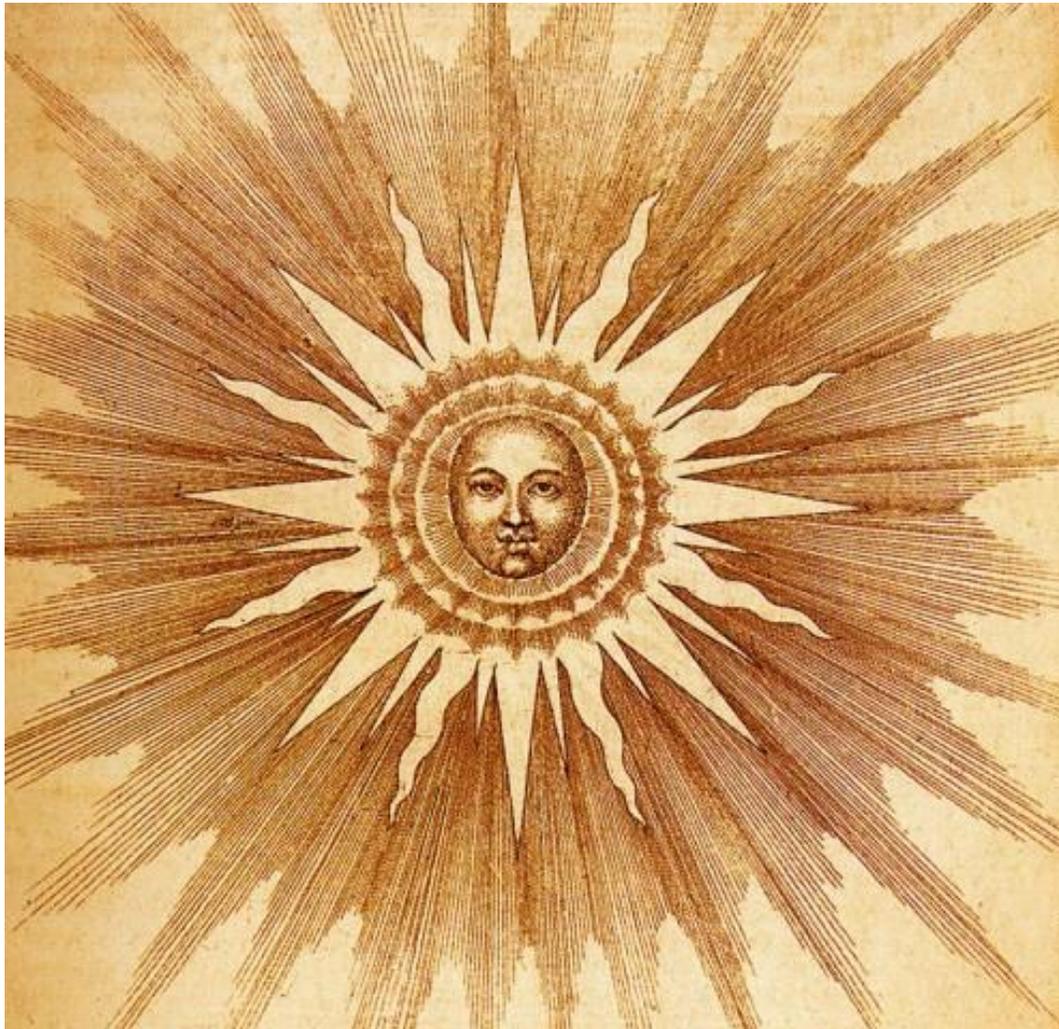


Journal of World-Systems Research



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of the American Sociological Association**

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Editor's Introduction

Over recent years, one can readily observe an increase in references to the idea of “crisis.” Whether it’s the financial crisis of 2008 and its wide-ranging effects, the increasingly apparent and urgent environmental crisis and climate-related disasters, or the various manifestations of a social crisis of entrenched, systematic inequality that threatens an ever-widening population, many have come to see this time as one marked by uncertainty and threat.

World-systems scholars have much to say about the notion of crisis, and the approach stands out among theories of social change in helping account for today’s predicaments. To advance public and scholarly reflection on the sources and possible responses to the major dilemmas our society now faces, this issue of the *Journal of World-Systems Research* features a symposium which began as a panel at the recent [Political Economy of the World-System Section of the American Sociological Association](#) mini-conference in New York City in August. We’re excited to bring to our readers the latest thinking about these inter-connected crises from leading scholars, including [Christopher Chase-Dunn](#), [Leo Panitch](#), [Thomas Reifer](#), [William I. Robinson](#), and [Saskia Sassen](#). These essays help situate understandings of global crisis within a world-systemic perspective, offering insights into nature and sources of the interconnected global crises and responses to crises being put forward by elites and by popular movements.

The world-historical perspective offered by the world-systems tradition also encourages us to reflect on how our own thinking and theorizing is shaped by the very processes we are trying to understand. In light of this, Gregory Williams reports on an interview he conducted with Immanuel Wallerstein in which Wallerstein reflected on the origins of his writings on the Modern World-System, including some of the intersections of his personal experiences in the academy at a time of major upheaval and, indeed, crisis. We are pleased to offer our readers this sort of window on the tradition of world-systems scholarship and hope it can encourage new thinking about the intersections of world-history and knowledge production. We also hope that special features like this can encourage a new generation of readers, practitioners, and scholars to engage with the world-systems tradition.

The research articles we present with this issue complement the symposium by exploring in depth some of the arguments put forward by the symposium authors. Leading off is an article by [William K. Carroll and J.P. Sapinski](#), which documents the development of what they call “transnational alternative policy groups,” (TAPGs) that help advance networks that support the generation of knowledge and modes of thinking that can challenge the hegemony of global capitalism. Using network analysis, these authors examine major TAPGs, showing how TAPGs are helping form a *counter-hegemonic historical bloc*, performing important brokerage roles to bridge diverse movements as well as the North-South divide. TAPGs, they argue, stand out among international nongovernmental organizations in their ability to bring together highly diverse networks. At the same time, individual TAPGs vary in their relations with inter-governmental organizations and in their ability to bridge geographic and other differences.

Roy [Kwon’s article](#) offers an important contribution to existing scholarly and policy debates about the effects of trade liberalization policies on countries’ abilities to advance economic development goals. While policy makers have pressed low-income countries to reduce tariffs in order to boost their international trade and development, the evidence of whether such policies have the intended effect is ambiguous at best. Kwon focuses on those counties at the

periphery of the world-economy, since such countries' embeddedness in the world-system differs from those with higher incomes. His analysis shows that these countries' domestic policies interact with tariffs to account for the variable development outcomes. Specifically, countries with higher domestic investment and labor force participation and *higher* tariffs saw the most economic growth – a finding that contradicts the conventional neoliberal assumptions about the relationships of all of these factors to economic development. Such contradictions between the expectations of neoliberal economic theory and the lived experiences of people in the periphery of the world-economy help account for the multiple crises examined in our symposium.

[Jonathan Leitner](#)'s historical analysis examines the historical transitions between prestige-goods trade networks and bulk goods networks in Northeastern North America to show how the configurations of these networks affected competition between colonial powers vying for control over the region and its resources. The analysis shows how the strategic choices and alliances of colonial authorities impacted their prospects for securing a place on the continent. Moreover, Leitner's analysis shows the important interconnections between the material foundations of colonial economies, their social and military relations, and their political success.

[Patrick Ziltener and Daniel Künzler](#) conclude the article section with a comprehensive review essay of the large and multidisciplinary body of research on the various impacts of colonialism on post-independence states of Africa and Asia. Their review highlights the complex and multidimensional influences of colonial legacies and the variety of ways scholars have sought to measure and evaluate these influences. In addition, they consider how research informs understandings of how the long-term effects of colonialism differ according to national context.

We conclude the issue with a selection of [book reviews](#) of some timely and important contributions to scholarship related to world-systems thinking. As always, we are grateful to our book reviewers and to our many external reviewers who helped us bring this fine collection of scholarship to our readers.

Jackie Smith, *University of Pittsburgh*

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Whether it's the financial crisis of 2008 and its wide-ranging effects, the increasingly urgent environmental crisis and climate-related disasters, or social crisis of entrenched inequality that threatens an ever-widening population, many have come to see this time as one marked by uncertainty and threat. World-systems scholars have much to say about the sources and implications of today's predicaments. To advance public and scholarly understandings of global crisis, its sources, and possible solutions, this issue of the *Journal of World-Systems Research* features some of the latest thinking about these inter-connected crises from leading scholars, including [Christopher Chase-Dunn](#), [Leo Panitch](#), [Thomas Reifer](#), [William I. Robinson](#), and [Saskia Sassen](#). These essays help situate understandings of global crisis within a world-systemic perspective, offering insights into nature and sources of the interconnected global crises and responses to crises being put forward by elites and by popular movements.



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SYMPOSIUM: *The Global System since 2008: Crisis of What?*

Christopher Chase-Dunn | [Five Linked Crises in the Contemporary World-System](#)

Leo Panitch | [Crisis of What?](#)

Thomas Reifer | [Occupy Wall Street, the Global Crisis, and Antisystemic Movements](#)

William I. Robinson | [Policing the Global Crisis](#)

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Five Linked Crises in the Contemporary World-System

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This essay uses the evolutionary world-systems perspective to address questions about the current crises in the global system. This approach analyzes the structure and changing institutional nature of the whole world-system over the past 500 years, with attention to comparisons with earlier regional world-systems (Chase-Dunn and Lerro 2013). The main idea is that the waves of global integration have been driven by system-wide class and national struggles in which the elites of core states contend with one another and the most successful are those that can effectively deal with the resistance from below. This has produced a spiral of capitalism and socialism that has been connected with the rise and fall of hegemons ([Boswell and Chase-Dunn 2000](#)).

The sequence of hegemonies (the Dutch in the 17th century, the British in the 19th century, and the U.S. in the 20th century) constitutes the most important structural feature of the evolution of global governance and political globalization. This is most obviously seen in the increasing size of each of the hegemons relative to the size of the system as a whole. This rise and fall and cyclical upward sequence occurred in the context of successive world revolutions (the Protestant Reformation, 1789, 1848, 1917, 1968, 1989, 2011) in which local rebellions have increasingly clustered in time and become more and more linked with one another. [Wallerstein's \(2004\)](#) discussion of world revolutions notes that the demands put forth in a world revolution do not usually become institutionalized until a consolidating revolt has occurred, or until the next world revolution. Thus, the revolutionaries appear to have lost in the failure of their most radical demands, but enlightened conservatives who are trying to manage hegemony end up incorporating the reforms that were earlier radical demands into the current world order in order to cool out resistance from below.

This theoretical perspective presumes that an important part of the current crisis is a crisis of U.S. hegemony. The United States is a declining hegemonic core power. Its economic hegemony has been declining in stair-steps since the height of its global power in 1945 (Chase-Dunn, Kwon, Lawrence, and Inoue 2011). Most observers now admit that the U.S. hegemony is in decline. Now the questions are about the rate of decline and what kind of system of authority will replace American hegemony. It also assumes the importance of successive world revolutions for as a driving force of the evolution of the world-system.

The world revolution of 2011 is proceeding apace. It is a messy affair, as all earlier world revolutions have been. It began in 1994 with the Zapatista revolt, warmed up with the global justice movement and the anti-war movement, and really got rolling with the Arab Spring and the anti-austerity movements. It is both similar to and different from earlier world revolutions. And the constellation of social movements that constitute the New Global Left need to be compared with earlier incarnations of the Global Left.

So there are five linked crises occurring simultaneously in the contemporary world-system:

1. A crisis of hegemony and global governance;
2. A crisis of inequality and democracy;
3. A crisis in the relationship between humans and the natural environment;
4. A crisis in the global capitalist system; and
5. A crisis in the New Global Left.

Global Governance

I have already mentioned the decline of U.S. hegemony. Hegemonic declines of the past have been followed by periods of rivalry and world war amongst contenders for regional and global power. But the U.S. economic size is so great, and its military power is so preponderant, that a pre-World War I situation of contending militarized challengers is not going to emerge very soon. This is a good thing. The long-term trend toward large-scale political integration and centralization will eventually result in the emergence of a world state, but this is an unlikely development for the next few decades. What is emerging is a multipolar interstate system in which the U.S. shares power with the existing core states and emerging powers from the semiperiphery (China, India, Brazil and Russia). This geopolitical structure will also involve multiple and overlapping sovereignties that include the United Nations, the International Financial Institutions (the World Bank, the International Monetary Fund, the World Trade Organization) as well as regional interstate entities and international NGOs. It is not likely that such a complicated world polity will be able to resolve conflicts within and between national societies peacefully, or to deal with global ecological and economic challenges. As the discussion below suggests, this emerging multicentric world polity has not been effective at resolving major conflicts, and in fact efforts to respond to crises in one area (e.g., finance) have exacerbated other crises (e.g., social and political). This is why I speak of a crisis of global governance.

Inequality and Democracy

Huge inequalities between the global North and the global South emerged in the 19th century and have not increased or been reduced much since then (Bornschiefer 2010). Some national societies, including the United States, have experienced big increases in within-country inequality since the 1970s. As the world is increasingly integrated by communications technology, people in the global South have become aware of (and desirous of) the level of living attained by people in the global North. Also, the contested idea of democracy has spread to nearly all the peoples of the Earth. The result is a crisis of development in a context in which the biosphere is already heavily depleted by the huge consumption and pollution by the global North. Peter Taylor (1996) called this “Global Impasse.” If the people of the global South eat as many eggs and drive as many cars as the people of the global North the biosphere will fry. This is a problem.

Democracy is also a problem at several levels. There is little democracy at the global level (see, e.g., [Markoff 1999](#)). The commander-in-chief of the global military empire (782 U.S.

military bases all over the world) is elected solely by the voters of the United States. At the United Nations, the important decisions are made by the powers that won World War II (the Security Council). The President of the World Bank is always from the United States. The Managing Director of the International Monetary Fund is always from Europe. At the national level, the global South has seen a wave of regimes that have been elected by majorities of citizens. In some of these, especially in Latin America, reformist and even anti-systemic leaders have managed to occupy the national leadership. But in many of the countries of the global South democracy is just polyarchy in which elites manipulate elections in order to maintain their class power (Robinson 1996). The same may be said of many democracies in the core. The growing rule of money in politics in the United States has increasingly made the electoral process a direct extension of the power of the rich. Low quality democracy has provoked movements for direct democracy in which the voices of average citizens can be heard (Graeber 2013).

The Biosphere

Anthropogenic global warming and pollution are obvious looming crises that are exacerbated by the unwillingness of the powers that be to make serious efforts at reaching solutions. The engagement in more environmentally risky and costly extraction processes – including fracking as well as offshore drilling and tar sands in order to make money on rising energy prices – is making matters much worse. Nuclear power accidents have led to a German declaration of a nuclear-free future, but in Japan the political will behind this idea has declined. The historically high consumption, energy use, and pollution by the global North is an obstacle to reform in the global South, especially China and India, where prodigious levels of greenhouse gas emissions have been reached. This has produced a huge collective action problem with regard to global environmental policies (Roberts and Parks 2007; [Bond 2012](#)).

The Global Capitalist System

In comparison with the earlier modes of accumulation, capitalism is yet young. It has been around since the Bronze Age in the form of semiperipheral capitalist city-states that specialize in trade, but it has been predominate in a world-system only since the rise of Europe in the 16th century CE. The rise of tribute-taking based on institutionalized coercion occurred in the Early Bronze Age about 5000 years ago. The tributary mode of accumulation was the predominant mode until the rise of capitalism in Europe. Thus capitalism as a fully-developed and predominant logic of development has not been around very long.

But the rate of social change has speeded up. Capitalism itself speeds up social change because it provides stronger incentives to revolutionize technology. Rapid technological change speeds up change in all institutions and in culture, and people become adjusted to more rapid reconfigurations of culture and institutions. So it is plausible that, even though capitalism is young, its contradictions could lead it to reach its limits much faster than the kin-based and tributary modes did.

But is it capitalism (a logic of social reproduction based on profit-making) that is currently in crisis? Or is it the current developmental ideology that became predominant in the

1970s – neoliberalism? Or is it the systemic cycle of capitalist accumulation that was associated with the U.S. hegemony? Or is it finance capitalism, which rose to predominance in the core along with neoliberalism? Or is it all of the above?

Immanuel Wallerstein (2004) contends that capitalism itself is in crisis because it is reaching certain limits caused by its basic contradictions. The three long-term upward trends (which he calls asymptotes) that capitalism cannot manage are:

1. the long-term rise of real wages;
2. the long-term costs of material inputs; and
3. rising taxes.

All three upward trends cause the average rate of profit to fall. Capitalists devise strategies for combating these trends (automation, capital flight, job blackmail, attacks on the welfare state and unions, financialization), but they cannot really stop them in the long run. Deindustrialization in one place leads to industrialization and the emergence of labor movements somewhere else (Silver 2003). The falling rate of profit means that capitalism as a logic of accumulation will face an irreconcilable structural crisis during the next 50 years, and some other system will emerge. Wallerstein calls the next five decades “The Age of Transition.”

Giovanni Arrighi’s (1994; 2006) evolutionary account of “systemic cycles of accumulation” is explicitly evolutionary, but rather than positing “stages of capitalism” and looking for each country to go through them (as most of the older Marxists did), he posits somewhat overlapping global cycles of accumulation in which the logic of capitalism widens and deepens, and finance capital and state power controlled by capital take on new forms and increasingly penetrate the whole system (See symposium contributions by [Panitch](#) and [Sassen](#)).

Arrighi (2006) analyzes both the similarities and the differences between the current period of U.S. hegemonic decline and the decades at the end of the 19th century and the early 20th century when British hegemony was declining. Taking a cue from Andre Gunder Frank (1998), Arrighi saw the rise of China as portending a new systemic cycle of accumulation in which “market society” will eventually come to replace rapacious finance capital as the leading institutional form in the next phase of world history. Arrighi did not discuss the end of capitalism and the emergence of another basic logic of social reproduction and accumulation ([Arrighi 2012](#)).

As Arrighi has pointed out, the ascendance of finance capital is driven by the decline of the profit rate in trade and production as those with centrality in the world economy try to devise new ways to squeeze profit out of the system. The financial crisis of 2008 was not really a total collapse, and the balloon of financial “securities” has been reflat. Also the global capitalist class has resisted calls for a green global new deal to save capitalism ([Salleh 2012](#)) and has “doubled-down” on austerity, thereby increasing the pressures that lead to rebellion. Neoliberalism may be in crisis, but its proponents, and its militarized version, neoconservatism, are still kicking. The banks are trying to take over education in the North and the South in order to expand profit-making opportunities in privatized schools and student loans. At the global level Dick Cheney is still ascendant, and George Soros and the green new deal are still in the wings.

Crisis of the New Global Left

The New Global Left is getting very strong but it is still in formation despite the intensification of the World Revolution of 2011. Big divides remain between the old and new social movements over goals, strategy and tactics. The horizontalists are still in the ascendance, and normal electoral politics and taking state power are proscribed by a growing segment of progressive and left activists. A global united front that combines labor with horizontalists is possible, but may not happen until global Robocop and 21st-century fascism get stronger (See symposium contribution by [Robinson](#); Mason 2013).

These five crises are obviously linked to one another as both causes and effects, and so those who see them as a single inter-related bundle are not wrong.

Both a new stage of capitalism and a qualitative systemic transformation are possible within the next three decades, but a new stage of capitalism is more likely. This could take the form of “market society,” as implied by Arrighi – a kinder, gentler form of capitalism in which the rule of finance capital and the military industrial complex are countered by technocrats and civil society, or a related green global Keynesianism that takes responsibility for employing workers who then have the means to purchase the commodities that capital produces. These kinder, gentler forms of capitalism are not rocket science, though they would need to be scaled up to work at the global level. Symbolically this would be a shift from Dick Cheney to George Soros, the enlightened conservative.

If U.S. hegemonic decline is slow, as it has been up to the present, and if financial and ecological crises are spread out in time and conflicts among ethnic groups and nations are also spread out in time and space, then the enlightened conservatives will have their chance to build a new world order that is still capitalist but meets the current challenges, at least partially. Making this happen would still require a revolutionary shove from a united front of antisystemic movements and the progressive regimes of the global South. But if the perfect storm of calamities should all come together in the same period the transnational social movements and progressive national regimes in the global South may have the chance to radically change the mode of accumulation to a form of global socialism.

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Crisis of What?

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This sharp question is appropriately thought-provoking. We certainly have been living through a great capitalist crisis, really only the fourth crisis of such scale after the so-called Great Depression of 1873-96, the more familiar Great Depression of the 1930s, and the global stagflation and profitability crisis of the 1970s. The very fact that capitalism survived these earlier crises should warn us away from reverting to the old mistaken notions of economic crises heralding the final breakdown of the system. But could this at least be a major turning point? Is this at least a crisis of neoliberalism? Or of American empire? Or even perhaps of “globalization”?

Previous great crises certainly marked historic turning points. The first fueled the emergence of a new type of inter-imperial rivalry which culminated in a world war. The second led to another, after having already written finis to the British gold standard/empire of free trade. This already should have taught a lesson to those who imagined that globalization is no more than an inevitable outcome of capitalism’s structural tendencies to expansion. Those tendencies were powerful, but the actual spread of capitalism up to World War II was not the automatic result of the operation of any historical “law.” It was, rather, the product of human agents and the institutions they created, and its interruption by the 1930s reflected the way the new contradictions and conflicts this had fostered interacted with older barriers to capitalism’s global expansion.

As Sam Gindin and I have shown in *The Making of Global Capitalism*, the way capitalism’s globalizing tendencies were revived after 1945 through the postwar ‘golden age’ cannot be understood apart from the active role of the United States in penetrating and restructuring other states – above all the other great capitalist states of Europe and Japan – and incorporating them under the aegis of the new informal American empire (Panitch and Gindin 2012). And the 1970s demonstrated that capitalist crises, despite the wishful thinking of Keynesians and social democrats, were by no means a thing of the past. Yet despite the breakdown of the Bretton Woods system of fixed exchange rates, which as many mainstream as radical analysts believed signaled both the loss of U.S. economic and political hegemony and the re-emergence of inter-capitalist state rivalry, what in fact happened – in contrast to the 1930s – was greater interstate cooperation; this occurred within an expanded institutional framework of informal American empire, to promote the acceleration of capitalist globalization rather than retreat from it. The increasing interpenetration of MNCs among the advanced capitalist states, alongside greater capital flows and trade, was facilitated by expanded linkages among their finance ministries and central banks, with the U.S. Treasury and Federal Reserve remaining very much both the pinnacle and hub of their interaction. This remained the case even as - and after - the EU, on the one hand, and the G7 on the other, were constructed.

The crisis of the 1970s was managed with the aid of the development of derivative markets in the United States that smoothed the transition to floating exchange rates, but it was not until the underlying cause of the inflationary and profitability crisis which beset all advanced capitalist states was addressed that the crisis was brought to an end. This involved breaking the working class militancy that had developed ever since near full employment had been reached in the 1960s. This was a long, drawn out process that moved at different paces within each advanced capitalist country, but it was only sealed with the Federal Reserve's Volcker Shock that straddled the Carter and Reagan administrations. The use of high interest rates to induce austerity and unemployment to a degree that would break the back of trade unionism finally secured the inflation-proof stability of the dollar. This cleared the way for the neoliberal policies that fostered both class inequality and class discipline. In social terms, this is above all what the vast expansion of global financial markets and production networks fundamentally represented.

Finance, already nurtured back to health through the postwar decades, was now sustained in its vast growth by floating exchange rates, the complete removal of capital controls, the development of derivative markets, and the increasing integration of working classes into financial and credit markets through pension plans and consumer debt amid stagnant real wages. And while the great expansion of finance certainly involved extensive leveraging and speculation, it met the hedging needs not only of financial institutions, but also of the many industrial corporations seeking protection from the rapidly evolving vulnerabilities associated with global trade and investment. But it was a mistake to see the restructuring of the U.S. economy that followed in terms of the "hollowing out" of the material base of the informal American empire. While some industries and regions declined, others opened up amidst the recovery of profits and productivity and the dynamic expansion of communications, bio-medical, and other industries.

The "third world" debt crisis of the 1980s was largely a side effect of the U.S. Federal Reserve's use of high interest rates to break domestic inflationary pressures, but it provided the means to discipline states in the global South along the lines of the "Washington Consensus." This soon included disciplining the formerly Communist regimes into also becoming "emerging market states." Opening up these states to free trade, the free flow of capital, and international treaties that guaranteed the legal treatment of foreign capital on the same terms as national capital, was not undertaken against the dominant local capitalist forces but very much in concert with them. Indeed, it is wrong to see structural adjustment programs as merely imposed from outside. The ruling elites had increasingly wanted neoliberal-style "reforms" in the face of growing contradictions of both import substitution industrialization strategies and actually existing socialism, but given the local balance of social forces, they couldn't secure them without the help of the IMF or World Bank.

The attractions Wall Street held for capitalists abroad reflected the lack of such diversified and deep financial markets in their own countries. It was precisely this lack that made them so vulnerable to financial crisis as they opened themselves to neoliberal globalization. Amidst the 72 financial crises of the 1990s in low- and middle-income countries, the U.S. Treasury, as the core state institution around which the International Financial Institutions and the G7 revolved, became "firefighter-in-chief" as it sought to guard against the international reverberation of local financial crises leading to a global financial conflagration. It played the same role in relation to U.S. domestic financial markets, as was seen in the growing coordination of Treasury and Federal Reserve with other domestic regulatory agencies after the 1987 stock market crash. What was clearly involved here was the state walking the tightrope of allowing

volatile financial markets to flourish, while managing and containing the inevitable crises that such markets spawned. As explained in the most important report on the subject up to the 1990s (prophetically called *American Finance for the 21st Century*), the Treasury believed that giving regulatory priority to “failure prevention” could only mean tying the hands of financial institutions, “at considerable cost to the economy as a whole and potentially to America’s world leadership in financial services.” What was needed instead was supervision of a kind that supported the financial sector’s “mercurial growth” – and precisely because it was recognized that this would inevitably give rise to financial crises, the main goal of financial policy should be “failure containment.”

The practice of “failure containment” was often harrowing for its practitioners, who could never be sure it would work. But it did, even as the 1997 Asian crisis spread to Russia and Brazil, and then to Wall Street itself a year later. There were many who now predicted that it would all come to grief in a new dollar crisis, especially amidst growing U.S. trade deficits after the United States finally allowed China’s entry into the WTO. But China’s holding its trade surpluses, very much like Japan, in the form of Treasury bonds and other U.S. debt instruments was in fact a measure of its dependence on U.S. consumer markets to sustain its rapid integration into global capitalism, which in turn depended on sustaining the stability of the dollar. Moreover, those who read the trade deficit as indicating the loss of the material base of the U.S. empire ignored the fact that the U.S. exports had grown faster than other G7 countries since the early 1980s, even if its imports had grown even faster. More fundamentally, they failed to register the significance of the predominance of U.S. MNCs in integrated global production sales and profits, as well as the deep structural reasons for the flow of foreign capital as well as goods into the United States – all of which wreaked havoc with the old types of conclusions based on balance of payments statistics, as least as far as the United States itself was concerned.

The first great economic crisis of the twenty-first century had its roots not in a crisis of the dollar nor in a new accumulation and profitability crisis in U.S. industry, but rather in the derivative market for U.S. mortgage debt which so many foreign as well as domestic investors had accumulated. This crisis had its roots in the volatility of finance, in which both industrial corporations and working classes were themselves now well integrated. The crisis was triggered in the seemingly mundane sector of mortgage credit, where finance mediated working class access to housing, and then quickly spread into the more rarefied world of interbank lending and corporate commercial paper markets. It was because U.S. finance had become so integral to the functioning of 21st-century global capitalism that the ultimate impact of this crisis throughout the international economy was so profound, and it proved by far the most challenging to the new imperial practice of “failure containment.” To ensure that the “sense of commitment and common purpose” among their finance ministries and central banks was sustained in face of the crisis, the leaders of the G20 states were summoned to Washington for their first ever meeting in the last months of the Bush administration. The communique they issued announced their “Commitment to an Open Global Economy” and underscored “the critical importance of rejecting protectionism and not turning inward,” as had happened after the 1929 crash. A main international goal of the Treasury throughout the Obama administration has involved renewing this commitment, at which it has largely succeeded.

It was not the newly developing capitalist states nearly as much as the incapacity of those in Europe to effectively cope with the eurozone crisis that has been seen as posing the greatest danger to global capitalism. The Fed’s role as the world central bank was evident in its acting as lender of last resort in 2007-2008 not only for U.S. banks but for foreign banks, from the Bank of

China, Ltd. to Deutschebank. The Fed's provision of liquidity to U.S. financial institutions themselves has been undertaken with one eye to their passing that liquidity to Europe through the interbank market. The Treasury was intimately involved in European policy discussions, directly as well as through the IMF, with Geithner himself constantly on the phone and even flying over to meet with European finance ministers. It has been the German state which has been most reluctant to take sufficient responsibility for failure containment, while remaining, like all the G7 states, steadfastly committed to sustaining the process of neoliberal globalization.

To be sure, leading capitalists and officials in the United States and elsewhere have been concerned by how the conflict between Congress and the Obama administration would affect the global crisis. This conflict reflects the internal contradiction which the American state faces between acting as both the state of the United States, and as the "indispensable" state of global capitalism. But what is indeed remarkable about the deep partisan gridlock in Washington that has characterized the Obama presidency is that it has not undermined the Treasury's and Fed's practice of failure containment. Moreover, although it was precisely on the grounds of the conflict with Congress that the credit rating agency Standard & Poor's downgraded U.S. Treasury bonds, what was especially remarkable was that the appetite for these bonds, even at record low interest rates, increased. Ruminations about an alternative reserve currency went nowhere, especially as the smouldering crisis in Europe's interbank markets burst into flames, sending the widespread earlier expectations that the Euro would challenge the dollar up in smoke.

So a crisis of what? Like the 1970s – and even more notably since it now extends to the developing capitalist states of the G20 – it has not interrupted capitalist globalization. Nor, it must be said, has it ended the era of neoliberalism. Indeed, after the U.S.-coordinated global fiscal stimulus of 2009, the continuing crisis has seen the reinforcement of neoliberalism. Reviving capitalist health today requires reassuring the bankers and investors whom the states have rescued that their activities will still be appreciated and their assets protected. The unresolved dilemma for all capitalist states today is how to both stimulate the economy and regulate financial markets so as to limit increasingly dangerous volatility without undermining the ability of finance to play its essential role in capitalism. But the old orthodoxy of insisting on austerity – both to ensure that states pay their bond holders and to maintain vigilance against inflation – reinforces the stagnationist tendencies of under-consumption that come with diminished consumer credit and effective demand. For most states, any attempt at fiscal stimulus aggravates the fears of bond holders that they won't be repaid. Moreover, the increased rate of interest on the bonds necessary to fund fiscal and trade deficits requires restructuring state expenditure to prioritize interest payments over social expenditures, infrastructure development, and public employment – thereby negating the very attempt at stimulus. This is the less the case for the United States due to the "safe haven" Treasury bonds represent, the appreciation of which is inseparable from the role of the U.S. state as the ultimate guarantor of global capitalist interests.

The first great economic crisis of the 21st century indeed deserves to be placed alongside the three previous great crises of capitalism. The reasons for this may be measured by the stubbornly high rates of unemployment in most of the advanced capitalist countries (with Germany's lower rate hardly offsetting the mass unemployment on Europe's southern periphery). As for the developing capitalist states, not only did initial expectations that they could use the crisis to "decouple" from globalization prove wrong, the continuing impact of the crisis is now being measured by a notable decline in their own rates of growth. Yet this crisis has

not produced conflict between capitalist states, as would have been expected by the old theories of capitalist imperialism rather than conflicts within states. Indeed, the greatest danger for global capitalism today is that states that had sworn off capital controls forever may be forced by domestic class struggles into adopting them.

So far only the rise of Syriza in Greece possibly foretells this. Yet to defy the logic of capitalist financial markets and break with the politics of austerity by defaulting on public debt and adopting capital controls is a daunting prospect for any state. In some senses, we are indeed back in 1917. I do not at all mean this in the sense that Lenin did when he argued that inter-imperial rivalry represented the last stage of capitalism. I mean it rather in the sense that a break in one of the weaker links in the global capitalist chain might this time actually spark a progressive enough shift in the balance of forces in one or more of the major capitalist states as to give some breathing room for a genuinely democratic radical changes in smaller state like Greece. This could only come to pass if renewed popular revolts against neoliberal globalization in the larger states (such as Occupy Frankfurt) could sustain political organizations capable changing the structures and policies of their own capitalists states. Without this the politics of protest will continue to be loud but ineffective, and remain incapable of effectively building the international solidarity needed to turn this crisis into a political crisis for those states which are above all committed to keeping capitalist globalization going.

