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978-0-521-27760-0 - The Politics of the World-Economy: The States, the Movements and the Civilizations

Immanuel Wallerstein

Excerpt

[More information](#)

1 ✦ World networks and the politics of the world-economy

The antinomy between state and society is often asserted to be a defining characteristic of the modern world. Some argue that the contradictions deriving from this antinomy following the French Revolution underlie the contrasting ideologies that arose in the nineteenth century, and that sociology itself as an intellectual discipline represents an attempt to analyze and resolve this antinomy. The concepts “state” and “society” refer usually to two structures that presumably coexist within a single set of boundaries (ultimately juridical boundaries). These structures are thought to be organizations of collective energy – one formal, one not, but both real – that operate on and are operated by the same set of individuals. If one starts with such an assumption, which has been widespread, indeed dominant, in Western, indeed world, thought since the French Revolution, then one can pose questions about the degree of fit between the values of the state and of the society, and seek to explain why the fit is far from perfect. In terms of policy, one can prescribe what one prefers to make the fit more perfect. This set of categories then becomes the basis of “comparative political sociology.”¹

The lack of value fit was perceived by many to be a lack of boundary fit. It followed that if the boundaries of the state were changed – diminished, enlarged, or redrawn – thus creating different juridical units, the fit would become greater. This is where the concept of nation and its allied terminology have come in. “Nation” refers in the last analysis to a “society” that has a state to itself, or has the moral right to have a state to itself (the so-called right to self-determination). Since

¹ This is made very explicit in one well-known reader: Reinhard Bendix *et al.* (eds.), *State and society: a reader in comparative political sociology* (Boston: Little Brown, 1968).

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Immanuel Wallerstein

Excerpt

[More information](#)2 *The politics of the world-economy*

there has been considerable difference of views over the past two hundred years as to which were the essences which had these moral rights to existence, there has been as we know enormous and often violent conflict about these issues.

But the very fact that there has been endless, passionate debate about which “entities” constitute which concrete “societies” throws fundamental doubt, it seems to me, on the utility of the concept “societies” as a starting point for analysis. States are at least visible, functioning organisms. There exist also visible, functioning collectives of collective identification – call them nations or ethnic groups or what you will – whose boundaries may be constantly changing, but whose existence at any given point in time can in fact be empirically measured. But where can we find “societies” other than in the minds of the analysts, or of the orators? Social science would, in my view, make a great leap forward if it dispensed entirely with the term.²

For one thing, we would all then have to justify our unit of analysis instead of assuming it (and indeed frequently assuming it in the vaguest of all manners, such that the boundaries are totally unspecified). My own unit of analysis is based on the measurable social reality of interdependent productive activities, what may be called an “effective social division of labor” or, in code language, an “economy.” In modern history, the dominant effective boundaries of the capitalist world-economy have expanded steadily from its origins in the sixteenth century, such that today it encompasses the earth.³

The actual measurement of the boundaries of the world-economy is both theoretically tricky and technically virtually unexplored, but logically poses no great problems. It is sufficient at this point to indicate the factors that would have to be measured. A world-economy is constituted by a cross-cutting network of interlinked productive processes which we may call “commodity chains,” such that for any production process in the chain there are a number of “backward and forward linkages,” on which the particular process (and the persons involved in it) are dependent. These various production processes usually require physical transportation of commodities between them, and frequently the transfers of “rights” to commodities in a chain are made by autonomous organizations, in which case we talk of the

² In the last twenty-five years, Western Marxists have substituted the term “social formation” for “society.” This is just flimflam. It changes nothing. Everything one can say about the ontological vacuity of “society” applies equally to the concept “social formation.”

³ An elaboration of my position is to be found in I. Wallerstein, “Semi-peripheral countries and the contemporary world crisis,” *Theory and Society*, 3:4 (1976), pp. 461–83.

Cambridge University Press

978-0-521-27760-0 - The Politics of the World-Economy: The States, the Movements and the Civilizations

Immanuel Wallerstein

Excerpt

[More information](#)*World networks and the politics of the world-economy*

3

existence of “commerce.” Commerce is frequent, but far from universal, as the mode of linkage, and is in no way essential to the functioning of a commodity chain, except at the very end when the final consumable product is sold to the final consumer. Both the great merchant companies of the seventeenth and eighteenth centuries and the contemporary multinational corporation have been structures that eliminated much (though seldom all) of the commerce in the interstices of given commodity chains.

