from one group of countries to another. In this 'unequal exchange', in his view, lies the root of underdevelopment.

Charles Bettelheim, on the other hand, argued that the problem of underdevelopment is rooted not in the 'unequal exchange' of trade rather in the 'polarized development of the world productive forces' resulting from the domination of the world by capitalist production relations.

Ultimately it is the unequal development of the production forces under conditions of world domination by capitalist production relations that is the basic fact explaining the international economic inequality.... 52

What Bettelheim essentially is trying to convey is that the capitalist penetration in the pre-capitalist regions led to the 'blocking' of the productive forces. So, there is an unequal development of the productive forces between the dominant and the dependent 'poles'.

The production relations and the productive forces at the dominated pole are increasingly subjected to the requirements of expanded reproduction of capital at the dominant pole; this may even involve a setback to, or the collapse of, production in certain countries (in India, for example...) 53

This unequal development of the productive forces between the dominant and dominated countries is what manifest itself in the form of 'Unequal Exchange'. The development of the dominant countries is "based less on the exploitation of the underdeveloped ones, which would imply their development, than on keeping undeveloped of the enormous wealth (in people and land) possessed" by those countries.⁵⁴

Immanuel Wallerstein: The Concept of 'World System'

McGill Sociologist Immanuel Wallerstein enters into the 'dependency debate' with a thesis different from what we have so far seen in the myriad of dependency literatures. Immanuel argued that, since its emergence in the 16th century in the Western Europe, capitalism has turned into a World-system consisting of "multiple polities and cultures" but a single division of labour. He defined capitalism as a system of production of 'exchange values' which are traded to produce private profit. Accordingly, he developed his thesis that the present World System is capitalist because all the units comprising it are related with one another through market relations or trading relationships. Within the World system it makes no sense to argue about the existence of either 'feudalism' or 'socialism' - the economic systems which produce only 'use values'.

...in the 19th and 20th centuries there has been only one world-system in existence, the capitalist world-economy....there are today no socialist systems in the world economy no more than there are feudal systems because there is only one world-system. It is a world-economy and by definition it is capitalist in form. 55

Wallerstein sees the problem of underdevelopment in the context of his scheme of the 'world-system'. The world-system is an interdependent entity. But there is also dependence within the system of interdependence.⁵⁶ Dominating this world-system is a small number of 'core' states which are engaged in both capitalist agriculture and industrial production of various kinds. At the bottom are the 'peripheral' areas who produce

primary products for consumption in the core areas. In between there are certain 'semiperipheral' states which are more diversified than the peripheral areas but considerably less so than the cores. In this hierarchical system of interdependence the core states keep on developing at the cost of the peripheral and the semiperipheral areas. It is Wallerstein's contention that this kind of uneven development goes with the very system of the capitalist economy.

The solidarity of the system was based ultimately on this phenomenon of unequal development... 57

Within the world-system development in some areas requires underdevelopment in others. Unevenness is the very motor of capitalist development. The peripheral areas of the world-system, therefore, cannot repeat the development pattern of the core areas because of their subordinate positions in the world capitalist economy.

Wallerstein tried to substantiate his thesis drawing a vast number of historical evidences on the rise and expansion of capitalism in Western Europe. However, a close examination would reveal that his thesis has got two main vulnerabilities: firstly, his insistence on one world-economy and the negation of the existence of either 'feudalism' or 'socialism' or any other kinds of pre-capitalist systems of production. His contention that all the units within the world-economy are capitalistic since they produce for 'exchange values' seems very simplistic and unrealistic. The most dangerous proposition in Wallerstein is the assertion that "there are to-day no

Why and how dangerous?

socialist systems in the world-economy". Secondly, his static explanation of the relationship between the cores and the semiperipheries and peripheries. He says that the world-system thrives on unevenness. But he gives no explanation of how this process of uneven development is created and is still sustained. He writes that "which areas play which roles is in many ways ACCIDENTAL".⁵⁸ Wallerstein, very much like the Functionalists, stops the motion of the system and then tends to examine the nature of relationship among the various parts in order to get to know how the system works and gets stability. He talks about 'market relations' among the various parts of the system but does not explicitly point to the mechanism of capitalist exploitation. Thus, Wallerstein seems to have presented a new conceptual framework of analysis but developed no theory either of the development of capitalism in the 'cores' or the creation of underdevelopment in the peripheries. The whole problem with Wallerstein is rooted in his mistaken adoption of the 'exchange value' and 'use value' dichotomy.

Sub-imperialism or Dependence: The Canadian debate

The study of development and underdevelopment in the context of the world capitalist system has assumed a new dimension in concern with certain countries which are both 'metropolis' and 'satellite' at the same time. Canada is possibly the most representative of these group of countries within the world system. Within the structure of the world

system Canada is seen to have been playing the role of 'metropolis' when viewed in terms of its relation with the Third World, but 'satellite' in terms of its relation with American capitalism. Much debate is, therefore, going on in Canada as to locate what exactly is the position of Canada within the structure of the world capitalism.

On the one side of the debate there is a group of scholars who claim that Canada is primarily a 'satellite' of the American capitalism. According to them the development of Canada has always been dependent on the production and export of one or a few key-resource based commodities.⁵⁹ The Canadian extractive and manufacturing industries, foreign trade etc., are largely dominated by U.S. capital.⁶⁰ Canada has some investments in the Third World but only as a "junior partner to American capitalism".

Probably the most interesting way to write the history of Canada is to write the history of Ontario: look up the chain and you see New York.... Then look down the chain and you see the Atlantic provines, the prairie provinces... 61

Warnock says that ~~it~~ is impossible to conclude that Canada is basically an imperialist power.⁶² To him Canada is rather a dependent neo-colonial country. Warnock, Ryeson, Park, Lipton, Levitt, Clement, Walkins, Nelles, Naylor and Gounick among others are the advocates of 'Canadian Dependency'.⁶³

People on the other side of the debate claim Canada mostly as a sub-imperialist power.⁶⁴ They base their arguments on the facts that Canada economically controls and dominates

the Third World countries, particularly the Carribeans and the Latin American countries.

...Canadian investments in certain areas of the Third World constitutes sub-imperialism on its most basic level, whether it is carried on by rapacious Americanized corporations such as Falconbridge Nickle Mines or good old home-grown concerns like Noranda Mines or MacMillan-Bloedel... the penetration of Canadian-based multinationals in Latin America has implication which stretch far beyond national boundaries. 65

They claim that approaching Canada as sub-imperial power is more fruitful than considering it as either colony or colonizer. Such a position incorporates the duality of Canada in the World system without reducing it to either polarity.⁶⁶ Recently this argument has got extensive elaboration in the writings of Steve Moore, Debi Walls, Draimin and Swift.⁶⁷

However, while much debate is going on and a good deal of quantitative knowledge has been attained, there is a lack of theories in the studies of Canadian development and under-development. There ^{are} is ~~a~~ very few attempts to develop theories on the basis of the Canadian experience which could have been useful in studying both Canada and the likewise countries in the Third World (India, South Korea, Israel, South Africa, Iran, etc.).⁶⁸

'Dependency', being evolved in Latin America as an alternative to modernization approach, has thus generated much debate and polemics also beyond it. Within the framework of the general proposition that capitalism caused underdevelopment, different advocates of different places are trying to develop different conceptual tools or theoretical frameworks either

to contribute to the understanding of any specific historical situations or to develop the generality of the 'dependency' approach itself.⁷²

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69. For some important studies on South-East and South Asian Dependency see Blackburn, R., Explosion in a Sub-continent, Penguin Books, London, 1975; Kathleen, G., and H. P. Sharma, Imperialism and Revolution in South Asia, MR Press, N.Y., 1973; Lichauco, A., "Imperialism in the Phillipines", Monthly Review, Special 128-page issue, Vol. 25, No. 3, July-Aug. 1973; Caldwell, M., "Problems of socialism in South East Asia", in R.I. Rhodes (ed.) Imperialism and underdevelopment, M.R. Press, 1970; Golay, F., Underdevelopment and Economic Nationalism in South East Asia, Cornell University Press, 1969; Khan, J.S., "Imperialism and the Reproduction of Capitalism: Towards a definition of the Indonesian social formation", Critique of Anthropology, Aug. 1974, pp. 1-35; Alavi, H., "Indian Capitalism and Foreign Imperialism", New Left Review, Vol. 37, May-June, 1966, pp. 77-85; Nations, R., "The Economic Structure of Pakistan: Class and Colony", New Left Review, Vol. 68 (July-Aug. 1971), pp. 3-27; Dutt, R.C., The Economic History of India, 2 Vols., London, 1956. On Caribbean Dependency see, Beckford, G., Persistence of Poverty: Underdevelopment in Plantation Economies of the Third World, Oxford University Press, N.Y., 1972; Rivera Quintero, A.G., "Background to the Emergence of Imperialist capitalism in Puerto Rico", Caribbean Studies, Vol. 13, No. 3, (Oct., 1973), pp. 31-63.

CHAPTER III A Theory of Underdevelopment in Sociology: Modernization or Dependency

Our purpose in presenting the theoretical arguments of modernization and dependency theories in the previous chapters was to find out which of those could be appropriate and useful to an understanding of the problem of underdevelopment in sociology. In the present chapter we would attempt a critical estimation of those theories in order to determine that purpose.

Modernization Theory and Underdevelopment

The first question, with regard to modernization, is how it does explain underdevelopment. In other words, whether modernization theory presents any analytical framework of how underdevelopment can be explained. In the first chapter, though we did not go for an extensive elaboration, we touched on the core arguments of the pioneers of the modernization theory. A close examination of these reveals that, while the pioneers of modernization present some insights into the process of achieving development, they render no systematic explanation as to the causes of underdevelopment in Third World societies. The major focus of modernization theory is to bring about change in the underdeveloped countries. That is, the focus is on how to "develop" them.¹ The basic concrete model that emerged assumed that the way to do away with

underdevelopment for Third World societies was to become integrated with the system of western industrial societies, at least at the level of the values concerning their economic and political systems.

This prescription against underdevelopment, however, has been made without any explanation of why underdevelopment exists. What is problematic to modernization theory is how change from underdevelopment is possible and not how underdevelopment can be explained. Underdevelopment has been considered as a natural stage in the social development of the Third World societies. It is regarded:

...as something akin to the natural state or the beginning point on a continuum.... It has no cause but is simply the point at which pre-history merges with the development process. 2 (1)

The phenomenon of underdevelopment is one of those natural phenomena that are in existence from time immemorial; therefore, it needs no explanation as to why it is there. Underdevelopment is described as particularistic and ascriptive. But description is quite different from an explanation of the reasons of underdevelopment. While evading the reasons responsible for underdevelopment, the modernization theorists attempted to delineate the process of development in Third World societies.

The notion that underdevelopment is a natural phenomenon is the most vulnerable part of the whole modernization theory. Underdevelopment is not an "original condition". The present developed countries were never underdeveloped rather undeveloped

Horowitz contends:

The most successful societies to have achieved full development, such as the United States in the First World and the Soviet Union in the Second World, were extremely backward in regard to the industrial gains already registered by Western and Central Europe, but they were never 'underdeveloped'. 3

4 X Underdevelopment, according to Horowitz, is a social condition in which anticipated development processes and structures are being aborted.⁴ It is typical only of the ex-colonial countries of Asia, Africa and Latin America.

Our second question with regard to modernization, therefore, is: "why and how did the modernization theory fail to provide an explanation of underdevelopment?" Here our purpose is not the piecemeal criticism of one or another version of the modernization theory, but the evaluation of the whole theoretical paradigm itself as an intellectual orientation. Our explanation will be directed to three levels of limitations of the modernization theory; theoretical, methodological and ideological.

✓ The dominant assumptions of modernization are based on Structural-Functional theory. The Structural-Functional theory assumes that society, like an organism, is a system of interdependent and interrelated structures in which the complex of shared norms and values is the most significant. A given social system is in 'order' as long as the cultural system is in control of it. What is problematic is not change but order. The dominant concern in the Structural-Functional theory is the preservation of order and integrity in the system of

modern industrial-capitalist societies.

Being built on the Structural-Functional theory, modernization, therefore, provides only a prescription of how development can be achieved. Implicit in the different modernization theories is the notion that present underdeveloped countries have already got into the process of achieving the industrial society through contact with the west. What is necessity at this period of transition is the creation of a broader ideological framework for preserving order and integrity. Parson's suggestions for the transfer of the values of American society, Bellah's search for 'protestant ethic' in Asia, Levy's belief in the imperialism of modernization, Eisenstadt's theory of institutionalization, McClelland's prescription for 'ideological campaign', Hagen's idea of the 'redistribution of the power structure', Lerner's 'empathy' and Inkles faith in the 'psychic unity of modern man', - all are directed to explaining the conditions under which industrial-capitalist society can be built in the underdeveloped countries.

In 1951, Parsons said that "A general theory of the process of change of social systems is not possible in the present state of knowledge".⁵ But in mid-sixties he claimed that "the theoretical resources of sociology should be mobilized to analyze... also the variations of type as between different societies."⁶ Accordingly, he developed a theory of societal evolution. But in it he merely reproduced the ideas of the classical evolutionist and presented no new theory of structural change.

When Professor Parsons turns to what he calls "total society", he too gives us as unilinear a panorama of evolutionary change as did any of those evolutionists of the nineteenth century whom Parsons has often criticised for their monistic, necessary, and universal schemes. 7

Parsons says that a system 'jumps' from one type to another as a result of the growth of certain evolutionary universals. But how do these universals develop and originate from the previous level? What are the conditions under which they do or do not occur? Parsons was astonishingly silent about the causes of the growth of evolutionary universals.⁸

He just taxonomically defined two structural types and then related them sequentially, providing no explanation of the causes of change from one structure to another. "What is implied by Parsons to be changed is not changed at all but variations of classificatory type".⁹ The concept of differentiation has been used to designate the process of social change. Change begins when a process of differentiation sets in. But we are left with no explanation of why differentiation initially takes place. The theory of Structural-Functionalism is devoid of a notion of structural change. In spite of his intent, Parsons did not formulate a theory of structural change on the basis of the notion of causality.

Underdevelopment did not appear to be problematic to modernization primarily because of its reliance on the assumptions of the structural-functional theory. Modernization has failed to account for the processes of social change in the pre-modern period of the underdeveloped countries because

structural-functional theory precludes such dynamic kinds of explanations of social structures. Being theoretically limited to look at development as a dynamic process of change and transformation, modernization theory considered underdevelopment as a natural phenomenon.

Method The methodological limitations of the modernization theory necessarily stemmed from its theoretical orientation. The Structural-Functional theory rests on the assumption that the past is deducible from the present. An analysis of the present system of society would lead to an understanding of its past.