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Occupy Wall Street, the Global Crisis, and Antisystemic Movements: Origins and Prospects¹

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The ancient discussion about the purposes of wealth and the conflict between oligarchy – rule of the rich – and democracy – the rule of the demos/the people comes to the fore once again within the current systemic crisis, from the Arab Spring to the Occupy protests, to the Arab Fall. Even as counterrevolution and growing regional and global turbulence – political, economic and military - appear to be triumphing over the new wave of democratic revolutions and rebellions, at least in the Arab world, with the threat of regional and global conflagration all too real, the underlying structural causes reality of a militarized capitalist world-system in deep crisis will ensure continued waves of antisystemic protests for years to come.²

As Nobel Prize-winning economist Amartya Sen recounted in his (1999) *Development as Freedom*, thousands of years ago Aristotle, in his *Nicomachean Ethics*, noted “wealth is evidently not the good we seek, for it is merely useful [...] for the sake of something else.” This line resonated strongly with a similar discussion between a husband and wife recounted in the Brihadaranyaka Upanishads around roughly the same time. Much of the rest of Sen’s book is devoted to noting the potential role of wealth and public investments in increasing human capability, going on to redefine poverty as “capability deprivation.”

Today’s Occupy Wall Street and related protests continue this ancient discussion about the purposes of wealth, with the slogan “we are the 99%” echoing Aristotle’s famous distinction in his *Politics* about the conflict between oligarchy – rule of the rich – and democracy – the rule of the demos/the people, most of whom are without property, or poor. As Simon Johnson, former Chief Economist of the IMF, noted recently, “the U.S. is unique [...] just as we have the world’s most advanced economy, military and technology, we also have its most advanced oligarchy” (Johnson 2009). The deep structural causes of these movements have been analyzed most cogently recently by Jackie Smith and Dawn West, in their *Social Movements and the World-System* (2012). For what these and other authors and activists know and underscore, but what many have yet to realize, is just how interconnected these waves of what world-systems analysts call antisystemic movements are. Here, activists from previous mobilizations, most recently the generation that came of age in 1968, have gone on to lead and/or participate in new social

¹ For Giovanni Arrighi. Thanks to Jackie Smith for helpful suggestions and sage advice, from which she is of course absolved of all responsibility for any mistakes, which are mine alone! For additional references and links, including those unattributed here, see Reifer 2009b.

² For more on the current crisis and the all-too-real threat of global and regional conflagration, see Reifer 2013c and a very similar analysis in Brzezinski 2013. On the counterrevolution, see Matthiesen 2013; see also Kamrava 2013.

movements and teach about and educate the young about their history, including at institutions of higher education – an important corrective to the problem of the noncontinuity of rebellion that, as Giovanni Arrighi, Terence Hopkins, and Immanuel Wallerstein noted in their *Antisystemic Movements*, has hampered so many social movement waves. Like the interconnected speculative bubbles from the 1980s on (Kindleberger and Aliber 2001) that culminated in the 2008 global financial crisis, similar waves of interconnected antisystemic movements have brought us the World Social Forum, the Arab Spring, and Occupy Wall Street. Here, antisystemic movements emerge both from political opportunities provided by structural world-systemic factors and from the mobilizing and critical opposition consciousness provided by what social movement/civil rights sociologist Aldon Morris (2000; 2012) calls “agency-laden institutions,” in which intersections of race, class, gender, and nationality make critical contributions, as activist lives such as Rosa Parks’s reveal (Robnett 2000; McGuire 2010; Theoharis 2013; see also Lubeck and Reifer 2004; Bayat 2013a; 2013b; Tripp 2013).

The contemporary crisis of neoliberal globalization, financialization, militarization and ecological degradation has deep roots in the capitalist world-system (see Roberts and Parks 2006; Reifer 2007; Arrighi 2009). The great moral philosopher and economist Adam Smith long ago critiqued what he called “prodigals and prospectors,” defined by the 1616 *Shorter Oxford English Dictionary* as “a promoter of bubble companies; a speculator; a cheat.” This description echoes today’s anger at promoters of subprime mortgages and credit default swaps, which grew from \$631.5 billion to over \$62 trillion in notional value between 2001 and 2007. This was expressed too even in 2008 Republican Presidential candidate John McCain’s critique of the “greed of Wall Street.”³ Underlying these trends is a deep structural crisis of a militarized capitalist world-system and its fossil fuel-based carbon economy.

The statistics are compelling. In 2007, for example, the Congressional Budget Office (CBO) revealed that the increase in the incomes of the richest 1% of the U.S. population from 2003-2005 came to \$524.8 billion, a change of 42.6%, greater than the total combined income of the poorest 20% of Americans.⁴

Today, the top 1% of the income bracket in the United States has greater wealth than at any time since 1929, the eve of the Wall Street crash. The Great Depression was an end result of the speculative mania that characterized the roaring 1920s, a decade eerily similar to the 2000s, when the speculative housing bubble produced the 2008 global financial crisis and Great Recession. Moreover, a newly released CBO report reveals that average inflation-adjusted after-tax income of the top 1% of the U.S. income bracket increased by 275% between 1979 and 2007.⁵ At the same time, recently released figures reveal that U.S. student loan debt has [topped the \\$1 trillion mark](#). This is not surprising given skyrocketing tuition costs combined with savage cuts to public education and programs supporting these struggling students. Today, we are told

³ On the history of related movements against aristocracies of wealth and race, class, gender and nation more generally, see Charles Sellers’s brilliant historical reconstruction, *The Market Revolution: Jacksonian America, 1815-1846*. Sellers, a white southern male, was transformed as a youth by the civil rights movement, since his first encounter with it in the AME Zion Church, an experience which as he reports left him in “dissent with my society from that time on,” and led to his becoming the first tenured faculty at UC Berkeley to support the Free Speech Movement (Etheridge 2008: 183). Sellers celebrates his 90th birthday this year.

⁴ <http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/88xx/doc8885/12-11-historicaltaxrates.pdf>

⁵ See also <http://www.cbo.gov/sites/default/files/cbofiles/attachments/10-25-HouseholdIncome.pdf>.

by the 1% and their political representatives that we can no longer afford money for public education, even as trillions go to Wall Street.

Along with this concentration of income at the top 1%, the Great Recession and the continuation of jobless growth represent a poignant illustration of the systemic crisis of the capitalist world-system, which Giovanni Arrighi and Immanuel Wallerstein have analyzed, and from which there appears to be no exit without massive social protest and related programs of imaginative political, social and economic reconstruction.⁶ This crisis has seen astonishing declines in incomes for the vast majority in the United States, but most especially for racial and ethnic minorities, with wealth gaps between Whites, Blacks, and Latino/as hitting historic highs. Between 2005 and 2009, the median wealth of Latino/as, Blacks, and Asians in the United States fell by 66, 53, and 54 percent, respectively. And despite massive pain and suffering for ordinary people, corporations are holding greater shares of cash than at any time in nearly half a century, as the *Wall Street Journal* and *New York Times* [recently reported](#), with [banks in particular](#) awash with cash. The global distribution of wealth is even more skewed. As detailed in the United Nations study [The World Distribution of Household Wealth](#), the richest 1% of the world's population owned 40% of global assets in 2000, with the richest 10% accounting for 85% of total world wealth, in contrast to the world's bottom half, which owned "barely 1% of global wealth."

These facts and figures, coming in the context of the recent global financial, economic and related social crisis, are not coincidental. For it is these very wealth inequalities, as in the 1920s, that provide the most fertile ground for financial bubbles and their bursting and concomitant crises, as the rich awash in cash seek to make money off financial speculation while the majority of the population just tries to survive by taking on increasing levels of debt. For a time, the speculative boom, like in the 1920s, was kept afloat by new forms of financing via household indebtedness. But with the bursting of that superbubble in 2008, ordinary working people, the poor, and middle income families have increasingly run out of options.

For a time, protest over the trillions of dollars going to bail out the super-rich on Wall Street was stymied by the President Obama's electoral victory and the hope of many Americans that he would take steps to address the financial and larger economic crisis. Instead, for the most part, the Obama administration turned to the very Wall Street figures that were responsible for the deregulation of finance that produced the financial crisis in the first place, such as Larry Summers. Feeling like they had exhausted the formal channels of the political system, more people began turning to mass protest. This too has resonance in American history. People often forget that FDR, following what was then called the Wall Street-Treasury view, was cutting the federal budget as late as 1937, triggering the so-called Roosevelt recession. The Roosevelt recession, in turn, provided the final death knell for the Wall Street-Treasury view, and led to the overthrowing of the Money Trust that had dominated U.S. politics since the late 19th century.

So it should come as no surprise, then, that initial reactions to the crisis by the political elite have been to enact massive cuts to health, education and social welfare, with devastating consequences to communities in both the United States and across the globe. Thus we see that elite efforts for new spatial fixes for the current crisis of capitalist have merely exacerbated the underlying crisis, as socioecological, political, and military crises combine on ever-expanding scales. In the larger world-historical, world-systemic context, the mass social protest and upheaval seen in the 1960s returned on new and enlarged social foundations in the 1980s and

⁶ On proposals for imaginative reconstruction, see Boswell and Chase-Dunn 2000 and the work of Roberto Unger, most especially his *Politics*, about which Perry Anderson has cogently written (see <http://www.law.harvard.edu/faculty/unger/index.php>.) See also Reifer 2011a.

remained at consistently high levels since the late 1990s right up to the present, with landmark moments from the Battle of Seattle to Arab Spring and Occupy, Polanyian-like countermovements to neoliberal forms of globalization and militarization (see Arrighi 1990; 2009; Silver 2003; Smith and Wiest 2013; Smith and Verdeja 2013). The Arab Spring and Occupy signaled a new antisystemic development: mass street protests and accompanying battles over public space and the global street, about which Saskia Sassen has so elegantly written.⁷

Father Ignacio Ellacuria, then rector of the University of Central America in El Salvador, put it this way in Europe, speaking to the West, just a few days before he was assassinated by U.S.-trained government forces in San Salvador in November of 1989: “[You] have organized your lives around inhuman values [...] inhuman because they cannot be universalized. The system rests on a few using the majority of the resources, while the majority can’t even cover their basic necessities. It is crucial to define a system of values and a norm of living that takes into account every human being.” Perhaps today, the world is finally heeding these eloquent messages about the purposes of wealth and the need to subordinate the economy to the needs of society – as Karl Polanyi argued in his *Great Transformation* – most especially the vast majority, and above all the global poor, as is echoed in liberation theology. That is the great hope and clarion call of this new global movement.

Significant too is the growing importance of social media, including Facebook, Twitter, email, satellite television, and related forms of electronic communication, for movements. These media form what some analysts refer to as a sort of “liberation technology,” though the revelations of the NSA’s global Orwellian surveillance program show that this same technology can also be used as an instrument of global social control, akin to the film *Adjustment Bureau*. The growing importance of social media has long been recognized, though perhaps never as much as today. Yet it was nearly two decades ago that Giovanni Arrighi, Terence Hopkins, and Immanuel Wallerstein noted that

“with the means of communication increasingly becoming almost entirely electronic, every movement ‘local’ is equally a movement communications ‘center,’ each network nodal point being as able as the next to broadcast (e.g., via electronic bulletin boards) as well as to receive [...] Increasingly, the modern world-system as a whole becomes the terrain of movements world-scale in extent and trans-state in structure. And national arenas thus increasingly become for them so many linked locales in struggles that are not only in fact worldwide but also more and more conceived by activists to be [...] ‘global.’” (1992: 236-237; see also Lynch 2007; Castells 2009)

Today’s global protests – from the global justice movement, Arab Spring, and Occupy Wall Street to the global anti-austerity protests and worldwide movement against sexual assault, notably in India – represent a growing rebellion of reasonable minds, demanding social and economic justice, as well democracy, solidarity and peace, and have deep connections and even continuity with previous antisystemic movements, albeit often unrecognized. As an example, it is too little remembered how the Berkeley Free Speech movement of the early 1960s really came out of the Civil Rights movement and related anti-McCarthyism mobilizations of the 1940s and 1950s. What we have seen in recent years is a new wave of protest born out of the current crises, yet with deep connections to previous social protest waves and efforts such as the global justice

⁷ See Sassen’s two chapters on these new forms of social protest in Reifer 2013a.

movement and World Social Forums, as the August 28, 2013 commemoration of the 50th anniversary of the March on Washington, which brought a quarter of a million people to Washington DC to demand jobs and freedom, so poignantly reveals. In his landmark “Beyond Vietnam: A Time to Break the Silence” speech, exactly a year before he was assassinated, on April 4, 1967, the Reverend Martin Luther King, Jr., put it this way: “we as a nation must undergo a radical revolution of values. We must rapidly begin the shift from a thing-oriented society to a person-oriented society. When machines and computers, profit motives and property rights, are considered more important than people, the giant triplets of racism, extreme materialism, and militarism are incapable of being conquered.” Here, the antiwar, peace and civil rights movement and urban rebellions increasingly converged and led to the mass uprisings of 1968 not only in the United States but across the world.⁸ At the time, King, and many others across the globe were talking about integration as “shared power and radical redistribution.” Unfortunately, since King’s death there has been a radical redistribution of wealth and power, but in the opposite direction, towards the top 1%. But today as we mark the 8th anniversary of Hurricane Katrina and hear renewed drumbeats of war, we see just how much unfinished work there is left to be done.⁹

As one sign in the Occupy Wall Street movement put it, “The Beginning is Near.” The global wave of antisystemic movements is out for nothing less than remaking the world, on a more just, democratic and egalitarian basis. As the world faces one of the most severe crises of the capitalist world-system since its foundation, the time to study and struggle to remake the world-system on more democratic, egalitarian and peaceful social foundations has never been more salient. *A luta continua.*

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Policing the Global Crisis

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As part of my research for a book manuscript on the crisis of global capitalism I recently finished writing (Robinson forthcoming), I decided to re-read the classic 1978 study conducted by the noted socialist and cultural theorist Stuart Hall and several of his colleagues, *Policing the Crisis*. The authors show in that book how the restructuring of capitalism as a response to the crisis of the 1970s – which was the last major crisis of world capitalism until the current one hit in 2008 – led in the United Kingdom and elsewhere to an “exceptional state,” by which they meant a situation in which there was an ongoing breakdown of consensual mechanisms of social control and a growing authoritarianism. They wrote:

This is an extremely important moment: the point where, the repertoire of hegemony through consent having been exhausted, the drift towards the routine use of the more repressive features of the state comes more and more prominently into play. Here the pendulum within the exercise of hegemony tilts, decisively, from that where consent overrides coercion, to that condition in which coercion becomes, as it were, the natural and routine form in which consent is secured. This shift in the internal balance of hegemony – consent to coercion – is a response, within the state, to increasing polarization of class forces (real and imagined). It is exactly how a ‘crisis of hegemony’ expresses itself...the slow development of a state of legitimate coercion, the birth of a ‘law and order’ society...the whole tenor of social and political life has been transformed by [this moment]. A distinctively new ideological climate has been precipitated (Hall et. al. 1978: 320-321).

In my view, this is an accurate description of the current state of affairs. We are already witnessing transitions from social welfare to social control states around the world. We are facing a global crisis that is unprecedented, given its magnitude, its global reach, the extent of ecological degradation and social deterioration, and the sheer scale of the means of violence. We truly face a crisis of humanity; we have entered a period of great upheavals, of momentous changes and uncertainties. This system-wide crisis is distinct from earlier such episodes of world crisis in the 1930s or the 1970s precisely because world capitalism is fundamentally different in early 21st century.

Among the qualitative shifts that have taken place the capitalist system in the face of globalization in recent decades, there are four I want to underscore. First is the *rise of truly transnational capital* and the integration of every country into a new globalized production and financial system. Second is the appearance of a *new transnational capitalist class* (TCC). This is a class group grounded in new global circuits of accumulation rather than the older national

circuits. Third is the rise of what I term *transnational state apparatuses*. And fourth is the appearance of *novel relations of inequality and domination* in global society, including an increasing importance of transnational social and class inequalities relative to North-South inequalities.

The Current Crisis

At the same time, the current crisis shares several aspects with earlier structural crises of the 1970s and the 1930s, but also several features unique to present. These include:

- The system is fast reaching the ecological limits of its reproduction. We have already reached several of what environmental scientists refer to as “tipping points.” This dimension cannot be underestimated.
- The sheer magnitude of the means of violence and social control, as well as the magnitude of, and the extent of control over, the means of global communications and the production and circulation of symbols and images. In this regard, we are witness to frightening new systems of social control and repression that we need to analyze and to resist.
- We are reaching limits to the extensive expansion of capitalism, in the sense that there are no longer any new territories of significance to be integrated into world capitalism. De-ruralization is now well advanced, and the commodification of the countryside and of pre- and non-capitalist spaces has intensified, that is, converted in hot-house fashion into spaces of capital, so that intensive expansion is reaching depths never before seen.
- The rise of a vast “surplus” population inhabiting a “planet of slums,” alienated from the productive economy, thrown into the margins, and subject to sophisticated systems of social control and to destruction – to what I call a *mortal cycle of dispossession-exploitation-exclusion*. (see [Sassen’s](#) contribution to this symposium)
- The disjuncture between a globalizing economy and a nation-state based system of political authority. Transnational state apparatuses are incipient. They have not been able to play the role of what world-systems theorists refer to as a “hegemon” or a leading nation-state with enough power and authority to organize and stabilize the system.

With this as context, let us review how the current crisis has developed. Emergent transnational capital underwent a major expansion in the 1980s and 1990s. This involved what we could call *hyper-accumulation*, achieved through a number of factors. These include the introduction of new technologies, above all through computerization, informatics and the internet. They also include neo-liberal policies that opened up the world to transnational capital and to new modalities of mobilizing and exploiting the global labor force, including a massive new round of “primitive accumulation” – the uprooting and displacement of hundreds of millions of people, especially in the Third World countryside, who have become internal and transnational migrants.

But by the late 1990s, stagnation in the global economy set in. The system was again facing renewed crisis. Sharp global social polarization and escalating inequalities worldwide fueled the chronic problem of “overaccumulation.” Quite simply, global inequalities and the impoverishment of broad majorities mean that transnational capital cannot find productive outlets to unload enormous amounts of surplus it has accumulated. By the start of the 21st century the TCC turned to several mechanisms to sustain global accumulation (profit-making) in the face of stagnation and overaccumulation.

One of the mechanisms is what I term *militarized accumulation*. This involves making wars and undertaking interventions that unleash cycles of destruction and reconstruction, and generate enormous profits for an ever-expanding “military-prison-industrial-security-energy-financial complex.” We are now living in a global war economy that goes well beyond such “hot wars” as in Iraq, Afghanistan, or Syria. Another is the raiding and sacking of public budgets. The TCC uses its financial power to take control of state finances and impose further austerity on working majorities. The TCC employs its structural power (its control over the global economy) to accelerate the dismantling of what remains of the social wage and welfare states. And a third mechanism is frenzied worldwide financial speculation – turning the global economy into a giant casino. The TCC has unloaded trillions of dollars into speculation in housing and real estate markets, into food, energy and other global commodities markets, into bond markets worldwide (that is, into public budgets and state finances), and into every imaginable derivative.

The Threat of “21st-Century Fascism”

How have social and political forces worldwide responded to crisis? The crisis has resulted in a rapid political polarization in global society. Both right and left-wing forces are ascendant. Among others, I want to highlight three responses to the crisis that seem to be in dispute.

One is what we could call “reformism from above.” This reformism is aimed at stabilizing the system, at saving the system from itself and from more radical responses from below. Nonetheless, in the years following the 2008 collapse of the global financial system it seems these reformers are unable (or unwilling) to prevail over the power of transnational financial capital. A second response is popular, grassroots and leftist resistance from below. As social and political conflict escalates around the world there appears to be a mounting global revolt. While such resistance appears insurgent in the wake of 2008 it is spread very unevenly across countries and regions and facing many problems and challenges.

Yet another response is that I term 21st-century fascism. The ultra-right is an insurgent force in many countries. In broad strokes, this project seeks to fuse reactionary political power with transnational capital and to organize a mass base among historically privileged sectors of the global working class – such as white workers in the North and middle layers in the South – that are now experiencing heightened insecurity and the specter of downward mobility. It involves militarism, extreme masculinization, homophobia, and racism and a racist mobilization against scapegoats, which includes the search for scapegoats (such as immigrant workers and, in the West, Muslims). 21st-century fascism evokes mystifying ideologies, often involving race/culture supremacy and xenophobia, embracing an idealized and mythical past. Neo-fascist culture normalizes and glamorizes warfare and social violence: indeed, generates a fascination with domination that is portrayed even as heroic.

It is important to stress that the need for dominant groups around the world to secure widespread, organized mass social control of the world's surplus population and rebellious forces from below gives a powerful impulse to projects of 21st-century fascism. Simply put, the immense structural inequalities of the global political economy cannot easily be contained through consensual mechanisms of social control, that is, through hegemonic domination. With this in mind, let me turn by way of conclusion to five points with regard to policing global capitalism that I put forward for open-ended debate.

A Global Police State

First, policing global capitalism through new modalities of globalized social control and repression is *absolutely not* just a project of this 21st-century fascism; in fact, it is advanced by liberal and reformist elites and states. It is a *structural, system-maintenance imperative of global capitalism*.

Second, in thinking about policing global capitalism, we should ask: who does the system most need to police? Here, I want to call attention to rising tide of surplus labor. Instead of attempting to incorporate those marginalized, the system tries to isolate and neutralize their real or potential rebellion by criminalizing the poor and the dispossessed, with tendencies towards genocide in some cases. The mechanisms of coercive exclusion include: mass incarceration and prison-industrial complexes, pervasive policing, repressive anti-immigrant legislation, manipulation of space in new ways so that both gated communities and ghettos are controlled by armies of private security guards and technologically advanced surveillance systems, and ideological campaigns aimed at seduction and passivity through petty consumption and fantasy.

New forms of social control and modalities of ideological domination blur boundaries, so that there may be a constitutional and normalized neo-fascism, with formal representative institutions – a constitution, political parties, and elections – while all the while the political system is tightly controlled by transnational capital and its representatives. Any dissent that actually threatens the system is neutralized if not liquidated.

Third, we must recognize that criminalization and militarized control of the structurally marginalized as mechanisms of preemptive containment is highly *racialized*. This brings us back to Hall and his colleagues. In their 1978 study they highlighted the highly racialized nature of policing and the criminalization of black and immigrant communities in the United Kingdom. They deconstructed the complex ideological process of fabricating the criminalization of the oppressed in function of social control at moments of hegemonic crisis.

Here we see strong parallels between the incipient “exceptional state” in the 1970s and the current drift towards such states in the United States and elsewhere. The displacement of social anxieties to crime and racialized, “criminalized” populations in the United States and elsewhere dates back to the 1970s crisis. In the United States, in the wake of the mass rebellions of the 1960s, dominant groups promoted systematic cultural and ideological “law and order” campaigns to legitimate the shift from a social welfare to a social control state and the rise of a prison-industrial complex.

“Law and order” came to mean the reconstruction and reinforcing of racialized social hierarchies and hegemonic order in the wake of the 1960s rebellions. This coincided with global economic restructuring, neo-liberalism, and capitalist globalization from the 1970s and on. Now, criminalization helps displace social anxieties resulting from the structurally violent disruption of

stability, security and social organization generated by current crisis. In her shocking expose, *The New Jim Crow*, legal scholar Michelle Alexander documents mass incarceration in United States as “a stunningly comprehensive and well-disguised system of racialized social control.” Indeed, the racialized nature of the bogus “drug wars,” of mass caging, and of the social death sentences that this hands down, is so blatant it shocks the senses. In analytical abstraction, mass incarceration takes the place of concentration camps. The system subjects a surplus and potentially rebellious population of millions to concentration, caging, and state violence. The so-called (and -declared) “war on drugs” and “war on terrorism,” as well as the *undeclared* “war on gangs,” “war on immigrants,” and “war on poor youth,” must be placed in this context.

Fourth, in his brilliant yet chilling study, *Cities under Siege: the New Military Urbanism*, Stephen Graham shows how structures and processes of permanent militarized social control systems and warfare constitute a global project that by definition is transnational. It is important to note that every country has become enmeshed in policing the global crisis as the global economy becomes ever-more invested in warfare, social violence, and state-organized coercion and repression.

Fifth and finally, although space constraints make it impossible for me to elaborate here, militarization and organized violence become accumulation strategies *independent of any political objectives*, and appear as structural features of the new global capitalism. Wars, mass incarceration systems, militarizing borders, detaining immigrants, developing global surveillance systems – so forth, and so on – are immensely profitable for the global corporate economy, the transnational corporations, the transnational bankers, investors, and speculators. They have a material stake in defending and expanding a global police state. Popular forces from below must be aware of what they are up against, and of the need for fundamental change in the power and property relations of global capitalism if peace and justice are to be achieved.

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Expelled: Humans in Capitalism's Deepening Crisis

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As the Cold War was winding down, a new struggle began. Following a period of diverse versions of Keynesian-led relative redistribution in developed market economies, the United States became the point actor for a radical reshuffling of capitalism. Key to this reshuffling was expulsion – of people, places, and traditional economies (see Sassen 2014). While this is a socio-economic condition it is a critical, but invisible, element of the current political crisis. Measuring economic growth to understand whether government policies are working, or measuring political participation in terms of voting, excludes growing portions of our political economy – people, specific types of firms and economic circuits, and spaces. The Keynesian period was one of mass production and mass construction of suburban space: this brought with it an economic logic that valued people as workers and consumers, though not necessarily as human beings. The logic guiding the current phase of advanced capitalism does not value people as workers or as (mass) consumers. Thus, in the last two decades there has been a sharp growth in the numbers of people that have been “expelled” from the economy in much of the world. The active expanding of a middle class in that earlier period has been replaced by the impoverishment and shrinking of the middle class.

This holds in extreme form for particular countries, notably the United States and several African countries that once had strong manufacturing economies but now have become mainly extractive economies. It is the manufacturing- and construction-driven economies of China, and to a lesser extent India, that today are actively generating expanding middle classes. But one question is whether these new logics of expulsion I examine in this essay will eventually also set in there, not through some process of evolution that will repeat the West's trajectory, but because of a larger global economic logic that emerged in the 1980s and might envelop countries such as China and India as well. One way of putting it is that the latter will not simply replicate the strong economic trajectories of Japan, South Korea, and Taiwan, with widely distributed economic and social benefits. The logics of expulsion that mark the current post-1980s period will counter such distributive potentials.

I use the term “expelled” to describe a diversity of conditions. They include the growing numbers of the abjectly poor, of the displaced in poor countries who are warehoused in formal and informal refugee camps, of the minoritized and persecuted in rich countries who are warehoused in prisons, of workers whose bodies are destroyed on the job and rendered useless at far too young an age, of able-bodied “surplus populations” warehoused in ghettos and slums. My argument is that this massive expulsion is actually signaling a deeper systemic transformation, one documented in bits and pieces in multiple specialized studies but not quite narrated as an overarching dynamic that is taking us into a new phase of global capitalism. It has also generated an emergent type of politics, marked by its use of the street (Sassen 2011).

Today, after twenty years of a particular type of advanced capitalism, we confront a human and economic landscape marked by dualizing dynamics. On the one hand: the familiar reconditioning of terrain in the direction of growing organizational and technological complexity, epitomized by the state of the art space of global cities in the North and the South. On the other hand: a mix of conditions often coded with the seemingly neutral term of “a growing surplus population.” A key underlying condition of this “surplus” is the growing expanse of territory that is devastated – by poverty and disease, by various kinds of armed conflict, and by governments rendered dysfunctional by acute corruption and a crippling international debt-regime, all leading to an extreme inability for people to meet their basic needs. To this we should add the sharp increase in land acquisition by foreign firms and foreign government agencies, which is creating additional mass displacements of whole villages and smallholder agriculture.

It is this second emerging condition that concerns me here. It goes against the familiar notion that our modernity is marked by an irresistible growth in organizational and technological complexity. In vast stretches of our very modern world, we see shifts from the complex to the elementary: from the complex encasing of land that is the doctrine of “national sovereign territory,” to land in weakened nation-states becoming a commodity to be sold on the global market. And from the complexity of people as citizens, to surplus people – warehoused, displaced, trafficked, reduced to mere laboring bodies and body-organs.¹

Expanding the Operational Space of Advanced Capitalism

The geographic expansion and systemic deepening of capitalist relations of production over the last 20 years have led to a brutal sorting of winners and losers. The development of capitalism has since its origins been marked by violence, destruction, and appropriation, but also by the making of the regulatory state, a victory for the struggling working classes, and by the expansion of vast middle classes. Much attention has gone to the destruction of pre-capitalist economies via their incorporation into capitalist relations of production. The post-1980s period makes visible another variant of this appropriation via incorporation – the appropriation of traditional capitalisms to further the deepening of *advanced* capitalism. I use this term to capture a phase dominated by a financial logic. Built into this proposition is the fact of diverse phases of capitalist development and hence the possibility that in today’s global phase the extension of capitalist relations has its own distinct mechanisms and that these need to be distinguished from older national and imperial phases.

Elsewhere (Sassen 2008a: ch. 1, 8, 9) I develop a theory of change which has as one core dynamic the fact that condition x or capability y can shift organizing logics and thereby actually change valence even if it may look the same. Thus, for instance, the massive expulsion of people alluded to briefly above is not necessarily simply more of the same – more poor, more displaced, more downward mobility. It may be part of a new organizing logic that alters the valence and systemic character of poverty and downward mobility. Thus I find that the organizing logic of this post-Keynesian period is now making legible its shape. One extreme component of this logic diverges sharply from the earlier systemic ‘valuing’ of people as workers and consumers. To put it dramatically, it is the expulsion of people and the destruction of traditional capitalisms to feed

¹ Elsewhere I examine a critical component of these shifts: how much of the sharp rise in complex systems and instruments winds up producing elementary brutalities (cf. Sassen 2014: op cit in fn1).

the needs of high finance and global capitalist production. For instance, what are easily seen as traditional or familiar logics of resource extraction to meet ongoing domestic needs might also be novel ways of preparing the ground for the systemic deepening of advanced capitalism.

One of these instances is the structural adjustment project implemented by global regulatory institutions, notably the IMF, World Bank, and WTO, beginning in the 1980s and escalating in the 1990s. My argument here is that beyond the much noted extraction of billions of dollars from global South countries in the form of debt servicing, systemic conditioning took place; debt servicing was the instrument for this disciplining. The second instance is the sub-prime mortgage crisis that began in the early 2000s and exploded in 2007: 13 million foreclosure notices and 9 million evicted families. Most of the attention has gone, and rightly so, to the massive losses for the individuals and families who were sold these mortgages, losses that will continue through 2014. In this case my argument is, again, that beyond the logics of extraction in the form of mortgage payments and mortgage agents' fees, here too we can detect a more foundational emergent dynamic: the use of a contract on a material asset (the mortgage) as one ingredient for making a complex investment instrument for high finance.

Central to my analysis is that inside capitalism itself we can characterize the relation of advanced to traditional capitalism as one marked by predatory dynamics rather than merely evolution, development, or progress.² At its most extreme this can mean immiseration and exclusion of growing numbers of people who cease being of value as workers and consumers. But it also means that traditional petty bourgeoisies and traditional national bourgeoisies cease being of value. I see the latter as part of the current systemic deepening of capitalist relations. One brutal way of putting it is to say that the natural resources of much of Africa and good parts of Latin America count more than the people on those lands count as consumers and as workers. This is part of the systemic deepening of advanced capitalist relations of production. We have left behind the varieties of Keynesian periods that thrived on the accelerated expansion of prosperous working and middle classes – though not in today's emergent economies, especially in Asia. Keynesianism's valuing of people as workers and consumers was critical for the deepening of capitalism.

The Expulsion of People and the Incorporation of Terrain

Notwithstanding their enormous differences, I would argue that the expulsions briefly described here are systemic equivalents – and represent only a few of a broad range of such equivalents. Also, there is a considerable global replication potential of some of these. This is the case for the financial innovation that destroyed many million households in the United States, therewith devastating whole neighborhoods. Thus countries such as Hungary, Spain, and Latvia are experiencing sharp rises in foreclosures over the last few years. And it is the case for the debt and debt servicing regime imposed on global South countries and its prioritizing over all other state expenditures; the case of Greece and several other global North countries makes this clear.

