BRUCE ANDREWS

POLI SCI

11

The Political Economy of World Capitalism [1982]

www.arras.net / april 2003

THE POLITICAL ECONOMY OF WORLD CAPITALISM: THEORY AND PRACTICE

[1982]

Albert Bergesen, ed. *Studies of the Modern World-System*. New York: Academic Press, 1980.

John W. Meyer and Michael T. Hannan. eds. *National Development and the World System: Educational, Economic, and Political Change, 1950-1970.* Chicago: The University of Chicago Press, 1979.

Immanuel Wallerstein, *The Capitalist World-Economy.* Cambridge: Cambridge University Press. 1979.

The mere appearance of all this work on the political economy of the world-system should tell us something. Capitalism has been analyzed as a relatively well-integrated social system with its own distinctive and internal dynamics, but the old insistence that it is integrated and internally governed at the national level is now being questioned. Its forms of organization are worldwide: it has organized the world.

To comprehend this increasingly visible phenomenon, a "world-system perspective" is being developed outside the confines of the existing community of international relations scholars. This perspective aspires to offer a new way of conceptualizing capitalism. On this terrain Marxist theory has already established a secure beachhead, even if it is one that remains largely outside the perspective of conventional social science. The terrain is now being contested on the Left. as the analysis of development by dependency theory has been carried back into the origins of the European world-system and forward into the present. The issues raised deserve serious attention.

This perspective does not form a single, rigorous theory. The literature

surrounding it is quite extensive and precludes simple summary.[1] Furthermore, the books listed above are loose and often disjointed collections of disparate types of analysis. No systematic overview is possible. This essay will be a tentative, suggestive probe, proceeding by several stages. First, we take a brief look at the conceptualizations, features, trends, and contradictions of the world system, as they are summarized by Immanuel Wallerstein and others. Second comes a presentation, accompanied by considerable methodological skepticism, of some of the recently-anthologized empirical applications of dependency or world-system analysis to the contemporary period. Third, we summarize a conceptual critique of the world-system perspective that questions its characterization of capitalist production and class relations. We then confront the task of building a perspective more nearly adequate to the analysis of world capitalist development. The contribution offered here involves, fourth, a recasting of the relationship between national societies and world-system, as well as between economic and political processes at the national and interstate levels; and fifth, a discussion of the constitution and normalization of states within this structural whole, with a conceptual bow in the direction of the recent analysis of power by Michel Foucault. Finally, we need to ask about the perspective's implications in regard to predictions that can be made about the future of this system, as well as in regard to political practice oriented toward social change.

1. A WORLD-SYSTEM PERSPECTIVE

As a collective reality, the modern world-system is presented as the central arena for social action — in the past, the present, and the future. Originating in Europe in the "long" sixteenth century of 1450-1640 as a solu-

[1] Immanuel Wallerstein, *The Modern World System* (New York: Academic Press, 1974), is the major historical statement. Beyond the three works noted at the head of this essay, recent anthologies include the first three volumes of the Political Economy of the World-System annuals (Beverly Hills: Sage, 1978, 1979, 1980): Barbara Hockey Kaplan, ed., *Social Change in the Capitalist World Economy*; Walter Goldfrank, ed., *The World-System of Capitalism: Past and Present*; and Terence K. Hopkins and Immanuel Wallerstein, eds., *Processes of the World- System*. Also, see W. Ladd Hollist and James N. Rosenau, eds., *World Systems Debates*, a special issue. of International Studies Quarterlv 25 (March 1981).

tion to the crisis of feudalism, the defining processes and relations of this world-system are economic. Conceptually, we can recast domestic and international politics, as well as the social processes underlying them, so that they reveal themselves as parts of this global whole, rather than as autonomous wholes.

The accumulation of capital structures society. For world-system theorists, however, capitalism is no longer the national mode that appears in more classical versions of political economy — rather, the transnational scope of capital is a defining characteristic. Even more idiosyncratically, world-system analysts presuppose a capitalism in which the exploitation of free labor by capital is no longer the defining feature; it represents only one type of proletarian status. Combining several forms of labor control, capitalism is seen as a mode of worldwide exchange relations and production for profit in a market. It has created a worldwide division of labor and productive specialization, stratified into zones and fragmented into national units. Exploitation involves a relationship between *nations* or groups of nations, between a "world bourgeoisie" and a "world proletariat." Exchange is the unifier, linking the market to the process by which capital is accumulated.

The world market system is reconceptualized as a hierarchical totality. There is, for example, no single path of national development that can be specified and held up as a model. The late-starters cannot all follow the path marked out by the early risers. Many nations are peripheralized through incorporation into a world division of labor. "Development" thus acquires a new meaning: the attainment of a more advantageous position within the world-system. The unit of analysis is no longer the single nation-state or national society, and, for social-change strategies aimed at the transcendence of capitalism, the nation is no longer the focus. Instead, a pattern of global stratification is a consistent feature: the world economy is divided into core areas (the beneficiaries of capital accumulation) and peripheral areas, which are disadvantaged when it comes to appropriating the surplus. The division of core and periphery is a relationship of domination. Primary accumulation and the transfer of value from underdeveloped to developed areas are *persistent* features of capitalism (their fruits solidify the system by subduing class ten-

sions in the core).

Within this world-system, the key disjuncture is thought to be the one that separates economic organization and processes, on the one hand, from political arrangements, on the other. The market is global but the polity is not. With the failure of the Hapsburg and Valois attempts at creating a global political empire, the world's political structure has been organized by an interstate system of sovereign political units. The political practices and institutions of the system, and of its various units, are not autonomous. They develop in accordance with market opportunities, economic trends, and conflicting economic interests. Within a national setting, groups will attempt to strengthen and gain control over the national governmental apparatus (as well as over less institutionalized aspects of the state) in order to improve their position in the world market. State formation and political development therefore acquire a kind of teleology or functionalist significance. They are intimately related to the task of distorting the normal, and too often idealized, operation of the world market.

In Wallerstein's rereading of world history,[2] the strength of a nation's state apparatus will parallel the position of the society within the global division of labor. Core areas will spawn strong states, peripheral areas are likely to be characterized by weak states. With respect to global market opportunities, there is constant change in the states' relative positions. Nations will typically seek to protect their position and to improve their status within the international pecking order of surplus extraction. What looks like national development will actually consist of a successful attainment of the domestic and international preconditions for social mobility within the world-system.

The system seems rather tightly knit, or perhaps "over-integrated."[3] For that reason, and because of its implications for social change, Wallerstein's

2 For very helpful summary statements, see Christopher Chase-Dunn and Richardson Rubinson, "Toward a Structural Perspective on the World System," *Politics and Society* 7 (1977): 453-76: and Terence K. Hopkins and Immanuel Wallerstein et al., "Patterns of World-System Development: A Research Proposal," *Review* 1(1977): 111-45.

3 The term is Peter Worsley's. See his excellent recent essay, "One World or Three? A Critique of the World-System Theory of Immanuel Wallerstein," *Socialist Register 1980*, ed. by Ralph Miliband and John Saville (London: Merlin Press, 1980).

stress on *contradiction* is worth emphasizing. Contradictions will occur in three specific realms, each deriving from one of the world-system's defining features. The first two are familiar from classical Marxist theorizing about national political economies. One results from the imbalance between world supply and world demand. As long as productive decisions are made by individual enterprises, this imbalance will be the unplanned consequence of continuous mechanization and commodification. A continuous increase in productive capacity is not paralleled by those changes in national class structures and income distributions that would generate an effective demand sufficient to monetize the products of growing world capacity.

The longer secular trends are thought to derive from the expansionist economic logic of the system: increasing proletarianization in order to generate the needed demand to maintain profit rates, on the one hand, and, on the other, a more and more visible cash nexus and heightening political problems that result from the worldwide shift to wage employment. A second contradiction occurs between ostensibly "free" labor in the marketplace (at least in certain regions, concentrated within the core) and the authoritarianism of productive relations in the workplace. The costs of coopting workers and damping resistance will increase. But while effective demand may increase in the process, moderating the first contradiction, there is a snag at the political level. Because of the necessary extension of state control, and the problems involved in safeguarding political authority at an acceptable cost, state actors prefer to legitimate authority rather than resort to wholesale coercion. Yet the price of legitimation increases over time. Increasing costs of cooptation and increasing difficulties in maintaining class peace put a constraint on world-system development.