...we ...seek to deduce the past, more or less from present processes: structural imbalances built into the surrounding social organization; role tensions, status anxieties, endemic conflicts of function, status, or value and so on...10

The structural-functionalism advocates that a theory of 'change' must be preceded by a theory of 'order'. History remained at the periphery of the whole gamut of interests of the structural-functional theory. The modernization theory, therefore, provides no methodology adequate to explain and understand the historical situations of underdevelopment.

The most fundamental methodological objection against modernization theory is its ahistoricity. Assuming the present characteristics of the underdeveloped societies as the 'natural' consequences of social evolution, the modernization theorists devise a dichotomy between 'development' and 'underdevelopment' and seek to explain the differences in terms of pattern variables. One of the crucial parts of the classical sociology

Theory
 was the understanding of the qualitative and the descriptive characteristics of the modern and the pre-modern societies. Spencer, Durkheim, Weber, Tonnies, Redfield and many others observed that modern society was more complex, heterogeneous and integrated than pre-modern society, and accordingly, they proposed a dichotomy between 'tradition' and 'modernity'. By devising a set of pattern variables Parsons only provided conceptual sophistication to this old dichotomy.

The methodological procedure of pattern variables is not based on two sets of autonomous empirical observations.¹¹ At the level of underdevelopment 'pattern variables' only describes its features and does ^{not} explain the conditions under which these features tend to persist over a long period of time. The features of development are considered as 'end results' without providing any explanation of whether these are 'universal' or related with the specific historical situations in Europe. The use of pattern variables approach has made the modernization theorists ignorant of the historical dimension of the problem of underdevelopment.

Ideologically, modernization theory is an intellectual response to the political challenge provided to the American capitalism by the rise of the world socialist system after World War II.

The modernization theory universalized certain traits at the level of culture and the personality systems. At the level of the cultural system universalism, non-ascriptive and secular-utilitarian values and at the level of the personality

system high achievement orientations, autonomy, empathy etc., have been abstracted as features of modernity. Modernization is a process of change in the direction of modernity. Through the institutionalization of the above features, the underdeveloped societies will gradually evolve to modern societies. Eventually there will be one world system of capitalist societies characterized by a common ideology.

Behind this evolutionary, universalistic and convergence thesis of modernization is the notion that America is at present the highest type of human society characterized by all ideal-typical features of modernity. To develop, the underdeveloped societies must institutionalize the dominant features of the American society. Parsons says:

The United States 'new type of societal community, more than any other single factor justifies our assigning it the lead in the latest phase of modernization. We have suggested that it synthesizes to a high degree of equality of opportunity stressed in socialism. Above all, American society has gone further than any comparable large scale society in its dissociation from the older ascriptive inequalities and the institutionalization of a basically egalitarian pattern. 12

In Levy's words,

I shall call a system modernized to the degree that it approaches the type of system existing in the modern societies, talking quite arbitrarily the United States as the extreme so far reached in this respect. 13

Smelser, Moore, Hoselitz, Lerner, McClelland and other modernization theorists too considered America as a 'referent society'. The ideological overtones are not due to the factual descriptions of the dominant features of the American society

but rather to the assertion that these features are the universal features of modernity. Development in other societies can only occur through the adaption of these features.¹⁴ Eisenstadt is critical of the dichotomous classification of societies and the unilinear process of evolution, but he also has admitted that there is but one "destination".¹⁵ The purpose of modernization is one and the same everywhere which that of creating a system of industrial (capitalist) societies.

Modernization theory, as one of the dominant intellectual orientations in American Sociology, emerged following the end of the Second World War in the context of the internal events in the colonial countries and the economic and political realities of a changing international situation.¹⁶ After the Second World War the United States and the Soviet Union remained the two super-powers. Particularly, America emerged as the most industrialized and militarily the most powerful nation of the world. A new faith began to generate both among the American elites and the masses in the supremacy and the invulnerability of the American liberal-democratic system of society. On the other hand, the new nations, in the wake of revolutions against colonialism turned to the potential grounds of communism. Russia, being the only great power on the European continent, was trying to incorporate the new states into her system of society. At that period of political conflicts between the world system of capitalism and socialism, which is otherwisely known as the 'Cold War', American sociology put forward the thesis of modernization.

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Modernization emerged as an ideology of 'Americanism' by suggesting that the institutions and the values of the American society represented an appropriate model to be emulated by others "less fortunate underdeveloped societies." Behind the thesis of convergence is the notion that even:

...the Soviet Union, after achieving a high degree of industrialization, would have to bend...into an order more like that in western societies. 17

Modernization provided legitimation to the economic, political and social policies of the American capitalist state regarding the problem of development in Third World societies.

...the idea of modernization has proven congenial to American policy-makers, so much so in fact that development and 'modernization' came to be viewed as long range solutions to the threats of instability and Communism in the Third World. Certainly, by virtue of its overriding concern with political stability, its often explicit anti-communism, and its indifference to the entire issue of economic and political imperialism, there is little in the modernization literature that would seriously disturb White House, Pentagon or State Department policy-makers. 18

Thus it is found that because of its reliance on the theoretical foundation of Structural-Functionalism, defiance of the historical dimensions of social development and extreme ethnocentricity for the American society, the modernization theory has failed to integrate an explanation of underdevelopment within its explanatory domain. In sociology, no intelligible and systematic analysis of underdevelopment can be made in terms of modernization framework.

Dependency and Underdevelopment

Dependency theory emerged in response to the failure of modernization to provide an explanatory framework to studying underdevelopment and in response to its policy ineffectiveness for development. In the second chapter we presented the core arguments of the dependency theory. Dependency, being evolved in Latin America as an alternative to modernization approach has generated much debate and polemics also beyond that continent. Within the framework of the general proposition of Dependency, different advocates in different places have been trying to develop conceptual tools or theoretical frameworks either to contribute to the understanding of any specific historical situation or to develop the generality of the Dependency approach itself.¹⁹

The dominant assumptions of the dependency theory are built around the phenomenon of 'Capitalism'. The western world of development is a world of supreme capitalist development. The starting question of the dependency theorists is: "what is it that impeded the development of a particularly dynamic kind of capitalism in the Third World?" The common assertion is that the cause is rooted in the expansion of the western capitalist system into the Third World or more explicitly into the very nature and dynamism of the capitalist system itself.

Capitalism is also the central point in the modernization theory. What modernization theory is trying to advocate is that capitalism is the best economic system. The development

of capitalistic economy and its concomitant liberal-democratic polity should be the prime goal of the underdeveloped countries. But all through in the different theories of modernization this notion remained implicit.

To the dependency theory the phenomenon of capitalism, however, has become an overt point of reference and is treated in a way completely different from that of the modernization theory. Capitalism is considered as an economic system which thrives only on uneven development. The development of capitalism in one region is associated with underdevelopment in others. Development and underdevelopment are the two sides of the same system of capitalism. Capitalism, since its development in Western Europe in the 16th and 17th centuries, has turned into a world system. Within the world capitalist system Third World societies have been made dependent on the societies where capitalism initially developed. This dependency lies at the root of underdevelopment. Underdevelopment will exist as long as dependency continues.

This assertion that underdevelopment is the creation of capitalism led the dependency theorists to examine various related aspects concerning the nature, structure and dynamism of the capitalist system; the rise and expansion of capitalism in the west; the modes of penetration of western capitalism into the pre-capitalist societies; the nature of response to such penetration; the nature of the dependent societies; the mechanism of capitalist exploitation in dependent societies. Two analytical categories can, however, be distinguished in

order to specify and understand the controvercies and convergence involved in the dependency paradigm. These are:

(1) conceptualization of the general features of the dependent societies and (2) specification of the mechanism of capitalist exploitation.

Related to each of these two analytical categories are there again two different theoretical directions. While one group approaches them in terms of 'market relations', the other tends to see them in terms of 'production relations'.

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Frank, Amin, Emmanuel and Wallerstein conceive of capitalism as a system of 'market relations' or a system of 'production for exchange'. Thus Frank argues that Latin America became a capitalist society by virtue of its involvement into the world market. In that tune Wallerstein posits that the world-economy is a capitalist economy because it produces for 'exchange values'. There is no 'feudalism' or 'socialism' within the world-economy. On the same theoretical basis Frank again maintains that 'expropriation and appropriation' of economic surplus is the mechanism of capitalist exploitation, Emmanuel claims that 'Unequal Exchange' is at the root of uneven development within the world capitalist system.²⁰

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Laclau, Dos Santos, Cardoso, Bettelheim, Bananji and the French Anthropologists, on the other hand, conceived of capitalism as a definite system of 'production relations'. They observed that in the dependent societies capitalist relations of production were introduced but could not totally

wipe out the existing precapitalist relations of production. To them, it is mistaken to characterize the dependent societies as totally 'capitalist' ones. It is more likely that in the dependent societies there has been a co-existence of different modes of production. On the basis of this theoretical proposition they also argue that in explicating the mechanism of capitalist exploitation one should look at the internal class formations (Dos Santos, Cardoso) or the level of internal productive forces (Bettelheim) and not merely to 'market mechanism' and the 'loss of surplus'.

This debate over the definition and the nature of capitalism can be traced back to Marx and Weber. To Marx, capitalism was a definite system of production relations, while Weber regarded capitalism as a system of market relations. This debate gathered momentum once again in the early 50's under the leadership of Maurice Dobb on the one hand and Paul M. Sweezy on the other. Dobb defines capitalism as a system of production relations. To him it is the dominant form of production relations that characterize the nature of the society. He also points out that the arrival of a new economic system is indicated only:

...where a new class, linked with a new mode of production, makes itself the dominant class, and ousts the representatives of the old economic and social order... 21

Dobb asserts that the most crucial element in the disintegration of the feudal economic system is "the revolt of the petty producers against feudal exploitation". The cause of

disintegration is rooted in the feudal relations of production.²²
 On the contrary, Sweezy says that feudal society broke up due to "external trade". Feudal system contains no internal prime mover.²³

The controversy among the dependency theorists regarding the specification of the mode of production in the dependent economies and the form of capitalist exploitation seems to be an extension of these and other past contentions in this field of study. Along with this goes the split in radical politics between the Nationalist-Leftists and the Anti-imperialists - the origin of which goes back to Trotsky-Lenin debate over the strategies of revolution in Russia.

However, the characterization of the dependent economies as 'capitalists' by virtue of their simple participation in the world market and engagement in commodity production, seems to me, conceptually inaccurate and empirically inexact. Capitalist economy necessarily produces for the market. Capitalism does indeed imply buying and selling. But an exchange economy is not necessarily a capitalist economy. Frank, Emmanuel and Wallerstein confuse between simple commodity production and capitalistic commodity production. In simple commodity production goods are produced by slaves or serfs or by peasants and artisans who are not completely separated from their means of production but are under the political, economic and juridical control of their masters. But in a capitalistic system of production goods are produced by the wage labourers who are completely separated from their means of production

but relatively free in comparison with producers in the simple commodity production. In a capitalistic system of production the wage labourers are the owners only of their labour-power; they work with other person's instruments and their production belongs to others. They receive wages for their work from the owners of production instruments and the products, i.e., from the capitalists. "Under these circumstances means of production, held in private property, become capital and commodity production changes into capitalist system of production. What is fundamental to the capitalist economic system is not that it produces goods for exchange but that it produces goods for exchange within a definite system of 'production relations'." To define capitalism as merely a system of 'commodity production' is conceptually mistaken. Many pre-capitalist societies were characterized by fairly developed commodity production without ever giving birth to capitalism.

The characterization of the dependent economies as 'capitalist' is also empirically inexact.²⁴ Frank, Emmanuel and Wallerstein have failed to look at the political role of the bourgeoisie of the dependent societies and the level of the development of their productive forces. In the West the political triumph of the bourgeoisie over the feudal lords and principalities has been crucial for the establishment of bourgeois society.

Each step in the development of the bourgeoisie was accompanied by a corresponding political advance of that class...the bourgeoisie has at last, since the establishment of Modern Industry, and of the world market, conquered for itself,

in the modern representative state, exclusive political sway. The executive of the modern State is but a committee for managing the common affairs of the whole bourgeoisie. 25

But in the dependent societies the so-called bourgeoisie has hardly any access to political control. At present more than eighty states of the Third World Society are governed by military-bureaucratic complexes. The productive forces of the dependent societies have also remained at a significantly low level of development, in spite of the fact that some of them have been engaged in commodity production for centuries. Characterization of the dependent economies in terms of the development of 'commodity production' or 'market relations', thus, involves a series of problems.

What is appropriate is to take into account the dominant 'relations of production'. In this respect Bananji's 'Colonial Mode of Production' can possibly be used as a framework for characterizing the general features of the dependent societies. Because he took into account the 'relations of production' in delineating the general features of the colonies under capitalism.

As to the mechanism of capitalist exploitation and the creation and the continuation of the process of under-development, 'unequal exchange' and 'internal class formations', seem to me, not contradictory but complementary, provided the identification of 'capitalism' in terms of 'production relations' is kept in mind. The capitalist penetration in the dependent societies created a class of people and a structure

of institutions to serve the interests of the metropolitan bourgeoisie, is an empirically valid notion. But that does not preclude taking into consideration the enormous amount of wealth and resources that has been extracted, through trade and plunder, from the dependent societies. There is no denying that trade formed an important link between the metropolis and the dependent satellite during the colonial days and in the present era of multinational corporations as well. What is most significant is to figure out the different mechanisms of the trading relationship between the metropolis and the satellite rather than the amount of surplus drained off to metropolis.

The mechanism of capitalist exploitation is both 'external' and 'internal'. The external mechanism creates the internal one for the perpetuation of the process of exploitation. The internal classes and the institutions of the dependent economies are the logical outgrowth of the external economic and political relationships with the metropolis. In order to develop a theory of capitalist exploitation one, therefore, needs to take into account both the internal and external foci of relationships in the dependent societies.

In spite of a great deal of controversy over these and other issues relating to dependency analysis, its advocates, however, tend to agree to certain common assumptions. These are the following:

A. Modernization theory is incapable of studying underdevelopment because of its alleged ahistoricity, functional

bias and the notion of ethnocentricity.

B. Underdevelopment is not an original condition but is the result of the penetration of the western capitalist system in the underdeveloped countries.

C. Prior to colonization almost all the pre-capitalist societies of the underdeveloped countries were undergoing a process of decomposition in their feudal structures and changing towards capitalistic economies. But as soon as they were integrated into the western capitalist system, the indigenous processes of change were disrupted and blocked. Instead of evolving towards self-oriented capitalistic economies they turned into distorted and disarticulated export-economies in response to the needs and demands of the dominant metropolitan capitalistic countries. Dependency, therefore, provides a framework for the explanation of underdevelopment.

D. Within the structure of the world capitalist system the dependent societies are necessarily limited to underdevelopment. A radical restructuring of the dependent societies is impossible within the cobweb dependency.