Both cases can be seen as part of a much larger process of financial deepening, one of today's major dynamics characterizing advanced capitalist economies. Financial deepening requires specific mechanisms, which can be extremely complex, as in the case of the type of sub-

² Elsewhere I examine to what extent Marx's analysis of primitive accumulation to explain the relationship between capitalism and pre-capitalist economies might illuminate this relationship between traditional and the new types of advanced capitalism (see Sassen 2010).

prime mortgage examined here, or they can be quite elementary, as in the debt servicing regime that took off in the 1990s in the global South and has now spread to the global North (See, e.g., [Panitch](#) 2013).

One way of thinking of this systemic deepening is as the expansion of the operational space for advanced capitalism; it expels people both in the global South and in the North even as it incorporates spaces. The devastated economies of the global South, subjected to a full decade or two of debt servicing, are now being incorporated into the circuits of advanced capitalism through the accelerated acquisition of millions of hectares of land by foreign investors – to grow food and extract water and minerals, all for the capital investing countries.

This also holds for such a radically different instance as the sub-prime mortgage crisis, a largely global North dynamic. I see the sub-prime mortgage as extending the domain for high finance but in a way that delinks the financial circuit from the actual material entity that is the house, and hence from the neighborhood, and from the people who got the mortgage. All of these materialities are excluded from this type of articulation with high-finance – which means that the devastated neighborhoods are expelled from what are, strictly speaking, also traditional circuits of capital. It is akin to wanting only the horns of the rhinoceros, and throwing away the rest of the animal, devaluing it, no matter its multiple utilities. Or using the human body to harvest some organs, and seeing no value in all the other organs, let alone the full human being – it can all be discarded. But unlike the clear realignments we see in vast stretches of the global South, it is not clear how these devastated urban spaces in the global North will be incorporated into the circuits of advanced capitalism.

This systemic shift signals that the sharp increase in displaced peoples, in poverty, in deaths from curable illnesses, are part of this new phase. Key features of primitive accumulation are at work in the making of these increases. But to see this role of primitive accumulation in our current advanced capitalism dominated by high finance we have to go beyond logics of extraction. We need to recognize the fact of systemic transformation. One of these system-changing practices and projects is the expulsion of people: growing numbers matter less as workers and consumers than they did in much of the 20th century, which helps account for the pattern [Robinson](#) describes as the rise of social control states around the world (2013).

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**Special Contribution:
Interview with Immanuel Wallerstein**

Retrospective on the Origins of World-Systems Analysis

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Nearly four decades ago, in 1974, Immanuel Wallerstein published the first volume of his magnum opus, The Modern World-System. That same year, Perry Anderson, British historian and editor of the New Left Review, released the first two installments of his own large-scale history on the origins of modernity. The coincidence of publication invited many scholarly comparisons of their macro-historical perspectives. It is noteworthy that both writers think in terms of totalities. To totalize is to insist on methodological holism. Wallerstein conceives of totality in terms of world-systems, while Anderson advocates for totalization. This is a meaningful contrast. World-systems are closed totalities in the sense that they are historical systems, with a beginning, an end, and identifiable geographical boundaries. Totalization is historically open-ended, and thus invites analyses, in Anderson's case, beginning in Antiquity and without a specified end. While they each write about the modern world, Wallerstein and Anderson conceive of that world in drastically different terms. Neither scholar, however, has asserted his view as a singular paradigm of social analysis. Wallerstein has instead claimed world-systems to be a "call for a debate about the paradigm."¹

In the seventies, Wallerstein and Anderson became familiar with the each other's research: they wrote, offered advice on books, and Anderson even taught a few courses in Binghamton at Wallerstein's invitation. Yet from their departure on the unit of analysis, their overall perspectives on world history and current events remain dissimilar. Wallerstein, unlike Anderson, chooses not to self-identify as a Marxist and has been skeptical of Marxism's stress on the bourgeois revolutions. Wallerstein also believes that the capitalist world-economy, as a closed totality, will collapse from the cumulative impact of its own contradictions; from there, individuals and movements can shape how the next world-system or -systems will function. Anderson contends that capitalism today is strong, although he concedes it could fall apart in time.

In our conversation Wallerstein discusses the origins and implications of his world-systems perspective. Our talk traces the evolution of Wallerstein's thinking, beginning with his thoughts on Anderson. We then turn to the issue of world-systems as an inherently ecological (or world-ecological) style of analysis. There had been some debate on whether Wallerstein's series on the capitalist world-economy, now in four volumes, was sensitive to environmental analysis. Today, Wallerstein believes the world-systems perspective is compatible with environmental history precisely because it is working in the tradition of holism. Totalities, in other words, are inseparable from their constituent parts. The economy, politics, society, and the environment

cannot be separated from one another. This is why Wallerstein writes from a historical social science perspective, not merely a sociological one.

In fact, Wallerstein sees disciplinary divisions within academia as part of the present crisis in the capitalist world-economy. Newtonian science encourages the search for universal laws, impervious to alterations of time or space. This nomothetic view of knowledge accumulation is also widespread in the social sciences. Yet according to Ilya Prigogine, who won a Nobel Prize in Chemistry, even seemingly permanent laws are bound temporally and spatially. Wallerstein believes we should embrace the principle of uncertainty across all domains of knowledge. This is not because we have trouble gathering evidence, but rather because crises of world-systems have many possible outcomes. Therefore, he works to combat the Newtonian assumption that capitalism is a natural, not historical, system. Wallerstein even rejects nomothetic perspectives that are critical of capitalism—most notably, the belief that comparing world-systems can reveal fundamental world-historical truths. (Such comparative logic only works for periods of systemic transformation, when systems are essentially without rules.) Still, Wallerstein does not trade the nomothetic worldview for its opposite, the idiographic interpretation of history. He rejects the latter's glorification of case specificity without larger generalizations. World-systems analysis, in Wallerstein's opinion, relieves biases inherent in social science research.

Finally, in the last part of the interview, we turn to the revolutions of 1968. As a professor at Columbia University, and a member of the Ad Hoc Faculty Group, Wallerstein served as a negotiator between the administration and the students who had occupied buildings. Later, he came to see the uprisings of that year as a sign of the modern world-system in crisis. This is a fitting close to our interview because, in the present age of global social upheaval, Wallerstein believes we are witnessing the closing act of capitalism, whereby seemingly small actions can yield large returns. The end of the modern world-system is certain. The outcome of these struggles, whether they will improve or worsen the conditions of humanity, is intrinsically uncertain.

Gregory P. Williams (GW): You and Perry Anderson both published major works about the origins of the modern world in 1974. Did you feel like you and he were writing about something similar?

Immanuel Wallerstein (IW): Well, yes and no, I suppose. Yes in the sense that he's writing about the modern world and I'm writing about the modern world. I guess in that sense they're completely similar. There was a review in the *New York Review of Books* when his two volumes came out and my volume I came out,² which treated us together. It was called "Jumbo History" by Keith Thomas.³

GW: Your visions are somewhat different. His narrative begins in antiquity, and is driven forward from there.

IW: No, absolutely. His vision is more directly tied to classical Marxism in the sense that he sees historical stages: capitalism was born after feudalism. His view is, I suppose, the best historical explanation of the classical Marxist theoretical position.

GW: And in your own telling, you call what happened to create the capitalist world-economy a 'fortuitous simultaneity of events', meaning that if it hadn't happened in the way that it did, it may have been

avoided altogether.⁴ Anderson's story is nuanced but teleological. You're often called a Marxist, but this break with Marxism is significant.

IW: Yes, in his reading it was inevitable. I think that's a major difference between the two, exactly. I reject the theory of inevitable progress, which tends to be a part of classical, what I call orthodox, Marxism. I'm not sure those are Marx's own views. Marx's own views are much more complicated. Orthodox Marxism is the Marxism of the party: the Marxism of the German Social Democratic Party and the Communist Party of the Soviet Union. And it was really put in place by Engels after Marx's death. That's classical Marxism. Marx himself relates to classical Marxism with great difficulty in my view. But, there are contradictions, intellectual contradictions within his work, and it depends on what you want to read and emphasize.

GW: Would you prefer to be identified as a radical or would you call yourself a Marxist?

IW: I'm perfectly happy with being called a radical, and being called a Marxist depends on what you mean by Marxist. And I usually say there are four views of me as a Marxist: there are those who say that I am a Marxist and that's a good thing; there are those who say that I am a Marxist and that's a bad thing; and there are those who say that I'm not a Marxist and that's a good thing; and there are those who say that I'm not a Marxist and that's a bad thing. I can identify people who have argued all these things and I don't worry about that. I have said at various points that he is, as far as I'm concerned, the most significant social scientist of the nineteenth century, and I'm certainly happy to regard him as one of the several sources of my thinking. He's a

significant thinker of the nineteenth century, and things have moved on. He was writing some things wrong and not others, and you have to take him for what he offers you.

GW: I noticed how freely Anderson identifies with Marxism. He says that the freedom of Marxism is to be able to make revisions. It doesn't matter if Marx would have agreed with us.⁵ Is it simply not permissible to do this with an American audience?

IW: It's more difficult in an American audience, but it's pretty difficult in British audience too. And again, it's what moment in time we're talking about. There was a time in Europe when it was not only respectable to be a Marxist, but it was virtually the only respectable position. That changed. Perry very much thinks of himself as a Western Marxist. He writes about Western Marxism. And in many ways that's correct in the sense that the sources of his ideas are really located heavily in people who are Italians, Germans, and French thinkers. And he, and the *New Left Review* in general, played a major role in introducing these ideas, and actually translating them into English. And they saw this as their first major function, since *New Left Review* has two moments in history. Certainly, it was the moment of the first series. Perry changed his position from being a kind of strong optimist to being a strong pessimist. And that infuses his writings since 2000, more or less. And since then, *New Left Review* has become more catholic in its taste, shall I say? I've just had occasion to look at that the other day, and I've over the years written ten articles for *New Left Review*. It's quite a bit. I suppose it's the journal I've published in the most, except for *Review*, my own journal. So, I certainly think of *New Left Review* as a journal which speaks to left intellectuals

around the world. It is its function, but it has a scholarly tone: the articles are serious articles.

GW: You two are also similar in that you announced you were originally planning on four volumes. Anderson's first two came out in the same year. You've released four so far and plan to write more. But it seems to me, in looking at your later writings, if you were to add up some of them, that those would comprise the final volumes.

IW: Well, the fourth volume only deals with what I call the long nineteenth century.⁶ And in the preface to the fourth volume I explain why there's going to be a fifth, and maybe a sixth, and maybe a seventh, if I survive that long. Okay? So, the project is going forward. His project is, to all effects and purposes, stuck. He was supposed to write another volume on the bourgeois revolutions, and he never wrote it. And I don't think he ever will, but that's just my view. But it's also most people's views. And he publishes, incessantly, right? He writes essays of all kinds. But you're perfectly right that in my other writings I have dealt with the material that will be in volume five, and maybe six, and so forth. And maybe I don't need to write it, but it isn't done as systematically, and as I think as persuasively as it should be done. So, if I were to die tomorrow, my views on the twentieth century, and even on the twenty-first, exist in all kinds of articles. But the volume doesn't exist. So I will try.

GW: Why is it that you think, and that others think, that Anderson won't complete that project?

IW: Well, he has given courses on the bourgeois revolution. He used to give a course at one point at Binghamton on that. But he's never written it. I myself don't

think much of the concept of the bourgeois revolution, let me put it that way. But I think he's going to have a difficult time demonstrating its pervasiveness across the world beyond what he and most people take as the classical examples, which are the British, the French, and maybe the American. I don't think it's doable. And he's too smart a fellow. You know, he is one of the most careful authors the world knows. He's one of the few people who won't let you record his talks. Absolutely refuses, because he doesn't want anything to come out that isn't his finished version. So he works on it, and works on it, and works on it. The two volumes he did publish were originally one volume, and he was persuaded by his colleagues at the *New Left Review* that it was too immensely thick and so forth. And so he broke it down into two volumes. But he won't publish on the bourgeois revolution until it's his definitive view. And he's not going to make it. I have always had the feeling that when I get to the point where I am ninety-five percent convinced of my own point of view, I publish it. He has to be one-hundred percent. It's really crippling in many ways. But what can you do? Given that, he's published an awful lot.

GW: Jason Moore wrote an article where he demonstrated an ecological element to your *Modern World-System I*.⁷ By my count, I found what looked to be thirteen separate instances where environmental change contributes to this larger, structural change you discuss. I counted climate, famine, food supply, population, and timber. Do you think it's fair to read this as a work of environmental history?

IW: Well, actually, his article startled me because I hadn't realized how much I had done that in volume one. But I don't think

he's wrong. I don't think he's wrong at all. I thought what he was trying to do was defend me against all those people who say I ignore these issues. He said no, not at all, they are central to what I was doing, and he's right. But I have to say that in 1971 when I was actually writing the book, I didn't think of it as environmental history. Nobody was doing environmental history at that time. It wasn't a concept that I was utilizing. But I was utilizing the concept of holism, right? And so it seemed to me perfectly natural to include all of these elements.

GW: I saw a C-SPAN interview of you from 2002.⁸ It was a morning program that feature calls from viewers. Some people would call in and say outrageous things. One caller, for example, assumed you were a Viet Nam draft-dodger. And your response was, essentially, 'I didn't try to escape it. That was too late for me: I fought during Korea.' Another caller criticized C-SPAN, suggesting that Rumsfeld or Rice should have been their guests instead. Do you find those types of attacks limiting in a way? Is the left a category that the public knows how to deal with?

IW: In terms of U.S. public debate, my position is considered very far out. The press, the media, tends to define what I think of as the center, they think of as the left. So you get the center versus the right in most of your media, and anybody who's to the left of the center is from the moon. They don't give the left any legitimacy. And this has moved steadily to the right. The locus of what is the center has moved steadily to the right over the last thirty or forty years. So, if people think of Obama as a wild socialist, what can I do?

GW: Maybe not in the same way, but academics do this too. Is it more frustrating

when it's someone who, in a sense, is supposed to get it right?

IW: My general view is, patiently, to re-explain my position, time and time and time again. After a while, it begins to penetrate. Some of the nonsense written in the 1970s people won't write today. But, you know, stay calm. The history of the last thirty or forty years has borne out my views. Not everyone would agree with that, but more people agree with that today than they would have agreed thirty or forty years ago.

GW: You refer to two types of traps in world-systems research. One is the nomothetic trap where researchers assume world-systems can be compared. The other is this idiographic trap, where researchers imagine the whole world as a single system. Is the capitalist world-economy really the largest unit of analysis we can use?

IW: Oh yes. Today we have a capitalist world-economy. It encompasses the entire globe, but there isn't anything else. That's the new situation. It started a little earlier than today. It starts in the end of the 19th century, but it's the first time in human history where there's only one historical system on the planet at a given time. And that does change a lot of things.

GW: You write a lot about opening up the social sciences, making them more accessible, reducing the duplicative research from one field to another. Is this something that came out of your writings from the 1970s?

IW: I became more and more interested in the epistemological questions when I saw that a lot of critiques were based on epistemological assumptions which I realized I didn't share. And so I began to be more interested in these questions, already

in the late 1970s, but I suppose also in the 1980s, which was my first contact with Prigogine.⁹ That was something of an intellectual breakthrough, and then I felt one had to face up to this intellectual crisis of knowledge systems that is part of the structural crisis of the world-system. So I began to write on that. And then I got involved in setting up the Gulbenkian Commission and put out the book, *Open the Social Sciences*.¹⁰ I say that I write in three different domains, and one of them is on the basic epistemological issues and overcoming the concept of the two cultures.¹¹ I think it is a new one, in the sense 'new,' it only dates from the middle of the eighteenth century and is under serious challenge today, and hopefully won't exist twenty, thirty, forty years from now. But it's a big battle. A lot of people, I'd say even most people, are defending the legitimacy of the distinction.

GW: Simply because it's what they know?

IW: And they are invested in it.

GW: Do you think the development of world-systems analysis would have been possible if it weren't for the revolutions of 1968?

IW: Well, that was certainly a major element in creating the ambiance in which world-systems analysis could come forward. Absolutely, because it undermined the hegemony of centrist liberalism, and it opened up all sorts of questions about forgotten peoples, and so forth. All of this raised a good deal of skepticism about classical political and economic explanations. I certainly had many of those ideas earlier, but in a more confused way.

GW: Your M.A. thesis was on McCarthyism. Did that help you?

IW: Well, in the sense that the importance of the McCarthyism thesis was to take this idea that there were, basically, two kinds of political right: the more sophisticated conservatives, and the practical conservatives. I took the categories from C. Wright Mills at the time. It was important in understanding what was going on politically in the United States but then, by extension, actually in many parts of the world, which is still going on. That same battle that I describe in 'McCarthyism and the Conservative' is the battle that's going on in the Republican Party today in the United States, between the Tea Party types and the more classical conservative establishment.

GW: You once described yourself as a kind of heretic for social science at the time.¹² Was there something about being at Columbia, or sociology at Columbia, that made it more acceptable to branch out? And did it reach a point where it was difficult to be there?

IW: Well, sure, I was. I was a product of Columbia sociology, but I was also a heretic. Columbia sociology in the 1950s was the center of the world. It thought of itself, and was thought of, as the center of sociological world. And it had a very strong point of view. But within that framework, they were somewhat tolerant. So, they tolerated me, because I was a good scholar, and because I was one of the family. But a number of years later, Paul Lazarsfeld said of me and Terry Hopkins that we were 'His Majesty's loyal opposition.' It reached a point where it was difficult to be there only because of the 1968 crisis, and the politics of the 1968 crisis. But not because of my intellectual views. It was part of my intellectual views, but anyway, not because of what I was writing.

GW: It was because of a position you took?

IW: The Sociology Department was split. The Columbia University sociology graduate students have the largest percentage in the occupied buildings. Robert Merton and Lazarsfeld had the only major fight in their life over 1968. Merton's position was really ultra-conservative on that, and I was involved in the Ad Hoc Faculty Group, and so forth. All of that was a strain at the time.¹³

GW: Do you see a direct connection between being there in 1968 and the development of the world-system perspective?

IW: Well, I certainly saw it as something which crystallized a lot of my views on a whole series of questions. So, absolutely, I think it was an important event, certainly in

my life, my own biography, but it was also important event in the collective biography of the world, you know? It was a major—it was, in my view, and this is where I'm really a heretic, it was the most important historical event of the twentieth century. It dwarfs the Russian Revolution. It dwarfs 1989. It's more important in terms of its impact on the world-system. But people these days try to play it down.

GW: Because they think it's simply not as important as other events.

IW: Well, yes, there are all sorts of reasons. It depends on who's trying to play it down. But I mean, basically, it was seen as a moment of madness, or something irrelevant because it died out, and was replaced by other things.

We see today that 1968 was not a moment of madness, but has in fact lived on. Protesters in 1989, for example, also resented power-brokers of the modern world-system.¹⁴ And recent movements the world over have maintained this discontent, including: the Arab Spring, the Occupy movements, and uprisings in Brazil, Bulgaria, Chile, Greece, and Spain. For Wallerstein, these movements are the expected outcome of a system on the brink of self-destruction.

The capitalist world-economy has outdone its predecessors by expanding to cover the entire Earth. In Wallerstein's opinion, it is also unique in preserving great inequality in the name of establishing equality.¹⁵ Still, the modern world-system, like all historical systems, will inevitably come to an end. For 500 years, expansion has been its lifeblood: during times of social upheaval, modest concessions could be offset by expanding to previously external zones. Today, capitalism has simply run out of space. The pressure of social movements can no longer be relieved without threatening the fundamental requirement of profit maximization. As Wallerstein notes, factories have lost the option to "runaway" when profits decline.¹⁶

For Wallerstein, these movements also raise questions about our systems of knowledge.¹⁷ Social science of the 20th century was biased towards what was masculine, European, and bourgeois. Research, in turn, assumed that economic, political, and cultural advancement was to become more like Europe and the United States. The notion of developmental stages was used to conceal the relational nature of well-being: that comfort and luxury for a few was predicated on the misery of many. Drastically different social and political conditions could be justified (or even condemned!) by the notion that such peoples needed more, not less, interaction with the privileged. In times of expansion, this explanation may appear plausible to many. But as the system collapses under its own weight, the idea of stages loses credibility.

Far from being replaced by other things, the issues raised by 1968, of expansion and knowledge accumulation, are still unresolved. Out of the demise of capitalism, the next world-system(s) could potentially be egalitarian. Such a system has never previously existed, yet the power to make it a reality rests with everyday people. Wallerstein believes that we are living in a historically unusual time. During periods of stability, there is little opportunity for individuals to transform their circumstances. But when a world-system is in turmoil, individuals may fashion its replacement. The world-revolution of 1968 signaled that we are in such a period of instability. This may be cause for some hope, although triumph for the less well-off is far from guaranteed. When asked if he is pessimistic or optimistic about the future, Wallerstein has a "standard answer": 50-50. "That is my answer ..., fifty-fifty, and it depends on us."¹⁸

Notes

¹ "Call for a Debate about the Paradigm," in *Unthinking Social Science*, 2nd ed. (Philadelphia: Temple University Press, [1987b] 2001, 237-256).

² Perry Anderson, *Passages from Antiquity to Feudalism* (London: Verso, 1974a); Perry Anderson, *Lineages of the Absolutist State* (London: Verso, 1974b); and Immanuel Wallerstein, *The Modern World-System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century* (New York: Academic Press, 1974).

³ Keith Thomas, "Jumbo History," *New York Review of Books* (17 April 1975).

⁴ This phrase can be found in "World System Versus World-Systems: A Critique," in *The World System: Five hundred years or five thousand?* Andre Gunder Frank and Barry K. Gills, eds. (New York: Routledge, 292-296), 295.

⁵ The quote, from *Passages*, reads as follows: "Marx and Engels themselves can never be taken simply at their word: the errors of their writings on the past should not be evaded or ignored, but identified and criticized. To do so is not to depart from historical materialism, but to rejoin it [...] To take 'liberties' with the signature of Marx is in this sense merely to enter into the freedom of Marxism" (1974b, 9).

⁶ *The Modern World-System IV: Centrist Liberalism Triumphant* (Berkeley: University of California Press, 2011).

⁷ Jason W. Moore, "The Modern World-System as Environmental History? Ecology and the Rise of Capitalism," *Theory and Society* 32(3) 2003: 307-77.

⁸ C-SPAN, "Washington Journal," (2 July 2002): <http://www.c-spanvideo.org/program/id/125735>.

⁹ Ilya Prigogine, Nobel Laureate in Chemistry, and author of *The End of Certainty: Time, Chaos, and the New Laws of Nature* (New York: The Free Press, 1996).

¹⁰ Immanuel Wallerstein, and others, *Open the Social Sciences: Report of the Gulbenkian Commission on the Restructuring of the Social Sciences* (Stanford, CA: Stanford University Press, 1996).

¹¹ This is from the introduction to *The Essential Wallerstein* (New York: The New Press, 2000).

¹² The reference to being a "heretic" for social science appears in the preface to *The Essential Wallerstein*: "I essentially am, and was from the beginning, a heretic in terms of that mode of social science" (2000, xi).

¹³ For a "blow by blow description" of the 1968 Columbia crisis, Wallerstein recommends Jerry L. Avorn et al., *Up Against the Ivy Wall: A History of the Columbia Crisis* (New York: Antheneum, 1970). Wallerstein's published

reflection, *University in Turmoil: The Politics of Change*, is more about the university's role in society (New York: Atheneum, 1969).

¹⁴ See Giovanni Arrighi, Terence K. Hopkins, and Immanuel Wallerstein, "1989, the Continuation of 1968," *Review* 15(2), 1992: 221-242.

¹⁵ See chapter four of *The Modern World-System IV* (2011, 143-217).

¹⁶ "End of the Road for Runaway Factories?" Commentary No. 351 (15 April 2013): <http://www.iwallerstein.com/commentaries/>.

¹⁷ *Open the Social Sciences* (1996).

¹⁸ *The World We Are Entering, 2000-2050*, Immanuel Wallerstein and Armand Clesse, eds. (Amsterdam: Dutch University Press, 2002), 150.

Embedding Post-Capitalist Alternatives? The Global Network of Alternative Knowledge Production and Mobilization

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Abstract

Since the 1970s, transnational alternative policy groups (TAPGs) have emerged as a component of global civil society, generating visions and strategies for a “globalization from below” that point toward post-capitalist alternatives. Here, we map the global network of TAPGs and kindred international groups in order to discern how TAPGs are embedded in a larger formation. In this era of capitalist globalization, do TAPGs, like their hegemonic counterparts, bridge across geographic spaces (e.g. North-South) and movement domains to foster the convergence across difference that is taken as a criterial attribute of a counter-hegemonic historical bloc? Our network analysis suggests that TAPGs are well placed to participate in the transformation of the democratic globalization network from a gelatinous and unselfconscious state, into an historical bloc capable of collective action toward an alternative global order. However, there are gaps in the bloc, having to do with the representation and integration of regions and movement domains, and with the salience of post-capitalism as a unifying social vision. Also, our architectonic network analysis does not reveal what the various relations and mediations in which TAPGs are active agents actually mean in concrete practice. There is a need both for closer analysis of the specific kinds of relations that link transnational alternative policy groups to other international actors, including intergovernmental organizations and funding foundations, and for field work that explores the actual practices of these groups, in situ.

Keywords: Transnational networks, counter-hegemonic bloc, North-South ties, social movements

The production of knowledge that can inform practices to create alternative economic and political futures is a crucial task for scholars and activists today (Gibson-Graham 2006; Wright 2010). Given capitalism’s global reach, alternative think tanks that bring to these production processes a transnational viewpoint and that mobilize knowledge for transnational publics are of particular strategic import. Since the 1970s, *transnational alternative policy groups* (TAPGs)

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have emerged as a component of global civil society (GCS), generating visions and strategies for a “globalization from below” that points toward post-capitalist alternatives. Such groups as the Transnational Institute (Amsterdam), Focus on the Global South (Bangkok), the International Forum on Globalization (San Francisco) and the Centre for Civil Society (Durban) have served as “collective intellectuals” in facilitating the construction of a fledgling historical bloc that transects national borders and poses democratic alternatives to neoliberal globalization (Carroll 2011).

This study explores a social network of alternative think tanks that critique capitalist economic and social organization and that might be said in some respects to foster practices of transition from a capitalist present to a post-capitalist future. We proceed from a neo-Gramscian understanding that hegemonic think tanks and TAPGs are embedded in opposing historical blocs, as they develop and deploy knowledge with the intent to make their respective blocs more coherent and effective (Carroll 2007). The hegemonic bloc can be conceptualized as a variegated, multi-tiered network of institutions, organizations, publics and individuals that provide leadership in the ongoing globalization of capitalism (cf. Smith 2008). Such globalization “from above” can incorporate reformist initiatives that address concerns expressed “from below” – as in the World Bank’s opening to civil society in the late 1990s, or more recent advocacy of the “green economy,” but cannot subvert “the decisive function exercised by the leading group in the decisive nucleus of economic activity” (Gramsci 1971: 161).

Earlier research focusing on the world’s largest corporations and the key transnational policy groups whose boards interlock with them established that the policy boards are not only purveyors of the neoliberal ideas that govern global capitalism, but that they serve as important meeting places for key members of the transnational capitalist class (Carroll and Carson 2003; Carroll and Sapinski 2010). Groups like the World Economic Forum, the Trilateral Commission and the World Business Council for Sustainable Development pull together business leaders from mainly Europe and North America into shared social spaces where common strategic approaches to policy can be hammered out (Carroll and Carson 2003). A longitudinal network analysis of the decade ending in early 2007 pointed to “a process of structural consolidation through which policy boards have become more integrative nodes in the global corporate power structure,” creating a denser transnational corporate-policy network with more extensive reach (Carroll and Sapinski 2010: 530) – structurally speaking, a transnational historical bloc dominated by North-Atlantic capital.

The issue we explore in this paper extends from a recent study of a comparable sample of 16 TAPGs and the international organizations with which they are connected, which found evidence of “a nascent historical bloc in which transnational alternative policy groups figure importantly, a network of counterpublics organically articulated to a range of movements opposing neoliberal globalization (if not capitalism)” (Carroll 2011: 18). Here, we map the global network of TAPGs and kindred international groups – alternative media, social movement organizations, and international NGOs – in order to discern more specifically how TAPGs are *embedded* in a larger formation. In this era of capitalist globalization, are TAPGs, like their hegemonic counterparts, positioned as “brokers,” bridging across geographic spaces (e.g., North-South) and movement domains to foster the “convergence across difference” (Conway 2004) that is taken as a criterial attribute of a counter-hegemonic historical bloc? Alternatively, are there ways in which the global network is factionalized, as in the fissure between ecological and social justice politics that characterized activist networks in the 1990s? In short, what can a network analysis tell us about how transnational alternative policy groups may be structurally embedded

to facilitate the development of post-capitalist politics, which implies movement beyond the fragments of single-issue politics encased within nation states?

We explore two possible sources of cleavage in the global network: regional divisions – the legacy of imperialism that is encoded in global North and global South – and discursive divisions – differences in how internationally-oriented groups frame their political projects. Clearly, prospects for effective post-capitalist politics hinge significantly on building bridges between activism in North and South as well as on the capacity of movements to converge upon framings of the political context “that highlight the degree to which a system is open to change” (Smith and Wiest 2012: 38).

Counter-Hegemony and Global Civil Society: Embedding Post-Capitalist Alternatives

Global civil society has been defined as “the realm of non-coercive collective action around shared interests and values that operates beyond the boundaries of nation states” (Glasius, Kaldor, and Anheier 2006: v). Often idealized as a coherent collection of world citizens pursuing social justice, global civil society can be more productively conceptualized as a field of conflict and struggle, distinct from the global economy and the inter-state system yet internally related to both. While helping to reproduce global hegemony, global civil society offers a “discursive space” and a foothold to counter-hegemonic politics (Ford 2003: 129).

This terrain has long been dominated by a cosmopolitan bourgeoisie, reflecting the superior material and cultural resources of a dominant class (van der Pijl 1998). In the twentieth century a network of business-oriented think tanks and policy groups entered the field, including the Mont Pèlerin Society and Trilateral Commission – important sites of hegemonic knowledge production and mobilization (KPM), sometimes known as “policy-planning” (Domhoff 2006). By the century’s closing decades a new breed of “advocacy think tanks” (Abelson 1995) were actively shaping the neoliberal project of market-centered life (Stone 2000; Burris 2008; Macartney 2008). However, the brutalizing impact of neoliberal policies provoked a variegated grassroots politics of “alter-globalization” – resisting the “corporate agenda” but also putting forward democratic alternatives (Smith 2008; Stephen 2009; Coburn 2010).

Among the challenges faced by alter-globalization movements is that of *counter-hegemonic* KPM – the production and promulgation of alternative strategies and visions that, as taken up in practice, might foster a cathartic shift from the episodic, fragmented resistances typical of subalternity to a shared ethico-political project that can become “a source of new initiatives” (Gramsci 1971: 367). The groups investigated in this research aspire to such counter-hegemonic KPM. Our focus here is on specifically *transnational* alternative policy groups that *pose their politics globally*. They have sought to provide intellectual leadership for transnational movements and have come to occupy a unique niche within the organizational ecology of global justice politics.

The concept of embeddedness offers a rich metaphor for this analysis, based primarily in two strands of literature that originate from contributions by Karl Polanyi and Mark Granovetter. For Polanyi (1944), the great transformation that brought modern capitalism also brought a disembedding of markets from communities, and a “second movement” that endeavored to re-embed – with the latter appearing in several distinct genres, including socialism and fascism. Granovetter’s (1985) less sweeping concept of embeddedness focused on the problem of

atomism in liberal economics, insisting on “the intrinsically relational nature of all social action” (Krippner and Alvarez 2007: 231).

Both senses of embeddedness are relevant to our study of TAPGs. As for the first, in producing and mobilizing alternative knowledge, TAPGs struggle against the market logic of capitalist disembedding; they offer cognitive resources to re-embed economic relations, under democratic control. Ideologically, Somers and Block (2005) point out that the hegemony of neoliberalism actually *embeds the market* within structures of common sense, particularly in the domain of political policy but also in wider cultural fields. TAPGs are to a considerable degree engaged in discursive struggles to dislodge neoliberalism from its embeddedness within common sense, but their intellectual production extends beyond critique to the advancement of alternative visions, strategies and policies. To have effect, however, this praxis must produce not simply knowledge of post-capitalist alternatives; it must produce – in collaboration with the agency of allied groups – transnational counter-publics, cultures of solidarity and communities of practice that instantiate that knowledge, embedding it in and beyond their own lifeworlds. This sort of embedding is not centered upon national states (as in Polanyi’s formulation from the 1940s); the emphasis is on constructing critical knowledges and solidarities, across borders, within global civil society – understood as a terrain of contention (Conway and Singh 2009).