The final contradiction is set by that disjuncture between political form and economic content which characterizes the world system at several levels. "One might say: what the states try to unify, the world-economy tears asunder."[4] This is an aspect of any world economy not organized as a single political empire. The growth of state power, along with increasing politiciza-

[4]Hopkins and Wallerstein, "Patterns of World-System Development," p. 113.

tion. may bring about what Wallerstein calls a "Janissarization" of the ruling classes (increasing control of the economy by managerial elites may create a dispersion of the will to resist or coopt the so-called "world working classes"); core-state competition and conflict between weak and strong states; and conflicts between the interests of the state, as defined by government officials, and the interests of the dominant capitalists within the national setting. In each case, the political stability needed for economic growth and capital accumulation will often be absent. Meanwhile, economic transactions will add their own erratic complexities and cyclical patterns. The system as a whole expands and contracts. National political units jockey for position; state actors seek to retain statuses that are fossils of earlier action. Eventually, these contradictions may transform the system as a whole. The total freeing of factors of production and the approach of the limits of structural expansion will (supposedly) spell the doom of world capitalism. "The system will not be able to survive the light of day."[5] We are said to be living in this transition to a "post-capitalist" world-system.

2. RESEARCH EXTENSIONS AND RESEARCH PROBLEMS

This is only the barest sketch of the world-system perspective, as set forth by Wallerstein, Terence Hopkins, and others. It has spawned two distinct research programs, the second of which is amply documented in the anthologies under review.

One body of recent work accepts the historiographic stance of the original exponents and attempts a case-study approach. The conceptual pointers of a world-system perspective help them chart specific economic, political, or cultural trends within a regional or national setting.[6] At its most concrete, this work verges on detailed historical description with taxonomic flourishes. For the most part, it seems derivative of existing theory — an appli-

[5]Wallerstein, *The Capitalist World-Economy,* p. 129.

[6]See, especially, studies collected in Kaplan, *Social Change*; Goldfrank, *World-System of Capitalism*; Hopkins and Wallerstein, "Patterns of World-System Development"; and those appearing since 1977 in the journal of the Fernand Braudel Center, *Review.*

cation or almost an upholstering of it — rather than forcing us to recast the perspective in creative ways. The scattered nature of its presentation prohibits any systematic overview here. Leaving aside the need for imaginative conceptual recasting, however, the perspective as it stands now does seem to lend itself to the narrowly-based studies of the Sage volumes as well as to Wallerstein's sweeping generalizations. The framework is tidy and schematic enough to accommodate both.

Methodologically, the implications of holism are controversial. The modern age, after all, contains only one world political economy (a universe of cases with an *N* of 1). As a result, even macrosocial changes at the national level may be so glacial that they do not register as intertemporal variations. It becomes difficult, if not impossible, to fill the real gaps in our understanding with the more atomistic style of research design that American social science currently vaunts. Can that atomism offer an alternative to the bold strokes or painstaking detail of an interpretative history pursued along more continental lines? Can the apparatus of crossnational comparative analysis escape it? The methodological risks remain.

Inspired by the way a world-system approach can conceptualize the key relationships, a second body of recent work in sociology has adopted state-of-the-art quantitative techniques to model institutional change. The value of portions of the Bergesen and much of the Meyer and Hannan volumes lies in this effort.

Causation and interaction, however, are supposed to be internal to the world-system; the system is not conceived of as a field of exogenous influences acting on atomized and separable phenomena. National societies are thought to be neither social wholes nor the kinds of self-contained entities whose domestic features are interdependent in a way that could generate real change internally. Internal institutions are partly aspects of world development, and in many ways they are responsive constructions of a wider system. To the extent they are such constructions, causal comparative analysis will have less obvious payoffs; its technical virtuosity may not redeem it. Its study of separable societies and separate independent and dependent variables rests on assumptions that a world-system approach must explicitly contest. Meyer and

Hannan, for example, note at the outset, "Were we to begin afresh, we would have sought more systematically to link development at the national level with changes in the structure of the world system."[7] Yet even where the operationalizations of these explicit linkages are pursued, they often seem mechanical. Being limited to available (national) data from 1950 to 1970 and a research design that analyzes change over time in measures performed on national societies (the units of analysis), the results included in the Meyer and Hannan volume are limited in their ability to illuminate the process of development. As various authors admit, the units—as well as the features glossed by specific quantitative indicators — are ongoing historical creations of the processes of a global political economy.

Several of the quantitative studies, for example. focus on the association of national economic dependence with the nature of a nation's domestic institutional structure and economic performance. Some of the crossnational analysis in the Meyer and Hannan volume gives us more up-to-date evidence of these relationships. Societies can be meaningfully differentiated by degrees of dependence; however, the trends are not conceptualized in a consistent way. Sometimes they are cast along the lines of a fairly mechanical version of dependency theory and sometimes in accordance with the overall positional structure of the world-system. We may expect hybrids of these approaches to be awkward and insufficiently self-aware in the beginning, but the danger only increases when holistic assumptions about a global system must be filtered through the disaggregative screen of crossnational quantitative studies.[8]

Yet at the very least, this quantitative analysis adds detail to our description of the post-World War Two era. In spite of their mixed lineage, the studies reveal some interesting findings. The unequal distribution of income within national boundaries, for example, is more prominent in cases classified as investment dependence. Recent international relations between core and periphery could thus be said to reproduce or reinforce domestic inequalities. Less impressive records of economic development are also associated with

[7] "Preface," Meyer and Hannan, *National Development,* p. viii.

8 Is a 20-year period, for example, enough to make panel analysis and structural equation methods significantly more explanatory and less descriptive than the misleading cross-sectional correlations?

indicators of investment dependence, except with respect to production in mining.[9] These findings complement other recent studies showing similar relationships with export-partner concentration (used to measure trade dependence). Growth, however, does not seem necessarily to be affected by the concentration on categories of production (industrial goods versus raw materials, for example) that is supposed to reflect a nation's position in the world marketplace. By themselves, these national specifications are not the crux of underdevelopment.[10]

National economic dependence — arguably like peripheral status — should be associated with measures of reduced strength for the state apparatus. As these studies hypothesize, dependent areas would be characterized by states that are weaker yet which display a greater centralization of authority (as in one-party regimes, for example). State strength, when controlling for levels of economic dependence, should in turn be positively associated with economic growth. State weakness would therefore represent one vehicle by which dependence retards growth. Without aggressive state action — and even this is no panacea — 'late development" may prove impossible. Dominant interests in peripheral areas, however, may predictably resist government controls on the local economy in order to create an attractive investment climate. This is, of course, backed up by direct intervention on the part of core countries and by the stipulations that accompany loans and aid and investment. If we can accept the indicators, the findings at hand tend to support these hypotheses (once oil-exporting countries are excluded from the sample). Export-partner concentration and external public debt, for example, are both significant-

9 Christopher Chase-Dunn, "The Effects of International Economic Dependence on Development and Inequality," and Jacques Delacroix, "The Permeability of Information Boundaries and Economic Growth," both in Meyer and Hannan, *National Development.*

10 Jacques Delacroix, "The Export of Raw Materials and Economic Growth," in ibid. As we see a different international division constructed in the current period—based on production processes rather than differentiated by product—this will become more obvious. The categories used, grounded in international exchange relationships, may be diverting our attention from the (significantly internationalized) relations of production that underlie the international division of labor. Here, in accounting for underdevelopment, a Marxist stress on modes of production and national social formations may have a greater explanatory yield. See, for example, Susanne Jonas and Marlene Dixon, "Proletarianization and Class Alliances in the Americas," in Hopkins and Wallerstein, *Processes of the World-System*; John G. Taylor, *From Modernization to Modes of Production* (Atlantic Highlands, N.J.: Humanities Press, 1979); and Ian Roxborough, *Theories of Underdevelopment* (London: Macmillan, 1979).

ly associated with government revenue (the crude indicator used to measure state strength). The degree to which state weakness elicits dependency, which in turn lowers state strength (in a mutually interactive pattern), should be addressed.