Thus having reviewed and critically examined both modernization and dependency, we think that dependency can be a useful framework of studying underdevelopment in sociology. Dependency, by taking the development of capitalism in the West as a referent point of approaching underdevelopment in the Third World, has provided a 'general framework' which helps in setting propositions for empirical investigation, defining the object of study and framing the conceptual apparatus. We

also suggest that Dependency can emerge as a more useful framework by taking 'capitalism' as a system of 'production relations' and considering both external relations and internal class formations as the mechanism of capitalist exploitation and the creation of underdevelopment.

Dependency in a Specific Historical Context: The case of Colonial Bengal.

The Dependency approach is an analytical framework for the study of underdevelopment. It is not a general theory about any specific historical situation of underdevelopment. Theories of underdevelopment regarding different historical specificities are to be constructed working within the dependency problematic.

The Dependency framework has been widely used in Latin America and it is only there that it has stimulated much discussion and analyses. Beyond Latin America this perspective is being gradually recognized as an important framework of explanation of underdevelopment. The Third World is a world of multiple types of societies with different historical origins, growth and development. The application of the same analytical model of dependency in the different societies of the Third World will very likely bring about different conceptions regarding the nature and structure of their underdevelopment. In fact, within the framework of dependency, there can be various theories of underdevelopment because of the variability both in the structures of the pre-capitalist economies of the dependent societies and the actual working of the western capitalist system therein. So, while suggesting

that dependency theory can be useful framework for the study of underdevelopment, we are also going to look at a specific historical situation.

In the following chapter we will examine the concrete historical situation of underdevelopment in Colonial Bengal. Bengal has been chosen because it was one of the most exploited societies of the world. Bengal groaned under colonial rule for nearly two centuries. Corresponding to the dominant assumptions of the dependency theory, our purpose is to investigate whether pre-capitalist Bengal had the indigenous potentialities for transformation from feudalism to capitalism. If so, how and to what extent those indigenous possibilities were thwarted by the integration of Bengal into the world capitalist system.

A theory or a model is an abstraction of reality. The validity or the usefulness of a theory or a model can be measured only if it is examined in the context of a definite reality. The following two chapters of our study on Bengal have been taken only to measure the extent of the usefulness of the dependency theory in a setting outside of Latin America and not to prove or disprove any of its assumptions.

Footnotes

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CHAPTER IV Potentialities of Capitalist Transformation in Pre-Colonial Bengal (1557-1757)

In the enormous amount of historical literature pre-British Bengal is seen to have been a stagnant society - a society incapable of generating the transformative potentialities found in the society of pre-capitalist Europe. Vincent Smith, Oxford historian of India, writes:

The history of India in the Muhammadan period must necessarily be a chronicle of kings, courts and conquests, rather than one of national and social revolution. 1

Marx similarly observed:

Indian society has no history at all, at least no known history, what we call its history, is but the history of successive intruders who founded their empires on the passive basis of that unresisting and unchanging society. 2

Charles Metcalfe, one of the British administrators in India, said,

The village communities are little republics... Dynasty after dynasty tumbles down; revolution succeeds revolution: Hindu, Pathan, Mughal, Maratha, Sikh, English are the masters in turn; but the village communities remain the same. 3

Max Weber wrote:

India has been a country of villages... in so far as social stratification is concerned, not only the position of the village artisan but also the caste order as a whole must be viewed as a bearer of stability. 4

The absence of the notion of private property in land, despotism of the state and bureaucracy, the rigidities of the

caste system, kinship, otherworldliness, self-sufficiency of the village communities and likewise socio-cultural peculiarities were seen to have contributed to the growth of this kind of "never changing natural destiny"⁵ of the Indian society. On these various assumptions arguments have been presented that India underwent some radical transformations only since it came under the colonial rule. Morris D. Morris recently argued that British in India did not take over a society that was ripe for industrial revolution. In his views, India had none of the basic preconditions for transformation to modern society.⁶

But all these scholars seem to have overstressed the notion of 'unchangingness' in the Indian society. Many contemporary historical facts suggest that like the society of Western Europe in the 17th and 18th centuries, India was also undergoing some transformation in the pre-British period. During the closing years of the Moghul rule Indian feudal mode of production was in a process of decomposition. A set of new social processes from within the old mode of production was gradually emerging which could be termed as potentialities of capitalist transformation in India. This part of our study will examine such potentialities of capitalist transformation in the society of pre-British Bengal.

A theoretical question immediately arises as to why and how did the feudal system of society disintegrate thereby making room for the development of the capitalist system.

What specifically are the dynamic elements that indicate the decomposition of the feudal system and the arrival of capitalism. In other words how can one precisely delineate the process of transition from feudalism to capitalism.

The feudal mode of production is possibly best defined in terms of the "relation between the direct producer (whether he be artisan in some workshop or peasant cultivator on the land) and his immediate superior or overlord and in the social-economic content of the obligation which connects them."⁷ It is that mode of production in which "obligation laid on the producers by force and independently of his own volition to fulfill certain economic demands of an overlord, whether these demands take the form of services to be paid in money or kind."⁸ The coercion used on the producers "may be that of military strength possessed by the feudal superior, or of custom backed by some kind of juridical procedures or the force of law."⁹ In this system property relations implies "direct relation between rulers and servants, so that the direct producer is not free: "a lack of freedom which may be modified from serfdom with forced labour to the point of mere tributary relations".¹⁰ The feudal mode of production which existed in the Western Europe of the middle ages disintegrated because of its "inefficiency", coupled with the growing needs of the ruling class for revenue".¹¹ The source from which the feudal ruling class could derive its income was the source of land of land revenue. But at times, with the natural growth of noble families and an increase in the number of retainers,

pressure on the producers for revenue began to increase. Given the low productivity of land and the lack of incentive to labour within the feudal mode of production, the demand for increasing revenue could not be met with and became 'literally unendurable'.¹² The petty producers thus once started revolting against the feudal lords and set the whole system of production in a process of decomposition. External trade and commerce had some disintegrating effect on the feudal social structure but the most fundamental processes evolved from within the feudal mode of production. The elements of capitalist transformation in Western Europe developed within the feudal mode of production and through a period of transition of more than a century capitalism became established as the dominant mode of production in the west. It is precisely in terms of this kind of framework that we will see the potentialities of capitalist transformation in pre-British Bengal society.

POTENTIALITIES OF TRANSFORMATION IN THE AGRICULTURAL MODE OF PRODUCTION: TRANSITION IN RURAL BENGAL

Agriculture was the dominant form of production in pre-British Bengal society. Land was fertile and available in abundance. Bengal, said Dow, "seems market out by the hand of nature as the most advantageous regions of the earth for agriculture."¹³ With the available technology which "differed in no significant respects from what it was in 1900"¹⁴, and the natural advantage of the low cost of subsistence¹⁵, Bengal

produced rice, sugar, wheat, jute, silk, cotton and many other agricultural products in abundance. Evidence has shown that pre-British Bengal, alongside the product necessary for the survival of the whole society, produced a fairly significant amount of surplus product¹⁶—a phenomenon, fundamental to the evolution of the industrial capitalist society in the west. The emergence of capitalism in Western Europe had been possible only when the agricultural surplus reached a certain level of magnitude enabling primitive accumulation possible. "Agricultural surplus product is the basis of all surplus product and thereby of all civilizations".¹⁷

However, the mere generation of surplus does not indicate the process of transition from pre-capitalist to capitalist society. It is precisely the way in which that surplus is produced and appropriated from the peasant producers that determines the potentialities of transformation in a given mode of production.

In pre-British Bengal the dominant form of surplus appropriation was the demand for land revenue. Bengal had been traditionally ruled by a class of landlords (Zamindars) whose origin and date of emergence "was uncertain".¹⁸ But since the establishment of Muslim rule in India in the thirteenth century the landlords had been recognized as the traditional ruling class of Bengal. They did not participate in the process of production but were dependent on the land revenue. Lands were traditionally owned by the peasants. They had hereditary claims over the possession and use of

lands and also the right to dispose of their lands to others provided the village community was informed and consulted.¹⁹ The Zamindars, on the other hand, had the hereditary rights to claim land revenue from the peasant producers. The land revenue was the principal source of income of the ruling class and on this were built several Zamindaris (estates of the landlords) in Bengal. The state again had the customary and juridical rights over the Zamindars to receive a certain amount of the land revenue drawn from the peasant producers. The principal source of income of the state was also the land revenue and based on this alone it maintained a huge administrative apparatus and large military establishments.

Bengal, in the Mughal period, remained at the periphery of the capital of Delhi. Bengal Zamindars could hardly be brought under the control of the central administration. Since the Mughals were alien and intruders in India, their official bureaucrats and revenue administrators could not establish any strong control over this region. The Bengal Zamindars "did constitute an independent aristocracy for all practical purposes. The Ain-I-Akbari recognized the existence of the Bengal Zamindars as a distinct class. The law of escheat to which the Mughal officers were subject did not apply in the case of the Bengal Zamindars who had accepted service under the emperor".²⁰ Recognizing the dominance of the Zamindars in Bengal, the Mughal state settled with them for the collection of its share of revenue and not directly with the peasants. Theoretically, revenue demand was assessed

separately on each individual peasant according to his holdings and crops raised by him. But what practically happened was that the Zamindars paid to the state a fixed sum for the revenue of their respective estates and then made revenue collections from the individual peasants at rates fixed by custom or by himself.²¹ The state and the traditional ruling class of Zamindars in Bengal, thus, were formed and lived on the appropriation of the peasant surplus drawn in the form of land revenue.

Agricultural surplus product can appear in a society in three different forms: in the form of labour services, in the form products (use values) and in the form of money. The extraction of agricultural surplus in the form of money is itself a progressive step towards capitalist development. Through it "a society leaves the conditions of a natural economy and enters an essentially money economy." It was the penetration of money economy into the peasant economy, as a result of the changing of the agricultural surplus product from rent in kind or labour services, to money rent, which made possible the considerable expansion of commodity production in the Western Europe and thus created the conditions for the development of the capitalist mode of production.

The introduction of money rent in a pre-capitalist society is itself a sign of social decomposition. 22

In Bengal, since the time of the Emperor Akbar, land revenue had been collected in terms of money. In Todar Mal's settlement of 1580 for the first time the peasant producers were

asked to pay their revenue in terms of money.

...in Todar Mal's Bando-o-Bast of 1580, the whole schedules were in cash. For the first time in Indian history, not only the collection but the assessment of itself was in terms of money: the assessment was so many dams per Bigha. 23

This transition from rent in kind to rent in money introduced a series of changes in the pre-British society of Bengal. Peasants had to obtain money by selling their products in the market in order to pay their share of revenue. Therefore, the system of money rent introduced large scale commodity production, circulation of money and various market mechanisms. It also was bringing changes in the structure of agricultural production. "The market mechanism once established must have reacted on the mode of agricultural production...engendered a shift to high grade crops and cash crops."²⁴ While these elements generated by the introduction of money rent had obviously some disintegrating effect on the feudal system of Bengal, the most fundamental element of disintegration had, however, been the increasing pressure for land revenue on the peasant producers.²⁵

After the late seventeenth and early eighteenth centuries the pressure for revenue on the peasants of Bengal began to increase in multiple ways. The system of Zamindari was "inheritable and could be freely bought and sold".²⁶ It had "all the hall marks of an article of private property".²⁷ Thus through a process of sub-infeudation the number of Zamindars and retainers - the number of dependents on the

surplus revenue - kept on increasing. On the other hand, the Mughul state, being faced with the problem of centralization in India, also kept on increasing their number of armies, administrative personnels and their expenditure on defence strategies and mechanisms. The ultimate burden of all these developments pertaining to the interests of the ruling class had to shoulder by the peasant producers. Moreover, all these needs for increased revenue were not coupled with any serious attempts to improve the forces of production. Bengal had fertile lands and prosperous agricultural production but that does not imply that she had the inexhaustible capacities to sustain an ever-expanding parasitic ruling class for an unlimited period of time. There had been a natural growth of population among the peasant producers too.

The demand for increased revenue by the Zamindars was evidenced by the nature of their actual revenue collection and that of the state by its periodical re-assessment and raising of the revenue rates. The rates of rent drawn from the peasants existed only in theory. The Zamindars could collect as much as they wanted or needed by adding various ceses or abwab to the 'asl jama'. There was no question of legality or the actual capacity of the peasants. The Zamindars had to be paid what he demanded.

The abwab, as these illegal ceses are called, pervade the whole Zamindari system. In every Zamindari there is naib; under the naib there are gumashtas; under the gumashta there are piyads or peons..... The naib and gumashtas take there share in the regular abwab; they

have also their own little abwab... it should not be forgotten that all this need only continue as long as the people themselves choose. 28

The oppression was much more severe in the Khalisha and Jaigir lands where the revenue was collected directly by the state officials. Since the appointment of these officials were relatively temporary they had very little sympathy for the peasants and for the system as a whole.²⁹ The outlook of an individual 'Jaigir' has been described by Bernier.

We may be deprived of it in a single moment and our exertions would benefit neither ourselves nor our children. Let us draw from the soil all the money we can though the peasant should starve or abscond and we should leave it, when commanded to quit, a dreary wilderness. 30

In theory, the Jaigirdar could not collect more than the actual amount assigned according to his grade and the terms of the imperial decree. But in the days of the disintegration of the central administration in the late seventeenth century "the precautions and rules fell into abeyance".³¹ The system of Jaigir "led inexorably to reckless exploitation of the peasantry."³²

The pressure for increased revenue by the state on the Zamindars started through the incorporation of various cesses in the name of the imperial government. "In the days of the later Mughal rule, the revenue was revised, not by any regular process of re-evaluation, but by the expedient of adding on cesses to the existing totals".³³ While the standard rate in the time of Sher Shah and Akbar was one

third, in the reign of Aurangzeb the rate was increased to one half of the produce. When Murshid Kuli was the governor of Bengal (1715-16), the last governor (Subahdar) to be appointed directly by the imperial government of Delhi, he settled the revenues at one half and imposed various cesses on the Zamindars. Since the Zamindars had themselves been hard pressed by their own demands and needs they were not very punctual in paying their share of revenue to the state. In the days of the decline of the Mughul empire the Bengal governors were, therefore, seen to "make a desperate grasp at the reins of revenue control; for a time the revenue farming or Zamindari management, would be set aside, and an attempt made to return to village collections through the pargana officials".³⁴ Murshid Kuli, setting aside the rights of the Zamindars, created his own administrative machinery to increase the amount of revenue to be paid to the state and succeeded to some extent at the cost of the miseries of the peasants.³⁵ Such action on the part of Murshid Kuli and other governors of Bengal certainly indicates the extent to which the state was in need of increasing its revenue income.

The increasing demand for revenue both by the Zamindars and the state led to the development of a crisis in the peasant production of Bengal in the early eighteenth century.

The country is ruined by the necessity of defraying the enormous charges required to maintain the splendour of a numerous court, and to pay a large army maintained for keeping people in subjugation. No adequate idea can be conveyed of the sufferings of that people. The cudgel and the whip compel them to incessant labor for the benefit of others. 36

Under the impact of the pressure for increased revenue the feudal mode of production began to disintegrate and new processes pertaining to a new mode of production began to appear. The most fundamental of these were the processes of proletarianization and differentiation within the peasantry.