For the purposes of this paper, we work with Granovetter’s network concept of embeddedness. Focusing on a purposive sample of 16 TAPGs – eight based in the global North and eight based in the global South – we ask how these sites of alternative knowledge production and mobilization are embedded in a larger network of international NGOs (INGOs), and what the nature of that positioning might mean for their capacity, as cultural and political agencies, to *embed post-capitalist alternatives*.

Method

Our analysis centers upon a judgment sample of 16 major TAPGs, each of which satisfies these criteria:

- a core function of *knowledge production and mobilization* that challenges existing political-economic hegemonies and presents alternatives, creates new paradigms, etc.;
- a significant part of that cognitive praxis takes up transnational issues and speaks to transnational counter-publics;
- the group engages a wide range of issues, i.e., it is not specialized in one domain (such as water, trade, or capital-labor relations).

The groups were selected to achieve geographical representation of every region of the world, with recognition of the fact that Europe contains a particularly large contingent of INGOs, relative to the rest of the world (Smith and Wiest 2012: 62). Table 1 offers a temporally sequenced list of the 16 TAPGs. Four groups formed in the mid-1970s (three of them based in the global North), at the culmination of the 1960s protest wave, and as the crisis of the post-war era set in. Four (all based in the global South) formed in the 1980s. In the past couple of decades, and particularly from the mid-1990s to 2005, TAPGs proliferated as an intellectual aspect of the gathering global democracy movement, but also as critical responses to the crises and contradictions of neoliberal globalization (Carroll 2013).

Table 1. Judgment sample of 16 TAPGs

Est'd	Name	Headquarters	On WSF Intl. Council
1974	Transnational Institute (TNI)	Amsterdam	Yes
1975	Third World Forum (TWF)	Dakar, Senegal	^a
1976	Tricontinental Centre (CETRI)	Louvain-la-Neuve (BE)	Yes
1976	Centre de recherche et d'information pour le developpement (CRID)	Paris	Yes
1982	Society for Participatory Research in Asia (PRIA)	New Delhi	
1984	Third World Network (TWN)	Penang	Yes
1984	Development Alternatives with Women for a New Era (DAWN)	Manila	Yes
1989	Third World Institute/Social Watch (ITeM)	Montevideo	Yes
1990	Rosa Luxemburg Foundation (RosaLux)	Berlin	
1994	International Forum on Globalization (IFG)	San Francisco	Yes
1995	Focus on the Global South (Focus)	Bangkok	Yes
1997	Network Institute for Global Democratization (NIGD)	Helsinki	Yes
1998	People's Plan Study Group (PPSG)	Tokyo	
2001	Centre for Civil Society (CCS)	Durban	
2005	Alternatives International (Alter-Inter)	Montreal	Yes
2005	India Institute for Critical Action: Centre in Movement (CACIM)	New Delhi	

^a Participates in World Social Forum International Council through World Forum for Alternatives, a joint venture with CETRI.

These 16 groups are diverse in organizational form and political priorities, including the extent to which they focus their efforts on *prefigurative* KPM that is relevant to the construction of alternative futures, as distinct from the critique of existing reality (cf. Coy et al. 2008). Groups such as the Third World Network (TWN), the Tricontinental Centre (CETRI) and Third World Institute/Social Watch (ITeM) focus on critique of current political-economic conditions; CACIM and the Network Institute for Global Democratization (NIGD) emphasize the construction of “open spaces” for political dialogue; groups like Focus on the Global South (Focus), the International Forum on Globalization (IFG) and the Transnational Institute (TNI) consciously strive to construct counter-hegemonic projects that prefigure actual alternatives to neoliberal capitalism, as in Focus’ “deglobalization” paradigm, IFG’s post-capitalism project and TNI’s New Politics initiative. Despite these specificities (explored in more detail in Carroll 2013), the political sensibilities of all 16 groups seem to converge upon a conception of sustainable human development that blends radical-democratic and ecological imaginaries.

Data Collection

Our main source of information, for TAPGs and other organizations, was the *Yearbook of International Organizations (YIO)*, online edition, 2012). Following a snowball sampling methodology, we used the *YIO* to collect the list of all first- and second-order neighbors of the initial 16 TAPGs, as presented in Table 2. First-order neighbors are organizations directly linked to one or more TAPG, and thus in the immediate neighborhood of TAPGs. Second-order neighbors are in the immediate neighborhoods of one or more first-order neighbors, but *not* directly linked to a TAPG.

The *YIO* lists a variety of types of relationships between organizations: resource and financial flows (as when an organization supports another by providing funding, office space, or

other types of support); information flows (as when an organization acts as a consultant or advisor for another, or is an accredited observer at meetings); partnerships and collaborations taking the form of short term joint projects or long term alliances; coordination of an organization by another one (e.g., representation on the board or coordinating committee); and the various flows and collaborations taking place between organizations and their membership. For the purposes of this study, we assumed that *all* these links were indicative of a substantial relationship between organizations, and thus included them all in the analyses presented in the latter sections of this paper (see Katz 2006 for a similar use of *YIO* data). We gathered data on all relationships connecting TAPGs directly to their first- and indirectly to their second-order neighbors, plus all relations among the first-order neighbors. In effect, we used a 1-network sampling strategy to take a core network (the 16 TAPGs) and then to include all nodes linked to the nodes within the core network (Wasserman and Faust 1994), but we supplemented this with relations between the 1-network and all international organizations linked to any of its members. To keep the focus on civil society organizations, international governmental organizations, states and state agencies were excluded, yielding a sample of INGOs, broadly construed.²

Although the *YIO* provides extensive listings of INGOs, its coverage is not complete. In the case of TAPGs that did not have an entry in the *YIO*, we gathered data on links we judged to be equivalent to *YIO* relationships, from the organizations' websites. For three TAPGs, information was not available from either the *YIO* or the organizations' websites. They were contacted by email, and two graciously provided a list of the organizations they collaborate or otherwise have substantial relationships with, which we included in our database. The other did not reply to our request and was thus excluded from the study. For first-order neighbors, we limited our data collection to the *YIO*, or to organizations' websites in the case they were absent from the *YIO*.³

As Table 2 and Figure 1 show, TAPGs are indeed embedded in an extensive network. Their intersecting neighborhoods add 247 INGOs to the network. Taking the neighborhood to include second-order neighbors adds another 3714 INGOs. The sociogram shows the configuration as a cloud with TAPGs at or near the center, a result to some degree built into our snowball method.⁴

² For simplicity's sake, we will refer to organizations in our sample as INGOs, in that they are all non-governmental and non-corporate. As mentioned earlier, the sample includes TAPGs and their various network neighbors – the latter comprising a diverse array of international organizations, some of which are social movement organizations with mass memberships. For discussion, see Smith and Wiest (2012).

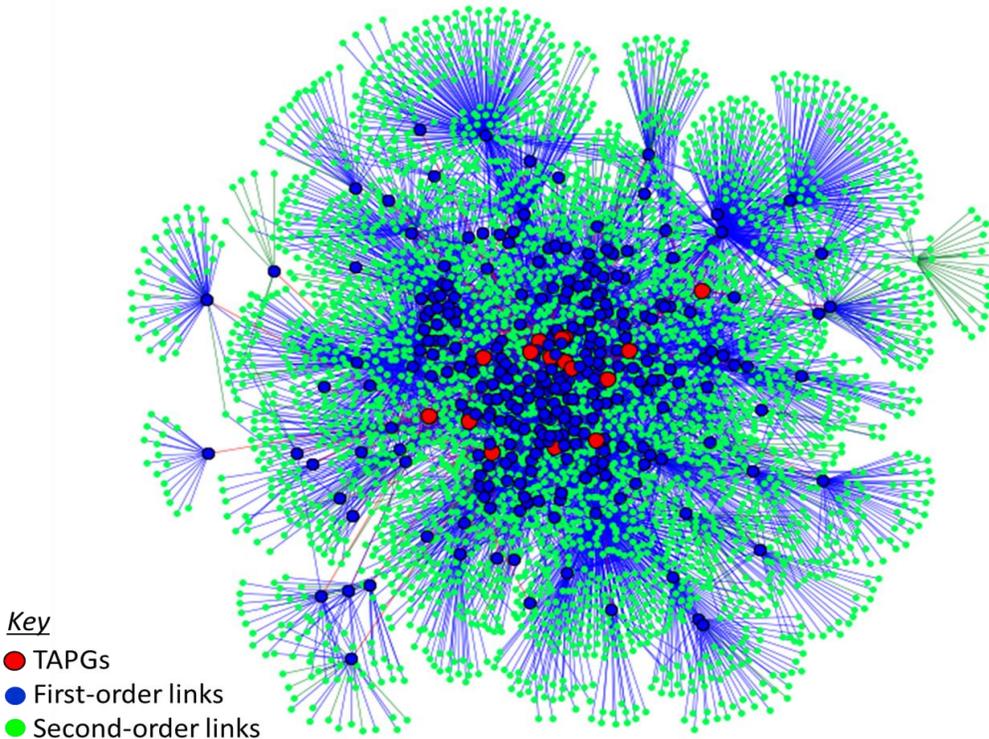
³ The *YIO* provides access to a vast amount of data that are presented in a standardized format and are relatively up-to-date. The data are based on questionnaires filled out by each organization listed, and the information is checked against other sources by *YIO* editors. The editors recognize that the information may nonetheless be incomplete and inconsistent at times, depending on the resources each organization is able to devote to responding to the questionnaire and the degree of motivation they have to do so (*YIO* 2012). Despite these minor shortcomings, we believe the *YIO* is in general very reliable for the purposes of this research. There is no known systematic bias in the data, and the only issue that may arise is that some links would be underreported by the *YIO*, thus leading to more conservative estimates about the degree of connectivity of the whole network of INGOs.

⁴ For TAPGs and their first-order neighbors we include all links to other INGOs but for second-order neighbors we include only links to first-order neighbors of TAPGs. This has the effect of consigning second-order neighbors to the network's periphery.

Table 2. Sample structure

Sample section	n	%
Transnational alternative policy groups (TAPGs)	16	0.4
First-order neighbors	247	6.2
Second-order neighbors	3714	93.4
Total	3977	100.0

In addition to network data, we browsed each organization's website to gather individual-level data for all TAPGs and their first-order neighbors. We first geocoded the location of each organization according to the city in which its headquarters are located. Second, we classified each according to a typology of its main activity, such as alternative media, social movement, NGO, foundation, and so on. Finally, we also collected information about the main "movement domain" of each organization, i.e. the way each frames its action in relation to what it sees as the main problem to be addressed: for example, ecology, globalization, capitalism, or patriarchy (see the analysis section for more detail on the coding). Tabulations were produced using UCInet 6 (Borgatti et al. 2002); graphs were produced using ORA, version 2.3.6 (Carley et al. 2012).

Figure 1. The first-order and second-order neighborhoods of TAPGs

Findings

TAPGs within Civil Society: Basic Patterns and Parameters

The issue of embeddedness is multifaceted. Our first approach takes the perspective of network centrality. On this issue, our snowball method of case selection allows us to compare the centrality of TAPGs with the 247 INGOs in their immediate neighborhoods, which include many well-known organizations. Table 3 lists the organizations in the sample with the highest degree centrality, calculated on the basis of ties involving all 3977 organizations, and shows the centrality ranking of each TAPG within the network. Degree centrality is the sum of all incoming and outgoing ties of an organization (see Freeman 1978/1979). Given the structure of the data (which excludes relations among second-order neighbors to TAPGs), degree is the only measure of centrality that can be meaningfully computed for the network of TAPGs and their 247 immediate neighbors. This affords us a comparison of the relative centrality of transnational alternative policy groups among the 263 INGOs.

Here, we find the bulk of TAPGs to inhabit spaces *near but not at* the network center. Two TAPGs – Focus on the Global South and CRID – appear among the top 30, and nine others rank among the top 100 organizations of the 263 for which we collected complete network data. However, five TAPGs, all of them based in the global North, occupy positions more on the margins of the network (though only two are notably marginal). Overall, TAPGs show a slightly higher mean degree than the INGOs in their immediate neighborhoods, with respective means of 36.75 and 29.91 ($n=263$; $\eta^2 = 0.0013$). When we consider the geographical location of their headquarters, we find that TAPGs based in the global South are particularly well connected within the network, which stands to reason since the five relatively marginal TAPGs are all Northern-based. The mean degree for Southern-based TAPGs, 45.13, is considerably higher than the mean for TAPGs from the North (28.38), ($n=16$; $\eta^2 = 0.1575$).

Table 3. 30 most central organizations in the network of 3977 INGOs

Rank	Name	Degree centrality	City	Country
1	EarthAction Network (EAN)	376	Amherst (MA)	United States
2	Khanya College	287	Johannesburg	South Africa
3	Climate Justice Now! (CJN)	278	<i>No single location^b</i>	
4	NGO forum on the Asian Dev. Bank (NGOADB)	215	Quezon City	Philippines
5	ELC International (ELCI)	180	Nairobi	Kenya
6	IBASE	175	Rio de Janeiro	Brazil
7	Civicus	145	Johannesburg	South Africa
8	Alternatives	136	Montreal	Canada
9	World Social Forum (WSF)	127	Saõ Paulo	Brazil
10	InterAction	123	Washington (DC)	United States
11	ITUC	120	Brussels	Belgium
12	Global Campaign Against Poverty (GCAP)	119	Johannesburg	South Africa
13	Global Justice Ecology Project (GJEP)	114	Hinesburg (VT)	United States
14	Friends of the Earth Int'l (FoEI)	105	Amsterdam	The Netherlands

Table 3. 30 most central organizations in the network of 3977 INGOs

Rank	Name	Degree centrality	City	Country
15	ENDA	104	Dakar	Senegal
16	AWID	102	Toronto	Canada
17	Development and Peace (CCODP)	100	Montréal	Canada
18	ActionAid	95	Johannesburg	South Africa
19	Ubuntu	86	Barcelona	Spain
20	Carbon Trade Watch (CTW)	85	Barcelona	Spain
21	Coordination SUD (CSUD)	84	Paris	France
22	Focus on the Global South ^a	83	Bangkok	Thailand
22	IRED	83	Geneva	Switzerland
24	CLACSO	82	Buenos Aires	Argentina
25	CODESRIA	81	Dakar	Senegal
26	Society for International Development (SID)	81	Rome	Italy
27	CRID ^a	79	Paris	France
28	ACODEV	76	Brussels	Belgium
29	Terrazul Alternative Association	75	Fortaleza	Brazil
30	Globalization Studies Network (GSN)	74	Washington (DC)	United States
44	Centre for Civil Society (CCS) ^a	53	Durban	South Africa
54	Third World Forum (TWF) ^a	43	Dakar	Senegal
55	DAWN ^a	41	Quezon City	Philippines
55	ITeM / Social Watch ^a	41	Montevideo	Uruguay
57	Rosa Luxemburg Foundation ^a	40	Berlin	Germany
60	Third World Network (TWN) ^a	39	Penang	Malaysia
60	Transnational Institute (TNI) ^a	39	Amsterdam	The Netherlands
65	PRIA ^a	36	New Delhi	India
91	CACIM ^a	25	New Delhi	India
131	People's Plan Study Group ^a	18	Tokyo	Japan
146	Alternatives International (Alter-Inter) ^a	16	Montréal	Canada
146	International Forum on Globalization (IFG) ^a	16	San Francisco	United States
182	CETRI ^a	11	Louvain-la-Neuve	Belgium
214	NIGD ^a	8	Helsinki	Finland

^a Transnational alternative policy group (TAPG).

^b This organization does not have a headquarter in a fixed location.

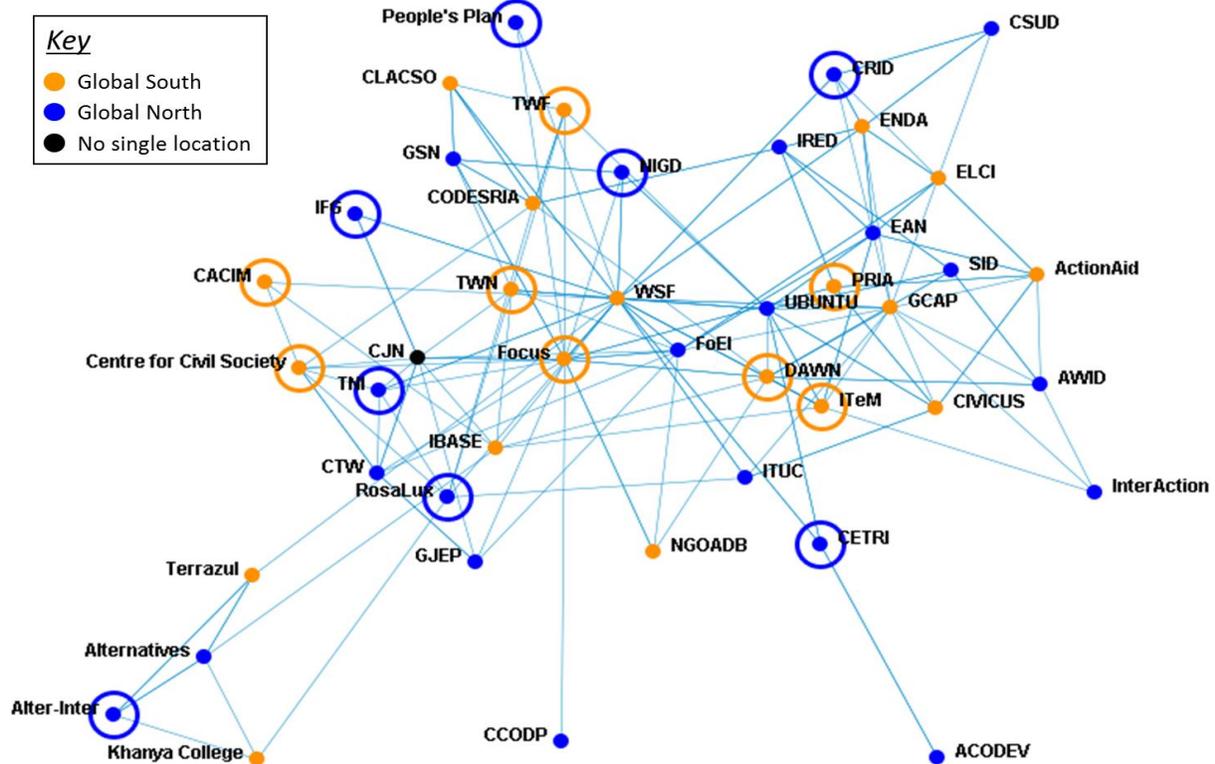
When we map the relations between the 44 organizations in Table 3, we arrive at the configuration in Figure 2. This sociogram uses a spring embedded algorithm that projects the nodes in a two-dimensional space so that those with the shortest path lengths also appear the closest in the graph (Hanneman and Riddle 2005). The points representing TAPGs are circled by rings. Even though few of them appear among the 30 most central nodes, TAPGs nonetheless link tightly to the central organizations, with some of them (Focus, Third World Network,

DAWN, RosaLux) acting as hubs that pull the network core closer together. Organizations from the global South (in gold) and the global North (in blue) seem to be fairly evenly distributed in the network, with TAPGs headquartered in the South occupying slightly more central positions.⁵

The position of the World Social Forum (WSF), ranked 9th overall in degree centrality, at the center of this subnetwork, is striking. Contributing to its location are ties radiating to 12 TAPGs. Clearly the WSF, as an “open space” for considering the possibility of another world, has been a key site for the efforts of TAPGs. Indeed, TAPGs that are relatively marginal in the network overall, such as NIGD, IFG and CETRI, appear in this sociogram as fairly ensconced among core organizations, in part by virtue of their links to the WSF.

It is not surprising to find TAPGs near but not exactly at the core of the network. The most central positions are occupied by some of the major, well-resourced, international development NGOs and environmental networks with substantial membership bases, and by global forums that bring movements together on a cross-sectoral basis (WSF, Civicus, NGO Forum on ADB). As producers of alternative knowledge, TAPGs connect extensively with what Smith and Wiest (2012) call transnational social movement organizations, but they do not dominate the segment of global civil society in which they are immediately embedded. Rather, as they work interdependently with groups that are more oriented toward movement process (WSF) or political action (EAN, CJNI, GCAP, FoEI), they connect with some of which are the most central in the network.

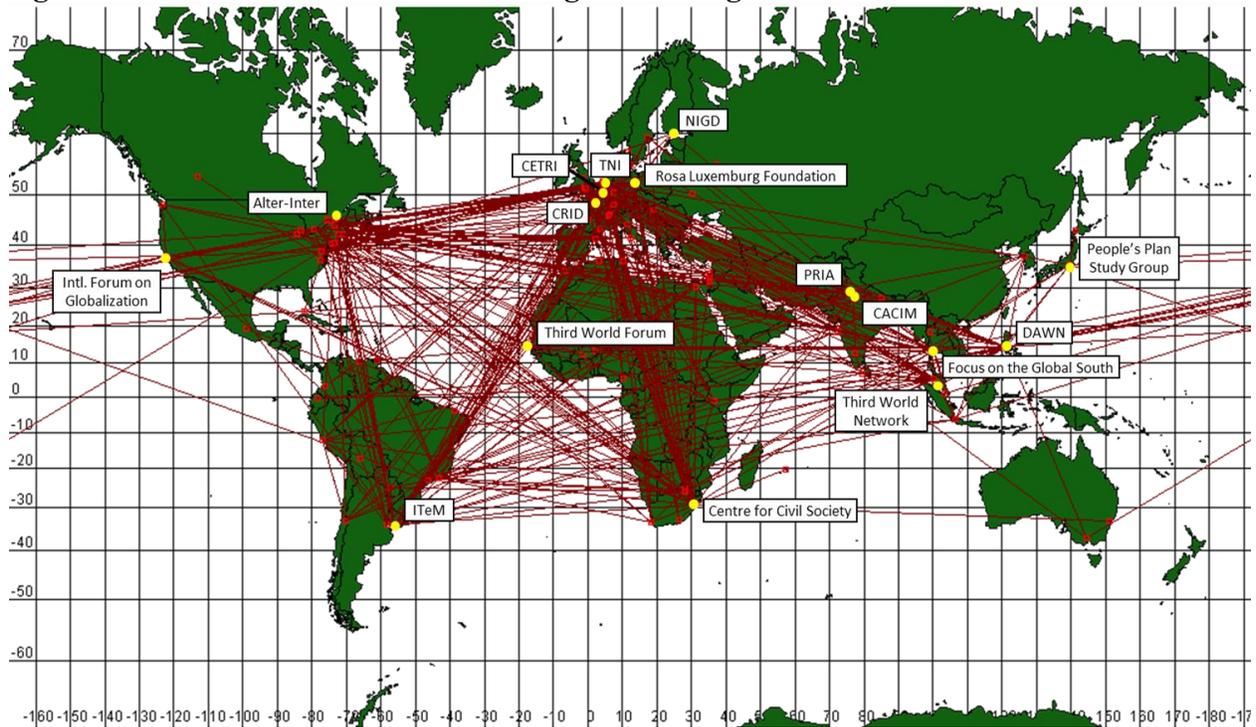
Figure 2. TAPGs among the 30 most central organizations, by region



⁵ As a cautionary note, although all of the INGOs in Table 3 except Climate Justice Now! have headquarters in specific cities, some, like DAWN, Alternatives International, and the World Social Forum, are global networks, whose headquarters simply house a secretariat. For these groups especially, the geocoded coordinates do not necessarily represent the center for actual activities.

Embeddedness always has a spatial dimension. To explore this, in Figure 3 we map the entire network of 16 TAPGs and their 247 direct neighbors, according to the location of each organization's headquarters. One can observe extensive traffic across the North Atlantic, and in this respect the network bears some resemblance to the elite network associated with the transnational capitalist class (Carroll 2010). Similarly, organizations based in Europe are particularly prominent. However, Tokyo, a global city for business, is marginal to the network, while Southern cities like Durban, Montevideo and Manila appear as important switch points. Although many ties connect across North and South, there is also extensive networking among Southern-based INGOs, spanning South America, Africa and Asia. Conspicuously absent are organizations based in Russia and China.⁶

Figure 3. TAPGs and their immediate neighbors as a global network



Embeddedness can also be appraised as an aspect of geodesic distance. Points can be connected directly, but in large networks most are mutually reachable only indirectly, through paths along which other points serve as intermediaries. The shortest path between a pair of points defines their geodesic distance. For the network of 16 TAPGs and their immediate neighbors, Table 4 provides the distribution of distances in the network.

Although only 2.3% of all organizations are directly connected, another 21% are linked at one remove, while 46% are reachable at two removes, i.e., nearly 70% of the 263 organizations can reach each other via no more than two intermediate network members. The network's diameter is 5 – for three percent of pairs of organizations a path across four intermediaries is required. The mean distance in the network is 3.1.

⁶ These absences in part reflect initial sampling decisions, but they also reflect the fact that no INGO based in Russia or China had substantial ties to any of our 16 TAPGs.

Table 4. Geodesic distances in the network of TAPGs and neighboring INGOs

Distance	Frequency	%
1	1,596	2.3
2	14,354	20.8
3	31,816	46.2
4	19,084	27.7
5	2,056	3.0

Mean: 3.1 Std. dev.: 0.8

These parameters give us a baseline for assessing the integrative contribution that TAPGs make to the segment of global civil society in which they are embedded. In a network organized around policy groups, a basic way of assessing the contribution policy groups make to structural cohesion is to assess the impact that removing the policy groups has on the connectivity of the other organizations. Carroll and Carson (2003) find that, for the transnational hegemonic bloc, removal of five key policy groups has a substantial structural effect, that the mediations of policy groups dramatically reduce distances between corporate boards in the interlock network. When we similarly dis-embed TAPGs from the transnational alternative policy network, the network also loses connectivity. Most obviously, 74 organizations disappear from the connected network (twelve of them form six dyads; the others become isolates). Among the 173 remaining organizations that form a single, connected component, mean distance increases from 2.092 when TAPGs are included as mediating agents, to 3.279 when we dis-embed them. In these comparisons we can see that the impact of TAPGs on the network is twofold: the fringes of their social circles bring 74 organizations into a connected configuration from which they are otherwise isolated; among the other 173 organizations the mediation of TAPGs in connecting across various global civil society groups reduces mean distance by 36.2%. These findings show that TAPGs are embedded in a segment of global civil society which, although not without its own interconnections, derives considerable structural coherence and connectivity from the mediation provided by TAPGs.

Inter-regional and North-South Mediation

One of the main questions driving this paper is whether TAPGs bring the alter-globalization network closer together across space, especially between countries of the global North and those of the global South. Table 3 and Figure 3 already offer some indications as to the positions most TAPGs occupy near the center of the network. The analyses we present next explore the differences among TAPGs in their particular patterns of mediation.

Table 5 presents the regional distribution of TAPGs and directly linked organizations, using an eight-fold classification proposed by Smith (1997; also used by Shumate and Dewitt 2008 and Carroll 2010) that incorporates the core-periphery distinction within the world-system. As already emphasized in Figure 3, many organizations have their headquarters in Western Europe; North America, Asia, and Sub-Saharan Africa (especially South Africa) are also well represented. However, Eastern Europe and the Middle East/North Africa are under-represented in the network.

Table 5. Regional distribution of TAPGs and neighboring INGOs

Region	n	%	TAPGs located in the region
<i>Global North</i>			
North America	32	12.2	Alter-Inter, IFG
Western Europe	96	36.5	CRID, CETRI, TNI, RosaLux, NIGD
Japan/Australia	17	6.5	People's Plan Study Group
Total – North	145	55.1	
<i>Global South</i>			
Eastern Europe	4	1.5	
Middle East/North Africa	13	4.9	
Asia	35	13.3	CACIM, Focus, TWN, DAWN, PRIA
Sub-saharan Africa	31	11.8	CCS, TWF
Latin America/Caribbean	25	9.5	ITeM / Social Watch
Total – South	108	41.1	
Not based in a single region	3	1.1	
Missing	7	2.7	
Total	263	100.0	

As embedded actors in global civil society, how do specific producers and mobilizers of alternative knowledge connect across spatial difference? At one extreme, that of complete *introversion*, an organization might maintain its entire network neighborhood within its own region; at the other, that of complete *extraversion*, its network neighborhood might be located entirely “elsewhere” – beyond its own spatial locale. We compared the extent to which TAPGs link within their own region and outside of it by calculating E-I (E minus I) indices.⁷ Positive numbers indicate extraversion (i.e. a predominance of ties that reach beyond the group’s own region); negative numbers indicate the group links mostly within its own region. Table 6 shows two E-I indices for each TAPG, the first one calculated relative to the eight-fold categorization presented above (Table 5) and the second one based on a dichotomous North-South divide. In the latter case, a relation is introverted if it connects, say, a Northern TAPGs to another Northern-based organization, and extraverted if it connects, say, a Southern TAPG to an organization based in the North.

First, let us look only at the E-I index for the eight-region classification in Table 5. Overall, the 16 TAPGs are regionally extraverted: 198 of their 336 ties extend beyond a given group’s region (E-I = 0.179). However, the patterns of extraversion-introversion vary quite substantially. All the Southern-based TAPGs are extraverted in their network relations, most of

⁷ For present purposes, the E-I index represents, for each organization, the difference between the number of ties that reach out to another region (E) and the number of ties that stay within the organization’s own region (I), divided by the total number of ties (E+I). For details on the E-I index see Krackhardt and Stern (1988).

them extensively so. Northern-based TAPGs are much more variable along this dimension, and show a slight overall introversion. Among the northern introverts, CRID (E-I = -0.784) participates at the heart of the French development NGO network while People's Plan Study Group in Japan (E-I = -0.647) connects mostly with other Japan-based organizations. The “regionally introverted” TAPGs are all based in the global North. Among the most extraverted TAPGs, the ones with sizeable numbers of ties (Third World Network, DAWN, and PRIA) are all located in the South. Two TAPGs based in Europe (TNI and RosaLux), however, also show extensive ties beyond their region, as does Alternatives International, which is structured as an international network, with its secretariat based in Montreal. Combining the basic finding from Table 6 with our earlier analysis of degree centrality, we see that TAPGs located in the global South tend to engage in more extensive networking and to connect with organizations outside of their region, whereas Northern-based TAPGs network less, and some show an introverted tendency to link within their region.

Comparing the regional and North-South E-I indices provides us with more insight into the patterns of mediation by Northern- and Southern-based TAPGs. On the one hand, TAPGs in the North present almost the same patterns of extraversion-introversion, with a total North/South E-I of -0.323, compared to -0.218 for the eight regions E-I. This indicates that their internal links tend to keep within their regions, whereas their external links connect them mainly to organizations located in the South. On the other hand, the E-I pattern varies much more markedly for TAPGs from the South, especially for the Third World Network, DAWN, and the Third World Forum. These groups are extraverted in their ties across the eight regions, but introverted when it comes to the North/South divide: their ties span across the regions of the global South, but connect less to organizations in the North. Overall, Southern-based TAPGs show a mild tendency to connect with other organizations of the South (E-I = -0.143). Thus, their relatively pronounced extraversion across the eight regions (E-I = 0.438) signifies that they mainly bridge across regions of the global South. Only Focus and PRIA are extraverted toward the North while Centre for Civil Society and ITeM/Social Watch show a balance in their North/South ties.