A significant amount of the quantitative work in the Meyer and Hannan volume highlights the domestic role of education. These studies show the relationship that economic development, state power, national independence, and political participation have with the extension of national educational systems, as well as the degree to which national economic development is associated with educational expansion.[11] To sum up the formulations, educational expansion below the university level is said to increase rates of economic growth. But crossnational societal differences play a smaller role than we might have imagined in accounting for the measures of the explosive growth of educational systems since World War Two. The analysis indicates the need to specify a more prominent and more uniform role for states within the dynamic of capitalist development. Educational growth, tightly controlled by national states, joins what these crossnational researchers claim is a tendency toward a homogeneous modernization of domestic social structures. An apparently independent logic of global social organization has become embodied in national institutions.[12]

These studies do highlight some of the world economy's constraints and consequences, but they cannot examine them as long-term features that have, over time, created the conditions of the present. Instead, in order to make inferences from existing data, social phenomena are transformed into quantifiable indicators with a demonstrable "causal efficacy" over the short term (1950-1970, for example). The key problem is clear: longer-term structural phenomena are not open to this kind of demonstration. By analyzing dependence as currently operationalized, we will be limited in what we can conclude about global dynamics. We cannot use active verbs to speak confidently of a nation's world position actively retarding development, reducing

[11] John W. Meyer et al., "National Economic Development, 1950-70: Social and Political Factors," in Meyer and Hannan, *National Development*.
[12] John W. Meyer et al., "The World Educational Revolution, 1950-70," in ibid.

state strength, creating growth, etc. For example, hypotheses about the impact of trade or investment dependence may be merely a static description of specific market relations among national societies at a period in time far along the historical trajectory of world capitalist development. Our studying the microdynamics of the present renders that trajectory collapsed or miniaturized. Here is a trap in which some of the attempted quantifications of the dependency perspective are snared. We can probably expect a similar fate for world-system analysis at the hands of methodologically advanced scholars of a more conventional stripe.

Even these quantifications of world-system analysis, by locating a wide variety of diverse phenomena within this global context, can stir up some interesting trouble in their respective scholarly domains. At least they avoid the presumptions of national autonomy or insulation from international processes that often bedevil conventional crossnational research. The national factors under study are dependent variables in more ways than one. Some can be related, conceptually and sometimes empirically, to the overall trends or patterning of the world division of labor regarded as a collective or organic reality. Customary interpretations built on domestic factors will fail to capture this relationship and may therefore prove unsatisfactory, especially when compared to a "world-system" account. In that sense, the world-system perspective serves at least to sensitize researchers to the crucial role of the global socioeconomic setting in structuring national phenomena. The demonstrations proceed by transforming the "part-whole" perspective into a more mechanical if more manageable form. I single out a few instances from the Bergesen volume.

In Robert Wuthnow's analysis,[13] religious movements exhibit an interesting correspondence with changes in the world economy. (This makes sense insofar as a population's position within the world division of labor helps define for its members what the central problems of existence appear to be.) Connections can be worked out between periods of international economic expansion, polarization, and reconstitution, on the one hand, and categories

[13]Robert Wuthnow, "World Order and Religious Movements," in Bergesen, *Studies.*

of characteristic religious activity, on the other. In order, those categories are revitalization and reformation, militancy and counterreform, and accommodation and sectarianism. Alterations in the world economic structure generate increases in religious activity. Periods of relative structural stasis — the late nineteenth century, for example — correlate with periods of relative calm among religious movements. Domestic changes do not comprise an equally persuasive independent variable.

The development of science within the European setting is also linked to national mercantilist policies, which vary in accordance with global economic dynamics.[14] Levels of scientific activity show a rough correspondence with national positions within the European world economy in the sixteenth to nineteenth centuries. Again, this occurs *despite* differences in domestic structure. (If domestic explanations cannot account for these patterns, a noneconomic international explanation — tying mercantilism to considerations of defense and configurations of military power — will eventually have to be compared or integrated.) Heightened national competition has been conducive to scientific competition; the institutional autonomy of science has been aided by the world-system's political decentralization. The claim is that it sets the stage for the dynamism of competing interests, the need for legitimating state authority, and the need to develop national resources in a context of rivalry.

Claims for the usefulness of a world-system account also inform the study of the interdependence of regions within a global social whole. Domestic explanations of core-state policies for controlling the periphery can be illuminated when viewed in this global context. Patterns of colonialism and imperial relations between core and periphery, for example, are found to covary with the degree of stability within the core. During times of core instability, explicit political regulation of core-periphery relations is reasserted; colonialism and mercantile regulation of trade are examples. If stability returns to the core, this regulation becomes less necessary. A free trade imperialism can replace extra-economic mechanisms: Integration of the system

[14] Robert Wuthnow, "The World-Economy and the Institutionalization of Science in Seventeenth-Century Europe," in ibid.

now resides with the more distinctly economic linkages of the world-economy and less with the more political linkages of colonialism."[15]

Yet this integration is not guaranteed, nor is it demonstrated to be benign. Their inability to pursue autonomous policies adds to the legitimation problems of peripheral regimes. As Meyer and others suggest, once states are depicted as the necessary engines of progress within world politics, the criteria for legitimacy become unreachable. Among dependent states, one result may be a greater incidence of one-party regimes and weaker patterns of popular representation. Centralized regimes, in other words, can partially suppress the so-called revolution of rising expectations by delegitimating claims for certain categories of remedial state action. When this is coupled with what we know of the economic mechanisms for controlling interdependence between global strata, the system's integration at all levels seems more palpable.[16]

The logic of global social organization is the subject and its embodiments are national. With these studies, we move closer to a structuralist reading of global patterning, a reading that dilutes or "class-neuters" the political-economy language of dependency theory and the Marxist stress on exploitation to give us more magisterial sociological pronouncements about global norms and a functional division of labor. Further schematization may take us even farther, either to the trivialization of the perspective by building empirical work on inadequately theorized terrain, or to the self-enclosing dangers of a pure structuralist theory.[17]

3. CONCEPTUAL PROBLEMS AND CRITIQUE

We can safely predict that the most sustained critique of the world-system approach will take the form of complacent neglect. This will be

[15] Albert Bergesen and Ronald Schoenberg, "Long Waves of Colonial Expansion and Contraction," in ibid., p. 239.

[16] George M. Thomas and John W. Meyer, "Regime Changes and States Power in an Intensifying World-State-System," in ibid.

[17] See the discussion of semiotics and structuralism in Bruce Andrews, "The Language of State Action," *International Interactions* 6 (1979): 267—89. On this broad topic, several days could well be spent in the company of the brilliant dialogue between E. P. Thompson's *The Poverty of Theory and Other Essays* (New York: Monthly Review, 1978) and Perry Anderson's *Arguments within English Marxism* (London: NLB, 1980).

prominent among scholars who still display great confidence in conventional paradigms of developmentalism, comparative politics, and interstate interaction theorized along liberal-pluralist or realist-statist lines. Many will go on as if nothing has changed, holding these theoretical innovations at arm's length as if they were only minor irritants with which their less tradition-minded students and colleagues are distracting themselves. This is an uninteresting, self-protective response, which may preoccupy the mainstream.

More searching criticisms, designed to spur the development of this analytical perspective, can be put under two general headings: problems with a holism that is, at the same time, far-reaching and yet superficial; and problems with the stress on exchange relations, as distinct from the underlying social relations of capitalist production. These criticisms will allow us to go beyond our original framework in subsequent sections of this essay. We can redraw the picture of the state apparatus and the sources of domestic state action and signification, introduce a different analysis of modes of integration and core-periphery relations, and get beyond a structuralist holism and its attempt to characterize domestic social structures or domestic politics as "precipitates" of the world market.

The holism of the world-system perspective is striking; certainly, it is striking at first glance. Even so, as Albert Bergesen argues, it has not reached its logical conclusion.[18] If we model it according to a classical tradition of constructing models of social order, several stages seem to precede it; their limitations give us a hint as to how the perspective needs to be extended. Within the tradition most familiar to Anglo-American social thought, utilitarianism appears as the first overall conceptual framework for analyzing social phenomena. Its unit is the individual. The individual's instrumental acts are later institutionalized, coming to form relatively stable systems of contract, exchange, and specialization of labor. In the nineteenth century, the assumption that individual interaction can generate social order is gradually displaced by a more sociological viewpoint. Society is then conceived of as more than just an agglomeration of utilitarian interactions; it acquires a systematic life of

[18] Albert Bergesen, "From Utilitarianism to Globology: The Shift from the Individual to the World as a Whole as the Primordial Unit of Analysis," in Bergesen, *Studies.*

its own. Social order actually contains a set of precontractual norms and understandings from which interactions *internal to it* are derived. Marx's critique of classical political economy follows similar lines: the Smithian emphasis on exchange is contextualized — that is, located in a determinate set of class relations. In each case, the sequence of individual and society is reversed.