"In its initial impact the tendency generated, by land revenue was toward increasing stratification and pauperization of the poor strata".³⁷

The separation of a section of the peasant producers from their means of production (land and other agricultural tools) is an indication of the development of capitalism in agriculture. "The chief feature and criterion of capitalism in agriculture is wage labor".³⁸ In pre-British Bengal due to the very mechanism of the surplus appropriation a section of the peasantry was forced to turn into wage labourers. Since the land revenue represented a set proportion of the produce, it was obvious that the peasant who produced less would have a smaller amount left to him than the one who produced more.³⁹ Revenue was assessed separately, each individual peasant was alone responsible for the payment of the revenue, not the community.⁴⁰ Under such circumstances it was inevitable that, being unable to pay the increased revenue, a section of the peasantry lost their lands and became either rural wage labourers or migrated to the cities to earn their living.⁴¹

...peasant flight from the land was a common phenomenon of the seventeenth century being noticed by both Indian and foreign observers. 42

Bernier observed that under the pressure of increased revenue "some left" the country to "seek a more tolerable mode of existence either in the towns or in the camps; as bearers of burdens, carriers of water, or servants of horseman".⁴³ For the payment of revenue sometimes the peasants "were compelled to sell their women, children and cattle."⁴⁴ When they refused to pay the revenue they "are carried off, attached to heavy iron chains, to various markets and fairs (to be sold), with their poor, unhappy wives behind them carrying their small children in their arms, all crying and lamenting their evil plight."⁴⁵ Bengal Zamindars were specially innovative in different kinds of oppressive techniques used on the peasant producers to collect the revenue. The naibs and gumashtas were more cruel than their masters. "There is almost a stream of statements in our authorities to the effect that the oppression increased with the passage of time, the cultivation fell off and the number of absconding peasants grew."⁴⁶

Many parganas and townships, which used to yield full revenue, have owing to the oppression of the officials (hukum), been so far ruined and devastated that they have become forests infested by tigers and lions; and the villages are so utterly ruined and desolate that there is no sign of habitation on the routes.... 47

A similar situation occurred in Western Europe in the 14th and 15th centuries. Dobb writes:

The result of this increased pressure was not only to exhaust the goose that laid golden eggs for the castle, but to provoke, from sheer desperation, a movement of

illegal emigration from the manors: a desertion en masse on the part of the producers which was destined to drain the system of its essential life-blood and to provoke the series of crises in which feudal economy was to find itself engulfed in the fourteenth and fifteenth centuries. This flight of villains from the land often assumed catastrophic proportions both in England and elsewhere.... 48

Marx says that in the periods of the pre-bourgeoisie relations, there sporadically occur free workers whose services are bought for purpose not for consumption, but of production; wherever these free workers increase in numbers, and where this relation grows, there the old mode of production - commune, patriarchal, feudal, etc., is in the process of dissolution, and the element of real wage labour are in preparation.⁴⁹ In pre-British Bengal the peasants who fled from their lands and were forced to give up cultivation, must have formed a class of wage labourers and thus represented an element of dissolution of the feudal mode of production.

The disintegration of the feudal mode of production is also evidenced by the gradual emergence of a class of rich peasants interested in the large scale agricultural production through the employment of wage labor. In England this happened in the fourteenth and fifteenth centuries. There emerged a class of well-to-do farmers who were ambitious to enlarge their holdings and "capable of more efficient cultivation" by making "use of the hired services of their poor neighbours".⁵⁰ Evidence has shown that in pre-British Bengal also a class of rich cultivators was emerging in the rural areas. Out of the

distribution and the collection of land revenue a sizeable amount of capital got accumulated in the hands of the revenue collectors of different categories and of the people associated with the different Zamindaris. During the days of the crisis of the revenue administration and in the wake of political struggle between the big Zamindars and the state governors in Bengal, this group of people started buying lands and small Zamindaris. In terms of social esteem and honour this group of people was markedly different from the traditional landlords. They took part in cultivation by employing wage labor and were known as khud kasht (self) cultivators.

The classes that carried on khudkasht cultivation were primarily the Zamindars, and village headmen, and also revenue guarantee and revenue officials.. 51

The khudkasht cultivators "employ wage labourers as their servants and put them to the task of agriculture, while appropriating to themselves the gross produce of cultivation".⁵² Merchant class, big Zamindars and the Mughal officials did not, however, participate in khudkasht cultivation. By and large, the capital for khudkasht came out of the accumulation of the rural superior classes themselves.⁵³ Due to the lack of statistical information it is now very hard to measure the extent and the magnitude of such cultivation in Bengal. But it was most probable that such farming was developing at a faster speed during the days of the late seventeenth century, otherwise why did the state intervene and put an official ban on the conversion of land into khudkasht cultivation. Khud-

kasht cultivation being linked to the market and in this way essentially to commodity production, came "closest to capitalist farming" and thus became a disintegrating force in the feudal mode of production.

POTENTIALITIES OF TRANSFORMATION IN THE PETTY COMMODITY MODE OF PRODUCTION: TRANSITION IN URBAN BENGAL

There is plenty of evidence that in pre-British Bengal a flowering trade and commerce developed around Dacca, Chittagong, Murshidabad, Hoogly, Kasimbazar, Calcutta, Balasore and other places. The natural agricultural prosperity of Bengal, the introduction of money rent and commodity production, and a large number of urban population engaged in royal courts and administration contributed to the development and expansion of both inland and foreign trade in 17th and 18th century Bengal. The feudal authority had no objections for trading activities in Bengal provided the tax and custom duties were paid and presents were sent to them. The Portuguese, Dutch, French and the English commercial companies traded in Bengal obtaining 'forman' (royal permission) from the Mughul rulers.⁵⁴

Bengal exported sugar, rice, jute, cotton and silk goods, saltpetre and other agricultural products to the different parts of Asia, Europe and the Middle East.⁵⁵ Particularly, Bengal Muslin dominated the world of textiles in that era of commercial revolution. Traveller Manrique, who came to Dacca in 1640, wrote:

The finest and richest muslins are produced in this country....so fine, indeed, are those muslins that merchants place in hollow bambus, about two spans long, and thus secured, carry them throughout Corazane (Khorasan), Persia, Turkey and many other countries. 56

In 1666 Tavernier found "fine muslins, silk and cotton stuffs and flowered or embroidered fabrics exported in large quantities to Italy and southern France".⁵⁷ He described Kasimbazar as "a village in the kingdom of Bengala, sending abroad every year more than 20,000 bales of silk, each weighing a hundred pounds".⁵⁸ Bernier remarked on the export of Bengal sugar to Iraq, Persia and to other places of Asia. The Dutch company used to export Bengal sugar to Arabia, Ceylon, Persia and Holland. The English East India company exported large quantities of cotton and silk goods from Bengal to England and France.

In return for their exports Bengal merchants used to import iron, copper, brass and other metallic elements. But most of the time the quantity of the goods imported was so meagre in comparison to the quantity of goods exported from Bengal "that foreign companies always had to import bullion to pay for almost the whole amount of their exports."⁵⁹

At the beginning of the seventeenth century, the amount of bullion exported by the East India company to India was valued at 22,000 annually. By 1616, the value had risen to 52,000, while at the end of the century the export totalled annually about 800,000. Bengal alone absorbed, in 1681, bullion worth 320,000. 60

Alongside the foreign trade, inland trade also developed to

a great extent. In seventeenth century Bengal there were numerous local markets and trading centres in the rural areas. Cesare Federici said that "I was in the kingdom four months where many merchants did buy or freight boats for their benefits, and with these barks, they go up and down the river Ganges to fairs, buying their commodities with a great advantage, because everyday in the week they have a fair, now in one place and now in another, and I also hired a bark and went up and down the river and did my business."⁶¹ Ralph Finch remarked "Here in Bengalla they have everyday in one place or other a great market."⁶²

In response to the growing interests of both inland and foreign trade the cities and towns of pre-British Bengal were also approaching significant development. In the latter part of the seventeenth century, the city of Dacca - the capital of Mughul Bengal (1606-1712) - was about forty square miles containing a population of about two million.⁶³ Manrique in 1640 wrote about Dacca:

Many strange nations resort to this city on account of its vast trade and commerce in great variety of commodities, which are produced in profusion in the rich and fertile lands of this region. I was informed also, that the indigenous population of this Gangetic emporium and its suburbs exceed two hundred thousand irrespective of visitors who came in great numbers from all parts. 64

Question has sometimes been raised as to what extent Bengal's commerce and trade had been controlled by the Bengali merchants. Many sources indicated that the Bengali traders in most of the cases traded with their foreign counterparts

in almost equal terms and there had been Bengali merchant communities of considerable sizes in the important commercial cities and towns.

John Davis the Navigator saw a settlement of Bengali traders at Achin in 1599. Bowrey found at Balasore and pipili some 20 ships of considerable burthen belonging to the governor and some merchants which sailed every year to Ceylon, Tenasserim and Maldives. Bernier noted the fact that the Indians...made long voyages from Bengal to Tenasserim, Achin, Malacca, Siam, Macassar, Mocha, Bandar-Abbasi and other places.... Thus the growing overseas trade contributed directly to the prosperity of the native mercantile community. 65

The greater prosperity of the native merchants can also be understood by the fact that the feudal authority was not averse to the development of commerce and trade in India. Akbar, and before him Sher Shah, took various measures, like the abolition of tariff duties and customs, introduction of uniform currency etc., for the development of commerce and trade. Even the nobles and the emperors took part in trading activities. "There is evidence that Akbar indulged in speculative ventures and owned merchant ships, as did Jahingir and his mother and his son (Khurram).⁶⁶ Mir Jumla and Shaista Khan - the two great governors of Bengal - were known to have carried on private trade. What all this suggests is that in pre-British Bengal merchant capital reached a fairly high level of development." In the latter part of the eighteenth century, there came into existence in India a prosperous trading class with considerable capital accumulated in its hands."⁶⁷

Now the question is, to what extent that merchant

capital can be considered an element of transition from feudal to capitalist mode of production in Bengal. According to Marx the 'dissolving influence' of merchant capital depends upon the internal character of the feudal mode of production.

"Merchant capital is simply capital functioning in the sphere of circulation"⁶⁸ and it does not create any surplus value "at least not directly".⁶⁹ Merchant capital as such has no direct disintegrating effect upon the feudal mode of production.

"In the antique world the effect of commerce and the development of merchant capital always results in slave economy".⁷⁰

Merchant capital is accumulated, as Dobb says, in two ways: the first "belongs to what Marx said Primitive accumulation", consisted either of exploiting some political advance or of scarcely-veiled plunder.⁷¹ The second is "exploitation through trade" by dint of which a surplus accrued to the merchants at the expense of both urban craftsmen and of the peasant producer of the countryside, and even at the expense of the more powerful aristocratic consumer, from whom a part of feudal revenue or feudal accumulation passed into bourgeois hands.⁷²

Because of its own nature of accumulation the merchant capital remained "in large measure a parasite on the old order, and its conscious role, when it had passed into adolescence, was conservative and not revolutionary."⁷³ Merchant capital can play a dynamic role only when it penetrates into the process of production and attempts to control the whole production process.⁷⁴ The essential basis of urban society lay in the petty mode of production: a system that is, where production

was carried on by small producers, owners of their own instruments of production, who traded freely in their own products.⁷⁵ The element of transition in urban Bengal, therefore, has to be located in the changing nature of its petty commodity mode of production.

One of the most significant elements in the evolution of the capitalist mode of production in the Western Europe had been the gradual penetration of merchant capital into the structure of the petty mode of production resulting in the separation of the craft producers from their means of production and their freedom from the control of the guild organizations. It was only when capital started dominating production that the primitive urban communities were broken up and the possibilities for the development of large scale production were created. The penetration of capital into production in Western Europe took two forms: either "a section of the petty producers accumulated capital and took to trade, and in course of time began to organize production on a capitalistic basis" or "a section of the existing merchant class began to take possession directly of production".⁷⁶

The petty mode of production in Bengal was engaged mainly in the production of cotton and silk goods. Weavers had been the earliest craft people of Bengal. Other than the weavers there were also gold-silver and black smiths, potters, painters, carpenters and sankharis. In the cities and towns these artisans and craftsmen lived in guild-like communities⁷⁷ and supplied their goods to the market for local consumption

and exports.⁷⁸ "Tavernier found at Dacca and Patna more than 2,000 persons in manufacturing stone toys (including tortoise shell and sea-shell bracelets) and coral beads".⁷⁹ However, the most extensive was the production of cotton and silk goods and only in this process of production one can find an element of transition from petty production to large-scale manufacturing.

The means of production used by the weavers were very simple and owned by themselves. They used to produce goods in their own home and bring them to the market for selling. Weaving had mostly been a family occupation. Traditionally it met the demands of the local urban market dominated by the feudal nobles and Zamindars who developed a fairly high consumption power and a good taste for luxury goods on the basis of the surplus income drawn from the peasant producers. But from the beginning of the seventeenth century, when the demand for Bengal cotton and silk goods began to increase in the world market and the different European companies started flocking to the Bengal cities and towns for those products, a change gradually crept into the process of production of those goods.⁸⁰ Since the weavers worked with little capital the volume of production was low and consequently incapable of satisfying the growing demands of the foreign market. At that time a section of the merchant class started investing capital in the production of cotton and silk goods in large quantities. This was known as the system of Dadni. The merchants provided capital to the weavers for the purchasing of cotton and other necessary tools of production, and then

brought the finished goods to the market to sell or to send abroad. Not only the merchants "there were bankers, bullion merchants, money lenders, brokers and shopkeepers"⁸¹ who were all investing capital into production. The system of Dadni provided thus a channel for the penetration of capital into the process of petty mode of production. To what extent the merchant producers directed or controlled the production, and how large was the volume of capital that was being invested, are questions hard to answer in numerical terms. But evidence indicates that under the impact of the system of Dadni a process of differentiation was being created within the weavers. The weavers who used to produce fine and specialized goods in large quantities could earn more capital than the others who produced less and were not specialized in any branches of production. A section of the weavers was certainly getting separated from their means of production and ending up as wage labourers. This is evidenced by the existence of various factories and manufacturing centres across the country at that time. "In Baroda, the English factors employed 800 workmen for textile goods... Similar manufacturing centres were also set up at Samanah, Sarhind, Malda and Kasimbazar".⁸² It was also very probable that under the impact of the growing demand for cotton and silk goods, a section of the producers was able to accumulate capital to invest in large scale production of those goods through the employment of wage labourers. The system of Dadni in pre-British urban Bengal appeared to be an element of the disintegration of the petty commodity mode

of production and the break down of the simple urban communities dominated by the feudal nobles and Zamindars.