Table 6. Extraversion – Introversion of individual TAPGS (n=253)^a

Organization	Total links	Region (8 categories)			North // South		
		Interna l	Externa l	E - I	Interna l	Externa l	E - I
<i>Global North</i>							
North America							
Intl. Forum on Globalization	7	5	2	-0.429	5	2	-0.429
Alternatives International	10	1	9	0.800	2	8	0.600
Western Europe							
CRID	37	33	4	-0.784	33	4	-0.784
CETRI	5	3	2	-0.200	3	2	-0.200
Transnational Institute	16	7	9	0.125	9	7	-0.125

Table 6. Extraversion – Introversion of individual TAPGS (n=253)^a

Organization	Total links	Region (8 categories)			North // South		
		Interna I	Externa I	E - I	Interna I	Externa I	E - I
Rosa Luxemburg Foundation	36	17	19	0.056	19	17	-0.056
NIGD	5	1	4	0.600	2	3	0.200
Japan							
People's Plan Study Group	17	14	3	-0.647	15	2	-0.765
Total – North	133	81	52	-0.218	88	45	-0.323
<i>Global South</i>							
Asia							
CACIM	17	8	9	0.059	13	4	-0.529
Focus on the Global South	43	12	31	0.442	17	26	0.209
Third World Network	22	5	17	0.545	13	9	-0.182
DAWN	22	5	17	0.545	15	7	-0.364
PRIA	16	3	13	0.625	6	10	0.250
Sub-saharan Africa							
Centre for Civil Society	39	12	27	0.385	20	19	-0.026
Third World Forum	23	7	16	0.391	21	2	-0.826
South America							
ITeM / Social Watch	21	5	16	0.520	11	10	-0.048
Total – South	203	57	146	0.438	116	87	-0.143
Total	336	138	198	0.179	204	132	-0.214

^a Organizations that do not have a headquarters in a single location or for which no location could be determined (see Table 5) were excluded from this analysis.

Brokerage analysis provides another angle from which to consider how TAPGs mediate relations between the Northern and Southern segments of global civil society. An ego is said to broker between a pair of unconnected alters if it is linked to both of them, thus connecting them at one remove (see Gould and Fernandez 1989; Stovel and Shaw 2012).⁸ McAdam (2003) and

⁸As with any network analysis of brokerage, the criterion for the existence of a relationship influences the result. It is possible that some of the INGOs we identify as not directly linked together do have some contact with each other, but that the information was not recorded in the *YIO*. However, there is no reason to assume that the overall pattern of results would change if such relations were included in the analysis.

Vasi (2011) show that brokerage plays a major role in spreading contention more rapidly and across lines of fraction within civil society. As well, recent work by Von Bülow (2011) emphasizes how transnational civil society actors deliberately pursue brokerage strategies in seeking to build long-term collaborations between transnational civil society actors: thus the importance of looking at how TAPGs broker relations within the structure of global civil society.

We can parcel each TAPG’s set of brokerages into those that mediate between two organizations of the global North (North-North), those that mediate between two organizations of the global South (South-South) and those that mediate between one organization of South and one of North (North-South). By definition, North-South brokerage helps integrate the Northern and Southern segments of global civil society. The significance of North-North and South-South brokerages for transnational historical bloc formation depends on the location of the mediating group itself. TAPGs based in the global North, whose brokerage relations mediate between other Northern-based groups, integrate the Northern region of global civil society. The same intra-regional integration occurs when the brokering TAPG and the brokered relations are all contained in the South. Alternatively, however, Southern TAPGs that broker relations between Northern-based groups may be seen as engaging, from a Southern position, with the Northern region, thereby constructing bridges from South to North. Table 7 presents each TAPG’s pattern of brokerage within and between the global South and the global North, using undirected absolute brokerage scores.

Table 7. Relations brokered by TAPGs between North and South (n=253)^a

Organization	Total brokerage	North-North	South-South	North-South
<i>Global North</i>				
Rosa Luxemburg Foundation	890	328	250	312
CRID	823	764	2	57
People's Plan Study Group	237	208	0	29
Transnational Institute	117	38	36	43
Alternatives International	46	0	40	6
Intl. Forum on Globalization	14	10	0	4
CETRI	11	4	2	5
NIGD	10	2	4	4
Total – North	2148	1354	334	460
<i>Global South</i>				
Centre for Civil Society	1075	330	380	365
Focus on the Global South	695	354	116	225
Third World Network	212	72	64	76
DAWN	202	4	152	46
ITeM / Social Watch	192	62	58	72

Table 7. Relations brokered by TAPGs between North and South (n=253)^a

Organization	Total brokerage	North-North	South-South	North-South
CACIM	184	12	126	46
PRIA	71	38	10	23
Third World Forum	55	2	40	13
Total – South	2686	874	946	866
Total	4834	2228	1280	1326

^a Organizations that do not have a headquarter in a single location or for which no location could be determined (see Table 5) were excluded from this analysis.

We find a remarkable amount of variation among TAPGs in the overall volume of brokerage. Four groups – two in the South (CCS and Focus) and two in the North (RosaLux and CRID) – account for 72% of all the relations brokered by the 16 TAPGs. Among these four high-volume brokers, CRID mediates many Northern-based relations and extremely few Southern-based ones. It also links at one remove 57 Southern-based organizations with Northern-based ones, consistent with its project of building North-South solidarity relations around development issues. The other three show more even brokerage profiles, mediating within and across the two zones. TAPGs with few network connections are, of course, not heavily involved in brokerage, although the People's Plan Study Group mediates 208 North-North relations and 29 North-South ones. Alternatives International (which functions as an international network, with secretariat in Montreal) is the second most active South-South broker among the Northern-based TAPGs. Still in the North, the Transnational Institute and RosaLux display particularly balanced brokerage profiles, mediating between organizations based in and across the global North and South. Overall, TAPGs based in the North mostly broker relations between Northern INGOs, yet hundreds of these mediated relations involve pairs of Southern INGOs, or link South to North.

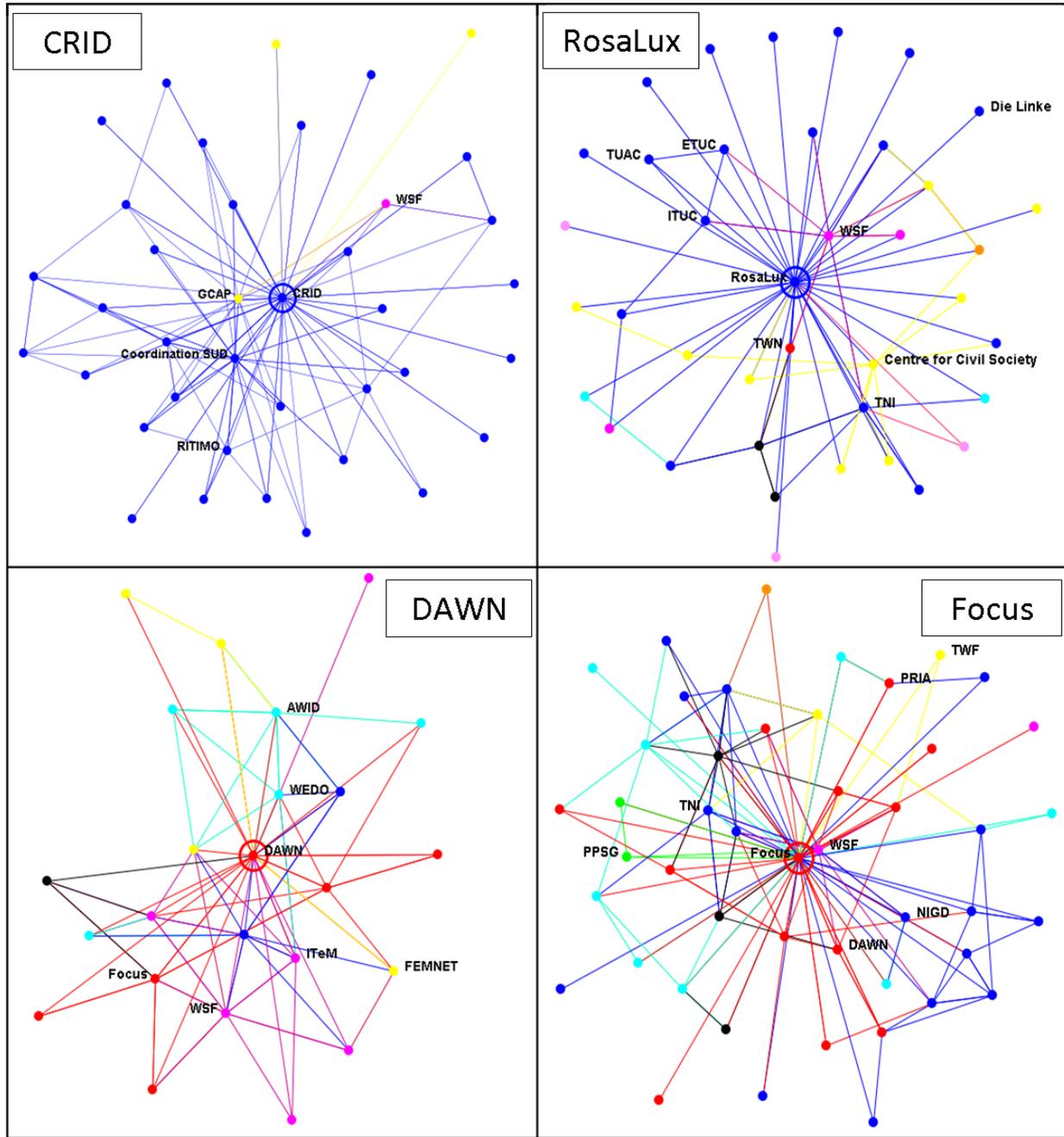
These latter, cross-regional brokerages are especially profuse among Southern TAPGs. Overall, the profile for Southern TAPGs is quite balanced. Whereas among the six Northern TAPGs 63% of brokerage is contained within the North, among the six Southern TAPGs 35% of brokered relations are South-to-South, with the North-South and North-North categories claiming close to a third of all brokerage each. PRIA (whose project to proliferate knowledge-democratizing practices in Asia and more globally links it to partners like UK-based Institute of Development Studies) is the only group for which a majority of mediations run North-North. DAWN, CACIM, and Third World Forum primarily broker between Southern-based INGOs, although DAWN and CACIM also participate in dozens of North-South mediations. The overall brokerage analysis shows Southern-based TAPGs to be involved in complex mediations that contribute to North-South solidarities as well as to the formation of a Southern network. As noted above, for Southern-based TAPGs, North-North brokerages are themselves instances of North-South mediation. Thus, while most of the relations brokered by Northern TAPGs contribute to a Northern NGO network, the tendency for Southern-based TAPGs is to participate in (and mediate) that network while also building relations in the South and between Southern and Northern segments of global civil society.

To illustrate patterns of brokerage between North and South, Figure 4 presents sociograms of the immediate neighborhood of four TAPGs, two located in the global South and

two in the global North. The patterns seem congruent with each group's specific project. In the North, CRID, a coalition whose purpose is in good part to build unity among progressive development NGOs, is embedded within a Western European network (in blue), which links to Coordination Sud and Ritimo, two major French NGO networks; hence, its brokerages run North-to-North. RosaLux, with a strong commitment to building a social base for democratic socialism in Germany and internationally, is well embedded within Western Europe, where it links with global trade union organizations such as the International Trade Union Confederation (ITUC), its European counterpart (ETUC), and the Trade Union Advisory Committee to the OECD (TUAC). But RosaLux, through its Center for International Dialogue and Cooperation, also has several neighbors in Sub-Saharan Africa (in yellow, including the Durban-based Centre for Civil Society) and in Latin America, Eastern Europe, and Asia. This combination of ties to Northern and Southern INGOs, which are not directly linked to each other, positions RosaLux as a broker within and across North and South.

In the South, consistently with the general observation that Southern-based TAPGs bridge between regions of the South, DAWN links extensively with organizations from Asia (in red), Sub-Saharan Africa (in yellow), and Latin America (in purple); it also collaborates with two North American development feminist NGOs: the Association for Women's Rights in Development (AWID) in Toronto and the Women's Environment and Development Organization (WEDO) in New York. DAWN's membership base (feminist scholar-activists based in the global South) and its explicit commitment to fostering a Southern feminism has led it to link across the global South, and thus to broker a good many South-South relations. Unlike DAWN, Focus, whose project is to "Focus on the Global South" in a way that strengthens North-South solidarity while building capacity in the South, links not only across the South but with all three regions of the North, thus bridging between, on the one hand, the Asian NGO network and, on the other hand, the networks of North America (in light blue), Western Europe, and Japan (in green). This pattern positions Focus as a North-South broker, but also means that it brokers across the regions of the North and, to a lesser extent, the South.

Figure 4. Embeddedness of four key TAPGs within their respective neighborhoods



- Key
- Eastern Europe
 - Middle East/North Africa
 - North America
 - Western Europe
 - Japan/Australia
 - Sub-Saharan Africa
 - Asia
 - Latin America

Embeddedness and Mediation Among Movement Domains

The formation of a global counter-hegemonic bloc requires reaching out across different regions of the world, but also across different locations within the conceptual space of alternative and oppositional politics. Movements distinguish themselves in part by frames they use in analyzing political issues and in constructing strategic pathways toward change (Snow and Benford 1992). To assess whether TAPGs do in fact bridge across this differentiated space, and the shape this mediation takes, we studied the websites of all TAPGs and their immediate neighbors and coded each organization into a domain category representing the predominant framing of its political project, including how each group defines the main problem it addresses (see the data and methods section above). The main categories are presented in Table 8 together with the associated frequencies and a listing of where we placed each TAPG in the schema.

Table 8. Frequency of movement domains and associated TAPGs

Domain	Description	n	%	Associated TAPGs
Multi-issue	Address many issues each on their own	50	19.0	CCS, CRID, TWF
Critical liberal	Substantive human rights	41	16.2	ITeM, TWN
Alter-globalization	Oppose neo-liberal globalization	37	14.1	Focus, IFG, PRIA, TNI
Liberal humanitarian	Formal human rights and charity	22	8.4	
Intersectional	Interconnectedness between multiple issues	20	7.6	Alter-Inter, People's Plan
Ecological	Environmental issues	20	7.6	
Global solidarity	Solidarity among nations and peoples	16	6.1	CACIM, CETRI, NIGD
Feminist	Gender justice	12	4.6	DAWN
Anti-capitalist	Alternatives to capitalism	6	2.3	RosaLux
Other frames ^a	Not elsewhere classified	29	11.0	
Missing	No domain could be determined	10	3.8	
Total		263	100.0	

^a Includes pacifist groups (n=4), peasant groups (n=4), anti-racist and anti-colonial groups (n=3), groups focusing on drug policy (n=3) and groups focusing on freedom of information (n=3), as well as eleven universities and one private business for which no domain was coded.

This tabulation offers a rough picture of the political composition of the segment of global civil society in which TAPGs are immediately embedded. It is in the first place interesting to note the ideological diversity of the formation. Nearly one-fifth of the 263 organizations (including three TAPGs) cast their projects within multi-issue frames: they do not focus on a single concern but on a range – without, however, providing a strong analysis of how those

issues may be interrelated.⁹ “Critical liberal” groups, comprising 16% of the formation (including two TAPGs), emphasize substantive human rights issues without articulating a critique of relations of production. Alter-globalization – focusing on a strong critique of transnational neoliberalism and its institutions – account for another 14% (and four TAPGs). Liberal humanitarianism, a frame that promotes international charity and falls well within hegemonic discourse, claims 8% of the network; intersectional political projects that provide an explicit analysis of the inter-relations between multiple issues, and ecological political projects that focus on impacts of humans on their environment also each represent 8% of the network. Frames that emphasize global solidarity, feminist, and anti-capitalist politics account respectively for 6%, 5%, and 2% of the 263 INGOs (and five TAPGs in total).

The classification is admittedly imperfect; for instance, our categorization of DAWN as feminist, while accurate, ignores its deep and longstanding commitment to “interlinkage analysis,” a strong form of intersectionality. And although RosaLux is the only TAPG that articulates a clear, anti-capitalist (and democratic socialist) perspective, critiques of neoliberal policies and corporate power, and advocacy of alternatives, are the stock-in-trade of all 16 TAPGs. In any case, what this analysis of the frames that predominate among TAPGs and in their immediate neighborhoods indicates is considerable diversity. The range represented among the neighbors is particularly broad, extending from the liberal mainstream to radical anti-capitalism. The question is, how are these perspectives socially organized into a global network within which the alternative policy groups are active, and how do the latter mediate relations in the former?

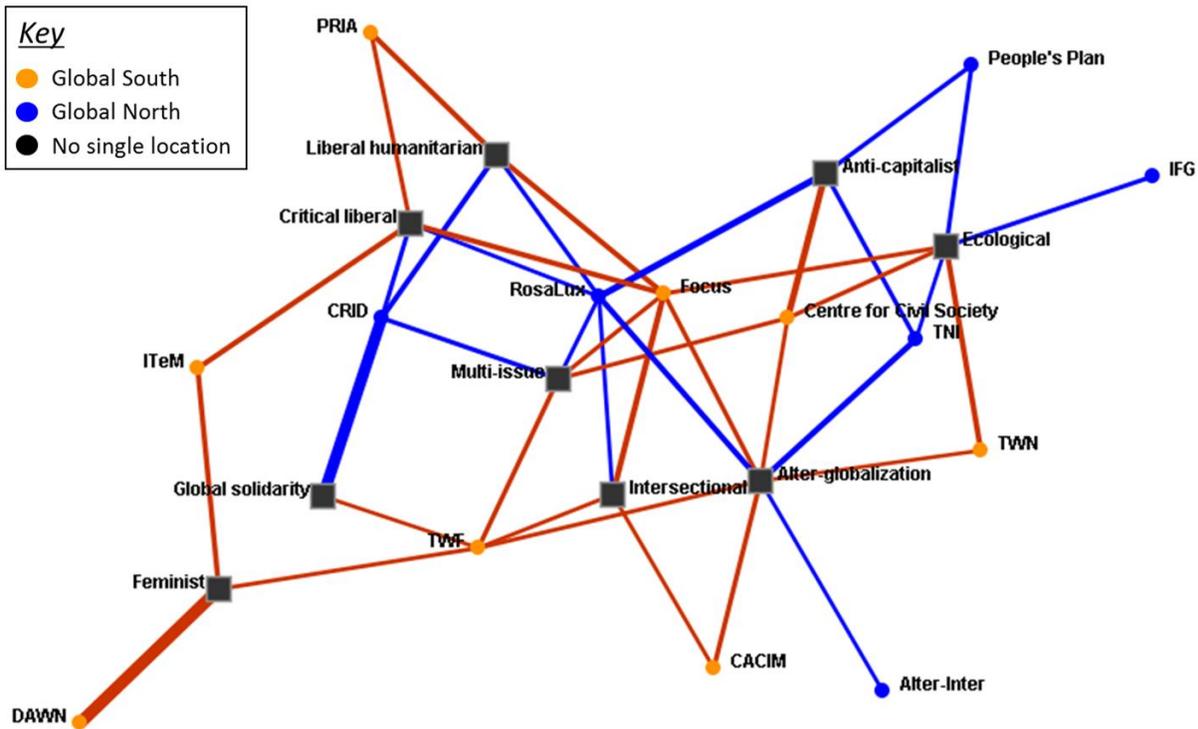
In the introduction, we suggested that TAPGs’ contribution to transnational historical bloc formation might involve their bridging across political frames to foster a “convergence across difference.” From the above categorization of TAPGs and their neighbors, we can pursue a network-based approach to grappling with this issue. The question can be put as follows: how extensively do TAPGs connect with INGOs in ways that bridge across movement domains, to connect movement actors whose self-understandings differ, into articulated ensembles of communication and practice?

Figure 5 plots in a bipartite sociogram the relationships between TAPGs and neighboring organizations, aggregating the latter according to the main political frames to which they subscribe. By aggregating TAPGs’ network neighbors into meta-nodes representing predominant domains of movement politics, we are able to observe how alternative policy groups connect with the broad segments of global civil society in which they are embedded. TAPGs are represented by dots (gold indicating South-based, blue indicating North-based); aggregations of INGOs categorized within each major movement domain are represented by black squares. The configuration is arranged according to a spring embedded layout. Line thickness indicates the density of links between nodes, and the graph leaves out links with density lower than 0.1 so as to capture only the stronger relations between TAPGs and domains.

The figure indicates that TAPGs do occupy strategic positions *between* movement domains, and that their relations are not limited to groups associated with their own domain.

⁹ For example, a group could have separate programs addressing environmental degradation, gender inequality, and racism, but not formulate an analysis of how women of racial minorities face double discrimination, how environmental issues could affect women and/or racial groups in specific ways (see Salleh 2009), and so on.

Figure 5. TAPGs mediating between movement domains



Focus and RosaLux each mediate among six different domains (including the liberal-humanitarian sector), with RosaLux showing relatively extensive ties to anti-capitalist groups. Third World Forum maintains ties to five movement domains. The Centre for Civil Society, also with extensive links to anti-capitalist INGOs, mediates among four different domains (including critical liberal groups), as does CRID, whose connections with global solidarity groups are particularly profuse. Only three TAPGs, DAWN,¹⁰ IFG, and Alternatives International, maintain substantial ties to just one of the major domains.¹¹ Viewing the sociogram from the perspective of movement domains, eight TAPGs connect with the alter-globalization domain, six connect to the ecological domain, five are tied to groups with multi-issue frames, and five are tied to the critical-liberal segment. Additionally, four TAPGs link to groups whose political projects can be described as anti-capitalist, intersectional, or liberal-humanitarian. This configuration suggests that, as they produce and mobilize alternative knowledge, TAPGs mediate among a plurality of movement sectors and political projects. Their cognitive praxis positions them to speak to multiple counter-publics, with the possibility of fostering a convergence across difference. The ideological frameworks with which TAPGs engage extend from liberal-humanitarian to radical anti-capitalist.

¹⁰ It is well to reiterate the specificity of DAWN’s project. As noted above, the group’s network is understandably feminist-focused, but DAWN’s own praxis brings a strongly intersectional analysis to that network, linking gender oppression to other forms of domination.

¹¹ CETRI does not have links to any domain above the cutpoint density of 0.1 and thus does not appear in the figure.

A final measure of the extent to which TAPGs mediate among groups within global civil society can be seen in the heterogeneity of each group's immediate neighborhood, as presented in Table 9. A group whose neighborhood, or social circle, is heterogeneous has direct ties to a

Table 9. Heterogeneity of TAPGs' neighborhoods

TAPGs	Size	Heterogeneity		
		Region (n=253) ^a	North-South (n=253) ^a	Domain (n=253) ^a
Alter-Inter	10	0.760	0.320	0.716
CACIM	20	0.699	0.360	0.790
CCS	44	0.780	0.500	0.851
CETRI	5	0.480	0.480	0.720
CRID	37	0.197	0.193	0.815
DAWN	23	0.781	0.434	0.760
Focus	46	0.742	0.478	0.858
IFG	8	0.449	0.408	0.688
ITeM	21	0.803	0.499	0.780
NIGD	5	0.720	0.480	0.720
PPSG	17	0.311	0.208	0.803
PRIA	16	0.719	0.469	0.738
RosaLux	38	0.696	0.498	0.805
TNI	19	0.742	0.492	0.715
TWF	23	0.767	0.159	0.785
TWN	24	0.752	0.483	0.826
<i>Mean, TAPGs</i>	22.3	0.6499	0.4038	0.7731
<i>Std. Dev., TAPGs</i>	13.0	0.1851	0.1199	0.0525
<i>Mean, non-TAPGs</i>		0.3700	0.2427	0.4590
<i>Std. Dev., non-TAPGs</i>		0.3072	0.2170	0.2995
<i>Mean, All orgs</i>		0.3834	0.2529	0.4788
<i>Std. Dev., All orgs</i>		0.3086	0.2157	0.3000
<i>Eta²</i>		0.0506	0.0332	0.0652

^a Missing values excluded

diverse array of other groups. The heterogeneity index (which varies from 0 to 1) shows that, overall, TAPGs have much more diversified social circles than the other organizations, across all three variables – region, North/South, and movement domain. Despite great differences in the size of their social circles (already evident above in Table 3), all TAPGs maintain social circles that take in a diverse range of movement domains. And, with the exceptions of CRID and PPSG (whose social circles are nationally-focused), TAPGs show much higher levels of diversity in bridging regional and North/South differences.

Discussion

From several vantage points, our exploration of the embeddedness of transnational alternative policy groups suggests that they are indeed positioned to mediate across differences in global civil society, and thus to facilitate the formation of a transnational counter-hegemonic bloc.

- While not the most central organizations within their segment of GCS, most TAPGs are relatively central, and connected to such highly central actors as the Climate Justice Network, the Global Campaign Against Poverty, Friends of the Earth International, and of course the World Social Forum. As producers of alternative knowledge, TAPGs connect extensively with what Smith and Wiest (2012) call transnational social movement organizations, but they do not dominate the segment of global civil society in which they are immediately embedded. Rather, their centrality stems in part from ties to key groups that are oriented toward political process (WSF) or political action (EAN, CJN, GCAP, FoEI).
- TAPGs have a demonstrable, structurally integrative impact upon GCS, as indicated by the effects of removing their mediating ties from the network of INGOs in which they are embedded. That segment of global civil society derives considerable structural coherence and connectivity from the mediation provided by TAPGs.
- Closer examination of the role TAPGs play in integrating INGOs across space shows them to be regionally extraverted in their ties to other GCS actors. However, patterns of extraversion-introversion across the eight regions vary quite substantially, and there is a sharp difference between Northern and Southern TAPGs in their regional mediations. Northern-based TAPGs tend to be more regionally introverted, and show less of a tendency to link North/South, compared to Southern TAPGs, which are extraverted both in North/South ties and in linking across the regions of the South.
- TAPGs vary greatly in the extent to which they broker ties between other INGOs, and in the extent to which such brokerage mainly reinforces intra-regional relations or contributes to inter-regional, North-South integration. In constructing an historical bloc for alter-globalization, all three forms of regional mediation are strategically important. And given the legacy of Eurocentric capitalist development, it is not surprising that Northern-based groups mediate relations between many Northern groups, as an aspect of a Northern left that has been relatively well-resourced and, since the inception of the First International (1864), in some measure internationalist. Building solidaristic relations among civil society actors in the global North has been an important facet of recent alter-globalization activism. But if Northern-based TAPGs are strongly inclined to mediate relations between Northern organizations, TNI and RosaLux show more balanced profiles involving many Southern-based groups. For Southern-based TAPGs, all three kinds of brokerage may be seen as contributing importantly to historical bloc formation. North/South mediations help bridge that divide, as do North/North mediations. South/South mediations help solidify a Southern network within GCS, which can be taken as integral to any post-colonial global left. We find that Southern TAPGs mediate extensively between global North and South, and even between pairs of Northern INGOs, and that several of them are heavily involved in mediating South-South relations.
- As for movement domains and the framing of political projects, the segment of GCS in which TAPGs are ensconced contains a great diversity of perspectives on contemporary

relations of domination, from mainstream to radical anti-capitalist, and TAPGs play a definite, though again uneven, role in mediating across domains. All TAPGs contain, within their social circles, heterogeneous ensembles of political frames. In this way, the relations TAPGs maintain with other organizations of global civil society “connect the dots” between movement domains that are sometimes understood as free-standing entities, as in single-issue politics – perhaps most significantly, ecological and social justice concerns.

In all these respects, transnational alternative policy groups are socially embedded to communicate with and mediate between a diverse array of collective actors, North and South. The practices that define TAPGs as distinct organizations within global civil society implicate them in these relations. To produce and mobilize critical knowledge for social change requires that these groups form such relations with change agents within global civil society, just as elite policy-planning groups, to be efficacious, need to maintain extensive networks that reach into and enable dialogue with the top tier of the transnational capitalist class and its intellectuals. The political content of the transnational blocs, however, differs starkly; alternative knowledge producers seek to *transform* existing social relations, while the knowledge issuing from hegemonic policy groups is intended to *manage and reproduce* the capitalist status quo in ways that combine efficiency with securing popular consent (Carroll 2007). If with Howarth (2010: 318) we view counter-hegemony as involving “the linking together of disparate demands to forge projects or ‘discourse coalitions’ that can contest a particular form of rule, practice or policy,” it is evident that transnational alternative policy groups are important elements in counter-hegemony, across a wide range of political domains.

Indeed, it may be partly their wide-angle view of contemporary capitalism and its maladies (as given in our selection criteria, above) that enables TAPGs to act as network integrators. Here, McPherson’s (1990) distinction between specialist organizations (those with narrowly defined goals) and generalist organizations is helpful. TAPGs fall into the latter category. In organization studies, generalists have been found to play a broader role in inter-organizational collective action (Barnett, Mischke, and Ocasio 2000; Shumate and Lipp 2008). The work of TAPGs, again, parallels that of the transnational policy groups that lend cohesion to the global corporate elite. In both cases, the groups produce and mobilize knowledge that is framed beyond particular and immediate interests, whether of civil-society organizations or of global corporations whose primary concern is their own profitability. But the historical blocs that TAPGs and hegemonic policy groups help organize are set against each other. In the case of TAPGs, their social ties position them to participate in the transformation of the democratic globalization network from a gelatinous and unselfconscious state (cf. Smith 2008: 226), into an historical bloc capable of collective action toward an alternative global order.

Conclusion

All this being said, there are significant gaps in the network we have explored, and thus in what may be a nascent historical bloc for alter-globalization. Entirely or largely absent from the network are organizations based in Russia and China. Europe, on the other hand, is especially central, as a site for many INGOs. We have noted a tendency among the Northern-based TAPGs to integrate a Northern network, while Southern TAPGs are heavily involved both in North-

South *and* South-South relations. The heavy involvement of Southern TAPGs in the global network contrasts with findings from other studies of NGOs, which have discerned a North-South divide whereby Southern NGOs tend not to form relationships beyond the local level while Northern NGOs are extensively connected internationally (Shumate and DeWitt 2008: 419). Among the TAPGs we have studied here, the Southern groups tend to be more cosmopolitan, both in their direct relations and in the relations they mediate. Again, their commitment to wide-ranging rather than single-issue analysis pushes them to connect the local and the global, and thus to mediate relations trans-locally.

Other gaps in the bloc, and limits in political framing, also merit discussion. Although in the Gramscian tradition, an historical bloc organizes the political project of a “fundamental class” and its allies, labor is rather weakly represented in the TAPG-centered network. Its main international organization, the ITUC, is tied only to the Rosa Luxemburg Foundation, and none of the political frames that inform the work of INGOs in the network directly takes up labor issues. Similarly, although we have featured “post-capitalist alternatives” in this paper’s title, our analysis of political frames revealed that only 2.3% of organizations in the TAPG-centered network defined their project primarily as anti-capitalist – suggesting a reluctance of these groups to articulate a definite post-capitalist social vision. Here again, the Rosa Luxemburg Foundation is an exception, with its socialist commitment (expressing the political project of Germany’s Left Party, *Die Linke*) and its extensive inter-continental ties spanning North and South. In general, TAPGs seem to operate pragmatically within what Unger (2009: xxi) has called the “adjacent possible”:

The possible that counts is not the fanciful horizon of possibilities but the adjacent possible: what is accessible with the materials at hand, deployed in the pursuit of movement in the desired direction.

However, principled pursuit of the adjacently possible, in a way that connects across political domains, has transformative potential as a transitional program that sets in motion changes pointing to a post-capitalist future.

The limits of our method must also be acknowledged. We have presented an architectonic analysis of the region of global civil society in which transnational alternative policy groups are embedded. Although the groups are positioned in ways that mediate and integrate, the substantive content of the relations that these centers of knowledge production and mobilization maintain with other organizations has not been examined here. Although the structure of relations is consistent with the inference that TAPGs are active agents of counter-hegemony, one could also draw a different conclusion.

It could be that TAPGs (or some of them), despite their political ambitions, are caught up in a process of “NGO-ization,” as astutely analyzed by Alvarez (1999). Focusing on feminist politics, she noted that trends within NGOs toward professionalization and institutionalization, together with the retreat of neoliberal states from direct social programming, gave rise in the 1990s to a situation in which neoliberal governments and IGOs have come to view NGOs “as surrogates for civil society, assuming they serve as ‘intermediaries’ to larger societal constituencies,” while NGOs are increasingly subcontracted to advise on or deliver government programs (1999: 181). The danger in this “neoliberalization of civil society” (Goldman 2005: 270-1) is that NGOs come to serve as gatekeepers for national and global governance, acting “as brakes on more radical and exceptional ideas emanating from the developing world” (Bob 2005: 194). On this interpretation, the role NGOs, including potentially transnational alternative policy

groups, play as “intermediaries” (Choudry 2010) may have more to do with maintaining the hegemonic bloc than with constructing a counter-hegemonic alternative.¹²

What limited research exists on the practices of transnational alternative policy groups suggests that their efforts center upon weaving specific and localized concerns together “around the theme of resistance to neoliberal globalization and the need for social justice” (Caouette 2007: 163). Such weaving, however, is not unproblematic. Thus, for instance, Brown’s (2003) study of the Third World Network, while acknowledging its impressive scope and range of alternative knowledge production, also asked whether the group’s tendency to eschew strong relations with alter-globalization actors, while cultivating ties to intergovernmental organizations, has imposed limits upon its capacity to promote transformation:

There is a puzzling lack of any sense of radicalism by which is meant here a failure to provide a sustained alternative manifesto for the replacement, rather than just the reform, of the institutions of global governance. In some respects, it could be suggested that TWN has become institutionalized into the very system of global governance that it seeks to condemn. Its continuous ride on the merry-go-round of intergovernmental conferences and ministerial meetings arguably lends these conventions a further degree of legitimacy. (76)

Further research should examine how transnational alternative policy groups are embedded in networks of intergovernmental organizations (in which they might come to play a gatekeeping function) and how their funding relation to foundations, UN agencies, and the like may constrict their range of action and expression, pulling them onto the terrain of liberal humanitarianism. Beyond such structural analyses, there is a need for in-depth field work to explore just how these groups produce and mobilize alternative knowledge, and what impact their efforts have upon movement activism, intergovernmental and state policies, and (trans)national political cultures.