From this vantage-point, the world-system perspective seems like a throwback. It resembles a more transcendent utilitarianism, where interaction among national units (or self-conscious class agents) generates a specialization of productive activities through trade. Interaction still takes precedence over social order; it structures the world division of labor, and it is determinative of order and exploitation at the world-system level. This emphasis on worldwide exchange relations (whether as key factors in the original transition from feudalism, in the expansion of the capitalist order, or in charting the future) can be criticized for being individualistic and based on interaction. After all, even these national interactions and exchange are not self-explanatory or free-standing — we can trace their emergence and reproduction back to a shaping social context. Unequal exchange, for example, is only the precipitate of social relations on a world scale. It is those relations that need accounting for.

If interaction can be recontextualized in this part-whole manner, we would then have a final encompassing view; the significance of the individual units would be drastically subordinated to the corporate whole. We could subsume the relations characteristic of a particular division of labor under the overall structure of world capitalism — not as a market or mode or circulation but, in terms closer to those of Marxism, as a world political economy, as a global mode of the production of material life, as a complicated, worldwide social formation. This system, in turn, would be inscribed by class relationships that seem to underlay such things as the self-reproducing quality of the core-periphery division. But however useful such a conceptual achievement might be, we have first to ask if the original world-system perspective can accommodate it.

Robert Brenner[19] has offered the most probing criticism of the world-

[19] "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism," *New Left Review* no. 104 (1977): 25-92. This remains an indispensable discussion.

system perspective by questioning its most fundamental definition (and conception) of capitalism. His attack centers on the perspective's neglect or misreading of the sphere of production. Like dependency theory, world-system analysis seems pre-Marxist in its neo-Smithian emphasis on the determinative importance of exchange relations. Can a division of labor (for example, the export specialization that ties the core and periphery together through coerced primitive accumulation and unequal exchange) actually define the social patterning of production and accumulation as processes of the world-system?

The Marxist answer would be "no." For Marxists, the focus on the sphere of circulation will remain this perspective's most disabling flaw. Capitalism as a mode of production requires more than a commercial class (or stratum of countries) able to appropriate surplus through trade. A class of workers selling labor power on the market is also needed, to create the disciplinary force of capitalist productive relations. For a society to participate in a worldwide network of exchange does not imply the domination of the capitalist mode of production in that area, nor does it mean that that area is a constituent part of the system of capitalist production. To extend the categories of exploitation and class struggle after the fashion of world-system theorists is therefore troubling.[20]

Still, in a critique based on the centrality of capitalist production, class gets anchored nationally in the relationship between industrial capital and wage labor in core countries. World-system theorists would still contend that the concept of class, like capitalist development itself, needs to be reconceptualized. A new lexicon might let us rethink social relations on a world scale and get beyond an exclusive focus on compartmentalized relationships within national societies. In this view, "class" relations of exploitation take place between (and connect) the core and the periphery; they are precipitated out

[20] Patrick McGowan, for one instance, homogenizes the definition of exploitation as "the process creating surplus value from unequal exchange" ("Imperialism in World-System Perspective," in Hollist and Rosenau, *World System Debates*, p. 46, fn. 2). Taylor, *From Modernization to Modes of Production*, chap. 3, attributes this conceptual slippage on the part of dependency theory to the use of an imprecise notion of "surplus" (derived from Baran and Sweezy) that precludes any adequate theorizing of the specificity of capitalist production based on wage-labor. This makes it difficult to grasp the uneven, contested *history* of world capitalism.

of a global division of labor. The structuring role of these relations in shaping unequal exchange and market phenomena, and the national ability to take advantage of or be vulnerable to market possibilities, might need to be given greater weight. Class struggle constructs politics, but classes may be worldwide.

Yet what is the analytical status of these "world classes"? This application of a term taken from the realm of production to combinations of nations preempts the possibility of applying it to social forces located within national boundaries and extending beyond them. It seems that, to be understood, extended capital accumulation on a world scale needs to be situated within specifically capitalist social relations of production (the commodification of labor power). To situate it outside any such system of social relations and locate it exclusively within a trade-based division of labor between the global core and periphery will distort the picture of capitalist development. Like dependency theory, it will also tend to shift the site of appropriate political praxis to the periphery.

A more classically Marxist view is persuasive here. Its critique suggests an alternative view of class structures of production, surplus extraction, and class struggle as elements that shape the development of national societies, politics, and state policies. We cannot comprehend international exchange in terms of functionalist imagery, nor can we comprehend it solely from the point of view of ruling classes that behave teleologically in order to maximize their position in a world market. Dominant classes do not introduce new, advantageous forms of labor control and state structure in a social vacuum; these processes do not occur without national resistance and conflict, nor do they happen without regard for changing relations of production. Such a "market-functionalist" view of national politics might follow logically from neo-Smithian definitions. But the market is not the calculator of production; the market is neither self-structuring nor autonomous. Detailed power over a nation's accumulation process and its embodiment in domestic society and social practices is a crucial part of that process. To reduce so much of this to core-periphery exchange relations is question-begging. Accumulation operates, instead, through a complicated field of power relations, continuous class

formation and deformation, and value-laden struggles over competing beliefs and needs. Praxis, in this reading, will rest on class divisions that derive from specifically capitalist production.

Almost as soon as an explanation based on core-periphery exchange is offered, it requires another explanation at a deeper level. Further analysis will have to accommodate the underlying production context of exchange relations. It will also have to take into account the intertwined role of state activity at the domestic level and the structure of the interstate system and configurations of strategic power.[21]

4. THE STATE AND THE WORLD-SYSTEM

After so much scholarly attention to seemingly self-enclosed domestic systems, it is refreshing to find the realities of international capital and imperialism given such prominence. The essential boldness of the world-system vision lies in its very ability *pronouncedly* to conceptualize the connection between state or society and world economy as a phenomenon of part and whole. But the onesidedness of a view that posits so many phenomena as being internal to the global structure can be just as striking. The problems are twofold: they concern the role allotted to individual states, and the explanation of domestic structures by reference to global ones. In this section, with occasional assistance from the research under review, we can begin to clarify these conceptual issues.

The troubling assertion is that national units are "non-systems" and that the domestic politics of nations are constructed over time by world-market relationships. "Exchange generates power; the analysis and institutionalization of exchange generates authority."[22] But how determinative is this gen-

[21] On the conceptual status of the interstate system in these conceptualizations, see Christopher Chase-Dunn's excellent recent piece. "Interstate System and Capitalist World-Economy: One Logic or Two," in Hollist and Rosenau, World System Debates, pp. 19—42. There he answers the criticism of Aristide R. Zolberg, "Origins of the Modern World System: A Missing Link," World Politics 33 (January 1981): 253-81. A comprehensive treatment of the perspective will have to come to terms with this issue; for now, this interchange between Chase-Dunn and Zolbert will have to suffice.

[22] John W. Meyer, "The World Polity and the Authority of the Nation-State," in Bergesen, Studies, p. 135. Or compare Wallerstein (*Modern World System*, p. 157): "The different roles in the world division of labor led to different class structures which led to different politics."

erator? Especially in the contemporary period, such an assertion neglects the realities of domestic sovereignty. It is also prone to neglect the significance retained by the conflict between capital and labor within a national context for the explanation of state policies and political development. The international realm is not autonomous. We need to see how the horizontal structuralism implied by the network of exchange and division of labor is intersected by a vertical dimension of state purpose, desire, and signification. It is, after all, this determination of world outcomes by national units that makes the economic sphere so much more competitive; certainly, the fashionable rediscovery of statism and neomercantiism among core countries tells us this much.