Our principal conclusions with regard to the potentialities for capitalist transformation in the society of pre-British Bengal may now be summarized. In Western Europe the potential elements of transition of society from feudalism to capitalism had been, on the one hand, the development of a class of wage labourers out of the exploited serfs and journey-men and, on the other hand, the development of a class of bourgeoisie out of the rich peasants and the merchant-manufacturers interested in large-scale production both in agriculture and industry through the employment of wage labourers. In the society of pre-British Bengal we find that in agricultural production, under the impact of the increasing pressure for revenue, a differentiation was taking place within the peasantry. On the one hand, a section of the peasantry, being unable to cope with the situations of increasing demand for revenue, was turning into proletariats and was giving up cultivation. On the other hand a class of rich cultivators (khudkasht cultivators) was gradually emerging consisting of the people from both within and outside the process of production. These developments represented a crisis in the agrarian mode of production and thereby weakened the very basis of the feudal state in the pre-British Bengal society.

In urban Bengal a considerable amount of merchant capital was accumulated and a portion of that capital already started penetrating the production of cotton and silk goods.

The absorption of capital from outside was leading to the breakdown of the simplicities of the petty mode of production through the formation of a class of merchant-manufacturers interested in undertaking large-scale commodity production on the basis of wage labour. The system of Dadni capital indicated the emergence of a process of gradual control of labour by capital in the process of production and thus represented essentially an element of capitalist transformation in the pre-British society of urban Bengal.

One cannot, however, say with certainty that pre-British Bengal entered into a new era of capitalism. At that time capitalism as a dominant mode of production did not exclusively appear even in Western Europe. The development of capitalism in the West is a long-drawn-out process encompassing a couple of centuries. The feudal mode of production began to disintegrate long before the development of capitalism.

...the disintegration of the feudal mode of production had already reached an advanced stage before the capitalist mode of production developed, and that this disintegration did not precede in any close association with the growth of the new mode of production within the womb of the old. 83

In between the periods of the beginning of the disintegration and the triumph of the capitalist mode of production through the capturing of the state power by the bourgeoisie, there had been a long period of transition - a period which was neither exclusively feudal nor exclusively capitalist.⁸⁴ The economic system of the intervening period was marked by political turmoil and major social and economic dislocations.

Bengal in the pre-British period was undergoing this process of transition. Under the impact of the crisis in the agricultural mode of production and changing nature of the petty mode of production, the foundation of the age-old Zamindaris and the feudal state in Bengal was becoming exhausted and the ground for capturing the political power by the bourgeoisie to form a capitalistic state was in formation. But it was at this stage Bengal went under colonialism. Before the state power came to the bourgeoisie of Bengal through an indigenous process of change and development, it had been snatched away from the feudal ruling class by the bourgeoisie of England. The notion of 'unchangingness' in the pre-British society of Bengal is not a valid assumption. W.C. Smith probably rightly commented that "an amendment is necessary in Karl Max's otherwise brilliant analysis of Indian social history".⁸⁵

Footnotes

1. Smith, V., Akbar: the Great Mugul (1542-1605), p. 386, as quoted in Smith, W.C., "The Mughal Empire and the Middle Class - A Hypothesis", Islamic Culture, Vol. xviii, No. 4, Oct. 1944, p. 319.
2. Marx, K., "The Future results of the British rule in India", in Marx, K. and F. Engels, On Colonialism, Foreign Language Publishing House, Moscow, p. 83.
3. Spear, P., as quoted by Twilight of the Mughals, Cambridge, England: at the University Press, 1951, p. 117.
4. From Max Weber: Essays in Sociology, trans. by H.H. Gerth and C. Wright Mills, Oxford University Press, New York, 1964, p. 412.
5. Marx, K., "The British Rule In India", op. cit., p. 38.
6. Morris, D.M., "Towards reinterpretation of the 19th century Indian Economic History", The Indian Economic and social History Review, Vol. V, No. 1, March, 1968, pp. 1-15.
7. Dobb, M., Studies in the development of capitalism, International Publishers Co. Inc., New York, 1970, p. 35.
8. Ibid., p. 35.
9. Ibid., p. 36.
10. Ibid., p. 36.
11. Ibid., p. 42.
12. Ibid., p. 42.
13. Dow, Hindostan, Vol. 1, CxxxVI, as quoted in Datta, D., Survey of India's Social and Economic conditions in the Eighteenth century (1707-1813), Firma, K.L., Mukhopadhaya, Calcutta, 1961, p. 79. Huen Tsang, Ibna Battuta, Marcopolo, Frederick, Fitch, Tavernier, Bernier, Manucci, Manrique and many other travellers remarked on the natural prosperity of agriculture in the medieval Bengal. See Bradley-Birt, The Romance of an Eastern capital, London 1906; Oten, F., European Travellers in India, Ams Press Inc., New York, 1971; Bowrey, R., Countries round the Bay of Bengal, 1669-79, ed. by R.C. Temple, Cambridge, 1905; Tavernier, J.B., Travels in India, 2 Vols., trans. by V. Ball, London, 1898.
14. Habib, I., "Potentialities of Capitalist in the Economy of Mughal India", Journal of Economic History, Vol. 29, No. 1, March, 1969, p. 35.

15. Ibid., p. 35.
16. Habib, I., The Agrarian System of Mughal India, Asia Publishing House, London, 1963, p. 71.
17. Mandel, E., Marxist Economic Theory, Vol. 1, trans. by Brian Pearce, MR Press, New York, 1968, p. 95.
18. Shore, Minute of 2nd. April, 1788, as quoted in Baden-Powell, B.H., The Land-System of British India, Vol. 1, Johnson Reprint Corporation, New York, 1972, p. 507.
19. "It is noteworthy that in 1668 (A.D.) the Emperor Aurangzeb's orders show that private right was then recognized. And as late as 1715, when the company applied for grant of the 'talugdari' of thirty villages near their Bengal factory they were told that they would have to purchase the rights of the owners". Baden Powell, B.H., ibid., p. 230.
20. Raychaudhuri, T., Bengal Under Akbar and Jahangir, Munshiram Manoharlal, Delhi, 1969, p. 193.
21. See Habib, I., The Agrarian System of Mughal India, op. cit., p. 145.
22. Mendel, E., op. cit., p. 272.
23. Smith, W.C., op. cit., p. 359.
24. Habib, I., "Potentialities of Capitalist development in the economy of Mughal India", op. cit., p. 41.
25. Some writers tend to object to use the word 'feudalism' in the context of the society of pre-British Bengal and India as a whole. But if feudalism is defined in terms of the relations of production, I find no conceptual and theoretical mistake in using the word in the Indian context. Some of the characteristics of the Indian feudalism were different from that of Western Europe. India had no system of manorialism but that should not preclude us describing the pre-British Indian society as belonging to feudal mode of production. For Indian Feudalism see Kosambi, D.D., 'Indian Feudalism' in Desai, A.R., Rural Sociology in India, Popular Prakashan, Bombay, 1969, pp. 148-9; Shelvankar, K.S., Indian Feudalism, its characteristics in ibid., pp. 150-54; Mukherjee, R.K., Democracies of the East, P.S. King and Son Ltd., London, 1923.
26. Habib, I., The Agrarian System of Mughal India, op. cit., p. 154.

27. Ibid., p. 154.
28. As quoted in Baden-Powell, B.H., op. cit., p. 422.
29. See Habib, I., The Agrarian System of Mughal India, op. cit., pp. 318-19.
30. As quoted in ibid., p. 321.
31. Baden-Powell, B.H., op. cit., p. 530.
32. Habib, I., op. cit., p. 321; Jaigirdars were granted lands by the state in return for their military services to the state. The Jaagir lands were under the control of the Jaigirdars. They used to collect the revenue to maintain a body of troops and to defray their personal expenditures. However, in Bengal the Jaigirs 'were rare', see Baden-Powell, B.H., op. cit., p. 529.
33. Baden-Powell, B.H., ibid., p. 243.
34. Ibid., p. 259.
35. See Karim, A., Murshid Quli Khan and His times, The Asiatic Society of Pakistan, Dacca, 1963.
36. As quoted in Habib, I., The Agrarian System of Mughal India, op. cit., p. 321.
37. Habib, I., 'Potentialities of capitalist development in the economy of Mughal India', op. cit., p. 43.
38. Lenin, V.I., Capitalism and Agriculture, International Publishers, New York, 1946, p. 55.
39. Habib, I., op. cit., p. 42.
40. Ibid., p. 42.
41. At that time there existed a class of money-lenders in the Bengal villages. "...Sanyasis (mendicants) and Baksariyas (infantry soldiers and clubmen of Zamindars) usually engaged in money lending (mahajani) in the Bengali villages" Habib, I., "Usury in Medieval India" Comparative studies in society and history, Vol. VI, (1963-1964), p. 395. The existence of such class implies the scarcity of capital in the hands of the peasants.
42. Habib, I., Potentialities, op. cit., p. 46.
43. As quoted in Habib, I., The Agrarian, op. cit., p. 329.
44. As quoted in ibid., p. 322.

45. As quoted in ibid., p. 323.
46. Ibid., p. 324.
47. As quoted in ibid., p. 326.
48. Dobb, M., op. cit., p. 46.
49. Marx, K., Grundrisse, p. 469.
50. Op. cit., p. 60.
51. Habib, I., Potentialities, p. 49.
52. Ibid., p. 47.
53. Ibid., p. 49.
54. For an account of the development of commerce and trade in Mughal India see, Smith, W.C., op. cit., pp. 319-363.
55. See Raychaudhuri, T., "European commercial activity and the organization of India's commerce and industrial production", in Ganguli, B.N., Readings in Indian Economic History, Asia Publishing House, London, 1964, pp. 64-77; Bengal under Akbar and Jahangir, op. cit.
56. As quoted in Dani, A.H., Dacca - A Record of its changing fortunes, Crescent book centre, Dacca, Bangladesh, 1962, p. 39.
57. As quoted in Chatterjee, A., Bengal in the reign of Aurangzeb, Progressive publishers, Calcutta, 1967, p. 88.
58. Ibid., p. 89.
59. Karim, A., Dacca - the Mughal capital, Asiatic society of Pakistan, Dacca, 1964, p. 81. See also Bhattacharya, S., The East India Company and the economy of Bengal, Firma K.L. Mukhapadhyay, Calcutta, 1969.
60. As quoted in Anupam Sen, "The Social Backoround and Social character of Bangladesh Nationalism", (Unpublished M.A. Thesis, Dept. of Sociology, McMaster University, 1975, p. 22.)
61. As quoted in Chatterjee, A., op. cit., p. 95.
62. Ibid., p. 95.
63. See Thomas Bowrey, op. cit., pp. 149-51.

64. As quoted in Dani, A.H., op. cit., p. 38.
65. Raychaudhuri, T., Bengal under Akbar and Jahangir, op. cit., p. 209.
66. Smith, W.C., op. cit., p. 361.
67. Habib, I., Potentialities, p. 74.
68. Marx, K., Capital, Vol. 111, p. 279.
69. Ibid., p. 280.
70. As quoted in Dobb, M., op. cit., p. 42.
71. Ibid., p. 88.
72. Ibid., p. 88.
73. op. cit., p. 89.
74. See Marx, K., Capital, Vol. 111, pp. 302-315.
75. Ibid., p. 86.
76. Ibid., p. 123.
77. See Ain, Vol. 11, p. 44.
78. Karim, A., Dacca - the Mughal Capital, op. cit., p. 79.
79. Raychaudhuri, T., Bengal under Akbar and Jahangir, op. cit., p. 206.
80. See, Prakash, I., "Organization of Industrial Production in urban centres in India during the 17th century with special reference to textile", in Ganguli, B.N., op. cit., p. 44.
81. Ibid., p. 49.
82. As quoted in ibid., p. 49.
83. Dobb, M., op. cit., p. 57.
84. See ibid., p. 19.
85. Smith, W.C., op. cit., p. 359.

CHAPTER V Disarticulations of the Indigenous Potential for Capitalist Transformation in the Colonial Bengal (1757-1947)

In the beginning of the eighteenth century the feudal empire of Mughal India began to crumble down. By the death of Aurangzeb, the last of the great Mughals, in 1707, forces of disintegration were let loose across the whole empire. It was at this period of great transition the East India Company, which had been trading in Bengal since 1633, stepped into the arena of political power. By defeating Nawab Sirajuddalah, the last independent Nawab of Bengal, in the battle of Plassey in 1757, the East India Company proclaimed itself as the ruler of Bengal. The decaying emperor of Delhi was then a "homeless wanderer, but was still recognized as the titular sovereign of India".¹ In 1765, the East India Company obtained from the emperor a charter (Dewani) making the Company of the Dewan or administrator of the province of Bengal. The charter of the empire provided legitimation to the merchant capitalists of England to establish a colonial state in Bengal. From 1765 down to 1947 - a long period of one hundred and eighty two years - Bengal was under the rule of the British Colonial state.

The establishment of the colonial state in Bengal led to its incorporation into the structure of the expanding world capitalist system. The internal structure of the Bengal

society was oriented to fit into the needs of the capitalist system at the metropolis. In the following pages we will examine: "how and to what extent did the formation of the colonial state in Bengal lead to the disarticulation of the indigenous processes of its transition from feudalism to capitalism?" In other words, the purpose is to investigate how dependency caused underdevelopment in the society of colonial Bengal.

Disarticulation in the agricultural mode of production: New Landlordism in Bengal

Land revenue was the dominant form of surplus-appropriation in Mughal Bengal. The feudal state had the legal and juridical rights to appropriate a portion of the produce. From the very beginning of assumption of power, the colonial state of Bengal tried to take over this potential source of land revenue from the peasant producers. But the "whole theory of Indian land-revenue was absolutely strange to the English authorities".² They could not tell who owned the land³ and how the land revenues were collected from the owners. From the beginning "the Mohamedan officer at Murshidabad continued to make revenue collection in Bengal".⁴ In 1769, Supervisors were appointed by the company, with powers to superintend the collection of revenue and the administration of justice.⁵ But the "dual government" did not work well.⁶ In 1772, when Warren Hastings became the governor of Bengal, a new group of Collectors were empowered to collect the revenues. A settle-

ment of the land revenues for five years under a new system of farming was adopted. Each pargana was separately farmed; unless indeed the pargana gave more than one lakh (100,000) of rupees revenue in which case it was divided.⁷ The rights of the Zamindars, the traditional landlords of Bengal, were set aside and the settlement had made by auction.⁸ But in a few years "the new system proved a failure".⁹ The farming system failed to guarantee the promised revenue to the state. Eventually, the colonial state of British East India Company decided to develop a class of landlords in Bengal by offering them the legal and juridical right of property in land.