Production for this cross-cutting set of integrated commodity chains is based on the capitalist principle of maximizing capital accumulation. It is based on this principle not because all persons share a value consensus that this is a desirable principle on which to make production decisions. Many, perhaps most, do not. Production is based on this principle because, in the absence of a single overarching political structure that could control production decisions at all points in this world-economy, the existence of world market alternatives for what is supplied by any particular production unit constrains producers to obey the law of accumulation (reduce costs to the minimum feasible, expand sales price to the maximum feasible), or pay grievous economic penalties (ultimately bankruptcy, which removes the nonconforming producer from the economy, at least in the role he had been playing).

The primary tool in the reduction of costs is force applied to the direct producer, reducing his income to a minimum and allowing someone else to appropriate the remaining “value” he has produced. The mechanisms of such appropriation are multiple, but they take three main forms. One is forced labor, in which the direct producer receives from the legal “proprietor” part or all of his income in kind. A second is wage labor, in which the direct producer receives from the legal “proprietor” part or all of his income in money. A third is petty proprietorship, in which the direct producer is indirectly forced, often through debt mechanisms, to sell his product at below the market value. In each of these forms, which in turn have a large number of variants, the legal system of contractual property rights is an essential element, and the role of the state machinery in ensuring the coercion of unequal contract is central to the functioning of the system.

The primary tool in the expansion of sales price is the creation of a monopoly, or at least a quasi monopoly, which reduces the alternatives of adjacent actors in the commodity chain. No absolute monopolies can exist in the absence once again of an overarching political structure for the whole world-economy. But quasi monopolies are not merely

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Immanuel Wallerstein

Excerpt

[More information](#)4 *The politics of the world-economy*

possible; they are constant and recurring, and this has been so at all points in the history of the capitalist world-economy. Quasi monopolies are only possible by the utilization of state power to constrain potential “competitors” of the holder of the putative monopoly.

Let us review the picture thus far. Production is organized in commodity chains, which should be visualized as a process to which there are multiple product entry points. For example, to oversimplify, there is a commodity chain that goes from cotton production to thread production to textile production to clothing production. At each of these production points there is an input of other productive materials (each of which has to be traced backward) and of labor (which had to be both produced and maintained, and hence there are further elements of the chain, as traced backward). Almost all commodity chains will cross state boundaries at some point, and many (even most) will cross them at many points. At each point that there is a laborer, there is state pressure on the laborer’s income. At each point that there is an “exchange” of product, there is state pressure on the “price.”

The first kind of state pressure, that on the laborer, governs the relationship between bourgeois and proletarian. The second kind of state pressure, that on exchange, governs the relationship among bourgeois. In a capitalist world-economy, the states are expressions of power. States enforce appropriation of value by the bourgeois from the proletarian, to the extent they are not restrained by organized resistance of direct producers. States favor appropriation of value by some bourgeois from other bourgeois, but not necessarily always the same ones. Thus there are two kinds of politics in the modern world-system: the class struggle between bourgeois and proletarian, and the political struggles among different bourgeois. Insofar as these different groups of bourgeois may control different state-structures within a single world-economy, such intrabourgeois political struggle takes the form of interstate struggle.

The states are not given. They are created institutions, and are constantly changing – in form, in strength, in boundaries – through the interplay of the interstate system. Just as the world-economy has expanded over time, its political expression – the interstate system – has expanded. As the commodity chains have become longer and more complex, and have involved more and more machinery, there has been a constant pressure by the strong against the weak. This pressure has concentrated more and more of the processes in the chains that are easiest to “monopolize” in a few areas – “core” processes in “core”

Cambridge University Press

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Immanuel Wallerstein

Excerpt

[More information](#)*World networks and the politics of the world-economy*

5

areas – and more and more of the processes that require less skilled and more extensive manpower that is easiest to keep at a low-income level in other areas – “peripheral” processes in “peripheral” areas. Parallel to this economic polarization has been a political polarization between stronger states in core areas and weaker states in peripheral areas, the “political” process of “imperialism” being what makes possible the “economic” process of “unequal exchange.”