One key area for study concerns the ways in which a state attempts to organize society, as well as the forms in which resistance to that organizing is expressed. The need to organize and restructure society increases as the institutional preconditions for capital accumulation become increasingly severe. The politics involved are national; they help fashion the domestic institutional structure, a social structure of accumulation.[23]

A world-system perspective would expect these social contexts to be differentiated quite exactly in accordance with a state's position in the world economy. A process of global stratification and restratification is the conditioning factor. Dependency analysis gives us a hint of this: indicators for dependence in trade and investment are associated with the suppression of autonomous state policies. Domestic class formation anchors the process of peripheralization. as peripheral elites ally themselves with core interests. Peripheral economic structures fit the requirements of a global division of labor rather than the needs of the indigenous population. The internally generated surplus is siphoned off to support the accumulation of capital in the core, rather than being deployed for independent development and political institutionalization on the periphery.

To comprehend this arrangement fully, however, we have to investi-

[23] David Gordon, "Stages of Accumulation and Long Economic Cycles." in Hopkins and Wallerstein. *Processes of the World-System*, p. 17. Compare Thomas Weisskopf. "The Current Economic Crisis in Historical Perspective," *Socialist Review* no. 57 (May-June 1981), p. 13.

gate the social construction of national societies and politics. No form of exchange-reductionism will suffice. The economic realm is not autonomous and thus anything resembling an economic determinism will give us an overly schematic chart of both the domestic social structures included within the world-system and the state policies designed to represent them. The much-heralded "plurality of social time," the complicated articulation of different modes of production within a single domestic society, and the dynamics of resistance will give way to something less differentiated. In particular, we must give greater weight to the *national* structuring role of class relations in shaping market phenomena and the ability to take advantage of, or be vulnerable to, market possibilities. These are domestic political abilities and disabilities, but not uniform ones. The linkage between relations of global production and the role of the nation-state still awaits adequate theorizing.

Certainly, the nation-state is increasingly dominant as a social form. As the essays under review note, state activities are more and more organized around a rationalized approach toward economic growth.[24] Again, success in world economic competition is not only a concern of economic elites. It will appear to governments as a virtual precondition for development. The organization of society becomes a variable resource in a worldwide economic game. This internal social dimension of world competition needs to be stressed, for the effects are reciprocal: from social formation and state to world-system and, continuously, back again.

In several of the studies under review, the growth in educational systems is claimed to be an example of such an articulation of world processes at the domestic level. It corresponds to the general expansion of governmental authority in all types of countries.[25] This expanding political reach is instrumentalized in relation to the state's commitment to national economic progress. Government revenue since 1945 shows a positive relationship with gross national product; its positive association shows even greater strength for

[24] We also need to stress that this approach is sustained by certain domestic political and class configurations, which cannot be deductively derived from the global structure.

[25] Meyeret al., "National Economic Development," and Richard Rubinson, "Dependence, Government Revenue, and Economic Growth, 1955—1970," in Meyer and Hannan, *National Development.*

poorer countries. The state's ability to intervene in domestic social organization is positively related to economic growth. We might include, in other words, broad increases in state power as another form in which global processes are expressed: "Less developed states attempt forced mobilization and/or control in competing in the world system, while more developed ones tend to absorb (or be absorbed in) their societies through nationbuilding."[26] In order for a nation to advance or hold a place in the pattern of economic stratification presupposed by world-system theorists, aggressive national mobilization becomes a precondition.

Some recent studies suggest the need to recast discussion of the state along these lines, but the theoretical yield is still uncertain. From Wallerstein's analysis, we would expect to find a differentiation in state strength occurring along core-periphery lines, with the so-called semiperiphery occupying a middle position. Historically, export-oriented elites in command of primary production in the periphery are prone to resist strong state structures, for the existence of such state structures might catalyze demands for either national independence or indigenous development. State strength would be something like a dependent variable differentiated according to world-market position. The quantitative studies of the postwar period, however, show a consistent growth in state activity, state expansiveness, and centralization of authority across most countries. An explanation that locates this trend within the internationalization of capital, or as part of the dominant global mode of production, has not yet been fully worked out.[27]

Given the somewhat disabling stress on exchange relationships, what alternative account can accommodate these findings? In Meyer and Boli-Bennett's work,[28] the notion of a *world polity* is introduced to stand alongside

[26] Meyer et al., "National Economic Development," p. 90.

[27] This has made the world-system perspective vulnerable to exponents of a more conventional emphasis on the determinative pressures of the interstate political system. See Zolberg's interchange with Chase-Dunn, mentioned earlier. One alternative possibility for social-theory formation, as a way to get beyond the idiographic emphasis of the world-system perspective, is to take a comparative look at social class and state formation in the Third World. For two recent British attempts, see Taylor, *From Modernization to Modes of Production,* and Roxborough, *Theories of Underdevelopment.*

[28] See Meyer, "World Polity"; Thomas and Meyer, "Regime Changes"; and John Boli-Bennett, "The Ideology of Expanding State Authority in National Constitutions, 1870-1970"' in Meyer and Hannan, *National Developments,* for this line of argument.

the sociological division of labor. It fills the analytical gaps that follow from an original unwillingness to characterize the world system in terms of specifically capitalist relations of production. A world political ideology and imperative is said to be at work; state actors are virtually required to expand their activities if they hope to protect the viability of dominant social interests This world polity is said to contain world political rules, which underprop and legitimate the nation-state system. States are empowered by a world political culture that projects the ideology and organizational logic of the world economy. Global characteristics, rather than national ones, are, in other words, still determining.

A world polity is said to spawn national political systems as constitutive citizens. World political rules would actually precipitate sovereignties and, along with them, the universal goal of economic progress toward which state power is instrumental. This might help account for certain anomalies that an explanation focused solely on the world-system as an economic network cannot handle: the state system's overall stability as an organizational solution, the social modernization of the periphery, and the global shift toward politically constructed paradigms of value and social organization (i.e., postindustrialism). State constitutional authority, for example, does not simply mirror the reach of state power. It expands even more extensively in the periphery — possibly as a form of ideological overcompensation. An increasingly intense competition for the improvement of national status helps to homogenize the goals of individual governments.

Here we have something like a global political determinism or teleology to set next to economic versions. In this view, the social constitution of exchange (and of the units within which exchange takes place) is a reciprocal process. An institutional system of rationalized and bureaucratic power is not just a dependent variable, reducible to exchange relations. Instead, rationalized collective action serves to organize reality in its own right and on a global basis. "Economic systems, as they become stabilized, generate polities: accountings of value such that the exchanges make sense and are given legitimacy" and stability.[29] Recalling and reversing Polanyi, this argument posits a

[29] Meyer, "World Polity," p. 113.

Great *Un*-transformation in recent decades. In national settings. the determination of value is now thought to be accomplished quite self-consciously apart from the force of markets and world price arrangements. It is legitimated by a world political culture, with its modernizing intellectuals and its forms of ideological hegemony. [30]

This extension of world-system theorizing is both provocative and problematical. Granted, the original literature leans heavily on assumptions about the dominance of exchange relations. Often it seemed as if world politics were simply a precipitate of economic interaction and not something that takes place in a context of existing social relations. Even so, the attempt to go beyond a marketplace determinism by speaking of the influence of a world political culture may create more problems than it solves. The great claims made for the determining role of a world polity may only mean that insufficient attention is being paid to the local political and class forces that lay behind it. This lack of attention makes it harder to link the shifting social and political currents inside a nation with the changing opportunities and pre-established constraints set by the prevailing organization of production at the global level. The two sides of this link are reciprocal and mutually constitutive; they define and shape each other. If we simply attribute national political phenomena to a worldwide ideology or culture, change is deprived of a motor and the sources of stability are dematerialized. We are left with a market-based determinism on the one hand, in which everything is reduced to the hierarchical structure of exchange, or else forced into an idealist analysis of "political modernization," however globalized, on the other hand. We need fuller details about these coupled processes of change as they are anchored in different, smaller-scale settings.

5. THE CONSTITUTION AND NORMALIZATION OF STATES AND SOCIETIES

How constitutive is this relationship between nation and world economic system? After all, even if we see the relationship less mechanically than

[30] Compare Chase-Dunn, "Interstate System."

quantitative indicators can accommodate, we are still being asked to accept great claims for the priority of the whole over the part. Something like this is also implicit in the way that theories of imperialism or the internalization of capital try to appropriate the present. One major problem is visible: the role of individual units — nations — is likely to be neglected. So is the specific "topography" of the domestic society. It is as if the scope of structuralist homogenization could be extended to the point where the nation virtually disappears, except as a place-filler in the network. The state's role as an independent site of signification and continuing national structuring and restructuring, is slighted. After all, we are not talking of a one-way relationship in which national political systems are globalized and defined solely by the principles of the market or the interstate system.