By introducing the act of Permanent Settlement in 1793, the colonial state declared that the Zamindars were "the proprietors of the areas over which their revenue collection extended".¹⁰ Henceforth the Zamindars were made responsible for the payment of revenue to the government and the actual cultivators were turned into their simple tenants at-will. The proprietary right of the Zamindars was, however, transferrable "both by the acts of the state and of the individuals possessing it. The state could transfer the right by open auction in the market for arrears of revenue while the Zamindars could do so by sale, mortgage or gift."¹¹ The state revenue on the lands included in the Zamindari estates was fixed in perpetuity. It represented nine-tenths of what the Zamindars directly received as rents from the peasant producers. But the demands of the Zamindars on the cultivators were left undefined.¹² The basic intentions of the colonial

state behind the creation of a new landed aristocracy were both to increase the revenue income and secure a support to its continuing domination in Bengal.

Bengal had been ruled by Zamindars from time immemorial. But they had no hereditary rights over the ownership of lands. While lands were owned by peasant producers, the Zamindars had hereditary rights over the possession of a certain portion of the produce of the lands as rents. But after the introduction of the Permanent Settlement the Zamindars became the absolute proprietors of the lands in their respective jurisdictions. The peasant producers lost their hereditary rights of ownership and remained as mere tenant-cultivators. What is more significant is that the Permanent Settlement brought in Bengal a new class of Zamindars other than those of old times. At the time of the conclusion of the Settlement almost half of the land resources of Bengal were controlled by the Zamindars of Bardwan, Rajshahi, Dinajpur, Nadia, Birbhum, Bishnapur, Eusufpur and Idirkpur.¹³ But all these historic families, with the singular exception of the Bardwan raj, were completely ruined and transferred to new hands within the first ten years¹⁴ of the operation of the permanent settlement. After the settlement land became a cheap commodity. "Everyone with fluid capital could buy it in the open market"¹⁵ and became a Zamindar. The people who were formerly revenue collectors, merchants, naibs, or native agents of the Company's commercial activities began to buy lands and turned into Zamindars overnight.

The greater part of the landholders are new men, who have purchased their estates within these few years and who formerly were either merchants, manufacturers, agents of the landholders or officers of Government. 16

The number of Zamindars and Taluqdars with proprietary rights in land also began to increase by leaps and bounds.

In Bengal the total 'number of landowners which did not exceed 100 in the beginning of Hasting's administration in 1772, rose in the course of the century to 154,200'. In 1872 there were 154,200 estates of which '533, or 0.34 percent, only are great properties with an area of 20,000 acres and upwards; 15,747, or 10.21 percent, range from 500 to 20,000 acres in area; while number of estates which fell short of 500 acres is no less than 137,920, or 89.44 percent of the whole.' 17

A host of intermediaries between the Zamindars and the actual peasant producers developed through the process of sub-infeudation of lands.

The Zamindars need not part with his estate by an absolute sale, but can raise money by allowing his proprietary right to be subdivided into small states of minor value; he still retains his status and receives annuity that leaves enough margin for his payment of government revenue. Inferior tenure holders follow the same practice, with the result that middlemen after middlemen spring up who have no interests in the improvement of the land.... Many of the landlords of Bengal...like those of Italy and Spain are absentees and attend to their property only for the purpose of receiving their rents. 18

"In some districts the sub-infeudation has grown to astonishing proportions, as many as 50 or more intermediary interests having been created between the Zamindars at the top and the actual cultivator at the bottom."¹⁹ The intermediaries had no direct contact with the government. They paid revenue to

their immediate superior landholders. Only the Zamindars and the Taluqdars were required to pay a fixed amount of rent to the state.

The development of this new class of Zamindars and Taluqdars and the transformation of the Zamindary estates into 'rent collecting machineries' fit well into the structure of colonial exploitation. With the aid of this class of people, a significant amount of agricultural surplus in the form of land revenue was regularly extracted from the peasant producers and siphoned off for investment in the industries of England.²⁰ The relation of the Permanent Settlement to the interests of the colonial state is evidenced by the fact that the act was under operation in Bengal up until 1947.²¹ For one hundred and fifty years the agricultural lands in Bengal belonged to the Zamindars and Taluqdars and to a variety of intermediaries.

But the creation of a new class of Zamindars and Taluqdars brought in no significant revolution in the agricultural production of Bengal. The permanent settlement rather led to disarticulations in the process of indigenous transition of the agricultural production from 'simple reproduction' to a state of 'extended reproduction'. The structure of agrarian production in the pre-British society of Bengal, as we discussed earlier, underwent some transformation under the impact of peasant pauperization and the development of a class of rich peasants (khudkshat cultivators). The development of a landed aristocracy under legal framework of the colonial state destroyed this process of transition and reinforced the con-

tinuation, though slightly in different form, of the old feudal relations in the sphere of agricultural production.

The imposition of the "right of property in soil" on the Zamindars and Taluqdars was not coupled with any significant change in the relations of production. The new Zamindars of the colonial period, like their predecessors in the pre-British time, continued to live on the revenue income. The capital that was being extracted from agricultural production was not reinvested because the Zamindars were not connected with production.

...all of them (whether they were the newly created landlords or the previous revenue farmers transformed into such) did not participate in agricultural production... 22

Since the amount of revenue drawn from the peasants was not fixed by the law of the colonial government, the Zamindars could earn as much revenue as was possible to collect from the producers. The Zamindars of the colonial period continued "their parasitic existence on land by means of rack-renting the peasantry and also by several forms of illegal exactions from the same source".²³ The dominant form of production-relation in the colonial agriculture of Bengal was the landholder (Jotder) - sharecropper (Bargadar) relationship.

The landholders or Jotders were "the subinfeudatory landlords created by the permanent settlement".²⁴ They "do not work on their land but let out the holdings for sharecropping for which they receive at least a half share of the crop".²⁵ The sharecroppers or Bargadars, on the other hand,

were those who tilled the lands of the Jotders on a crop-sharing basis and did not have any tenancy rights over those lands. While the peasants with tenancy rights paid revenue in cash, the Bargadars paid it in kind. The essence of this system was that the Bargadars cultivated the lands of the Jotders with their own means of production (cattle, plough, seeds etc.) but yet the Jotders were entitled to get a half of the produce. Sometimes capital was provided by the Jotders, but in that case they took interest on that capital. Throughout the whole period of colonial domination the structure of agricultural production was patterned by this Jotder-Bargader relationship. The number of families engaged in sharecropping in the district of Dinajpur, according to Buchanan's report, was 150,000.²⁶ In Rangpur Buchanan found:

...a class of giant jotedars..., especially among the jotedars of parganas Patiladaha and Beharband. The greater part of Baharband was held by large tenants, some of whom had 6000 acres; more than half of the pargana was let to jotedars enjoining 1000 acres or more. Among the Patiladaha jotedars also, there were men with 500 acres. 27

Both the Zamindar-tenant and Jotder-Bargader relations were compounded with the elements of feudal mode of production. The Zamindars and Jotders, without being associated with production, used to claim a part of the produce either in cash or kind. The peasant producers while they had no ownership on lands, were not completely separated from their means of production. They used to own their cattle and ploughs and used their own capital while engaged in sharecropping. But

yet they were not free - they were under certain economic obligations to the Zamindars and Jotders who had no relation to and control over the process of production. The peasant producers could choose and change their Zamindars and Jotders. They had that freedom, but within the structure of the existing production relation that freedom carried no special significance. Wherever they went and whoever they worked for, they were bound to fulfill the economic obligations imposed on them by the Zamindars and Jotders.

This kind of economic form of the appropriation of the unpaid surplus labour "had a particularly retrogressive character".²⁸ The productive forces in agriculture throughout the whole colonial period remained in their crude and archaic stage of development. Neither the Zamindars and Jotders nor the colonial state was interested in making improvements in the technique of production.

It is ridiculous to believe that the Zamindars would be interested in land improvement.... The Zamindar is often an absentee landlord caring only for his rents... The land improvement registers maintained in the districts have shown...that very little capital has been invested by the Zamindars. 29

Marx said:

this rent may assume dimensions which seriously threaten the reproduction of the conditions of labor, of the means of production. It may render an expansion of production more or less impossible, and grind the direct producers down to the physical minimum of means of subsistence. This is particularly the case when this form is met and exploited by a conquering industrial nation, as India is by the English. 30

Artificial irrigation and drainage have always been the "prime

necessity in India (and in Bengal) in order to make her rich lands produce abundant crops throughout the year".³¹ But the colonial state totally neglected the maintenance and the improvement of this important aspect of the forces of agricultural production in Bengal.

The British in East India accepted from their predecessors the department of finance and of war, but they have neglected entirely that of public works. 32

Sir William Willcocks, who surveyed the delta region of Bengal, stated:

...innumerable small destructive rivers of the delta region, constantly changing their course, were originally canals which, under the English regime, were allowed to escape from their channels and run wild. Formerly these channels distributed the flood waters of the Ganges and provided for proper drainage of the land, undoubtedly accounting for that property of Bengal which lured the rapacious East India merchants there... Some areas, cut off from the supply of loam-bearing Ganges water, have gradually become sterile and non productive; other, improperly drained, show an accompaniment of Malaria....Nor has any attempt been made to construct proper embankments for the Ganges in its low course, to prevent the enormous erosion by which villages and groves and cultivated fields are swallowed up each year. 33

The most striking aspect is that within the structure of the colonial state the Jotder-Bargader type of economic appropriation had been "brought to a nice adjustment and compatibility" with the interests of the metropolitan bourgeoisie. After the Industrial Revolution, one of the dominant purposes of the colonial state in Bengal was to secure raw materials for the emerging industries of England. This changed orientation led to the development of commercial agriculture in Bengal.

The production of raw cotton, raw silk, rice, jute, sugar and other agricultural products reached a fairly significant level of development. But commercialization was achieved within the structure of the peasant economy characterized by Jotder-Bargader relationships.

In Bengal, where the mechanism of exploitation was insidious, there was no import of slaves lacking peasant traditions, as in Jamaica, to build up a sugar industry; no crowding of reserves by dispossessed tribal peasants, as in Kenya, to supply a semi-proletarianized part-time agricultural labour force for the white farms producing coffee; no pressing of an embryonic peasantry into enclave sugar plantations, as in Puerto Rico, where they were reduced to a landless labour force; nor any rotational imposition of sugar plantations on peasant villages, as in Java, where the can worker remained a peasant at the same time that he became a coolie. Instead of these degrading processes, British investments in Bengal brought about a subtle export reorientation of the peasant subsistence agriculture without affecting the traditional small farm framework. 34

The interest of the Jotders in product-rent, instead of money rent, was primarily aimed to ensure the supply of agricultural goods demanded by the colonial bourgeoisie. The simple mechanism was that the agricultural goods were produced by the peasant producers employing their own capital, cattle and other means of production. The Jotders took a half of the produce simply on account of their ownership of the lands. Then they sold those products to the agents and gomusthas of the state and foreign companies which were then sent to England. The Jotder-Bargader relations of production thus were "made suitable to the new function of commodity production".³⁵

Within the structure of the colonial state there

emerged an alliance between the feudal and semi-feudal interests of the Zamindars and Jotders and those of the colonial bourgeoisie. No great expansion of the productive forces was, therefore, necessary in order to "ensure the extraction of a greater surplus from agriculture and the marketing of commercial crops from agricultural producers for export. Cash crop cultivation expanded within the framework of traditional agriculture, which was already equipped with a well developed cash nexus, trading network and rural credit system".³⁶

The act of the Permanent Settlement of 1793 introduced by the colonial state caused concentration of land in few hands and expropriation of a great many people from their means of subsistence; commercialization dismantled the archaic structure of the combination of agriculture and craft and improved the quality and the quantity of agricultural production; but the fact remains that there was no fundamental change in the relations of production indicating a transition of Bengal agriculture towards capitalism.

Over two centuries of British rule the dominant character of the production relations within Bengal villages was semi-feudal, marked by the small size of plots, labour-intensive farming, and the master-serf type relationship between jotedar and bargadar, reinforced by usury. Large scale capitalist farming through increased capital inputs and improved techniques....did not develop in Bengal. Sharecropping, on small farms, which would have disappeared in such a new type of production carried on by capitalist landlords and wage-earning labourers, remained as prominent a feature of the rural economy as ever and did not give way to hiring for wages on large farms. ³⁷

The expropriation of agricultural surplus and the export of

agricultural products caused the development of the industries of England, while simultaneously generated underdevelopment in the agriculture of Bengal.

Disarticulation in the Petty commodity Production: Transformation of Bengal into an 'agricultural colony of England'.

Merchants do not make their profit by revolutionising production but by controlling markets, and the greater the control they are able to exercise the higher their rate of profit. For this merchant capital tends to centralise and concentrate itself into monopolies ever faster than productive capital.³⁸

The primary purpose of the East India Company in Bengal was "not the hunt for markets for British Manufacturers, but the endeavour to secure a supply of the products of India and the East Indies (especially spices, cotton goods and silk goods), which found a ready market in England and Europe, and could thus yield a rich profit on every successful expedition that could return with a supply".³⁹ From 1765 down to 1858, for almost half a century, the East India Company was in the state power of Bengal and enjoyed a complete monopoly of her trade and commerce. The result was the destruction of the urban petty commodity mode of production.

Until the East India Company abrogated the political power to itself it had to import a large amount of bullion in order to pay in exchange for Bengal's cotton and silk goods and other stuff. But this being "repugnant to the whole system

of mercantile capitalism"⁴⁰ the East India Company from the onset of its trading relationship with Bengal was "concerned to devise a means to solve this problem". After the assumption of the political power it began to set aside the principle of the equality of exchange.

...methods of power could be increasingly used to weigh the balance of exchange and secure the maximum goods for minimum payment... The merchant was now able to throw the sword into the scales to secure a bargain which abandoned all pretense of equality of exchange. 41

At that time the main item of the Company's trade was the export of Bengal's cotton and silk goods "which no western loom could rival".⁴² The initial blow, therefore, came on the artisans engaged in the production of those commodities. The artisans were compelled and forced to work in the Company's factories. Commercial residents were established in the important trading places like Patna, Malda, Kasimbazar, Rampur-Boalia, Laximipur (Noakhali), Kumarkhali, Santipur, Hoogly, Dacca, Murshidabad, Rajshahi, and Citagong and those were vested with enormous political power in order to secure a regular supply of cotton and silk goods from the local artisans. In some places the commercial residents provided capital to the artisans and made it "a general rule that the artisans could not undertake work for any one other than the Company".⁴³ Under the rule of the Company the artisans were turned into the position of indentured workers.