¹² In her own subsequent analysis Alvarez softens her thesis and recognizes that many NGOs do crucial movement-building work as producers of radical knowledge. Even if “‘NGO-ized’ NGOs show few signs of going away in the near future,” there is “no 21st century Iron Law of NGO-ization” (2009: 180,182).

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Is Tariff Reduction a Viable Strategy for Economic Growth in the Periphery? An Examination of Tariff Interaction Effects in 69 Less Developed Countries

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Abstract

Conventional economic wisdom maintains that the reduction of domestic import restrictions assists in the development of less developed countries. But far from being a settled debate, the empirical research on tariffs and economic growth is much more controversial than is commonly recognized. In fact, so contentious and unsettled is this mode of inquiry that the research of some scholars directly contradicts the findings of others. In light of this difficulty encountered by researchers, the current study argues that the tariff–growth link is best analyzed by exploring the conditional effect of import restrictions on the development of low-income countries. Utilizing a panel dataset with information for 69 less developed countries, the results of this investigation show that tariff interactions with domestic investment and labor participation, respectively, augments the growth-generating impact of these variables. In addition, the constituent terms reveal that domestic investment and labor-force participation produces robust negative associations with economic growth when removing their tariff contingent effects. Taken as a whole, the evidence illustrates the value of exploring the indirect relationship between tariffs and economic growth as well as the potential usefulness of restrictive import policies for development in the periphery.

Keywords: tariffs, trade policy, economic growth, less developed countries, peripheral development, political economy, world-economy, world-system theory

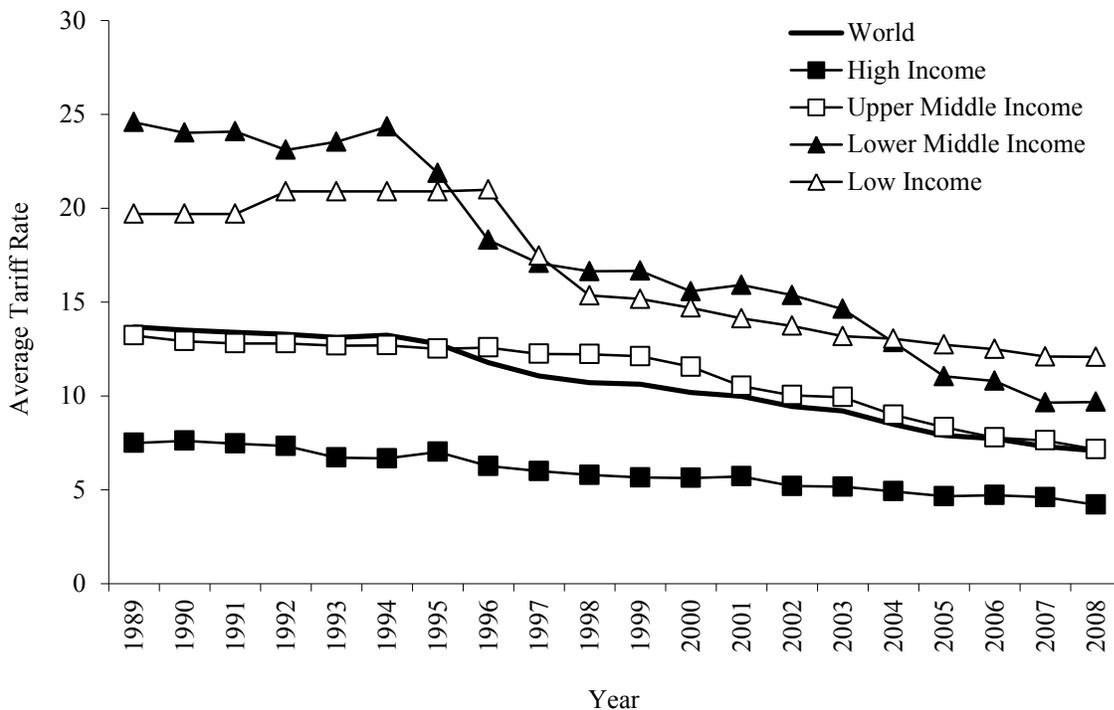
Conventional economic wisdom generally maintains that free trade is a major engine of world development. More importantly, open economic policies are considered especially important for less developed countries (LDCs) given their propensity to assist in the transfer of technology, the diffusion of know-how, and the exploitation of comparative advantages (DeLong and Summer 1993; Grossman and Helpman 1994; Sachs and Warner 1995). This belief is apparent in work of prominent economists and in the policy prescriptions endorsed by the world's most influential global governance institutions. Indeed, there seems to be a widely held supposition that trade liberalization is the only way the developing world can escape from the bondage of

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underdevelopment, as it is believed to be “among the more important factors promoting economic growth...in developing countries” (IMF 1997:84).

Given this positive general outlook towards trade liberalization, it is no wonder that the recent explosion of international trade is largely driven by the drastic reduction of national controls over foreign imports (O’Rourke 2002).² As summarized in Figure 1, the world’s average tariff rate for imported goods in 1989 was 13.7%, i.e., the average duty collected. This tariff rate steadily decreases for the next twenty years to 7.1% in 2008, which is a total reduction of 48.2% or 2.4% per annum. Most interesting in this illustration is that the promise of economic growth compels developing nation-states to drastically reduce their tariff duties over this relatively short period. In fact, Figure 1 clearly indicates that the more sizeable tariff reductions over the period in question are made by the lower income nation-states.

Figure 1. The Decline of Tariff Rates in Countries of Various Income Level, 1989-2008



But there is much more controversy surrounding the implications of free trade than the popularity of these tariff reduction trends may reflect. In line with conventional economic wisdom, some scholars find a strong negative relationship between stringent trade policies and economic growth (Lee 1993; Harrison 1996; Edwards 1998). However, others find it difficult to discover a conclusive link between these variables as the evidence indicates a somewhat weak association (Edwards 1992; Sala-i-Martin 1997; Clemens and Williamson 2001). Still others show that open economic policies do not share a robust relationship with growth when geographical variables and institutional quality measures are controlled in the regressions (Rodriguez and Rodrik 2001; Irwin and Tervio 2002; Rodrik et al. 2002). To make matters even more confusing, while researchers report that there is a negative correlation between tariffs and

² This is not to say that tariff reductions are the only cause of trade globalization; for recent work in this line of inquiry see Kwon (2012).

growth in the late-20th century, they also find a strong positive connection during the early-20th century (Irwin 2002; O'Rourke 2000). This apparent dichotomy in the empirical literature serves as the foundation of a heated academic debate regarding the link between trade policy and development, leading many to question whether there is an actual clear-cut relationship between these variables (e.g., Clemens and Williamson 2002; Yanikkaya 2003).³ This sentiment is most clearly stated by Rodriguez and Rodrik (2001: 3-4), who claim that they "are in fact skeptical that there is a general, unambiguous relationship between trade openness and growth waiting to be discovered...[instead], the relationship is a contingent one, dependent on a host of country and external characteristics."

In light of the controversy surrounding this literature, the current investigation explores the potential contingent effects of tariffs on the economic growth of LDCs. Using the work of Raul Prebisch as a theoretical spring-board with which to revisit the question of import restrictions and development in the periphery, this paper extrapolates a set of testable hypotheses designed to examine this connection via a set of interaction effects. In general, this article contends that tariffs protect the domestic economy and aids development by further augmenting the growth-enhancing impact of manufacturing, domestic investment, and labor-force participation. According to the results, interactions of tariffs with domestic investment and labor-force participation, respectively, significantly increases these variables' impact on economic growth. In other words, the findings indicate that the growth-generating effect of domestic investment and labor-force participation increases when combined with a policy of elevated tariffs. What follows is a summary of the historical debate surrounding this controversial literature.

Infant Industries and Unequal Exchange Relations

The infant-industry argument is one of the oldest economic theories, dating back to the ideas of Alexander Hamilton (1913 [1791]) and prominent economist Frederick List (1856). At the heart of the argument lies the proposition that the poorly capitalized and less sophisticated industries of LDCs require protection against the harms of foreign competition. The potential harm of foreign competition stems from the competitive disadvantage that is characteristic of new firms, given that their economic activities are much more costly than the activities of established firms (Myrdal 1957). Most importantly, the higher cost of production for new firms and industries produces a situation in which the price of free trade goods are not high enough to recoup on its initial investments (Mill 1909).

From these long-standing theoretical origins, the popularity of the infant-industry argument gained particular momentum among Keynesian economists shortly after World War II. Especially influential in this regard is the work of Raul Prebisch, the eventual director of the United Nations Economic Commission for Latin America and the founding secretary general of the United Nations Conference on Trade and Development. According to Prebisch, there is a lack of reciprocity in core-peripheral relations given that the advanced industrial countries selectively implement the idea of comparative advantage. Although rich nation-states advocate for a broad-based reduction of tariffs in LDCs, they simultaneously employ protectionist policies against the import of primary products from the periphery (Prebisch 1959: 264). Problematic is

³ In addition to this less than clear evidence, social scientists also criticize the tariff-growth literature on both methodological and conceptual grounds (e.g., Edwards 1993).

that this core protectionism depresses the development of the periphery, since the primary and manufacturing sectors of rich nation-states are largely self-sufficient, while LDCs remain reliant on the core's industrial production (Love 1980).

Observing these unequal dynamics in core-peripheral relations, Prebisch proposes a set of concrete strategies and policy prescriptions to achieve development in LDCs. First, Prebisch begins with the premise that peripheral development requires a strategy of industrialization. The theory of comparative advantage suggests that it is beneficial for nations to specialize in the production of goods in which they possess the greatest level of labor productivity and resource endowment (Ricardo 1996 [1817]; Heckscher 1944; Ohlin 1966), the implication of which is that the periphery should specialize in the production of primary products. For Prebisch, however, the tendency of primary goods prices to depreciate over time ultimately leads to a decline of domestic incomes and growth in the periphery (Prebisch 1959). Thus, given the long-term decline in the price of primary products, sustained development in LDCs necessitates a strategy of industrialization.

Second, Prebisch agrees with the infant industry argument and claims that the new firms of the periphery must be sheltered against the potential harmful effects of foreign (particularly core) competition. This, of course, is a natural extension of his view that the periphery must transition from primary to industrial modes of production. However, previous iterations of the infant industry argument assert that a strategy of protectionism should only be used to safeguard those specific industries where the domestic cost of production is higher than the imported cost of production (Mill 1909). In contrast, Prebisch maintains that protectionism should be extended to the entire manufacturing sector of the developing economy. More concretely, development in the periphery requires that the entire industrial sector of these nation-states, and not just individual industries, be protected against core competition (Prebisch 1950).

Finally, Prebisch (1959: 256) observes that the higher import prices that are generated by the application of tariffs will "make attractive those new [domestic] branches of industries which were not so before because their costs were higher than import prices." As a result, protectionism in the periphery will cause an expansion of domestic industrial production and generate forms of employment with the capacity to absorb "manpower...to bring higher profits and stimulate expanded production and exports" (Prebisch 1959: 256). The critical observation here is that protectionist policies will create an economic environment in which the increased absorption of workers into the national labor-force will generate higher overall levels of economic growth, as an increasing proportion of the workforce enters into the highly profitable and higher-paying industrial sectors of the domestic economy.⁴

In this way and following these broad policy prescriptions, a large number of developing nations began to experience rapid growth using Prebisch's dual model of industrialization and protectionism (Baldwin 2003: 4-7). Often referred to as import substitution industrialization, Prebisch's ideas earned particular appreciation in the social sciences and his influence on economic policy continued to grow throughout the 1950s and 1960s. So influential were the ideas of Raul Prebisch that he is widely credited with inspiring a major shift in the development literature and is cited as a major foundational figure of dependency and world-systems theory (see Frank, 1969; Galtung 1971; Emmanuel 1972; Amin 1974; Wallerstein 1974).

⁴ This observation is similar to the argument made by Kuznets in the context of income inequality. For Kuznets (1955), income inequality is high during the initial stages of industrialization as the well-paid industrial workforce is relatively small compared to the size of the agricultural workforce. But incomes eventually converge with further industrialization as an increasing proportion of the labor-force is converted into industrial labor.

The Wave of Opposition against the Infant Industry Argument

Gradually over time, however, there grew a sizable theoretical literature that challenged the infant-industry argument. Gaining particular traction in the 1960s, a number of economists turned Prebisch's arguments on its head by claiming that tariffs actually produce a wide range of damaging effects on the economy of LDCs (Baldwin 1969). Specifically, tariffs are scrutinized by critics given their potential for generating fierce levels of inflation as protectionist policies tend to drive up the price of imported goods. More important is that these inflationary trends in the price of consumer goods can generate a concurrent decrease of domestic consumption, leading to a stagnant economy and lower overall levels of social welfare (Johnson 1965; Baldwin 1969). In addition, others argue that protectionism obstructs the advancement of more industrious production techniques, given that inefficient industries are rewarded with high profit levels that are artificially induced by favorable tariff policies (Turvey 1963; Buchanan 1966; Plott 1966).

Empirical case studies pinpointing the adverse impact of stringent tariff policies soon followed these theoretical works. Earlier case studies tended to concentrate on the effect of import protections for the economic returns of producers that utilize imported goods as an input of production. Examining a limited number of countries and industries, some scholars find that producers who purchase their production inputs at tariff prices garner lower rates of return than those who purchase inputs at free trade prices (Little et al. 1970; Balassa 1971). Still others discover that protected industries experience lower productivity levels than their non-protected counterparts. Scholars involved in this line of research show that output per unit of input is much higher in non-protected industries vis-à-vis protected ones (Krueger and Tuncer 1982).

In addition to these case studies, others find that nations utilizing inward-oriented development strategies, i.e., import substitution industrialization, generate lower levels of economic growth than their outward-oriented counterparts (Bhagwati 1978). For example, Krueger (1983, 1984) examines development in four nations that liberalized their national trade policies during the 1960s and 1970s. To this end, the author finds that growth rates are significantly higher after the adoption of free trade policies than they were prior to their ratification. More recently, Dollar and Kraay (2004) perform a similar analysis on a larger set of 16 countries during the 1980s to 1990s, only to find a robust positive association between freer trade policies and economic growth.

This mounting evidence eventually culminated in the establishment of endogenous growth theory, which induced a drastic shift in the sentiment of both economists and policy makers alike. As important advocates of liberalization in LDCs during the 1980s (Baldwin 2003: 12), proponents of the endogenous growth model argue that investments in production, human capital, and technology, are the most vital components of domestic growth (Romer 1986; Lucas 1988). Centrally, it is purported that liberalization plays a particularly important role in the growth of LDCs, given that free trade allows for the transfer of new technologies and the diffusion of know-how via the "learning-by-doing" process (Delong and Summer 1993; Grossman and Helpman 1994). Furthermore, investment in education, i.e., human capital, is considered key since an educated populace is better equipped to contribute to the development of new technologies and absorb the diffusion of know-how that results from trade (Borrow 1991).

Contingent Tariffs Effects on the Domestic Economy: Hypotheses and Points of Departure

Much of the contemporary cross-national research on liberalization and development traditionally concentrates on finding a direct relationship between various measures of trade restriction and economic growth. Although some successfully find a robust negative association between tariffs, as well as other protectionist policies, and national growth rates (Dollar 1992; Lee 1993; Sacks and Warner 1995; Harrison 1996; Edwards 1998; Lee et al. 2004), several other studies reveal that this relationship is weak and/or mixed at best (Edwards 1992; Sala-i-Martin 1997; Clemens and Williamson 2001; Rodriguez and Rodrik 2001; Irwin and Tervio 2002; Rodrik et al. 2002; Yanikkaya 2003). But by examining the tariff–growth link directly, these works fail to address some of the major arguments presented by Raul Prebisch and his particular version of the infant industry argument. Worse still, many interpret the somewhat uncertain negative association between tariffs and growth as clear evidence against the implementation of restrictive import policies without a more nuanced consideration of this inherently complex relationship.

Given the lack of clarity in the empirical literature, what is needed is a reassessment of the infant-industry argument and new directions for research can be found in past theoretical propositions. As shown in previous sections, Prebisch did not necessarily see tariffs as being beneficial for peripheral development in-and-of itself. Instead, tariffs are considered beneficial for LDCs given their ability to increase the price of imported goods, which provides the industrial sector of developing economies a sufficient amount of time to mature and eventually compete with core industries. Thus, the infant industry argument explicitly implies that the implementation of tariffs controls, by itself, is not enough to stimulate growth in the periphery. Rather, it is the dual strategy of tariffs and industrial production that is the critical element of inquiry.

Hypothesis 1: Industrialization will produce a greater positive effect on economic growth when combined with higher tariff rates.

It is also possible to naturally extend Prebisch's arguments and apply them to domestic investment and labor-force participation. Beginning with the former, the success produced by tariffs for domestic manufacturing implies that domestic capital investments are generating a higher rate of return. As such, there is no reason to believe that the growth-augmenting effect of tariff protectionism remains isolated in the manufacturing sectors of the periphery. Insofar as tariffs reduce the overall level of competition that is faced by the domestically capitalized firms of the developing economy, high tariff duties are likely to induce elevated rates of return for domestic capital investments, taken as a whole. As to the latter, Prebisch argues that protectionism in the periphery stimulates additional investments in the industrial sector, which allows associated firms to absorb a higher proportion of the traditional labor force. Thus, this social dynamic may stimulate a demographic transfer of the low-paid workforce into those forms of employment that provide higher levels of compensation, thereby increasing average incomes and augmenting economic development. Simply put, restrictive tariff policy protects the industrial sector and encourages its expansion, allowing a higher proportion of the domestic labor force to enter the high-income sector.

Hypothesis 2: Domestic investment will produce a greater positive effect on economic growth when combined with higher tariff rates.

Hypothesis 3: Labor-force participation will produce a greater positive effect on economic growth when combined with higher tariff rates.

Methods

The current investigation compiles a panel dataset to study the effect of tariff interactions on economic growth. Only nations classified by the World Bank (2011) as a non-high income country are included in this dataset given the current study's interest in the development of LDCs.⁵ In order to obtain comparable results across all regression models and generate balanced panels, the analysis consists of only those countries with full information for all the variables. Each variable is tested to ensure a normal distribution and all non-normally distributed variables are corrected by way of conversion to their natural logarithm. Utilizing this strategy, the dataset compiled for this study provides full information on 69 LDCs for the years 1997 to 2007. All data are from the World Development Indicators (World Bank 2011). For a list of the countries included in the analysis, see Appendix A.

Dependent Variable

The dependent variable is *economic growth*, which is the average annual growth rate of a given nation-state from 1997 to 2007.⁶ Recent scholarship indicates that measurements of national incomes are unduly affected by the type of currency conversion technique utilized (for a review see Korzeniewicz et al. 2004). There are two primary methods used by social scientists to measure GDP across nations, exchange rates (FX) and purchasing power parities (PPP). FX peg national incomes to the U.S. dollar but overestimates the value of goods that are traded internationally, which tends to result in the undervaluation of the currencies of poor countries (Firebaugh 2003). PPP calculates income based on a "basket of goods" estimate but is often ill-suited for research that examines longer periods of time (Korzeniewicz and Moran 2009). Given these concerns, the current investigation uses estimates based on real domestic GDP. This inflation-adjusted measure of domestic income allows the researcher to measure a given country's annual change in GDP per capita using local currencies, which allows the researcher to avoid the aforementioned currency conversion issue.

⁵ The World Bank changes its classification of a nation's income category to correspond with shifts in national levels of development. Thus, it is important to note that this study analyzes countries that are categorized as non-high income in 1997, i.e., the first year analyzed, regardless of changes in categorization during later years.

⁶ This approach is consistent with the strategy of others and is ideal given that it allows for the calculation of average annual growth rates over an extensive period to reduce the volatility that is often present in year-to-year estimations (e.g., Kentor 1998; Kentor and Boswell 2003; Clark 2010, 2008).

Independent Variables

The dependent variable is regressed on a set of indicators that control for the endogenous growth model and an additional set of predictors that are popular in the development literature. The endogenous growth model sees capital and labor inputs as the central determinants of economic growth (Romer 1986; Lucas 1988; Borro 1991; Grossman and Helpman 1994). This model is introduced into the regressions by way of three indicators. The first is the log of *domestic investment* measured as a percent of total GDP. This variable represents the total capital inputs invested in the national economy. The second variable of interest is *secondary education*, which provides a measure of human capital. This covariate is measured by the total number of students enrolled in secondary educational institutions divided by the total “age relevant” population. The final variable of interest is log of *labor participation*, which represents a country’s total labor input measured by a nation’s total workforce divided by its total population. See Clark (2010) and Kwon (2011) for recent similar applications of the endogenous growth model.

The additional growth predictors are represented by a set of four independent variables, all of which are included in the regressions given their importance in the current investigation and wide usage in the literature. The first is *manufacturing*, or the total industrial output in a given economy divided by its total GDP. Next is the natural log of *trade openness*, this indicator calculates the sum of national imports and exports as a proportion of total GDP. *FDI inflow* is measured as the log of the total value of foreign direct investment inflows divided by GDP.⁷ Finally, the natural log of *tariff level* measures the average duty or fee charged on all foreign imports into the domestic economy. This variable is reported as the average rate collected against the value of all imported goods. Important to mention at this time is that the impending investigation requires a set of three interaction effects that combines the variable tariff level with manufacturing, domestic investment, and labor-force participation, separately.

Finally, multiple sets of dummy variables are employed to control for the effect of spatial autocorrelation; for a discussion see Anselin (1988) and Cliff and Ord (1981). Some scholars note that economic growth and development follows regional patterns. Still others find strong evidence that patterns of growth tend to converge among nation-states with shared free trade agreements (e.g., Ariba and Paelinck 2003; Dezzani 2006). Thus, this study controls for these effects by constructing dummy variables for region as well as membership in various trade agreements. As to the former, the World Bank (2011) classification of regions is used to categorize the countries of this investigation into the groups East Asia and the Pacific, East Europe and Central Asia, Latin America and the Caribbean, Middle East and North Africa, and South Asia, while the region of Sub-Saharan Africa serves as the excluded category. As to the latter, information on the member-states of the ASEAN Free Trade Area (AFTA), Asia-Pacific Trade Agreement (APTA), Central American Integration System (SICA), G-3 Free Trade Agreement (G-3), Southern African Development Community (SADC), Southern Common Market (MERCOSUR), and World Trade Organization (WTO), are obtained through each respective organization’s website. Only those countries that were affiliated as of 1997 were denoted as members. Furthermore, the North American Free Trade Agreement (NAFTA) is not included in the analysis as Mexico is the sole LDC in this organization. Finally, while other trade agreements exist, some did not come into existence until after 1997 and are excluded from the investigation (e.g., Greater Arab Free Trade Area).

⁷ It is important to note that the evidence for FDI on the economic growth of LDCs is inconclusive (for a more recent example see Moran, Graham, and Blomstrom 2005).

Statistical Techniques

A variant of the lagged dependent variable (LDV) regression technique is utilized to test the hypotheses of this investigation. With traditional LDV models, often simply referred to as “panel” models in the world-system literature, the dependent variable is measured long after the independent variables. What this means is that the dependent is regressed on both its own value and the values of the independent variables, at a much earlier point in time. The value of the LDV design is its ability to establish temporal precedence which substantially negates the potential for contemporaneous reverse causality. Important to note is that LDV studies of economic growth traditionally employ national income, i.e., GDP per capita, as the dependent variable. Problematic with this strategy, of course, is that past LDV studies are modeling for national income and not necessarily economic growth, for a discussion see Babones (2009:99-100). However, the hypotheses of this study necessitates that the current investigation models for growth and not level of development. Thus, this study employs the average annual GDP per capita growth rate during the years 1997 to 2007, which is regressed on the independent variables measured during the year 1997.

A number of diagnostics are performed for all the models reported in the analysis to ensure the robustness of results. First, models are tested for outliers using the Hadi procedure with a cutoff of $p < .05$. In an unreported set of regressions, all specifications are re-estimated by removing the identified outliers. But this does not substantially alter the significance of the variables reported nor are the interpretations of the results markedly affected. Alongside the Hadi procedure, the variance inflation factor (VIF) is calculated for the baseline model (model 1) to identify any possible collinearity that may exist between the variables. The VIF scores range from 1.09 to 5.74 for each indicator and the mean is 2.43. Although this shows that collinearity may be present between some of the variables in the baseline model, the VIF scores are far from severe as they are well below the critical threshold of 10 (Chatterjee, Hadi and Price 2000). Finally, all models are analyzed by utilizing robust standard errors to control for any potential heteroskedasticity patterns in the error terms.

What should be clear from previous sections is that this article’s major analytic focus is to assess whether tariffs significantly augment the growth producing-effect of industrialization, domestic investment, and labor-force participation. As such, particular attention will be given to the interaction terms explored in the analysis and the degree to which each variable combination returns significant results for growth. But attention will also be given to the constituent terms of each model as the removal of the tariff interaction effects provides the opportunity to evaluate the unique impact of each variable. This allows for an assessment of how industrialization, domestic investment, and labor-force participation, impacts economic growth when removing their tariff contingent effect.

Results and Discussion

The summary of results begins here with a preliminary evaluation of the correlations between the dependent and independent variables. The pair-wise correlations summarized in Table 1 shows that secondary education, domestic investment, and manufacturing, are significantly correlated with economic growth. Of particular interest is that tariff levels, while not significant, returns a negative correlation with the dependent variable. But this preliminary analysis provides little

confidence in the overall strength of the tariff–growth link as the weak correlation of -0.177 and the wide variation displayed in Figure 2 provides less than convincing results. Additional questions regarding the association between tariffs and growth stem from the partial correlations as these variables return a correlation coefficient of -0.008. Needless to say, these preliminary findings fail to produce confidence in a robust and direct tariff–growth relationship. This uncertain relationship between tariffs and growth, especially when controlling for the impact of the independent variables, may be a sign that this relationship is much more contingent on the effect of alternative variables than is readily recognized in the literature.

Table 1: Correlations for Economic Growth

	Pair-Wise Correlations	Partial Correlations
GDP per capita	-0.019	-0.435**
Secondary education	0.323**	0.450**
Domestic investment	0.263*	0.127
Labor participation	0.068	0.044
Manufacturing	0.331**	0.280*
Trade openness	-0.009	-0.186
FDI inflow	0.189	0.234+
Tariff level	-0.177	-0.008

† $p < .10$; * $p < .05$; ** $p < .01$

Figure 2. Scatterplot for Economic Growth and Tariff Rates, 1997-2007

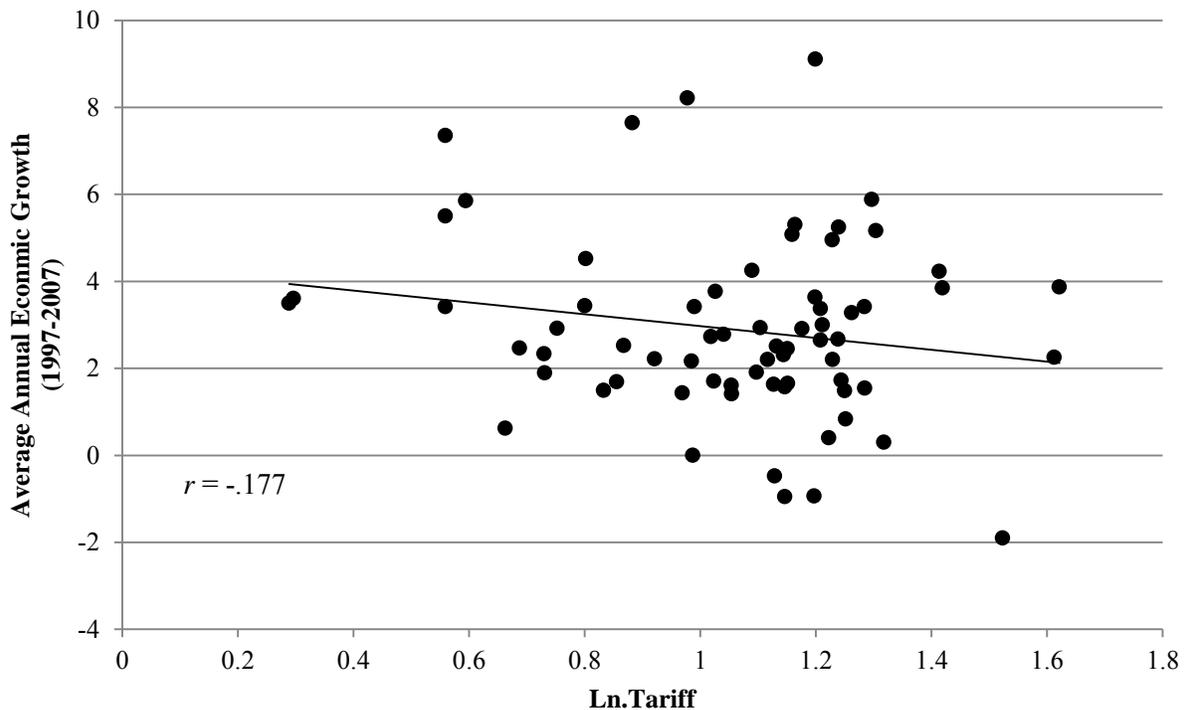


Table 2 reports regressions that explore the interaction effects of various theoretically-relevant variables as a way in which to uncover the possible conditional impact of tariffs for economic growth. Beginning with model 1, which serves as this study's baseline model, the results clearly show that tariffs are not a robust predictor of economic growth in LDCs during the period explored. The inability of tariffs to return a significant finding does not come as a surprise given its less than stellar performance in previous studies (Clemens and Williamson 2001; Edwards 1992; Irwin and Tervio 2002; Rodriguez and Rodrik 2001; Rodrik et al. 2002; Sala-i-Martin 1997). When observing the other covariates in this baseline model, GDP per capita and secondary education enrolment are significant predictors of the dependent variable and signed in a manner that is consistent with previous research (Romer 1986; Lucas 1988). Particularly interesting is that the independent variables in question are able to obtain a very high level of significance, i.e., $p < .01$. Also noteworthy is that although domestic investment fails to break any level of significance, its coefficient is more than 1.3 times larger than its standard error. Furthermore, this baseline model reveals that both manufacturing and FDI inflow are positively associated with the dependent variable, albeit at a weak $p < .10$ level.

Table 2. Regressions of Economic Growth on Tariff Interaction Terms for 69 Less Developed Countries, 1997-2007

	1	2	3	4
GDP per capita	-3.001** (-4.16)	-3.019** (-4.09)	-3.053** (-4.49)	-2.982** (-4.25)
Secondary education	0.048** (3.16)	0.048** (3.16)	0.039* (2.52)	0.044** (2.89)
Domestic investment	2.777 (1.36)	2.656 (1.31)	-10.419* (-2.19)	2.231 (1.11)
Labor participation	0.769 (0.23)	0.589 (0.18)	-1.717 (-0.51)	-23.088+ (-1.79)
Manufacturing	0.068+ (1.69)	-0.040 (-0.28)	0.080+ (1.99)	0.071+ (1.73)
Trade openness	-1.475 (-1.35)	-1.259 (-1.12)	-1.219 (-1.28)	-1.123 (-1.04)
FDI inflow	2.949+ (1.93)	2.837+ (1.81)	3.211* (2.25)	3.201* (2.18)
Tariff level	-0.070 (-0.08)	-1.844 (-0.71)	-16.463** (-2.84)	-35.312* (-2.02)
Tariff * Manufacturing		0.103 (0.76)		
Tariff * Domestic investment			12.504** (2.79)	
Tariff * Labor participation				19.736* (2.02)
Constant	4.116 (0.57)	6.315 (0.86)	25.598* (2.42)	46.645* (1.96)
R ²	.382	.386	.435	.409
Observations / Countries	69	69	69	69

Note: Dependent variable is the average annual economic growth rate from 1997 to 2007; t-scores are in parentheses; estimates based on robust standard errors. † $p < .10$; * $p < .05$; ** $p < .01$

The remaining specifications summarized in Table 2 introduces the interaction terms that test the contingent impact of tariffs for economic growth. Model 2 answers the question of whether higher tariff levels further augment the growth-enhancing effect of industrialization (hypothesis 1). As the most direct assessment of Prebisch's proposed dual strategy of protectionism and industrialization, the findings indicate that the interaction of tariff rates and manufacturing does not produce a robust association with the dependent variable. While signed in the anticipated direction, the paltry t-score of 0.76 fails to break any level of significance and does little to inspire assurance in this interaction's growth-enhancing effect.