World economic relations are not autonomous. They have been politicized, and this political construction of economic reality has taken a national form. Domestic political measures and policies are constantly being taken up, precisely to insure some space for continuing national direction and maneuver (and therefore, societal patterning or self-constitution). We could, of course, think of these aspects of state action as merely instrumental and responsive, as if they were largely a means to succeed in orienting the society toward the world market. But there is no reason to confine our thinking about the state to such an instrumental view. We can often justifiably ascribe an independent "political technology of the self"[31] to the national unit, just as we can with the individual as a unit within a larger social whole; in this way, we avoid some of the extremes of functionalism, reductionism, and structuralism. Political forces at the national level, spinning out of class and other hierarchical divisions (divisions created by capitalism as a complicated mode of social organization), operate in a more free-standing way. And these, in turn, shape the nature of a very politicized and governmentalized world economy.

The real issue does not only involve the autonomy of nations as eco-

[31] The term is Michel Foucault's, from a lecture given in November 1980, where he adds this set of techniques to his former emphasis on social control and the domination of the self by an external apparatus.

nomic units. By now, we all can see the ways in which economic dependence or peripheral status will limit this autonomy. In the present, as quantitative studies suggest, the penetration of societies by relations of external control may retard economic and political development. But is this more than a reinforcing impact? How significant is it when compared to the original social construction of reality at the national level? The crucial question about the operating rules of the world system may not pertain to the way those rules regulate preexisting state activities (activities whose existence is independent of the rules). Rather, the key question may involve the way in which national societies are created in accordance with those rules, the way they are originally constituted and defined by internalizing the structural principles and pressures of the worldwide organization of production. The very constitution of societies along national lines is important: it fragments the oppressed, and prevents system change by the formation of counteracting groups, and at the same time it fragments the oppressors, and by preventing world empire preserves the system's dynamism. It atomizes global reality.

Even where studies of dependence allot a larger current role to individual nation-states, they do not shed much light on the historical constitution of states and societies. Instead, they tend to examine short-term variations in a vacuum. Yet societies are not originally "self-constituted" (taking their shape from their own state policies), even if their central governments are now relatively autonomous in relation to specific domestic pressures. Recent findings may do nothing more than illustrate the marginal mechanics of reinforcement and readjustment. True, the recent concerns and practices of central governments are affected by domestic politics. But even the shape of domestic politics has been constrained and defined by what we might call the society's overall organizational principles. Finally, in decisive ways that need further conceptual clarification, the nature and reproduction of those societies have been defined over a very long span of history by a prevailing pattern of capitalist organization at the world level.

It is time to acknowledge that a much more complicated relationship exists between market forces and the role of social class, between economic and political determination, between global and domestic forces in the con-

stitution of states and state policies. A structuralist purism about the operation of the world-system and its national "precipitates" will not work. Although these linkages have not been adequately theorized, a few remarks and extensions are worth making here.

To emphasize the independent role of state action complicates the theoretical picture. If we reject a structuralist homogenization in which states seem to disappear, or else appear only as derivatives of a world market, we must raise another set of questions if we hope to account for the *continuities* of world capitalism. Anything we might call global economic development requires modes of integration and surplus extraction that operate beyond the national level. Core-periphery relations can be considered an apparatus of control. The operation of this apparatus will be inscribed by social conflict, but in this context "social conflict" means conflict between interests and practices that cut across categories of nations. So, how is the periphery originally structured and then maintained in a subordinate position?

Two of the trends mentioned earlier are at cross-purposes. The increasing scope of national state activity does not seem to square with the continuing impact economic dependence is supposed to have on the subordination of peripheral societies. Older patterns of colonialism or neocolonial intervention to contain radical change (whether through direct physical punishment or a chastening deterrent) cannot always maintain global control. Yet capitalism, because it "is not primarily a normatively integrated system"[32] (contrary to the claims about a "world polity"), increasingly needs similar control mechanisms to stabilize core-periphery relations. Sometimes discipline is imposed through the direct economic necessities of wage-labor, but at other times through political coercions of a more "mercantilist" variety. "Extra-economic sanctions then were the norm until very recently in most parts of the globe; the cash-nexus the exception."[33] Yet that exception, as Wallerstein claims, may well characterize the future of the world economy.

Coercion and repression, and even deterrence, are costly ways to regulate independently existing forms of behavior. Ideally, for capitalist develop-

[32] Chase-Dunn, "Interstate System," p. 38.
[33] Worsley, "One World or Three?" pp. 312 and 302—3.

ment, these methods would give way to a subtler pattern of normalization based on capitalist relations of production. This involves a less contentious form of socialization or constitution (that is, a process of shaping the very definition and internal nature of societies), so that subsequently the more visible methods of outside control become less important. Historically and in the future, this would mean the construction and shaping of societies along lines that are conducive to accumulation on a world scale. If the relevant constraints and organizational principles are internalized, the need for continuing political intervention by core states is partially obviated. If the worldwide organization of accumulation is constitutive in that sense, it will allow the continuing facts of dependence and exchange to seem relatively depoliticized and self-perpetuating. Let me quote two complementary views.

> During the early centuries this worldwide social formation was 'held together,' or constructed out of, social relations that were more political than economic. The self-perpetuating mechanisms of a world market and unequal exchange could not take hold as well during the earlier centuries because the infrastructures of peripheral regions were still being 'hammered' into the appropriate shape required for their dependent position in the emerging world economy. In this sense colonialism represents a means of primitive accumulation that precedes the more organic functioning of the self-perpetuating and self-reproducing core-periphery division of labor. . . . Sometime in the future [these extra-economic mechanisms] will disappear altogether, leaving us with a pure capitalist world economy capable of accumulation and reproduction of its social relations. . .[34]

> Today, the dependent economies originally implanted by political force can continue to work according to the logic of the world capitalist market because they have become capitalist in their internal constitution; not merely because they are

[34] Bergesen and Schoenberg, "Long Waves," pp. 268-69, and Albert Bergesen, "Cycles of Formal Colonial Rule," in Hopkins and Wallerstein, *Processes of the World-System*, p. 123, comprise the quotation.

articulated in a world capitalist market.[35]

That internal constitution indicates a result of interaction and integration between social systems that goes beyond trade and creates the possibility of a division of labor and production based on something closer to a single system of value equivalence.

To think of a global mode of production as constitutive allows us to think of control in a less externalized fashion. In this way, we can complement the sometimes mechanical stress on the coercive aspects of "imperialist intervention" or "world market forces" with a more internal perspective. Michel Foucault's recent theorizing about power is relevant here.[36] It helps us to see that the historical construction of *self-regulating* national units may be a reality underlying the apparent self-perpetuation of a division of labor. World capitalism is capable of relying on a sophisticated pattern of control and discipline, on what Foucault would call the positive aspects of power — power as a constitutive or productive feature — rather than on its negative or repressive aspects Power makes a transition from the inflicting of penalties to .a dispersed network that imposes continuous surveillance It is internally and not merely externally imposed; at times it is closer to an inward "knowledge" than to an outward "force." It becomes a synaptic technology of reform, exercised in a capillary form through (and not only above) the individual social body. It not only occurs through censoring, blocking, and repressing, but also through the creation of subjects, bodies politic, and national desires Like the nation, "the individual is not a pre-given entity which is seized on by the exercise of power. The individual, with his identity and characteristics, is the product of a relation of power exercised over bodies, multiplicities, movements, desires, forces." Global power circulates and creates peripheral subjects as units of its

[35] Worsley, "One World or Three?" p. 303. Worsley continues: "Yet political force is still needed because the dichotomy between the capitalism of the centre and the capitalism of the periphery creates new contradictions. The first of these is that the world was not simply integrated by impenalism. It was divided at the same time, between several major imperialist powers. The second was the resistance and counterattack provoked in the colonised countries. And the third was the decisive breach in a capitalist world-system that had only very recently become established: the Bolshevik seizure of power in 1917."
[36] Michel Foucault, *Power/Knowledge: Selected Interviews & Other Writings* (New York: Pantheon, 1980), is now the best introduction to Foucault's important work of the 1970s.

articulation. "We should try to grasp subjection in its material instance as a constitution of subjects," Foucault writes: "The individual is an effect of power."[37]

If a local society can be fundamentally refashioned and class forces realigned (for example, by incapacitating the groups that would demand political protection from foreign capital or from world market pressures), that society can be incorporated or normalized more cheaply. Its incorporation into a framework of global rules and roles can be maintained by means of an internalized conformity, by an *independently desired* national responsiveness to the worlds economic dynamics. The negativity or direct coerciveness of power can be held in reserve. In its place we see what a "positivity" of power might imply: the socialization, or training, or disciplining, or normalization of the body politic. Once we give greater play to domestic class forces, practices, and relations, as well as the role of the state, we realize how uneven and contested this historical process can be.