The strength of states has to be understood within this context. A strong state does not mean an authoritarian state. Indeed, the correlation may almost be inverse. A state is stronger than another state to the extent that it can maximize the conditions for profit-making by its enterprises (including state corporations) within the world-economy. For most states, this means creating and enforcing quasi-monopoly situations, or restraining others from doing the same to its disadvantage. The strength of the very strongest state, however, under the exceptional situation of true hegemony, is measured by its ability to minimize *all* quasi monopolies, that is, to enforce the doctrine of free trade. If hegemony is defined as a situation in which a single core power has demonstrable advantages of efficiency *simultaneously* in production, commerce, and finance, it follows that a maximally free market would be likely to ensure maximal profit to the enterprises located in such a hegemonic power.

It is no accident therefore that, at the moment of Dutch accession to hegemony in the seventeenth century, Hugo Grotius published that “classic” of international law, *Mare liberum*, in which he argued that “Every nation is free to travel to every other nation, and to trade with it,” because “the act of exchange is a completion of independence which Nature requires.”⁴ This ideology was revived under British auspices in the mid-nineteenth century and American auspices in the mid-twentieth. In each case, the ideology was practiced only to the extent that – and as long as – the core power who promulgated it was truly hegemonic. But moments of true hegemony

⁴ Hugo Grotius, *The freedom of the seas* (New York: Oxford University Press, 1916; 1st ed. 1608). The subtitle is “The right which belongs to the Dutch to take part in the East Indian Trade.” The Portuguese and the Spanish, the ostensible objects of the treatise, were declining in any case. The Dutch view was even more hurtful to their rivals, the English (and the French). In 1617 John Selden, an Englishman, wrote a response, *Mare clausum*.

Free trade is a pragmatic matter, as Sir George Downing, England’s great diplomatist, observed with acerbity in 1663 about the Dutch, who by that time had supplanted the Portuguese in the East: “It is *mare liberum* in the British seas but *mare clausum* on the coast of Africa and in the East-Indies.” Cited in Pieter Geyl, *The Netherlands in the seventeenth century*, part 2: 1648–1715 (London: Ernest Benn, 1964), p. 85.

Cambridge University Press

978-0-521-27760-0 - The Politics of the World-Economy: The States, the Movements and the Civilizations

Immanuel Wallerstein

Excerpt

[More information](#)6 *The politics of the world-economy*

are rare, and intercore rivalry is the normal state of the world-system. Hence the doctrine of free trade seldom prevailed over the innumerable quasi monopolies instituted by or with the assistance of state-structures.

It has been the case over the history of the capitalist world-economy that the system's growth or "development" has not been constant, but has occurred in wavelike spurts of expansion and contraction.⁵ This is observable empirically, and theoretically it is not hard to discern the basic explanation. As production is expanded in the individual search for accumulation, there regularly come points where the amounts produced throughout the world-economy exceed the effective demand resulting from the existing distribution of world income (as fixed by the resolutions of prior acute sociopolitical conflicts). The consequent periods of stagnation both reduce overall production and lead to class struggles which force a redistribution of world income to lower strata within the world-economy. This redistribution expands the market, at least in the core zones, and this can be most effectively compensated for, in terms of the interest of the upper strata, by the incorporation of new zones within the world-economy, adding a new component of ultralow-income-receiving direct producers.

It is important here to see that the link between "politics" and "economics" operates in two opposite directions. The cyclical difficulties in capital accumulation lead to acute class conflict within core countries which over time in fact strengthens the political claims of workers in these countries and accounts for the clear pattern of relatively rising standards of living. But since, at the same time, new lower strata are incorporated into the system, it is unlikely that the world-economy-wide distribution of income is significantly changed; indeed, the opposite is probably true. Nonetheless, expansion serves as a spur to production, and hence renews expansion.

In the course of the periods of stagnation, the system undergoes a shakedown, in which producers of weaker efficiency are eliminated. This is what accounts for the musical chairs game at the top. The "old" dominant enterprises (and the states in which they are located) find their costs steadily rising, because of the costs of amortizing "older" capital investment, combined with rising labor costs resulting from the

⁵ There are waves of varying lengths. For a review of the state of our knowledge, and an assessment of the relationships between different kinds of waves, see Research Group on Cycles and Trends, Fernand Braudel Center, "Cyclical rhythms and secular trends of the capitalist world-economy: some premises, hypotheses, and questions," *Review*, 2:4 (Spring 1979), pp. 483–500.

Cambridge University Press

978-0-521-27760-0 - The Politics of the World-Economy: The States, the Movements and the Civilizations

Immanuel Wallerstein

Excerpt

[More information](#)*World networks and the politics of the world-economy*

7

growing strength of workers' organization. "Newer" enterprises (and the states in which they are located) thus constantly overtake "older" enterprises in the quasi-monopolistic world market, and this "overtaking" is most likely to occur in periods of stagnation.