Inconceivable oppressions and hardships have been practised toward the poor manufacturers and workmen of the country, who are in fact, monopolized by the company as so many slaves...

the whole inland trade of the country...and that of the Company's investments for Europe... has been one continued scene of oppression; the baneful effects of which are severely felt by every weaver and manufacturer in the country, every article produced being made a monopoly; in which English...arbitrarily decide what quantities of goods each manufacturer should deliver, and the prices he shall receive for them... 44

The oppression on the artisans and other urban petty commodity producers was also accompanied by the liquidation of the native merchant bourgeoisie. After the assumption of the state power, not only the Company got absolute monopoly of trade but Company's servants also started private trade in the name of the Company. "The Company's servants conveyed their goods from place to place duty free, while the goods of the country merchants were heavily taxed in the transit".⁴⁵

During the pre-British time, the native mercantile bourgeoisie could develop because of the political support of the Mughal ruling class. But in the colonial state they were subjected to discriminatory trade and tax policies. By the end of the eighteenth century, in the absence of the state support, "the big merchants were practically wiped out in Bengal and elsewhere".⁴⁶ Dr. Francis Buchanan, who conducted a socio-economic survey in the Company's territories in India in the first decade of the 19th century, "hardly mentioned the presence of big Indian merchants" at that time. In his account of the position of the district of Dinajpur in Bengal, he wrote:

A great portion of the trade of the district had passed from the hands of native traders

to that of the Company. There were no longer any Saudagars or great native merchants in the district. 'One family, indeed, has acquired immense wealth in that line, and for nine generations the forefathers of Baidyanath Mandal carried on an extensive commerce with great reputation and propriety. The present head of the family has given up trade, has made large purchase of land, and is just as much despised as his forefathers were respected'. 47

The colonial state of the East India Company, through the oppression of the native artisans and the elimination of the native merchantile bourgeoisie, dealt a blow to the basis of the urban petty mode of production in Bengal. The process of the penetration of capital into the sphere of production, which was leading to a process of transition from simple commodity production to large scale manufacturing activities in pre-British Bengal, started primarily in response to the increasing trading activities by the native mercantile bourgeoisie. The attainment of the monopoly of trade, both inland and foreign, by the Company and the resultant decline in the trading activities of the natives led to the disarticulation in that process of transition.

Long before 1858, when the East India Company's rule ended, India had ceased to be a great manufacturing country. Agriculture had virtually become the one remaining source of the nation's subsistence. 48

Monopoly of the East India Company in Bengal ended in 1813 - in a period of the rise of Industrial Revolution in England. The transition from mercantile capitalism to industrial capitalism necessitated a transition in the mode of exploitation of the colonies. The Industrial Revolution

created a need for markets to export the newly manufactured goods. The emerging industrial bourgeoisie, having gained increasing control over the British parliament, soon started pressing for the abolition of the monopoly of the East India Company and the development of India as market for British manufactured goods.⁴⁹

In 1813, when the Company's charter was renewed but its monopoly in trade with India was abolished, an inquiry was made in the House of Commons to ascertain how Indian manufacturers could be replaced by British manufacturers and how British industries could be promoted at the expense of Indian industries. 50

In that session the "British parliament put a new duty of 20 percent on the consolidated duties where by the duties on calicoes and muslins for home consumption were raised to a little over 78 and 38 per cent, respectively".⁵¹ Wilson remarked:

It was stated in evidence, that the cotton and silk goods of India up to this period could be sold for a profit in the British market, at a price from fifty to sixty per cent lower than those fabricated in England. It consequently became necessary to protect the latter by duties of seventy and eighty per cent on their value, or by positive prohibition. Had this not been the case, had not so much prohibitory duties and decrees existed, the mills of Paisley and of Manchester would have been stopped in their outset....They were created by the sacrifice of the Indian manufacturer....British goods were forced upon her without paying any duty.... 52

In the first half of the nineteenth century the colonial state of Bengal carried on different tariff discriminatory policies. "In the parliamentary inquiry of 1840 it was reported that, while British cotton and silk goods imported into

India paid a duty of $3\frac{1}{2}$ percent and woollen goods 2 per cent, Indian cotton goods imported into Britain paid 10 per cent, silk goods 20 per cent and woollen goods 30 per cent.⁵³ With the aid of the state machine, the predominance of British manufacturers was established in Bengal and the manufacturing industries of Bengal were destroyed.

As a result of heavy import duties in England on Bengal's cotton and silk goods, the export of those goods from Bengal was drastically reduced, while British goods, under favourable conditions created by the colonial state (exemption of custom duties, transport facilities), began to penetrate into Bengal. Instead of exporting cotton and silk manufactures, Bengal began to import them. A new stage of disarticulation in the process of production was set in. Instead of producing manufactured goods, Bengal started producing agricultural raw materials for the industries of England. Industrialization of England set in a process of commercialization in the agriculture of Bengal.

Between 1814 and 1835 British cotton manufacturers exported to India rose from less than 1 million yards to over 51 million yards. In the same period Indian cotton piece-goods imported into Britain fell from one and a quarter million pieces to 306,000 pieces, and by 1844 to 63,000 pieces.⁵⁴

...during 1800-1820 the export of cotton bales from the port of Calcutta to the United Kingdom increased from 605 bales to 4,105, whereas during nearly the same period, from 1800 to 1829, the export of cotton piece-goods decreased from 2,636 bales to 433 bales. Similarly, while the export

of silk-piece goods...showed a slightly increasing trend up to 1825 and then registered a sharp fall, the export of raw silk increased by nearly 40 to 50 times from 213 bales in 1800 to 10,431 in 1828 and 7,000 bales in 1829. 55

In Bengal, particularly this change in the "character of trade was well marked".⁵⁶ The Imperial Gazetteer of India noted in 1908:

British trade with Bengal commenced about 1633; but prior to the acquisition of the province it was on a very small scale, and in 1759 only thirty vessels with an aggregate burden of less than, 4,000 tons sailed from Calcutta. The chief exports were opium from Bihar and Rangpur, silk manufactured goods and raw silk from Murshidabad and Rajshahi, muslins from Dacca, indigo and salt-petre from Bihar and cotton cloths from Patna. Little except bullion was imported. The 150 years of British rule have witnessed a commercial revolution. Hand-woven silks and cottons are no longer exported, and machine-made European piece-goods have taken the first place among the imports... The principal imports are yarns and textile fabrics, metals and machinery, oil and sugar; and the principal exports are raw and manufactured jute, coal, tea, opium, hides, rice, linseed, indigo, and lac. 57

The transformation of Bengal into an importing country of manufactured goods and exporter of raw materials "synchronised to a large extent with the establishment of landlordism as the governing social force in the rural areas".⁵⁸ Jotder-Bargader relations of production developed in Bengal primarily in response to the new demand of agricultural raw materials by the metropolitan bourgeoisie.

...while before 1793, the year in which the Permanent Zemindary Settlement was introduced Bengal's piece-goods' market in England was continuously rising, it was reduced to almost nothing within the next two decades. On the other hand, import of raw cotton and raw silk

into Great Britain and the export of cotton goods therefrom went up by leaps and bounds during the same period of 1795-1818. 59

Thus while the free-trade capitalism of England began to develop by transforming Bengal into a market, the possibilities of the rise of large-scale commodity production in Bengal were thoroughly destroyed. This is evidenced by the depopulation of the major towns and trading centres, overpressure on agricultural lands and, of course, by the development of commercial agriculture within the framework of Jotdder-Bargader relations of production. C.E. Trevelyan said:

The peculiar kind of silky cotton formerly grown in Bengal, from which the fine Dacca Muslins used to be made, is hardly ever seen; the population of the town of Dacca has fallen from 150,000 to 30,000 or 40,000 and the jungle and malaria are fast encroaching upon the town.... Dacca which was the Manchester of India, has fallen off from a very flourishing town to a very poor and small one; the distress there has been very great indeed. 60

In the metropolitan centre of English capitalism the liquidation of the petty commodity producers was accompanied by the growth of new industrial cities and towns. But in the peripheral colony of Bengal "the millions of ruined artisans and craftsmen, spinners, weavers, potters, tanners, smelters, smiths, alike from the towns and from the villages, had no alternative save to crowd into agriculture.⁶¹ It is from that period of disarticulation in the economy of Bengal, overpopulation on agriculture has become a common phenomenon. The increase in the number of sharecroppers and agricultural labourers in Bengal since the middle of the nineteenth century,

which was noted by the Land Revenue Commission of Bengal in 1940 and by the Famine Inquiry Commission in 1954, bears testimony to the fact of the destruction of urban petty commodity production and the new dependency of the whole society on agriculture in Bengal.⁶² Montgomery Martin - who had travelled ten years in the colonies of the British Empire had possibly made the most eloquent comment on this distorted process of transition in India. He wrote:

I do not agree that India is an agricultural country; India is as much a manufacturing country as an agricultural; and he who would seek to reduce her to the position of an agricultural country seeks to lower her in the scale of civilization. I do not suppose that India is to become the agricultural farm of England; she is a manufacturing country.... I speak not now of her Dacca muslins and her Cashmere shawls, but of various articles which she has manufactured in a manner superior to any part of the world. To reduce her now to an agricultural country would be an injustice to India. 63

He also said:

We have during the period of a quarter of a century compelled the Indian territories to receive our manufactures...the cry that has taken place for free trade with India, has been a free trade from this country, not a free trade between India and this country....The decay and destruction of Surat, of Dacca, of Murshidabad, and other places where native manufacturers have been carried on, is too painful a fact to dwell upon. I do not consider that it has been in the fair course of trade; I think it has been the power of the stronger exercised over the weaker. 64

Simultaneously with the destruction of the basis of urban commodity production, went a process of so called "modernization" in the colonial state of Bengal. The need for transformation of Bengal into a market for British goods

and a supplier of raw materials, under the exigencies of the industrial capitalism of England, compelled the colonial state to introduce certain developmental policies in Bengal.

First, it was necessary to abolish once and for all the Company and replace it by the direct administration of the British Government, representing the British capitalist class as a whole. This was partially realized with the new 1835 Charter, but only finally completed in 1858.⁶⁵

Second, it was necessary to develop the internal infrastructure for complete penetration of British industrial capitalism into Bengal. "This required the building of a network of railroads; the development of roads; the beginnings of attention to irrigation....the introduction of the electric telegraph, and the establishment of a uniform postal system..."⁶⁶ English education was introduced in the middle of the nineteenth century to secure a supply of persons needed to run the colonial administration.

All these steps had some obvious benefit to the common people. After the establishment of the railways, people, without taking boats and killing much time to travel, could avail of the trains to go from place to place. People could now send letters and telegrams to their relatives, get access to English education and thereby to the realms of western science, philosophy and literature. But the question is, whether and to what extent these steps of "modernization" facilitated the development of capitalism as a dominant mode of production in Bengal.

An analysis of the program of colonial modernization in Bengal reveals that it was aimed primarily to augment the interest of the British industrial bourgeoisie and not to help the development of capitalism in Bengal. The development of transport and communication, particularly the railway system, made the remotest corners of the country integrated with the metropolitan capital of Calcutta and from there with that of England. This increased the in-flow of manufactured goods into Bengal and also the out-flow of raw materials. The typical purpose of the British industrial bourgeoisie to construct a railway system in India can be well understood from the following comment of Marx:

The millliocracy have discovered that the transformation of India into a reproductive country has become of vital importance to them, and that, to that end, it is necessary above all to gift her with means of irrigation and of internal communication. 67

Similarly, the introduction of English education was purported to create a native administrative elite who could look after the interest of the colonial state. Most of the administrative elites, recruited during the colonial rule, were drawn from the class of Zamindars and Jotders who had built-in class interest in the continuation of the colonial rule. The colonial bureaucracy of Bengal served the interest of the metropolitan bourgeoisie by keeping an order into the machine of the colonial state. Marx noted:

From the Indian natives, reluctantly and sparingly educated at Calcutta, under English superintendence, a fresh class is springing, endowed with the requirements for government and imbued with European science. 68

After the creation of an administrative elite there emerged, within the state structure, an alliance between the colonial state elites, on the one hand, and the native Zamindars, Jotders and administrative elites, on the other. All represented the interest of the metropolitan bourgeoisie of England and were dependent on them.

The measures of "modernization" which were introduced in Bengal, during the first and second half of the nineteenth century, were all planned in consonance with the interest of the metropolitan capitalism.

All these measures were intended as reforms. In reality, they were the necessary measures to clear the ground for more scientific exploitation of India in the interest of the capitalist class as a whole. They prepared the way for the new stage of exploitation by industrial capital, which was to work far deeper havoc on the whole economy of India than the previous haphazard plunder. 69

The nineteenth century was a period of the triumph of industrial capitalism in England. The most compelling need of the emerging industrial capitalism of that time was the hunt for market for British goods and raw material for British industries. By destroying the basis of large scale commodity production and fostering commercial agriculture, the colony of Bengal in the nineteenth century, was only made responsive to this very demand of the system of industrial capitalism.

Within the British imperial system the position of Bengal as a market for British goods and a supplier of raw materials remained unchanged up until the end of colonialism. The policies of the colonial state were consistently geared

"to keep her in such a position".⁷⁰

From the beginning of the present century in the colonies of Canada, Australia and South Africa, under the impact of British capital investment, a class of bourgeoisie began to emerge to usher the establishment of capitalist mode of production in those social formations. But in Bengal the colonial state was refrained from patronizing industrialization through the development of an indigenous capitalist class.⁷¹

The amount of capital export from Britain to India was very insignificant. Most of the investment in India (with the exception of investment in railways) "consisted of reinvestment of part of the profits made or salaries earned by Europeans in India".⁷² R.P. Dutt wrote:

...in the case of India, to describe what happened as the export of British capital to India would be too bitter a parody of the reality. The amount of actual export of capital was very small...Over the period as a whole the export of capital from Britain to India was more than counterbalanced many times over by the contrary flow of tribute from India to England even while the capital was being invested. Thus the British capital invested in India was in reality first raised in India from the plunder of the Indian people, and on which she had thenceforward to pay interest and dividends. 73

When the British Government took over in 1858, they took over a debt of 70 million from the East India Company. In the hands of the British Government the Public Debt doubled in eighteen years from 70 million to 140 million. By 1939, on the eve of the Second World War, it totalled 11,790 million rupees (884.2 million).... Thus in three-quarters of a century of British direct rule the debt multiplied more than twelve times.

...the process of British capitalist investment in India,....did not by any means imply a development of modern industry in India. 97 per cent of the British capital invested in India before the War of 1914 was devoted to purposes of Government, transport, plantations and finance -

that is to say, to purposes auxiliary to the commercial penetration of India, its exploitation as a source of raw materials and markets for British goods, and in no way with industrial development..... 74

In spite of the lack of initiative of the colonial state, some amount of private capital, however, was invested in building a few manufacturing industries. Among the modern industries in which capital was invested on a large scale the most important was jute manufactures. A number of jute manufacturing industries developed around the city of Calcutta in the late nineteenth and early twentieth century. But almost all of those were owned and controlled by the metropolitan British bourgeoisie.