The typical surface events of the world-system will be the movements of core policies and the policies of societies on the periphery — policies that are both the products and vehicles of normalization. Granted, these policies respond to world market forces and to coercive diplomacy. Yet they often project a specific domestic motivation in a way that the world-system perspective (with its subordination of part to whole) has been ill-equipped to grasp.[38] The analysis of state policy (seeing it, for example, as an instrument of the desire to reproduce a particular domestic pattern) will often mean an analysis of *self*-control and *self*-discipline: the reproduction, at the national level, of the prior results of a pattern of normalization unfolding unevenly throughout the world The global political economy, in other words, is a *disciplinary* society. Power operates as an active constitution and continuous structuring of societies that accept responsibility for their own "normalcy," for their own self-regulation as parts of world capitalism. This is an aspect of the world-system's dynamics that needs to be included in any comprehensive perspective.

[37] Ibid., pp. 73-74, 97, 98.

[38] Realist or statist theorizing about state policies has a similarly difficult time accounting for the specificity of domestic motivation. For a discussion, see Andrews, "Language of State Action."

Any treatment of normalization raises two complicated questions. First, what, in general, is the role or autonomy of the subject (that is, the part) within the overall organization of world capitalism as a social whole (that is, the totality)? This is a key conceptual issue, bound up with questions of epistemology. By sketchily negotiating some of these issues, the previous section has allowed us to focus on a second question: in the present and in the future, what are the opportunities for social change? What is to be done? The question is no longer limited to attaining power within a national political framework in order to reshape society. It becomes a question about the range of possibilities for a national society within the core-periphery division of labor.

One revealing area of world-system analysis studies the alterations in domestic political structure and alignment that have accompanied a nation's emergence into the world's core. If peripheralization involves normalization, this emergence involves something like a politically-orchestrated counternormalization. To be specific, what aspects of domestic class structure and conflicting class practices account for this political change? What are the domestic political preconditions for a long-term shift in world position — when it comes to institutional structure, political coalitions, class capacity, group mobilization, and cultural or ideological hegemony? For individual cases. nuanced and comprehensive studies of these preconditions would be a worthwhile avenue for further study.

Two recent (although brief and schematic) attempts are the comparison of the United States and Germany in the late nineteenth century and the treatment of the antebellum United States.[39] Chase-Dunn's study of the U.S. elucidates the way it avoided the fate of peripheralization as so-called core producers attained political hegemony in the period between 1815 and 1860. His analysis centers around the conflict between what he calls peripheral capitalists and core capitalists *within* the United States, using the politics of the

[39] Richard Rubinson, "Political Transformation in Germany and the United States," in Kaplan, *Social Change*; and Christopher Chase-Dunn, "The Development of Core Capitalism in the Antebellum United States: Tariff Policies and Class Struggle in an Upwardly Mobile Semiperiphery," in Bergesen, *Studies.*

import tariff as a reference point. He makes the claim that the usual distinction between core and peripheral "areas" is really a distinction between areas in which one or the other type of economic production is dominant; these areas are not coterminous with national economies. Chase-Dunn's argument takes the following form. The upward mobility of the U.S. within the world system resulted from a political victory on the part of core producers. The interests of the peripheral producers, on the other hand, were increasingly frustrated. Their economic activities, directed to European markets, gave them little incentive to restructure state policy or state institutions in order to protect domestic industry against competition from core imports. This gradual dominance of core productive interests (and therefore of related methods of labor control) was not a natural or foreordained event. It was the multifaceted product of class struggle over the control of the state and its policies, capped by the Civil War and Reconstruction. Such a historical account cannot fully elucidate the dynamics of the organization of production at a worldwide level, dynamics that underprop the exchange relations which are often the conscious reference points of one nation's politics. On the other hand, it at least transcends the splitting of the domestic and international aspects of social conflict that bedevils certain analyses of world capitalism.

From this overall perspective and such specific findings, what are we likely to conclude about the opportunities and preconditions for movement within the present system? What are the lessons to be drawn, by peripheral states, for example? First of all, this world-system perspective drastically complicates the project of social change. Its pronounced holism undercuts the complacent optimism of nationally-focused modernization theories on both the Right and the Left. What has been called national development is largely conditioned by (or is in fact synonymous with) national mobility within a world system of stratification. Yet mobility is limited by the number of national positions within the system. Real social change would have to be structural change, change that alters the system of control over the international division of labor and capitalist social relations of production. And yet, as the criticisms have indicated, those relations are decentralized. Further complicating the picture, we know that the site of those productive relations

— in the actual body politic or national societies with their corresponding state policies — will be inscribed by domestic social conflicts and a variety of conflicting desires and interests. How can this circle be squared?

For most peripheral states, upward mobility into the core is not an available option. A more radical form of self-reliance and societal reconstitution at the hands of state power may seem like an attractive alternative. The resulting policies involve greater economic autonomy, a severing of existing bonds of investment and trade and debt dependence, as well as such things as "a policy of informational import substitution, especially as concerns value."[40] Radical critiques of dependency often highlight this theme. As long as domestic social structures are seen in a reductionist light (as products of "penetration"), the only prescription seems to be that of deliberate abstinence. A troubling question sticks with us, however: does the prescription fit the basic (structural and holistic) explanatory logic of the world-system perspective? What are the preconditions for attaining national self-reliance, and what do they have to do with structural change? Recommendations for state action along the lines of self-reliance seem to reject the basic part-whole framework of the perspective. Even the emendations to this holistic structuralism that have been introduced in this discussion do not ease the problems of self-reliance.[41]

From the original perspective, the limits are clear. Mercantilist withdrawal (the relative concentration of commodity chains within national boundaries) is associated with contracting periods at the world level and an absence of political hegemony within the core. One precondition for peripheral states has been the achievement of a relatively strong state apparatus and therefore a conducive configuration of class forces. The ability to control a large internal market and at least a small industrial base may be another pre-

[40] Delacroix, "Permeability of Information Boundaries," p. 183.

[41] As one reviewer of the first draft of this review essay noted: "This lapse into someone else's utopianism may suggest another flaw in the world systems approach, namely its attachment to the 'system' concept. 'System' has teleological connotations which tend to undermine a sense of historical dialectic. I prefer 'structure,' which can be used to refer to the conditions shaping actions which persist over a certain period of time. These conditions are subject to transformation as components of a structure are challenged. Every structure generates its own contradictions, which lead to change, whereas 'systems' are thought of as restoring their own equilibrium, or else as ending (with a 'big bang')."

condition, making the experiences of China and the Soviet Union less relevant; recuperation still seems the most likely result.[42]

Another possibility, outlined by Meyer and acknowledging a greater autonomous role for individual states, concerns a postindustrial future as a "rational strategy for peripheral societies."[43] Capital is scarce, after all; the costs of dependence on external trade with unequal exchange are high. This suggests the attractiveness of a scenario in which labor-intensive social services and politically-defined consumption and politically-constructed value become more dominant, combined with a minimizing of the use of external capital and commodities. The argument, in other words, is that a national leadership might be able to stimulate a redirection of a single society along postindustrial lines — even on the periphery. Still, there are sharp limits. The realities of military intervention by core states or local guardians in the semi-periphery should not be ignored. Also the need for world commodities will bring on the disciplining effects of balance of payments problems and world market prices. Food production may be diverted toward export, thereby creating characteristic risks of starvation and repression of the direct producers. Industrialization for export may carry similar risks for subordinate classes. A concern for minimizing costs (e.g., labor costs) can overwhelm the concern for building up effective demand within the home market.