The game of musical chairs is not restricted to states at the top. It is also played by other states. There always are – indeed there must be – states somewhere in between on various criteria. We may call them semiperipheral states. The enterprises located within them are divided between those engaged in "corelike" processes and others engaged in "peripheral" processes. In moments of expansion of the world-economy, these states find themselves attached as satellites to one or another core power and serve to some extent as economic transmission belts and political agents of an imperial power.

The periodic difficulties of world capital accumulation present *a few* semiperipheral states with their opportunity. For one thing, the world squeeze on profit intensifies competition among core powers and weakens their hold on given semiperipheral states, who are freer to play among the rivals and erect new quasi-monopolistic constraints. However, the other side of this coin is that the semiperipheral states are cut off from some of the normal sources of income, of capital and technology transfer, etc. Those that are too weak eventually succumb and return to the imperial fold chastened. A few, one or two at the most, are strong enough to impose themselves as new core powers, usually displacing over time some falling core power.⁶

The key thing to notice about the game of musical chairs, as played at the top or in the middle, is that even though who plays what role may change, the distribution of the roles (how many in each role: i.e., core, semiperiphery, periphery) has remained remarkably constant, proportionally, over the history of the world-economy.

In an interstate system, states are clearly in some sense actors. But states are themselves organizations, and we must discern who in fact does the acting. The state machineries of course reflect the pressures of the multiple enterprises whose ability to survive in a capitalist world-economy depends in very large part on the degree to which they can get these organizations, the states, to represent their interests. By and large, the enterprises have been remarkably successful in their efforts, or at least some of the enterprises – those that have flourished. But

⁶ My arguments for these propositions on semiperipheral states are to be found in Immanuel Wallerstein, "A world-system perspective on the social sciences," *British Journal of Sociology*, 27:2 (1976), pp. 343–52.

Cambridge University Press

978-0-521-27760-0 - The Politics of the World-Economy: The States, the Movements and the Civilizations

Immanuel Wallerstein

Excerpt

[More information](#)8 *The politics of the world-economy*

direct producers can also attempt to assert political strength, either by resisting the state machinery or seeking to seize it and use it for their own ends.

Thus, we cannot meaningfully discuss the politics of the interstate system without analyzing the ways in which populations are grouped for political purposes. It is here that the Weberian trinity of class, status-group, and party can serve as a preliminary mode of classification.

I shall put forward some very schematic propositions about classes, status-groups, and parties, forgoing elaboration or even justification, in order to relate group conflict to the existence of an interstate system as the political framework of the capitalist world-economy.

Classes are usefully defined as groups that have a common relationship to the economy. But if the effective “economy” (in the sense of a long-term, relatively integrated set of production processes, that is, a social division of labor) is in fact a world-economy, and if we accept the argument that the existence of “national economies” has been more rhetoric than reality, then it follows that classes – classes *an sich* – are classes of the world-economy and not of states. Since, however, class consciousness – classes *für sich* – is a *political* phenomenon, and since the most efficacious political structures are the sovereign states (or the sovereign units whose creation is sought by strong, organized movements/parties), it follows that class consciousness operates largely on a state level, which per se intrudes a constant element of false consciousness into most expressions of class consciousness.

This is the structural basis of the confusion between, the contradiction between, class consciousness and national/ethnic/race consciousness, a confusion/contradiction that is both pervasive in the modern world and pervasively discussed and debated. It may well be that under certain conditions, and at certain moments, national/ethnic/race consciousness is an expression – even the most realistic expression – of class consciousness, and at other moments of historical evolution, it is precisely the opposite. And such moments may be successive in time, running one into the other without any easy demarcation lines.

Indeed, because of the axial division of production processes in the capitalist world-economy, the core–periphery relations that reproduce themselves constantly and everywhere, the antinomy of class – *an sich* in a world-economy, but *für sich* in the states – forces *most* expressions of consciousness to take a national/ethnic/race form. Nationalism is the “modern Janus,” as Tom Nairn, calls it: “all nationalism is both healthy and morbid. Both progress and regress are inscribed in its

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Immanuel Wallerstein

Excerpt

[More information](#)*World networks and the politics of the world-economy*

9

genetic code from the start.” But what do we conclude from this? Do we conclude, with Régis Debray, that “to discard nationalism along with its oppressive aspects means courting disaster”? Or should we conclude, with Eric Hobsbawm, that “The temptation to discover that [nationalism] can or must be [a detour on the way to revolution] is great, but so also is the danger that the detour will become the journey”?⁷