...jute manufactures remained an industry almost completely dominated by British, more particularly Scottish businessmen right up to the end of the Second World War. Among all the directors of jute mills..., we find the name of only one Indian, viz. Luchmi Narain Manoria, and he was on the board of directors of the smallest jute mill in existence, the Soorah Jute Mills Company Limited,..... All the other jute mills were controlled by the big British or European managing agency houses, such as Andrew Yule and Co., Bird and Co., F.W. Heilgers and Co..... Thomas Duff and Co., Jardine, Skinner and Co., Anderson, Wright and Co., Kettlewell, Bullen and Co. 74

The metropolitan bourgeoisie not only owned and controlled the jute industries, they were also involved in jute trade itself. They were "involved at almost every stage from the buying of jute from the peasant up to the shipping of jute and jute fabrics to foreign countries". They were organized with trade associations at every stage. They were the Calcutta Jute Dealers' Associations, Calcutta Jute Fabrics Brokers' Association, Calcutta Jute Fabrics Shippers' Assoc-

iation, Baled Jute Shippers' Association....Calcutta Baled Jute Association, and the Indian Jute Mills Association...⁷⁵

This kind of substantive dominance and control over the jute trade and jute industries of Bengal by the metropolitan bourgeoisie had been possible because of active political, administrative and financial support of the colonial state.⁷⁶

One does not have to believe in either a 'conspiracy' theory of entrepreneurial dominance or a theory of absolute superiority of European businessmen in all fields of activity in order to explain their extraordinary degree of control over the economy of eastern and northern India.... That it was Europeans rather than Indians who did the controlling was due to a large extent to political factors... ⁷⁷

In the face of the mutuality of interests between the metropolitan bourgeoisie and colonial state, opportunities for the development of an indigenous Bengali bourgeoisie were extremely limited. A very small class of bourgeoisie, however, developed but were dependent on the metropolitan ones. Dwarakanath Tagore, Premchand Roychand, Neel Comulsen and other noted capitalists of nineteenth century Bengal could develop only in collaboration with the metropolitan bourgeoisie. Dwarakanath Tagore was the most famous and the most enterprising Bengalee "to have had European businessmen as partners in the 1830's and 1840's: he has been claimed as the originator of the managing agency system which has hitherto been taken to be a peculiarly British invention".⁷⁸ In 1863 four Indian businessmen in partnership with three Europeans founded the Calcutta City Banking Corporation, which was the original

name of the National Bank of India.⁷⁹ But even in partnership Bengalees were systematically avoided. "By the end of the nineteenth century, apart from Sir Rajendranath Mookerjee, there is practically no Indian in eastern India who is a partner of a large British Indian firm".⁸⁰

After the first World War, with the decline in the strength of the British imperial order, a group of Bengali bourgeoisie began investment in the development of jute, cement, cotton, paper, sugar and glass industries. Most of them "came from trading caste or communities".⁸¹

But these small capitalists did not start an industrial revolution. They did not pioneer any new methods of production or any new industries. The industries that grew up under the umbrella of tariff protection were generally controlled by capitalists with a large amount of capital; but the latter also depended entirely on western countries for their techniques of production. 82

Up until the end of colonialism Bengali bourgeoisie were bound to remain subservient to the metropolitan ones. They established few consumer goods industries here and there but that made no fundamental transformation in the semi-feudal social structure of Bengal. At the time of partition in 1947 "the East Bengal rural areas were dominated by Zamindar-land-owners (a substantial part of which about 14,000 families were not engaged in any entrepreneurial activity) and rent receiving subleases."⁸³

Our principal conclusions with regard to the effect of dependency on Bengal may now be summarized. The establishment of the British colonial state in 1765 integrated Bengal

into the structure of the world capitalist system. This integration into the world capitalist system caused a series of distortions and disarticulations to the indigenous processes of transition of Bengal from pre-capitalist to capitalist mode of production.

In agricultural mode of production the distortions were the results of the Act of Permanent Settlement of 1793. The Act of Permanent Settlement, by conferring proprietary rights, led to the development of a new class of landlords in Bengal, and thus reinforced the decaying feudal relations of production in agriculture. In the nineteenth century the agriculture of Bengal was made responsive to the new demands of the metropolitan bourgeoisie for agricultural raw materials with the aid of a new landholding class (Jotders) - a class of subinfeudatory landlords created by the Permanent Settlement. Commercialization was achieved without making any improvement in the forces of production; without any basic transformation in the organization of traditional peasant agriculture. Within the framework of colonial state there emerged an alliance between the politico-economic interests of the metropolitan bourgeoisie of England and the new landlords of the rural society of Bengal.

Under the impact of these political and economic forces developed in the colonial period both from within and without, the indigenous processes of change in agriculture, which were emerging in the pre-British society of Bengal, got blocked and turned distorted. Thus in spite of the concentration of lands in few hands, separation of a group of peasants from

their means of production, production for market value and a substantial increase in the volume of agricultural production, capitalist farming did not develop in the agriculture of colonial Bengal.

In urban petty commodity mode of production distortions were caused initially by the oppression of the artisans and liquidation of the native traders. Both were the results of monopoly of trade enjoyed by the East India Company in Bengal up until 1813. But the major process of disarticulation began only after Bengal came under the direct administration of the British Government in 1858. After 1858, in compliance with the interest of the metropolitan industrial bourgeoisie, Bengal was opened up for the penetration of British goods and made responsive to the demand of agricultural raw materials by the British industries. For successful penetration of British commercial interest, indigenous basis of commodity production was destroyed by adopting different tariff discriminatory policies. On the other hand, a series of "modernizing steps" were undertaken including the creation of a new group of administrative elite by introducing English education.

The process of the gradual penetration of merchant capital into commodity production and the possibilities for the transition of urban Bengal from petty commodity production to large-scale commodity productions were thus thwarted by the commercial penetration of English industrial capitalism into Bengal.

Underdevelopment of Bengal has been the result of its

integration into the world capitalist system. For one hundred and eighty two years Bengal was under colonialism. During the colonial rule both the agricultural and petty commodity modes of production were transformed and changed, by changing the existing institutions and creating new classes, to fit into the interests of the metropolitan capitalism. The indigenous processes of transformation of Bengal from pre-capitalist to capitalist mode of production were thwarted by virtue of its role, until the end of colonialism, as the importer of finished goods and the exporter of raw materials within the world capitalist system.

Footnotes

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CONCLUSION

The rise of Third World societies around the middle of this century added a new substantive concern in sociology. This is the concern with the problem of underdevelopment in the post-colonial Third-World societies. The science of sociology emerged in the middle of the nineteenth century to provide scientific explanations of an emerging industrial capitalist social order. The sociology behind the rise of sociology at that time was to render justifications to the betterment and the expansion of liberal-democratic capitalist society. The notion of 'development' was at the very centre of classical sociological thought. The substantive concern of underdevelopment, so, appeared to have brought a new theoretical challenge to the science of sociology.

The initial response to the challenge was made by what is known as the Modernization theory. For almost two decades Modernization was the dominant western approach to the understanding of underdevelopment in Third World societies. But, the critical examination of the theories of Modernization in the present study found that it has made no advance to present a theory of underdevelopment per se. Modernization has dealt with the question of how underdevelopment can be removed, but without any analysis of why it is there.

It is our contention that because of its reliance on

the theory of Structural-Functionalism and psychological determinism, Modernization has failed to develop a theory of underdevelopment. The theory of Structural-Functionalism has left no scope for the Modernization theorists to look at development as a dynamic process of growth and change - to consider underdevelopment as a problem of transition between social systems. The core idea in Modernization is that underdevelopment in Third World countries can be avoided through the development of capitalistic type of societies. But this assertion is not backed by any analysis of the structure and dynamism of capitalism itself. Modernization theory is astonishingly silent about the phenomenon of 'Capitalism'. It has simply not discussed capitalism, while making it the basis of its major theoretical argument. In the absence of an analysis of the system of capitalism, Modernization theory has turned into a mere rationalization of the desire for "American expansionism".

In the wake of a crisis in explanation of the problem of underdevelopment posed by Modernization theory, sociology saw the emergence of the alternative theory of Dependency in the late 60's. The phenomenon of capitalism, which has remained implicit in the Modernization theory, has become explicit and an exclusive point of reference in the Dependency theory. The Dependency theory maintains that capitalism as a system of economy, because of its own structural dynamism, generates both development and underdevelopment. Underdevelopment in the Third World and development in the western world are the

creations of the same system of capitalism which, being evolved in Western Europe, has by now become a system of world economy.

What has remained a theory of development in Modernization has turned into a theory of underdevelopment in the Dependency framework. The Dependency is a frontal attack on the very foundation of the Modernization theory.

The Dependency theory seems to be useful and an appropriate framework of study of the problem of underdevelopment because it provides a general theoretical framework from which specific propositions can be formulated and conceptual categories drawn for empirical investigation. The Dependency theory, unlike the Modernization one, starts from an analysis of the system of capitalism and then relates some of its structural contradictions with the process of underdevelopment. By making capitalism as a referent point of analysis, the Dependency theory has made it possible to look at development as a dynamic process and underdevelopment as a problem of transition between pre-capitalist and capitalist societies. It has also made it a point to look at the historical dynamics of Third World societies before their insertion into the system of world capitalism.

The situation of Colonial Bengal in our study indicates that the assumptions of the Dependency theory have a greater explanatory power. Before the penetration of English capitalism, the feudal mode of production in Bengal, under the impact of increasing pressure for revenue by the ruling class and

accumulation of a large amount of merchant capital, was undergoing transformation. Possibilities for the development of capitalistic mode of production were created by the separation of a group of peasants from their means of production; development of a group of rich Khudkhast peasants and the gradual penetration of money capital into the process of urban petty mode of production. We are not saying that pre-colonial Bengal became a capitalist society. What we see is that in pre-colonial time the feudal mode of production was faced with a crisis. There was a dynamism in the structure of the pre-colonial Bengal. Marx, V. Smith and the colonial historians seem to have overstressed the notion of the "unchangingness" of the Indian society.

But the penetration of English capitalism and the establishment of colonial rule in Bengal led to a blockage to her indigenous processes of transition. By creating a separate class of landlords and destroying the urban petty mode of production, English capitalism thwarted the indigenous transformative possibilities of the Bengal society. English education was introduced, roads and railways were built and different legal and administrative measures were undertaken only to make Bengal more responsive to the demand of the metropolitan capitalism. A few superstructural elements of capitalism were imposed, while creating distortions in the basic structural dynamism of the society.

The purpose of metropolitan capitalism in Bengal (in its industrial phase) was to make it a market for British

industrial goods and a supplier of agricultural raw materials for the rising British industries. This was achieved through an alliance, made within the structure of the colonial state, between the English colonial ruling class and the native class of Zamindars and Jotders.

Our study of colonial Bengal suggests that the notion of Modernization theory that integration with the capitalist societies is a way out of underdevelopment in Third World societies, is a misleading one. Bengal remained integrated with the structure of English capitalism for nearly two centuries but yet she could not achieve an "auto centric kind" capitalist development.

Defining capitalism as a definite system of production relations, we do not observe in colonial Bengal the development of capitalistic mode of production. In agriculture, which was the dominant form of production in the colonial period, the system of sharecropping was compounded with the elements of feudal mode of production. The petty mode of production, throughout the whole nineteenth century, was in a process of decay and disintegration and, therefore, the rise of capitalistic relations in that sphere of production was not possible at that time. From the beginning of the twentieth century, particularly after World War I, a class of native bourgeoisie began to develop in the sphere of jute production. But because of its dependence on the metropolitan ones, it could not bring any bourgeois revolution from within.

Within the colonial state the feudal relations of

production was made and reinforced to make response to the need of the metropolitan capitalism.

The greater sophistication of the Dependency theory lies in its recognition of the problem arising in Third World societies from the penetration of Western capitalism - an issue which has remained entirely beyond the analytical domain of the Modernization theory because of its basis in the ahistorical assumptions of the Structural-Functional theory.

There, however, exists some controversies within the Dependency theory with regard to the problem of specification of the dependent societies and identification of the mechanisms of capitalist exploitation. What remains at the root of the controversies is an ambiguity concerning the notion of 'capitalism'. We suggest that capitalism needs to be defined as a definite system of production relations and not as a system of market relationships as Frank and Wallerstein did. Whether a given social formation is feudal or capitalistic very much depends on how these types are defined and conceptualised. By defining capitalism as a system of production for market, Frank says that Latin America became a capitalist society since its insertion into the structure of World capitalism. But by taking capitalism as a system of definite form of production relation, we do not find in colonial Bengal the development and the spread of capitalistic mode of production. Commodity production in Bengal existed long before the penetration of capitalism. Throughout the whole colonial period Bengal was engaged in commodity production in response to the

demand of the English capitalism. But by virtue of its insertion into world capitalism through commodity production, Bengal did not transform itself into a capitalistic society.

In fact the Dependency theory still needs some sophistication with regard to the problem of conceptualizing where the interaction between the two systems of society took place.

As to the mechanism of capitalist exploitation, we think that one should look at both the processes of internal class formation and the external trading relationships. In Bengal the Jotder-Bargader relations of production developed only because of the changing demand for agricultural raw materials by the metropolitan bourgeoisie. Internal relations of production were created and reproduced to fit into the external structure of demand of metropolitan capitalism. Within the structure of the mechanism of capitalist exploitation these two processes seem to have remained complementary and not contradictory.

While recognizing that the Dependency theory has a lot of controversies within it and that it has yet to attain a greater amount of precision in terms of conceptual categories and analytical techniques, we, in the context of the above analytical and historical analyses, think that the Dependency approach can provide an appropriate framework for the study of underdevelopment in sociology. Its perspective would help to generate theories of underdevelopment - a field of substantive research in sociology which has remained almost sterile during

the supremacy of the Modernization theory.

Now a few words about the limitations of the present study. Throughout the whole investigation our purpose has remained limited to locating and specifying a useful theory of underdevelopment in sociology. The case of colonial Bengal has been examined only to ascertain how and to what extent the assumptions of the Dependency theory can be made appropriate and fruitful in delineating the processes of underdevelopment in a concrete colonial situation. We have mainly attempted to identify the processes of capitalist transformation in the pre-colonial Bengal and the various steps which distorted those processes under the situation of colonial capitalism. The neo-colonial dependency or the post-colonial dependency under the situation of imperialist capitalism has obviously some different processes of articulation and would have different effects on the internal social formation of the Bengal society. But here we have not touched on those aspects of the neo-colonial dependency.

Secondly, in our analysis we have used the category of 'production relation' in characterizing the phenomenon of capitalism and in specifying the mode of production. But there exists a serious deficiency of historical literatures researched from this kind of perspective. The scholars on whom we have remained dependent throughout, such as Irfan Habib, Tapan Raychoudhury, R.P. Dutt and R.C. Dutt, are Marxists in its traditional sense of the term. But their studies and researches have not been approached specifically in terms of the category

of 'production relation'. In the absence of opportunities to go into the primary sources at this level of our work, we could not, therefore, substantiate some of our crucial arguments with much quantitative information.

Given the presence of these and other limitations, we would suggest that in the analysis of underdevelopment in terms of the general framework of the Dependency theory and the specific category of 'production relation' one should be based on the primary sources of history rather than relying on secondary historical descriptions and narrations. This is particularly true for research on India.

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