Model 3 explores a natural extension of Prebisch's contentions. To reiterate from earlier sections, Prebisch claims that tariffs increase the growth potential of the periphery's domestic industries given their ability to provide protection from foreign competition. However, the current investigation argues that tariffs can also augment the rate of return on domestic investment, given the propensity of tariffs to protect indigenously capitalized firms from core competition (hypothesis 2). According to the findings, the interaction of tariffs and domestic investment returns significant positive association with the dependent variable. Additionally, whereas domestic investment returns a positive coefficient with a t-score of 1.36 in the baseline model, the constituent term for this variable in model 3 returns a significant negative association. This significant negative constituent term warrants heavy emphasis, as this may imply that domestic investment contributes to economic growth only when these investments obtain a certain level of protection from foreign competition.

Model 4 introduces the tariffs and labor participation interaction term into the regressions. This specification tests Prebisch's proposition that tariffs augment economic growth through its ability to foster a higher number of successful domestic firms which, in turn, will absorb the domestic workforce into the high-paid modern sectors of the economy (hypothesis 3). Consistent with these arguments, this interaction term returns a positive and significant relationship with the dependent variable. In addition, similar to the results for domestic investment in the previous specification, this particular equation shows that labor participation shares a robust negative correlation with economic growth after removing the tariff contingent effect of this variable.

Table 3 introduces regional control variables to further scrutinize the relationship between the tariff interaction terms and economic growth. A number of interesting observations stem from these set of models. First, there is very little alteration with regards to the interaction of tariffs and domestic investment as its association with the dependent actually increases, from a t-score of 2.79 in model 3 to a t-score of 3.72 in model 6. However, models 5 and 7 reveal a somewhat substantial change from the previous set of specifications. Beginning with the former, although the interaction of tariffs and manufacturing was not a significant predictor of growth in model 2, this interaction term now returns a positive and significant association in model 5, albeit at the less conventional $p < .10$ level. Furthermore, while the tariff and labor participation interaction produces a significant association with the dependent variable that surpasses the $p < .05$ level in model 4, it now returns a level of significance that is only able to break the less conventional $p < .10$ level in model 7.

Table 3: Regressions of Economic Growth on Tariff Interaction Terms and Regional Controls for 69 Less Developed Countries, 1997-2007

	5	6	7
GDP per capita	-1.713+ (-1.78)	-2.088* (-2.07)	-1.813+ (-1.86)
Secondary education	0.016 (1.11)	0.006 (0.51)	0.015 (0.96)
Domestic investment	4.599* (2.49)	-12.367** (-2.72)	3.973* (2.12)
Labor participation	0.557 (0.17)	-2.972 (-0.83)	-21.992 (-1.63)
Manufacturing	-0.231 (-1.28)	0.060 (1.58)	0.054 (1.30)
Trade openness	-1.802+ (-1.74)	-2.174* (-2.25)	-1.906+ (-1.72)
FDI inflow	4.229* (2.49)	4.074* (2.64)	4.547** (2.85)
Tariff level	-2.697 (-0.88)	-19.419** (-3.55)	-33.347+ (-1.79)
Tariff * Manufacturing	0.269+ (1.68)		
Tariff * Domestic investment		16.483** (3.72)	
Tariff * Labor participation			19.584+ (1.88)
East Asia and Pacific	-0.123 (-0.14)	0.496 (0.62)	0.140 (0.16)
East Europe and Central Asia	3.680** (3.69)	3.925** (4.42)	3.401** (3.39)
Latin America and Caribbean	-0.158 (-0.25)	0.165 (0.27)	0.037 (0.06)
Middle East and North Africa	0.393 (0.67)	0.181 (0.34)	0.860 (1.33)
South Asia	-0.288 (-0.34)	-0.745 (-0.86)	-0.147 (-0.15)
Constant	1.170 (0.14)	26.831* (2.09)	37.709 (1.52)
R ²	.559	.608	.555
Observations / Countries	69	69	69

Note: Dependent variable is the average annual economic growth rate from 1997 to 2007; t-scores are in parentheses; estimates based on robust standard errors

† $p < .10$; * $p < .05$; ** $p < .01$

Table 4: Regressions of Economic Growth on Tariff Interaction Terms and Trade Agreement Controls for 69 Less Developed Countries, 1997-2007

	8	9	10	11	12	13
GDP per capita	-1.586+ (-1.90)	-1.527+ (-1.99)	-1.543+ (-1.91)	-0.294 (-0.30)	-0.374 (-0.38)	-0.415 (-0.43)
Secondary education	0.026+ (1.79)	0.014 (1.19)	0.022 (1.64)	0.019 (1.25)	0.010 (0.69)	0.017 (1.12)
Domestic investment	1.748 (0.84)	-13.010** (-2.92)	1.313 (0.66)	2.126 (0.99)	-9.570+ (-1.82)	1.748 (0.83)
Labor participation	1.145 (0.37)	-1.426 (-0.49)	-22.887+ (-1.83)	3.416 (1.08)	0.968 (0.28)	-16.880 (-1.20)
Manufacturing	-0.024 (-0.19)	0.099** (2.99)	0.087* (2.55)	-0.043 (-0.34)	0.106** (3.17)	0.098** (2.86)
Trade openness	-1.305 (-1.33)	-1.239 (-1.67)	-1.165 (-1.25)	-2.069* (-2.03)	-2.022* (-2.27)	-1.888+ (-1.75)
FDI inflow	3.624* (2.30)	4.086** (2.94)	3.995** (2.69)	4.686** (3.34)	5.039** (3.87)	4.948** (3.62)
Tariff level	-1.375 (-0.57)	-17.961** (-3.54)	-35.358+ (-1.95)	-2.044 (-0.81)	-14.364* (-2.41)	-30.232 (-1.51)
Tariff * Manufacturing	0.103 (0.83)			0.131 (1.09)		
Tariff * Domestic investment		14.040** (3.58)			11.156* (2.46)	
Tariff * Labor participation			20.033+ (1.98)			17.097 (1.53)
WTO	-1.895** (-3.31)	-2.028** (-3.58)	-1.903** (-3.25)	-1.911** (-3.18)	-2.054** (-3.49)	-1.843** (-3.04)
ASEAN				-1.469* (-2.13)	-1.203+ (-1.87)	-1.511* (-2.31)
APTA				1.184 (1.67)	1.085 (1.56)	0.999 (1.25)
SICA				-0.156 (-0.29)	-0.084 (-0.17)	-0.181 (-0.35)
G-3				-2.126** (-3.39)	-1.996** (-3.32)	-2.041** (-3.38)
SADC				0.119 (0.15)	0.198 (0.26)	-0.238 (-0.28)
Mercosur				-2.249** (-3.55)	-1.787** (-2.84)	-2.071** (-3.36)
Constant	2.619 (0.37)	24.264* (2.52)	43.558+ (1.88)	-5.087 (-0.70)	12.333 (1.02)	28.998 (1.11)
R ²	.483	.545	.507	.589	.620	.600
Observations / Countries	69	69	69	69	69	69

Note: Dependent variable is the average annual economic growth rate from 1997 to 2007; t-scores are in parentheses; estimates based on robust standard errors
† $p < .10$; * $p < .05$; ** $p < .01$

A somewhat similar story is revealed in Table 4, which introduces membership in various free trade agreements as an additional way in which to evaluate the robustness of the results. To this end, it is important to note that the interaction of tariffs with labor participation is only able to break the less conventional $p < .10$ significance threshold in model 10 and fails to break

significance in model 13. Nevertheless, the overall consistency with which this interaction returns significant associations in previous models provides a great deal of confidence in its association with economic growth. Furthermore, the low level of significance obtained by this interaction becomes even more impressive when considering the relatively small sample size and the concurrent large number of covariates included in the model equation.⁸ In addition, although the interaction of tariffs with manufacturing is able to surpass the significance threshold in the previously observed model 5, this interaction is unable to generate significant results in any other model in which it is included. Most noteworthy, however, is the fact that regardless of the model specifications or variables included in the regression parameters, the interaction of tariffs with domestic investment returns highly significant associations with economic growth. Even more impressive is the fact that the tariff and domestic investment interaction is significant at the very high $p < .01$ in most of the specifications in which it is included.

In sum, the evidence from the regression analysis returns little support for Prebisch's claim that tariffs augment the growth generating effect of manufacturing (hypothesis 1). But the findings also reveal that tariffs are important factors for growth in LDCs given their ability to augment the growth-enhancing effect of domestic investment (hypothesis 2) and labor-force participation (hypothesis 3).

Conclusions

The idea that reduced tariff restrictions stimulate a high rate of development in LDCs is a popular and widely accepted proposition. Consistent with these views, an extensive range of research successfully discovers a direct negative association between various measures of import restriction and economic growth (e.g. Dollar 1992; Lee 1993; Sachs and Warner 1995; Harrison 1996; Edwards 1998; Dollar and Kraay 2004; Lee et al. 2004; Wacziarg and Welch 2008). But this line of research is much more controversial than is commonly recognized, as many engaged in this debate discover an inconsistent and/or weak association between trade policy and growth (e.g., Edwards 1992; Sala-i-Martin 1997; O'Rourke 2000; Clemens and Williamson 2001, 2002; Rodriguez and Rodrik 2001; Irwin 2002; Irwin and Tervio 2002; Rodrik et al. 2002; Yanikkaya 2003). As a result, far from being a settled mode of inquiry, "the nature of the relationship between trade policy and economic growth remains very much an open question" (Rodriquez and Rodrik 2001: 3).

Given the difficulty researchers encounter when analyzing the direct association between these variables, the current study attempts to contribute to this debate by exploring the contingent and indirect impact of tariffs on the economic growth of LDCs. The analysis presented in the current investigation provides support for two of the three hypotheses presented in this study. Specifically, the regression analysis confirms that domestic investment and labor-force participation produces higher rates of economic growth when combined with a strategy of elevated tariffs. Also interesting are the results of the constituent terms, which show that these growth predictors produce a net negative impact on economic growth when controlling for their tariff contingent influence. This latter set of findings is particularly noteworthy and deserves additional commentary.

⁸ Indeed, it is important to note that potential degrees of freedom issues may be a partial reason for this only moderately significant relationship.

Although it is commonly assumed that there is a uniform set of ideal guidelines to achieve development in both high- and low-income countries, the results in this study reveal that the application of free trade policies in the periphery can contort many of the highly cited factors of growth. For example, domestic capital formation is found by a number of researchers to produce a highly significant and positive impact on the economic development of both core and peripheral nation-states (e.g., Jaffee 1985; Dollar 1992; Firebaugh 1992; Dixon and Boswell 1996; Soysa and Oneal 1999; Clark 2010). Somewhat consistent with this literature, the baseline model of this investigation shows that domestic investment's coefficient is positive and nearly 1.4 times larger than its standard error. It is troubling, however, that this positive association not only dissipates when controlling for the tariff contingent effect of domestic investment, i.e., the interaction of these two indicators, but its coefficient is transformed into a robust negative association. To be clear, it is important to not overstate the implications of these findings. However, the ultimate conclusion to be drawn from this observation is that researchers must avoid sweeping statements regarding the universally beneficial impact of a particular economic strategy. Instead, the current research shows that the usefulness of a particular economic policy is often contingent on the specific needs of an economy and that the reduction of tariffs may generate indirect adverse implications for the development of LDCs.

In closing, this article contributes to the tariffs and growth literature by analyzing tariff interaction dynamics. Although previous studies examine this relationship through a direct assessment of the tariff-growth link, this investigation shows that the benefits of restrictive import policies are much more complex than a direct exploration of this connection is capable of revealing. Thus, it is crucial that future research continues to examine the complex impact of trade policy on economic growth, and explore the manner in which tariffs can be utilized to assist in the development of the periphery.

Appendix

Appendix A. Countries Included in the Analysis

Albania	Gabon	Panama
Algeria	Ghana	Paraguay
Argentina	Guatemala	Peru
Bangladesh	Guyana	Philippines
Belarus	Honduras	Romania
Belize	India	Rwanda
Bolivia	Indonesia	Solomon Islands
Brazil	Kazakhstan	South Africa
Bulgaria	Kenya	Sri Lanka
Burkina Faso	Kyrgyz Republic	St. Lucia
Cameroon	Lithuania	St. Vincent and Grenadines
Central African Republic	Madagascar	Sudan
Chad	Malawi	Suriname
Chile	Malaysia	Tanzania
China	Mali	Thailand
Colombia	Mauritius	Tunisia
Congo, Rep.	Mexico	Turkey
Costa Rica	Moldova	Uganda
Cote d'Ivoire	Morocco	Ukraine
Dominican Republic	Mozambique	Uruguay
Egypt, Arab Rep.	Nepal	Venezuela
El Salvador	Nicaragua	Vietnam
Ethiopia	Pakistan	Zambia

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**Network Transitions on a Contested Periphery:
From Prestige Goods to Bulk Goods (or not) in Northeastern North America, 1600-1760**

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Abstract

This paper examines the Euro-Indigenous fur trade in northeastern North America, following Carlson's use of Chase-Dunn and Hall's nested interaction networks to examine a similar trade during roughly the same time period on the continent's other side. These network interactions took place on what became a contested periphery, and they shaped the development of states and the modern world-system, with Europeans contending with each other and with Native Americans for political and economic control, and at times mere survival. European political-military networks were essential to maintaining colonies, and in contrast to what the general interaction networks model posits, these were made up of or at least coterminous with nested prestige goods networks. Europeans were initially dependent upon prestige goods networks with Native Americans; indeed, the French political military network in North America was arguably formed by (or at least supported by) the various Franco-Indigenous prestige goods networks. The French, Dutch, and British all attempted to transition their colonial economies from the extractive economies and low settler population densities typically associated with prestige goods networks to the agricultural economies and higher settler population densities of bulk goods networks. The paper traces the attempted colonial interaction network transitions from contested peripheries within Euro-Indigenous prestige goods networks to settled colonies within bulk goods networks and firmly within a given core powers' imperial political military network. The success (or failure) of these network transitions helped determine the Euroamerican colonies' geopolitical futures in the world-economy, as well as those of their indigenous neighbors and their struggles for physical survival and political sovereignty.

Keywords: Exchange networks, fur trade, colonialism

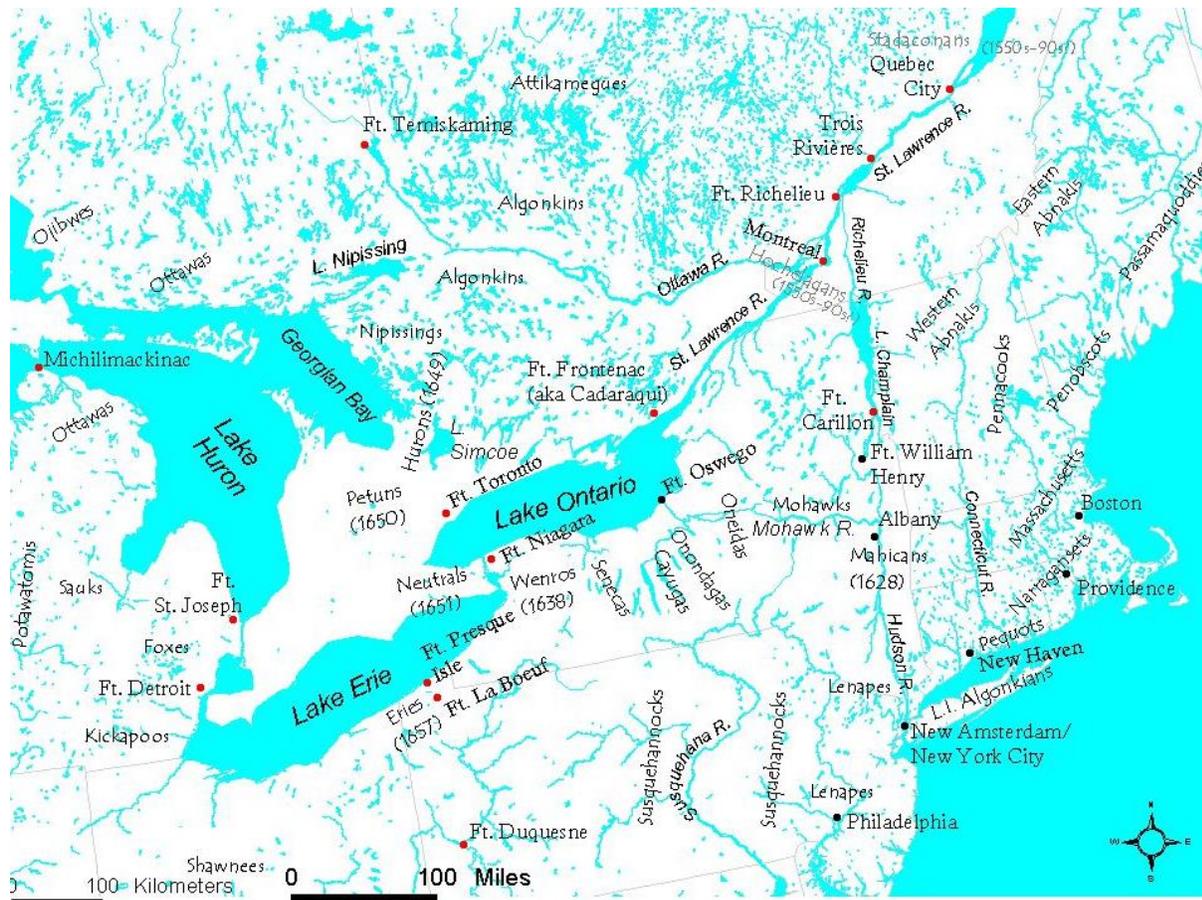
In his works examining northwestern North America's Euro-indigenous fur trade, Carlson (2002; 2012b:37-74) adapts Chase-Dunn and Hall's (1997) nested networks of interaction, which he treats "as various 'states of being' through which a given region passes" (Carlson 2002: 391). The four networks – information (**IN**), prestige goods (**PGN**), political-military (**PMN**) and bulk goods (**BGN**) – represent interregional exchange/interaction structures, of which "[w]orld-systems are fundamentally composed," are cast at decreasing geographical scale (Chase-Dunn and Hall 2012: 188). INs and PGNs are widest, having the lowest transport costs relative to the weight and value of the goods exchanged, and involving the least formal world-systemic

incorporation; PMNs are smaller, with increasing degrees of formal incorporation; BGNs are smallest, due to relatively high transport costs, and are wholly within a given PMN (Chase-Dunn and Hall 1997: 52-55; 2012: 188-89; Carlson 2001:244-45; 2012a: 90).

Nested interaction network analysis allows for comparisons of world-systems, facilitating the extension of world-systems analysis to potentially any pre-1500 CE timespace (Chase-Dunn and Hall 1997; Denmark et al. 2000; Chase-Dunn and Anderson 2005). Yet it is also useful for understanding the modern world-system (e.g., Wallerstein 2004: 23-41). Carlson (2002: 390; 2011a: 165) posits that studying world-systemic regional incorporation in terms of interaction networks resolves the methodological difference between Wallerstein's "European, state-centric, 'inside-out'" approach and Hall's "external, indigenous peoples, 'outside-in'" approach. Hall himself suggests comparative studies of incorporation "along the edge of each" of the four types of interaction network (2012: 51-52), as well as a focus on more regional, and even local processes, by way of finding out how world-systemic processes work at local levels, and in turn how a place and its processes comprises part of a world-system (Hall 2009:36). Therefore, I focus on regional change in light of nested interaction networks, in particular how regions move from one interaction network to another, and attempt to balance between indigenous and European actors.

Analyzing the Pacific Northwest fur trade, Carlson (2002) is most concerned with INs and PGNs; he shows that fur's relatively high value attracts interest from the core and "hooks" the external region to the world-economy, "financing the initial expansion of the system" into the new region, "and then subsidizing the [region's] increased incorporation [...] by offsetting otherwise prohibitive 'start-up' costs associated with colonial expansion" (2002: 410). If profitable, a PGN is soon included in a PMN, with the beginning of colonial expansion (Carlson 2002: 418-19). Moving further up the network scale, this paper will also examine attempted transitions from PGN and PMN to BGN. In northeastern North America ca. 1600-1760 (see Fig. 1), Europeans were similarly attracted by the promise of prestige goods trade in fur,¹ which in turn "primed" the region's indigenous peoples, subjecting them to "[i]mportant social, political, and economic changes...well *before*" formal incorporation (Carlson 2012a: 88). The three competing European powers each quickly established formal colonies, which especially at first depended on good political and trade relations with neighboring indigenous peoples (Richter 2001; Baker and Reid 2004; Parmenter 2007). These relationships developed into PGNs, within which European-Indigenous relations were marked by mutual dependence, as native peoples learned to appreciate European manufactured goods' quotidian usefulness (Trigger 1991) while European colonials relied on natives as both fur suppliers (Kardulias 1990) and proxy military forces (Baker and Reid 2004; Parmenter 2007). Externality, peripherality, and incorporation were in fact highly – and often formally (Richter 1988; Hagedorn 1995; Meuwese 2003) – negotiable in this particular world-systemic time-space (cf. Dunaway 1996b; Carlson 2001: 245, 2011a: 166, 192; Kardulias 2007: 66-76).

¹ Fur, admittedly, is not always nor necessarily a prestige good. For example, North American deerskins in the 18th century had become an industrial input in Europe (Dunaway 1994: 226-27; 1996a: 32-33; Richards 2003: 497-502).

Figure 1: Indigenous Nations and European Settlements

Indigenous national locations as of early 17th century. Dates refer to year of defeat/dispersal by the Haudenosaunees; French settlements in red, British in black. Maps consulted: Delâge (1993: xii); Jennings (1984: 15, 26); Richter (1992: 16, 63, 146-47, 2001: 65, 165); Trelease (1997: 6, 13, 119); Trigger (1985: 150). Digital data sources: ESRI; geogratis.cgdi.gc.ca.

In the same sense that incorporation develops along a continuum (Chase-Dunn and Hall 1997: 61-64; Carlson 2001: 247-50; Hollis 2005: 96-99), and can grow stronger or weaker over time as it is contested (Dunaway 1996b; Bush 2005: 87, 90), a regional transition from one network to another follows a similar path. We will explore the tensions contained in these transitions, in particular from PGNs to BGNs, and how these, with their typically informal boundaries, may either support or undermine political-military networks which typically have more formal boundaries (Hall 2013: 27). Part of the tension in this case was because northeastern North America was also a contested periphery, “a region in the interstices between major states over which the latter fight for control” (Kardulias 2007: 64). While the concept was developed for and more typically used in analyzing ancient, typically non-capitalist world-systems (e.g., Chase-Dunn and Hall 1997: 37; Cline 2000: 7-8; Hall 2005: 108-09), I use a state-based definition because in this case, the contested periphery was not just between world-systems but also between core states contending for hegemony within a world-system (Leitner 2005). Over the course of the paper we will therefore also examine the different imperial goals and competing models of colonialism that each of these core states attempted to apply to the contested periphery, which in turn gave their subjects (and chartered firms) varying incentives to trade, to

settle and farm, or otherwise interact with Indigenous people and other Europeans. Their geographic location made Indigenous peoples the pivot: collectively outnumbering the Europeans for many decades and possessing the knowledge necessary for both furbearer hunting and initial fur preparation, several indigenous groups proved themselves invaluable by providing relatively cheap, undercompensated labor and military power to the Europeans – but also resisting both particular European colonies and the general project of European expansion (cf. Hall 1989; 2005: 95; Fenelon 2012).

But any comparisons made between European colonial praxes, or between Indigenous-European relations in northeastern North America in the 17th and 18th centuries are *unavoidably* what McMichael (1990) has identified as “incorporated comparisons,” given the relatively close time-spaces and the context of world-economic competition between their respective metropolises (cf. Adelman and Aron 1999: 817). Incorporated comparison generally entails “giv[ing] substance to a historical process [...] through comparison of its parts,” or alternately via “comparative analysis of ‘parts’ as moments in a self-forming whole” (1990: 386; cf. Bush 2005: 104), while at the same time recognizing that the parts can be compared because their historical connection makes them “mutually conditioning” with comparisons that can be either cross-space, cross-time, or both (McMichael 1990: 393; 2000: 671).

In general, European traders hooked themselves into the continent’s “pre-existing exchange networks” (Delâge 1993: 82-83; Hollis 2005: 107; Kardulias 2007: 68), similar to an earlier European strategy in Asia (Abu-Lughod 1989: 361). But the colonial strategies differed regarding what types of interaction networks of which the colonies should ultimately be part. Mostly controlled by a merchant company more concerned with trade than settlement, New Netherland was never secure in the Dutch PMN, nor fully integrated into any BGNs. Arguably this was due to the United Provinces’ trade-focused imperialism, though there was a weak attempt to preserve political control by promoting private agricultural settlement. The British authorities in New Netherland’s successor colony, New York, came to understand the ostensible PGN with the powerful Iroquois League (a.k.a. the Haudenosaunees) as a political-military matter, eventually resulting in formal diplomatic ties. Yet, the colony became part of a BGN with the other mainland colonies and the Caribbean, due to the longstanding, albeit general, British colonial strategy focusing on agricultural settlement and imperial economic integration. The French in New France/Canada relied most on PGNs with their indigenous allies to buttress the colony’s place in their PMN, along with a less-successful attempt to institute a BGN between Canada and their own Caribbean colonies. Attempted bulk goods transitions in all three colonies were initially contested by those who placed more importance on profitable trade and who resisted competition from small farmer-traders.

Though arguably “born capitalist” (Dunaway 1996a: 16), as semiperipheral enclaves on the edge of a still largely external zone of the world-economy these European colonies were all highly dependent for varying periods on prestige goods trade and concomitant political-military alliances with indigenous groups, as well as indigenous labor, due to their own relatively small populations. Eventually the relationship tipped: Europeans gained strength, especially those European colonies that opted for bulk goods production and trade, while indigenous peoples grew weaker and more dependent on European support (Richter 1983: 540-42; Jennings 1984: 111; Trigger 1985: 165), and were gradually incorporated along with their land and resources into the world-economy (cf. Carlson 2001: 246-50; Hall 1989: 18-22). The European colonies’ political and economic futures in turn depended on transitioning from prestige goods trade with indigenous peoples to bulk goods production and trade with each other. This paper will trace

these attempted transitions from PGN to PMN and then BGN (or not), by way of Dutch, French, and Anglo-British attempts to win control of the contested periphery, alongside indigenous peoples' attempts to maintain sovereignty, or at least negotiate the terms of their incorporation.

New Netherland and its Indigenous Neighbors, 1609-1664

Following the European beaver's (*Castor fiber*) late 16th-century decline, its cousin *Castor canadensis* became the primary species in the 17th-century North American fur trade (Wolf 1997: 159). Both species' inner fur is barbed, allowing hairs to interlock, making it easy for European hat makers to craft the felt fabric for men's high fashion hats, ca. 1550-1850 (Norton 1974: 104; Eccles 1983b: 19-20; Richards 2003: 467-68). In analyzing the Canadian colonial fur trade, Innis (1970) argued that beaver fur's relatively high value and low European labor requirements (since Indigenous peoples did much of the trapping and curing work; Eccles 1983b: 19; Kardulias 2007: 70) had significant developmental consequences in parts of North America due to its non-promotion of European immigration and agricultural settlement. PGNs typically relied on indigenous labor and thus didn't require large settler/slave populations as BGNs generally did (Wolf 1997: 129-353). Such was New Netherland's basic experience, with concern over its low European population leading to great dependence on its indigenous neighbors, as well as to more liberal settlement terms for private colonists, neither of which prevented an eventual English conquest.

The Dutch-Lenape PGN, 1609-1620s

A high-value input for an artisanal product, North American beaver fur was not part of the bulk-trading mercantile-industrial-financial complex that made the Netherlands a core nation-state, and eventually a hegemonic one (Bunker and Ciccantell 2005: 104-22; Özveren 2000: 28-37). It was riskier and higher-cost than the Baltic "mother trade," yet still quite profitable (Rink 1986: 35, 209). Those profits were arguably generated by the intersection of geography – the network of rivers and lakes that formed Indigenous trade routes and suppressed transport costs (Innis 1970; Richards 2003: 466) – with typically ill-compensated Indigenous labor (Delâge 1993: 78-162; Kardulias 2007).

The Algonkian-speaking Lenapes of the lower Hudson and Delaware Valleys were the first indigenous North Americans to trade extensively with the Dutch, and were soon using European consumer goods (e.g., liquor, cooking utensils, cloth goods, steel knives, and axes), and internally competing for fur (Kraft 1986: 155-59, 198-211; Rink 1986: 35; Trelease 1997: 11). The trade in turn generated demand for sewan/wampum, a seashell currency made by coastal Algonkian peoples (Ceci 1990: 50). Prohibited from coining money, New Netherland authorities legalized wampum as a medium of exchange, along with beaver pelts and tobacco (Kraft 1986: 202-03; Ceci 1990: 55, 59-60; Delâge 1993: 280). Pre-contact, wampum's use was more likely ceremonial and diplomatic (cf. Ceci 1990: 49-50; Abler 1992: 164). However, as fur gathering for Europeans became "craft specialized" – i.e. the existing practices for hunting, trapping, and preparing furs were consciously intensified by indigenous peoples because of their involvement in the Europeans' market economies (Kardulias 1990: 25, 31, 52; 2007: 66-67) – the trade in turn required a specialized currency, as is typical in MWS-era regional incorporation (Hopkins and Wallerstein 1987: 772-73).

Incorporation into the MWS has also entailed specialized production replacing subsistence among indigenous men (Carlson 2001: 242; 2002: 427; Kardulias 2007: 68), which doubly burdened women, who retained their subsistence responsibilities alongside fur preparation work (Dunaway 1996a: 37-38; Richards 2003: 507). This basic model describes the Lenape experience (see Burrows and Wallace 1999: 12-13; Kraft 1986: 138-43, 200). The Dutch also attempted to convert the Lenapes to “stateness” (Carlson 2001: 37-38) by appointing male “chiefs” to manage the trade (Kraft 1986: 201), though the focus of politics onto a smaller number of males decreased women’s political participation (Dunaway 1996a: 17, 37, 1996b: 461; Hollis 2005: 117, 119).

Dutch PGNs with the Mahicans and Mohawks, 1620s-1650s

By the mid-1620s, Lenape territory was severely depleted of fur-bearing mammals (Kraft 1986: 199), and by the mid-1630s their population had been reduced by 90 percent from pre-contact (Trelease 1997: 184-85; Burrows and Wallace 1999: 37). Dutch traders soon focused on present-day Albany, 150 miles up the Hudson River (Burrows and Wallace 1999: 22; see Figure 1), where they had established the trading post Fort Nassau (later Fort Orange), ca. 1614-15. The post allowed easier access to fur supplies, traded by the then powerful Mahicans, Algonkian-speakers who in turn traded with other Algonkian peoples further north and east. For the Mahicans, Fort Nassau assured them of a market for their furs (Gehring and Starna 1992: 12-13; Trelase 1997: 31-33). When the Dutch West India Company (GWC) took over New Netherland in 1621, they also had a more stable trading partner.