Should, however, the question be put primarily in voluntaristic terms? It is more to the point, it seems to me, to look at the factors which have made capitalism so durable as a system. Capitalism, overall, has been more exploitative (that is, extractive of surplus labor) and destructive of life and land, for the vast majority of persons located within the boundaries of the world-economy, than any previous mode of production in world history. (I know this will evoke howls of dismay among many as it seems to go against the grain of the “obvious” expansion of human well-being in the last two centuries. But this expansion of well-being has seemed to be obvious because it has been true of a highly visible minority, largely located in the core countries, and the perception of this rise in well-being has left out of account the populations that have been decimated and pauperized, largely in peripheral zones.)

When one wonders about the durability of a system so obviously detrimental to the vast majority, is not one of the explanations to be found in the unclarity (the social “veil”) that is involved in a system whose economic parameters are worldwide but whose political organization is largely channeled into competitions for control of state-structures, and into interstate conflicts?

Nor is this the only unclarity. Since there is a game of geographical musical chairs, there is hope for “mobility” despite “polarization” – mobility for states as well as for individuals. What is usually omitted from the analysis is that, in a stratified system, upward mobility for one unit is downward mobility for another. The wonder is not that there is so little class consciousness, but that there is so much.⁸

This brings us to the question of parties. The interstate system has steadily crystallized a process that started with the development of

⁷ See Tom Nairn, “Marxism and the modern Janus,” *New Left Review*, no. 95 (Nov.–Dec. 1975), p. 17; Régis Debray, “Marxism and the national question,” *New Left Review*, no. 105 (Sept.–Oct. 1977), p. 41; Eric Hobsbawm, “Some reflections on ‘the break-up of Britain,’” *New Left Review*, no. 105 (Sept.–Oct. 1977), p. 17.

⁸ I have discussed in much more detail the relations of class and status-group in several essays reprinted in I. Wallerstein, *The capitalist world-economy* (Cambridge: Cambridge University Press, 1979), chs. 10, 14, 18.

Cambridge University Press

978-0-521-27760-0 - The Politics of the World-Economy: The States, the Movements and the Civilizations

Immanuel Wallerstein

Excerpt

[More information](#)10 *The politics of the world-economy*

strong monarchies in Europe, beginning in the late fifteenth century, and has spread ever outward, the so-called rise of nationalism in the nineteenth and twentieth centuries – always in peripheral and semi-peripheral zones, be it noted (including new peripheral zones located inside the old core states). Parallel to this process has been a spreading realization by class forces that political efforts were more meaningfully directed to gaining control of state machineries than smaller, less structured, entities within these states.

While the multiple political organizational expressions of the world bourgeoisie – controlling as they did *de facto* most state-structures – could navigate with relative ease the waters of murky geographical identity, it was precisely the world's workers' movements that felt obliged to create national, that is statewide, structures, whose clear boundaries would define and limit organizational efforts. If one wants to conquer state power, one has to create organizations geared to this objective. Thus, while the world bourgeoisie has, when all is said and done, always organized in relationship to the world-economy (which accounts for all of the "strange alliances," from those of the Thirty Years' War to those of the Second World War), the proletarian forces – despite the internationalist rhetoric – have been far more nationalist than they claimed or than their ideology permitted. The marriage of socialism and nationalism in the national liberation movements of the twentieth century is not an anomaly. These movements could never have been truly "socialist" were they not "nationalist," not truly "nationalist" had they not been "socialist."

And yet these *parties* not only claim to be, but are indeed, a reflection of a world *class* struggle. This is a contradiction, to be sure, but how can proponents of a Marxist world view, like the parties in power in many peripheral and semiperipheral areas of the world, doubt that the contradictions of a capitalist world-economy would find expression in their own actions (just as much as in the actions of other social actors)?

We arrive therefore at the point. The world-system has experienced "growth" in a host of ways over five centuries of existence. Like all social structures, its contradictions both sustain it and undermine it. This is a temporally discrete process, the slow but eventual transformation of quantity into quality. A system is born, not suddenly but at some point decisively. It then lives and grows, surmounting its ongoing difficulties – the moments of "stagnation" – by mechanisms which restore its forward movement – the moments of "expansion." But some of these mechanisms of reinvigoration approach their