The problem remains intractable, and any prescription offered at the national level seems unable to transform the dynamics of the system. Escape is almost impossible. Regardless of rhetorical verve or partisan compassion, world-system analysis often seems driven perilously close to an immobilism laced with pessimism. It is curiously apolitical. In the end, it can look like an updated version of those scientific laws of capitalist development that were once the stock-in-trade of orthodox Marxism. In the same way, the implications for political practice that derive from a structuralist view are likely to be

[42] See Richard Curt Kraus, "Withdrawing from the World-System: Self-Reliance and Class Structure in China," in Goldfrank, *World-System of Capitalism*; and Edward Friedman, "Maoist Conceptualizations of the Capitalist World-System," in Hopkins and Wallerstein, *Process of the World-System*. Wallerstein's general neglect of the split between the First and Second Worlds often creates problems for inferences about appropriate praxis. On this point, see Worsley, "One World or Three?"

[43] Meyer, "World Polity," p. 128.

prone to a crisis orientation and to apocalyptic visions of the future accompanied by self-lacerating immobilism in the present. As social movements attempt to project a persuasive alternative model for a society, the constraints look equally great.

What is likely to happen to the overall coordinates of the system? Is the system coming gradually to its inglorious end, as Wallerstein claims? Are we facing "late" capitalism on a world scale, or simply a temporary rearrangement of players and positions in a game whose rules and roles are relatively permanent?

In the coming years, the system faces contraction, and this creates urgencies in the reallocation and restructuring of productive tasks. The expansionist phase of a long wave peaked at some (controversially specified) point in the late 1960s. Because of general overproduction or insufficient worldwide demand, current predictions are for slower and more uneven world growth for at least the next few decades.

What are the implications? Another period of expansion (which Wallerstein tentatively expects to occur by century's end) will require a realignment of interstate forces, a further proletarianization of world households, and reallocation of effective demand. In the meantime, there is a sobering contrast between the opportunities for a few advances in the intermediate, semiperipheral zone[44] and the likelihood of calamity in the periphery. As the studies under review show, core-periphery relations are affected by the nature of relations within the core. On the periphery, there is a greater likelihood that the national body politic can be normalized without direct external coercion in cases where hegemony prevails within the core. Extra-economic mechanisms would then be less necessary. Greater core competition, on the other hand, is associated with greater politicization of economic transactions, an upsurge of protectionism and mercantilist control, and tightened core-periphery relations.[45] Will greater core competition also be accompanied by a breakdown in patterns of discipline and normalization?

[44] Wallerstein, *The Capitalist World-Economy*, chap. 5.

[45] Christopher Chase-Dunn, "Core-Periphery Relations: The Effects of Core Competition," in Kaplan, *Social Change*; Bergesen, "Cycles of Formal Colonial Rule"; Bergesen and Schoenberg, "Long Waves."

The political sources of resistance to the overall dynamics of the system may continue to grow. They may elicit an even more determined response from the core and also from a semiperiphery that is predicted to expropriate a larger share of the global surplus at the same time as capital is becoming more concentrated within each of the system's zones. The creation of protected mercantilist realms and the search for opportunities in the peripheral zones (or the transfer of productive tasks out of the periphery) would be the challengers' typical responses. Core countries, on the other hand, may attempt to protect the process of accumulation by returning to strategies of punishment with regard to the periphery in order to compensate for a breakdown in the normal capillary processes of power and constitution. Revolutionary nationalism or even national disintegration and chaos may symbolize the breakdown.

Yet how likely is it that core countries will be able to make a compensatory return to these mechanisms of control? After all, as these studies emphasize, the extension of the internal reach of national governments is on the rise in a fairly general way, and that includes the periphery. The incentives for acquiescence may not register. They may not be anchored in any constellation of classes or political coalitions that could insure the requisite level of internal stability. Incentives toward autarky or isolationism may appear instead, as regimes on the periphery try to deliver on their promises in a way that continued integration into the capitalist world system would not allow. This would be likely to involve a variety of competitive interferences with world market mechanisms and attempts to regulate the anarchy of investment decisions. Societies may become increasingly absorbed by the state, in response to "technical and political imperatives for state control of society."[46] One response within core countries may be a reluctant "biting the bullet," as dominant interests feel forced to accommodate themselves to the demands of labor within the core. "If these trends continue, the two major forms of class struggle in the system — the struggle between capital and labor and the struggle between the core and the periphery — will reinforce each other and reduce

[46] John Boli-Bennett, "Global Integration and the Universal Increase of State Domimance, 1910-1970," in Bergesen, *Studies*, p. 104.

the profitability of private capital accumulation in the system as a whole."[47]

As transnational class struggle grows, Wallerstein and his followers confidently predict that the world system of capitalism is in fundamental decline. In the future, a world socialism may arise. Claims are made that it would be characterized by the kinds of collectively hammered-out notions of substantive rationality, resource allocation, and balanced global growth that could only be made by a redistributive government on a world scale. The future of capitalist development on a national political scale might be recapitulated on the world level. A raw, less regulated, and less egalitarian capitalism on a world scale might give way to a more conscious control over the larger system by emerging political organization.

The final hope is one of global politicization and socialization. Taking a national form, this might be followed by a global contract among nations. New and explicitly political rules might be created on a global scale, replacing the determinative norms of capitalist development with something unforeseen. But how close to a "Big Bang" scenario of world socialist development, even if world-system theorists deny the analogy, would this be? Is it a narrative of the final arrival of the irresistible contradictions of capitalism, or is it a convenient *deus ex machina*? At the very least, the apocalyptic character of the prescription does seem to fit the somewhat one-sided diagnoses and explanations of this view. In this sense, socialism on the world level may seem like a necessary condition for the long-term enhancement of human progress on a more egalitarian scale, but it is obviously not a sufficient condition.[48] Class struggle and other counterlogics to capitalism cannot be derived in a law-like fashion from some logic of accumulation or exchange relations. "Political

[47] Christopher Chase-Dunn and Richard Rubinson, "Cycles, Trends, and New Departures in World-System Development," in Meyer and Hannan, *National Development*, p. 294.

[48] There is, finally, a danger in the prescription itself (not to mention the dangers that will arise as the core caretakers of the patient attempt to forestall the prescription by military means). A world state apparatus, even if attainable, could be an Orwellian nightmare, centralizing the operation of a vast capillary network of power into an administrative apparatus, distancing itself from the possibility of popular control and accountability, reducing the incentives toward modernization, and finally coming to represent the dominance of a technocratic rationality at the expense of the various ways in which social reality is constructed through discourse and resistance at all levels. The last sentence in the Meyer and Hannan volume gives one pause: "A more highly organized world political system may do less to accomplish the ends that justify it than to weaken the legitimacy of demands for these ends."

economy ends when theory seeks to specify the conditions of transcendence."[49] It does not end when it seeks to specify the preconditions, however.

Given the complexity of the determination of social outcomes, a constant process of resistance to power, questioning of power relations, and restructuring of power relations will be required at all levels if substantial social change is to be achieved. Any praxis that derives from an analysis based on exchange relations or on overly-internationalized and reductionist analyses will prove unsatisfactory. An alternative praxis, admittedly vague but also more in keeping with the criticisms raised in this essay, would lead in another direction: toward an incessant, decentralized struggle over that never-ending constitution of the social body and over actions affecting inequality and surplus extraction.[50] Otherwise, at each and every level, social life will continue to be subordinated even more fully to the dictates of the accumulation of capital. If it is replaced by a world state without this precondition being continuously met — for example, as a desperate way out of the nuclear dilemma — the subjection to bureaucratic controls and unequal power relations may be just as oppressive. The efficient tyranny of Adam Smith's market might give way only to the efficient tyranny of Jeremy Bentham's Panopticon, this time operating in a disciplinary fashion on a world scale. The case remains open.

[49] Stanley Aronowitz, "The End of Political Economy," *Social Text* no. 2 (Summer 1979), p. 51.
[50] See Foucault, *Power/Knowledge*, and Bruce Andrews, "Constitution/Writing, Poetry, Language, The Body," *Open Letter* (Toronto, 1981), special joint issue with L=A=N=G=U=A=G=E (New York).