The GWC was a prime example of private interests “being used to fund the exploitation of primarily *luxury* goods, in place of official political-military expansion on an empire’s frontier” (Carlson 2002: 413; cf. Hollis 2005: 111). But it also had very state-like attributes, including judicial, treaty-making, and military authorities, as well as a trans-Atlantic trade and navigation monopoly (Klooster 2002: 172). Chartered in 1621, the GWC was part of the Dutch grand strategy to use overseas merchant firms militarily against Spain and Portugal (Bachman 1969: 25-26, 53; Boxer 1990: 26-28, 54). Since New Netherland was entirely beyond Spain’s sphere of influence, and lacked a military justification, reliable fur trade profits were the colony’s *raison d’être*, offsetting risky plans to conquer Brazil and Peru (Condon 1968: 60; Bachman 1969: 25, 55; Rink 1986: 65, 89-90). Focused on prestige goods trade, the GWC discouraged independent agricultural settlement to avoid complicating Euro-indigenous relations; the company instead emphasized peaceful coexistence with indigenous peoples, as well for reasons of “common prudence” (Bachman 1969: 59, 83; Rink 1986: 78; Trelase 1997: 37-42).²

For their part, the Mahicans “probably saw [...] the advantages of controlling access” to the Dutch and their trade goods (Gehring and Starna 1992: 13-14). Dutch-Mahican coexistence around Fort Orange was nonetheless marked by quarrels and occasional violence, “but always renewed through trade” (Jennings 1984: 50-51). GWC policy toward native peoples was a matter of relative power: while generally solicitous of stronger groups, e.g., the Mahicans and then the Mohawks, who were inland and controlled larger fur supplies, company agents were more hostile toward the weaker coastal peoples, particularly the Lenapes as they lost standing in the

² The GWC Board instructed its local managers to compensate native peoples for voluntarily ceded land, though generally ignoring “fundamental issues” of Indian ownership, substantive land values beyond the purchase price, and the Indians’ post-sale reserved rights (Starna 2003: 16).

fur trade (Trelease 1997: xiii, 115).³

Despite generally peaceful relations with the Dutch, the trade probably caused changes in Mahican life similar to those that affected the Lenapes (Dunn 1994: 76-77, 86-87), but a weak archaeological record prevents firm conclusions (Starna 2003: 13). More certain is the Dutch presence at Albany after 1614-15 attracted the Haudenosaunees (Richter 1992: 88), in particular their easternmost nation, the Mohawks.⁴ In conflict with the French and their various indigenous allies, the Mohawks looked to trade with the Dutch, but had to first defeat the Mahicans to do so (Trigger 1985:173-76; Richter 1992:54-55; Brandão 1997: 62-71). Following their conflict with the Mahicans (ca. 1624-28), the Mohawks were soon actively trading with the Dutch (Trigger 1971: 277-82; Jennings 1984: 49; Gehring and Starna 1992: 16-18). After a brief interruption, New Netherland's fur exports rebounded (see Table 1) and its economy grew dependent upon the GWC-Mohawk relationship, as each became the other's chief trading partner.

Table 1: New Netherland's Furbearer Exports, 1624-36

Year	Beaver pelts	Otter pelts (& others, 1626, '28, '33)	Total returns (in f)	Return per skin (in f)
1624	4,000	700	27,125	5.77
1625	5,295	436	35,825	6.25
1626	7,258	857	45,050	5.55
1627	7,520	370	56,420	7.15
1628	6,951	734	61,075	7.95
1629	5,913	681	62,185	9.43
1630	6,041	1,085	68,012	9.54
1632	13,513	1,661	143,125	9.43
1633*	8,800	1,383	91,375	8.79
1634-35	14,891	1,415	134,925	8.27
<u>1624-35 totals</u>	<u>80,182</u>	<u>10,948</u>	<u>725,117</u>	<u>7.96</u>
1636**	ca 8,000			

*possibly includes 1632 **includes all types of furbearers

Sources: Bachman (1969: 94, 129-31, 141-42); Brandão (1997: 86)

³ Indeed, the GWC's local director instigated a brutal conflict with the Lenapes in the early 1640s, who lost nearly 1,000, but destroyed many European farms and settlements; many colonists fled to Europe (Rink 1986: 215, 217, 258; Trelease 1997: 70-83; Meuwese 2003: 409-16). Similarly, the period 1655-64 was marked by steady conflict with indigenous peoples on Long Island and the lower Hudson Valley (Richter 1992: 96).

⁴ The other four nations are the Oneidas, Onondagas, Cayugas, and Senecas. The Tuscaroras, ethnic Iroquoians from the Carolinas, joined in the mid-1700s.

New Netherland's May-November trading season was the same as the Haudenosaunees' diplomatic/gift exchange season; the trade also fit with the latter's seasonal round, subsistence work, and sexual division of labor (Richter 1992: 76). Despite suspecting they were being cheated (Brandão 1997: 88), the Mohawks kept trading with the Dutch largely because of the predictably negative consequence of craft specialization (Kardulias 2007: 66-67, 73); by the mid-1630s trade goods had replaced traditional craft goods, but craft skills were not necessarily being passed on, making the Haudenosaunees dependent on the Dutch trade for their survival (Jennings 1984: 61; Trigger 1985: 315; Burke 1991: 289; Richter 1992: 86-90). They also acquired European diseases that killed nearly half their population, which dropped from 22,000 in 1630 to 12,200 in 1640 (Mancall, Rosenbloom, and Weiss 2002: 35). After an initial 1634 epidemic, the Mohawks alone declined from 8,100-10,000 to 2,000-4,500 (Snow and Lanphear 1988: 24; Starna 1991: 246).

Yet the Dutch were as dependent in turn on the Mohawks' military capacity, leading the GWC to start trading them firearms in the mid-1640s (Trigger 1971: 281-86; Jennings 1984: 55-57, 71, 102; Richter 1992: 93-95; Brandão 1997: 100). The Haudenosaunees' precise strategy in the 1640s-50s is still debated (Abler 1992; Brandão 1997: 84-88; Starna 2003: 24-27), but included: raids on fur shipments to the French (Trelease 1962; 1997; Trigger 1971; 1985; Richter 1983); conquests of new hunting territories in western New York, Ontario, Michigan, and the Ohio Valley (Brandão 1997; Starna and Brandão 2004); and conquests of other indigenous peoples for captives to replace population losses from both war and disease (Richter 1992; Schlesier 1976). As well, fur supply strategies apparently varied by nation: the Mohawks emphasized raiding and piracy, while the Senecas were territorially expansionist (Abler 1992: 158-59).

Haudenosaunee victories expanded New Netherland's fur supply: 1656-57 saw the largest fur volume in the colony's recorded history, with some 46,000 beaver and otter pelts shipped each year from Fort Orange to New Amsterdam (Trelease 1997: 131), a dramatic increase over the 1624-35 total (see Table 1). Yet by 1660 there was a sudden decline to 15-20,000 pelts (Burke 1991: 284; Fernow 1877-87: XIV, 444). Stimulated in part by furbearer depletion in their homelands (Abler 1992: 158), the Haudenosaunees' political-military expansion engendered conflicts with neighboring Algonkian nations, reducing time spent on hunting/trapping (Thomas 1981: 364), and putting New Netherland into fiscal deficit (Fernow 1877-87: XIII, 372-73; Trelease 1997: 131).

The Haudenosaunees suffered additional blowback. Their success against France's Indigenous allies also threatened the PGNs responsible for Canada's "economic prosperity" (Trigger 1985: 273), and compelled Versailles to make it a royal colony in 1663, as well as increase its military commitment. Other indigenous nations acquired firearms by the early 1660s, and the Haudenosaunees suffered greater losses in future conflicts (Jennings 1984: 102; Trigger 1985: 271-73; Richter 1992: 62, 98). Disease and warfare further reduced their collective population from 10,000-12,200 (1640s) to 8,600-8,700 (1670s) (Richter 1983: 543; cf. Brandão 1997: 158ff, Tables C3, C5; Mancall et al 2002: 35). Population losses and the decaying Dutch trade led most of the Haudenosaunees to a post-1664 *rapprochement* with the English (Jennings 1984: 130; Trelease 1997: 228); the Mohawks in particular became their loyal ally (Parmenter 2007).

New Netherland's End, 1650s-1664: Geopolitical Limits of a Prestige Goods Economy

An irony of Dutch hegemony was the loss of its American colonies in the mid-17th century, in part because the Netherland's relatively high living standards and high direct costs for migrants limited any push to colonial emigration (Rink 1986: 97-105; Delâge 1993: 241-44; Jacobs 2005: 45-47). Many New Netherlanders were in fact not Dutch (Rink 1986: 139-71), a characteristic of several other Dutch colonies (Boxer 1990: 230, 245-46). This, along with inadequate defenses, contributed to the GWC losing its major holdings during 1648-64 (Kammen 1975: 88). This was not for lack of sound policy intentions; Dutch officialdom increasingly wanted to switch the colonial economy from prestige goods production to bulk goods production, in particular grain, to supply the GWC's other colonies and possibly replace Baltic grain and timber in the metropole and provide a strategic population of agricultural settlers (Bachman 1969: 57-71, 148; Rink 1986: 134; Jacobs 2005: 112-13, 214-15). The GWC's liberalization policies – allowing private estates in the Hudson Valley in the late 1620s-30s, and then smaller private settlers from the 1640s onward (Bachman 1969) – did increase New Netherland's population from 500 in 1640 to 2,500 in 1645, 3,500 in 1655, and then near 9,000 by 1664 (Kammen 1975: 38; Rink 1986: 158, 164). This figure still dramatically trailed that of its English neighbors, however, with Virginia at 40,000 and New England at 50,000 (Bachman 1969: 131; Kammen 1975: 38; Rink 1986: 121-25, 158). Sound policy intentions were stymied by the logic (however delimited by world-systemic structures and processes) of individual choice in weighing the relative costs of migration (cf. Hall and Kardulias 2010: 31).

This was particularly true in comparison to contemporary English migrants. Lower living standards and a period of rural primitive accumulation as the agricultural economy became commercialized left a large number of poor, landless people desperate enough to migrate. This produced a mid-17th-century flood of English immigration “that completely upset the existing balance of power in North America” (Eccles 1983b: xii; Delâge 1993: 241, 244). The style of settler colonialism brought whole communities of émigrés, rather than a relative handful of corporate employees or government officials as with other colonial powers (Chase-Dunn 1980: 197-98).⁵ Though never a formal policy and with a fair amount of regional variation along the coast (Earle 1992; Hornsby 2005), the basic style of English North American colonization stemmed from the model propounded in the late 16th and 17th centuries by the cousins Hakluyt, who advocated a type of agriculturally productive settler colonialism to provide England with staple (bulk) commodities, and a safety valve for its unemployed masses, and an “oblique” geopolitical challenge to the Iberian colonies (Earle 1992: 481). From the standpoint of world-economic competition, the Hakluyt model helped meet England's need for both external markets and raw materials (Wallerstein 1980: 103; and see below).

New Netherland's location midway between two burgeoning English colonies also hindered the Navigation Acts (Delâge 1993: 269; Burrows and Wallace 1999: 72), England's challenge to Dutch hegemony via “state constraint on foreign merchants” (Wallerstein 1980: 76, 96, 236). An English New Netherland could also be developed for a bulk goods trade with the Caribbean, sending slaves and food for raw sugar and molasses (Burrows and Wallace 1999: 72). England's “new merchants” who assumed political power in the 17th century clearly saw it as

⁵ This had the concomitant effect of introducing a population of children that was “susceptible and possibly infected” with diseases like smallpox, hence the 1630s epidemics among the northeast's indigenous peoples (Snow and Lanphear 1988: 27-28).

part of a BGN, modeled on their other mainland North American colonies (Brenner 2003: 161-62, 170). New Amsterdam's merchants in fact started a bulk goods trade with its English neighbors and the Caribbean in the 1640s, when it was still legal; after the 1664 conquest they fit easily into the mainland-Caribbean BGN (Matson 1998: 17, 36-117).

New France's Euro-Indigenous PGNs, 1600-1663

Similar to New Netherland, Canada⁶ was initially controlled by trading companies, whose fur intake and subsequent profits depended on Indigenous peoples' labor and pre-existing trade networks. Though both PGN-dependent colonies, there were some notable differences. Unlike New Netherland, which had little missionary activity, the Franco-indigenous fur trade came to be dependent on missionary activity, and was nearly ended by it (Delâge 1993: 117-19, 166-67, 223-24). And while New Netherland's state-chartered monopoly gradually liberalized the economy, New France's state-chartered monopoly gave way to state control in 1663, albeit due to similar concerns: low European population, a stagnant economy, and possible English encroachment (Eccles 1983b: 57; Trigger 1985: 283; Choquette 1997: 252-53). Though the Franco-Indigenous PGN was successful up to a point in supporting and even extending France's PMN in North America, like Dutch New Netherland it began to fall behind Britain's BGN-focused colonies.

A formal French presence began in the St. Lawrence Valley soon after 1600 (Eccles 1983b: 20). Versailles wished to promote settlement (Moogk 2000: 13), but official opinion was divided: some wanted to promote settler agro-colonization and ultimately integrate the colony into a BGN (like the English); while others wanted to keep out large-scale European settlement and develop a profitable fur trade with the region's indigenous peoples, i.e. a PGN model (akin to the Dutch). The PGN model carried the same contradiction as faced the Dutch: low European population meant geopolitical vulnerability, something acknowledged even by those with an interest in a PGN-focus for the colonial economy (Trigger 1985: 315-16). In other words, to keep the colony and its fur trade in France's PMN, a BGN would have to exist alongside a PGN. But before 1663, the state contracted with undercapitalized private firms (Bumsted 1992: 69), yet all of these were focused on the fur trade (Eccles 1983b:34), and not on promoting agricultural settlement *à la* the Hakluyt model (Delâge 1993; Choquette 1997: 247-77). Partly this was because fur trade profits were not large enough to support major colonization. Also, in spite of formal obligations, trading companies were unwilling to promote even modest colonization, fearing competition from many small private traders (Trigger 1985: 306, 315). Mid-17th-century Canada was therefore still both economically and politically dependent on its Euro-Indigenous PGNs.

These PGNs soon became politically complicated. French traders initially preferred dealing with the Montagnais and Algonkins peoples north of the St. Lawrence with easy access to a large volume of putatively higher quality northern furs (Richards 2003: 477, 492; cf. Starna 2003: 25), for which the French traded iron weapons. The Mohawks' technological disadvantage *vis à vis* the Montagnais and Algonkins, and French unwillingness to deal with them, compelled them to trade with the Dutch (see above). After several decades indirectly receiving European

⁶ During the 17th century, France's St. Lawrence Valley colony was interchangeably referred to as either Canada or New France. By 1700, New France came to mean all French North American territories: Canada, Acadia, Louisiana, and the western posts (Eccles 1983b: xvii).

goods, the Hurons bypassed their Algonkin and Montagnais trading partners to contact the French directly in 1609, who promoted an anti-Haudenosaunee alliance with all three nations (Trigger 1985: 139-41, 162-63, 173, 308; Delâge 1993: 82-83).

The inability or unwillingness of either private interests or the state to undertake large-scale agricultural settlement in the St. Lawrence Valley made religious orders, in collaboration with merchants, key players in the French colonization strategy (Bumsted 1992: 72; Delâge 1993: 119). Unlike other orders, the Jesuits regarded settlers as a bad influence and accepted native cultures on their own terms, at least to promote conversion (Eccles 1983b: 26; Trigger 1985: 200-01, 316, 320-21; Moogk 2000: 21, 28, 34-35). They accepted French traders, whose presence among the Hurons aided the Jesuits; traders in turn charged indigenous Catholic converts lower prices for European goods, and provided them firearms after 1641 (Trigger 1985: 255; Delâge 1993: 119, 174, 184, 195; cf. Brandão 1997:332-33n31). The Jesuits therefore used a PGN-based strategy to achieve their organizational goals.

The Jesuits settled among the Hurons in 1634, establishing a permanent mission in 1639 (Delâge 1993: 163-64; Moogk 2000: 30) that ended in 1649, the year Huronia was conquered by the Haudenosaunees. The Jesuits' very success in converting a significant minority to Catholicism severely divided Huron society, which along with increased disease exposure were arguably major causes of the defeat (Schlesier 1976:136-41; Trigger 1985:250-59; Delâge 1993: 88-89, 178-224ff), and in turn a major Jesuit setback. The conquest and subsequent dispersal of the Hurons also impeded France's North American colonial policy. The Hurons were its main Indigenous ally and a major source of New France's fur: production had doubled from 15,000 pelts total before 1630 to 30,000 pelts during 1632-40, in spite of serious disease mortality (Eccles 1983b: 44; Delâge 1993: 142). The fur volume from Huronia to New France possibly even increased post-1640 (Trigger 1985: 250), with French profits in 1646 at nearly 100,000 *livres*, rising to about 250,000 *livres* in 1648 (Eccles 1983b: 44).

Key Huron leaders had accepted the Jesuits' presence for continued access to both French military support as well as their only source of European manufactured goods, which by the 1630s many Hurons believed were absolutely necessary to their way of life (Trigger 1985: 247-48, 258, 265; 1991: 1207; Delâge 1993:97). Ironically, even if the Hurons rejected the Jesuits, the French would likely have still traded with them, due to their own economic and strategic imperatives to maintain a PGN that was vital to colonial survival (Trigger 1985: 229). The Hurons were therefore self-limited in their ability to "negotiate externality" (Carlson 2012a: 90) and in the terms of their incorporation into the world-economy. In contrast, the Haudenosaunees, who harbored very few missionaries before the late 1660s (Abler 1992: 166; Delâge 1993: 326-28), did not face religious schisms until later.⁷

Though the Hurons' defeat was a major political and economic setback for New France (Trigger 1985: 335), they soon found a new principal indigenous ally and fur supplier in the Ottawas, located further to the west (Richards 2003: 482-86; see Figure 1). The Haudenosaunees continued pressuring French settlements in the St. Lawrence Valley through the 1650s, one of the motivations behind the colony's 1663 nationalization, especially given its slow population growth. With only 3,035 colonists in 1663, of whom over 1,300 were regular soldiers (Bumsted 1992: 79; see Table 4), private settlement efforts had failed. By the 1660s, the Euro-Canadians were arguably "losing a war of attrition" to the Haudenosaunees (Bumsted 1992: 79), whose

⁷ Similarly, other social formations such as Abyssinia in the 1500s and Japan in the late 1500s-early 1600s, expelled the Jesuits, among other Roman Catholics, "because of perceived negative impacts associated with 'incorporation'" (Carlson 2011a: 182, 192, 2012b: 145-72).

fearsome reputation scared off prospective French immigrants (Eccles 1983b: 38, 87; Moogk 1989: 465-66, 487; Choquette 1997: 282).

At the same time, the traders to whom colonial development had been entrusted were too concerned about short-term fur trade profits to promote large-scale settler colonization (Trigger 1985: 342). The availability of fertile land within France (Moogk 2000: 89-92), Versailles' refusal to admit non-French colonists, the availability of more inviting destinations (Choquette 1997: 282, 304), and as with New Netherland the high cost⁸ meant that as few as 30,000 settlers immigrated to Canada during the entire French colonial period (cf. Hall and Kardulias 2010: 31). Versailles therefore nationalized New France in 1663 to promote its self-sufficiency and provide a market for metropolitan goods (Eccles 1983b: 60; Moogk 2000: 83) – roughly akin to the Hakluyt model of England's BGN colonies.

Attempted PGN-BGN Transitions in Eastern North America, 1663-1754

Bulk Goods vs. Prestige Goods in Canada, 1660s-1680s

The French were also losing to the English in the Americas; by 1700 there were 350-400 thousand Europeans and Africans in the English colonies versus 70,000 French colonists (Wallerstein 1980: 101-02). Following the Hakluyt model and its emphasis on settler colonization and bulk goods production, England also developed a more robust and higher volume transatlantic trade, while France did not. Its home market was big enough, it “was *better off* economically than England,” and therefore did not have as great a need to develop a foreign/colonial trade (Wallerstein 1980: 104). England's need for foreign trade caused it to need more ships, hence more naval stores, “then products with which to buy the naval stores, then colonial purchasers of expanding manufactures” (Wallerstein 1980: 103-04; similarly, Bunker and Ciccantell 2005: 123-34).

Though concerned about colonial competition (Choquette 1997: 283), French mercantilist policies promoted Caribbean and Canadian growth (Egnal 1998: 122, 128-29, 132). Population growth was a priority; immigration to Canada had been 90 percent male and largely comprised of indentured servants, two-thirds of whom returned to France (Choquette 1997: 10, 309n21; Moogk 2000: 108). Crown-subsidized transportation during 1662-1671 increased Canada's European population from just over 3,000 in 1663 to 7,800 by 1676 (O'Callaghan 1853-61: IX, 126; Moogk 1989: 477-81; Bumsted 1992: 79). These efforts included females from the lower end of the socioeconomic scale, with the expectation they would marry and reproduce. The ensuing natural increase raised the Euro-Canadian population to over 11,000 by 1700 (Harris and Warkentin 1974: 32; Choquette 1997: 175, 236; Moogk 2000: 120).

France's weak navy made its colonies potentially vulnerable to maritime blockade, in turn demanding Canadian agricultural development (Moogk 2000: 83). Small traders – 20-25 percent Canada's adult male labor force up to 1681 – therefore had to be forced out of the fur trade to concentrate on farming (Egnal 1998: 134-35). Senior French officials also wanted to create a Canadian-French Caribbean BGN; fish, wheat, flour, peas, and barrel staves would supplement the islands' own trade in sugar, molasses, and rum with France, similar to the Anglo-

⁸ Post-1650 the cost was 60-80 *livres*, almost a year's wages for a French artisan, exclusive of living expenses (Moogk 2000: 108).

American colonial BGN (Eccles 1983b: 62). To supply vessels for the trade, a Crown-supported Canadian shipbuilding industry was planned (Miquelon 1988: 433; Egnal 1998: 154; Moogk 2000: 84).

Yet fur remained the major export (Moogk 2000: 84), and France expanded its fur trade in the late 1660s for geopolitical reasons (Eccles 1983b: 105). Following continued conflict and diplomacy (Brandão 1997: 114-15; Richter 1992: 102-04; Trigger 1985: 280-81, 338-40), a formal peace agreement had allowed the Haudenosaunees to hunt just north of the Hurons' former home between Lake Simcoe and Georgian Bay (Richter 1983: 542). French colonial officials nonetheless regarded these lands and furbearing mammals as their indigenous allies'-- and by extension, New France's. The real concern was the Haudenosaunees' trading these furs (and those captured from the Ottawas) at Albany for its higher prices (Richter 1992: 129-30, 137), which also attracted French private traders and allied indigenous traders (Buffinton 1922: 339-41; Trelease 1997: 246-47). New France's colonial authorities therefore established trading posts throughout the Great Lakes and on the Illinois and Mississippi Rivers in the 1670s (Eccles 1983b: 109-10; Richter 1992: 130-31, 138-39; Trelease 1997: 247). This hybrid PMN/PNG took firmer shape in the 1670s-80s, with explicit politicization of prestige goods trade and use of military power to promote profitable trade (Jennings 1984: 173-75; Brandão 1997: 120). France-bound beaver pelts "doubled from about 70,000 pounds in the mid-1670s to 140,000 pounds in the late 1680s" (Egnal 1998: 134). Fur marketing policies and subsidized prices ensured profitability, but the fur trade's subsequent expansion reduced the available labor supply, hampering the development of the bulk goods economy (Eccles 1972: 84-85; 1983b: 104-05).

New York's Move to a Bulk Goods Economy, 1660s-1680s

Despite plans in the 1660s for a colonial BGN (Burrows and Wallace 1999: 72), New York until 1685 was under the Duke of York, whose policies initially discouraged it by banning freehold farming (Kammen 1975: 112). The colony remained "a classic satellite" of England, much like Canada *vis à vis* France: a fur entrepôt with a single dominant port city and little rural settlement which was dependent on the metropole for manufactured goods (Matson 1998: 51). After a brief period of home rule in 1683-85, New York was made a royal colony, inspired by Colbert's nationalization of Canadian colonization efforts. Both powers were thus attempting to formalize their mainland North American colonies' place in the imperial PMNs (Greene 2002: 272; Wallerstein 1980: 237).

Yet New York's colonial authorities recognized several larger trends were afoot: the fur trade's decline by ca. 1680 to a fifth of its mid-1650s peak, alongside an existing east coast inter-colonial BGN that included reshipment of Caribbean and southern "bulky unprocessed goods" including timber, tobacco, and sugar from New York to England. They also saw potential for expanding this BGN in response to rising Caribbean demand for foodstuffs.⁹ To better promote and control trade, and in response to the politically powerful "great" merchants' demands, New York's governors passed numerous laws favoring the larger New York City merchants, and in the 1670s-80s made New York City the colony's sole port of entry (Kammen 1975: 106; Matson 1998: 95-100; Burrows and Wallace 1999: 84). Though contested by rural interests (Matson

⁹ Caribbean and Newfoundland demand grew from the late 1680s, drawing over 60,000 bushels of New York grain annually by 1680 (Matson 1998: 78-80, 89, 92, 95-100; Burrows and Wallace 1999: 84, 87).

1998: 102-06, 230-31), these policy choices had the long-term consequence of helping assure New York City's place as a major port and urban center both in the colonial period and beyond.

Haudenosaunee Networks under Pressure, 1680s-1701

New York's declining fur trade was partly due to the Haudenosaunees' continued conflicts with the French, Ottawas, and other indigenous allies. Coterminous after 1689 with King William's War among the Euroamericans, the Haudenosaunees intended to protect their expanded hunting territories north and west of Lakes Ontario and Erie (Trelease 1962: 47; Abler 1992: 167-68), but fighting only reduced hunting and trading, and dramatically reduced their population. Haudenosaunee losses were perhaps 2,000 people of 8,600-9,000 total (Mancall et al 2002: 35; Richter 1992: 188, 355-56n60).¹⁰

The 1701 Albany and Montreal treaties ending the conflict were arguably a diplomatic triumph for the Haudenosaunees, who preserved their right to hunt on part of the western lands (Brandão and Starna 1996: 231-32; Richter 1983: 535). Though vowing future neutrality, they deeded their western conquests to England, accepting a legal fiction of English sovereignty to formally obligate English military assistance (Richter 1992: 212; Brandão and Starna 1996: 228). Since the deed overlooked the Haudenosaunees' loss of exclusive rights to these lands, the English used it to justify territorial claims in the Ohio Valley against the French (Jennings 1984: 212). The Haudenosaunees' PMN – their “covenant chain” of conquests and alliances – was formally placed into England's PMN.¹¹

For their part, the French intended to use the Haudenosaunees to block their western allies from Albany's cheaper trade goods and in turn channel the westerner's fur back to Canada, as well as prevent English western expansion via Haudenosaunee proxy (Eccles 1983a: 343-44; Richter 1983: 553; Jennings 1984: 210-11). The French maintained their western PGN despite a post-1701 fur glut and decreasing metropolitan demand, because the trade was the basis for alliances (Eccles 1983b: 124-30; Jennings 1984: 210; Desbarats 1995: 613-15). Without these the English could supplant the French as the western nations' source of European goods and potentially control interior North America, thereby threatening France's PMN in North America (Eccles 1972: 99).

New York in the Mainland-Caribbean BGN, 1690s-1750s

By the 1690s, New York had “decisively” shifted its export focus “from furs to agricultural surpluses” (Matson 1998: 116; Norton 1974: 101); by 1720, its economy was seasonally-oriented to the Caribbean export trade (O'Callaghan 1853-61: v, 685-86; Kammen 1975: 169-70; Burrows and Wallace 1999: 122). Conversely, in terms of shiploads, by 1720 Caribbean sugar planters' imports of food, provisions, and draft animals from New England and New York equaled that of English manufactures (Matson 1998: 125). Drawing on a hinterland that included the Hudson Valley, Long Island, New Jersey, Connecticut, and Rhode Island, New York City's

¹⁰ Some estimate a decline of over half, from 7,710-12,750 in 1689 to 3,690-6,150 in 1700 (Brandão 1997: 123, 126; Jennings 1984: 206; Trelease 1997: 268-69, 303-06, 323).

¹¹ Though amongst the Haudenosaunees, the easternmost Mohawks remained the firmest English allies; while the westernmost Senecas often “supported the French, though they were divided into pro-French and pro-English factions” (Abler 1992: 169).

grain and flour exports to the islands rose to 80,000 barrels of flour annually by 1740 (Matson 1998: 215, 266), along with an increasing variety of other goods (Pares 1968: 37).¹² Returning cargoes chiefly included sugar, rum, and above all molasses, the most profitable (yet bulkiest) Caribbean commodity. In turn, sugar and molasses became the basis of New York City's refining and distilling industries, attracting merchant capital reinvestment in local manufacturing, as happened earlier in Boston and Philadelphia (Pares 1968: 14n4, 25-26, 32-33, 92-119; Matson 1998: 183-84, 202, 260-61; Burrows and Wallace 1999: 120-29).

The Caribbean-mainland BGN spurred New York shipbuilding, again per Boston and Philadelphia's example (Özveren 2000: 42, 45). Six shipyards were founded on Manhattan in the late 1720s-early 1730s, producing single-masted sloops and two-masted brigs used in both the coastal and mainland-Caribbean BGNs, and spinning-off related manufactories (Burrows and Wallace 1999: 123). Manhattan shipyards produced 12-22 new vessels each year during the 1720s-1750s, with New York City-registered ships tripling from 53 in 1738 to 157 in 1749 (Matson 1998: 130, 142, 416n138). Though arguably a degraded core activity in this period (Özveren 2000: 81), semiperipheral shipbuilding was nonetheless a "crucial" start for the northern colonies' eventual core emergence (Wallerstein 1980: 241).

New York's population doubled between 1703 and 1723 and rose by half again between 1723 and 37 (see Table 2). While attaining a trade surplus in the intercolonial BGNs, like other colonies it could never balance the increasing trade deficit with Britain (Kammen 1975: 166-67; Egnal 1998: 35; Matson 1998: 239). There was also nascent political conflict, as the mainland-Caribbean BGN violated Britain's formal PMN by including French, Dutch, and Spanish colonies (Pares 1968: 58, 64-65; Matson 1998: 267, 270, 286). These conflicting imperatives, among others, engendered a movement for political independence starting in the 1760s (Kammen 1975: 337-75; Matson 1998: 283-311; Hornsby 2005: 204-34). New York's traders had nonetheless been able to take advantage of the strategic/symbiotic relationship with the Caribbean colonies, and the colonial economy was able to benefit from involvement in a BGN that would not have been possible or as cost-effective with fewer and/or more distant colonial holdings (cf. Chase-Dunn and Hall 1997: 53-54, 2012: 189).

Table 2: Provincial New York population

1698	18,067
1703	20,540
1723	40,564
1731	50,286
1737	60,437
1746	61,589
1749	73,348
1756	96,790
1767	>120,000

Sources: Howard (2001: 150-51); Matson (1998: 128)

¹² The list of exports included, e.g., ship's biscuit, naval stores, lumber products, pork, beef, beeswax, and flaxseed.

The Attempted Canadian-Caribbean BGN, 1702-1760s

French colonial officialdom promoted the same approach for Canada, but its less successful BGN was partly a matter of its pre-existing economy, which required more metropolitan support than it received, and partly a matter of competition from the productive and successful British “bread” colonies, whose Caribbean BGN also included France’s island colonies.

Though mid-St. Lawrence Valley farmers were not focused on cash crop production, Queen Anne’s War and subsequent European grain shortages (ca. 1710) boosted demand for agricultural exports from Canada as well as New York to the French Caribbean (Miquelon 1988: 434, 442). Despite potential profits, the trade proceeded slowly during 1715-25, with less than a handful of ships sailing either way between Canada and the French Caribbean (Egnal 1998: 143). But cultivated land per capita doubled during 1725-39, and Canadian agricultural production increased dramatically during the 1720s-30s (Egnal 1998: 149-50).¹³ Self-sufficient in wheat by the mid-1720s, Canadian authorities shipped large amounts of flour to the French Caribbean in the 1720s-1730s, sending as many as ten ships per year with grain cargoes worth over 100,000 *livres*, aided by Versailles’ attempts to end smuggling between its islands and Britain’s mainland colonies (Egnal 1998: 143, 149, 151). During 1720-1740, Canada’s annual food and agricultural shipments to the French Caribbean averaged 4,000-8,000 barrels of flour, hundreds of tons of biscuits, and in some years over 4,000 barrels of peas, plus meat, horses, and wood, in exchange for molasses, rum, and credits to shore up its trade deficit with France (Harris and Warkentin 1974: 37; Miquelon 1988: 435, 439).

Sawmills also increased from ten to seventy during 1710-1739 (Miquelon 1988: 441), as royal bounties in the early 1730s also helped expand Canadian shipbuilding (Lanctôt 1965: 113; Eccles 1972: 123; Harris and Warkentin 1974: 55). Between 1729 and 1742, the Quebec City shipyards built at least nine vessels annually (Egnal 1998: 154, 157). Shipbuilding was expected to promote economic diversification and help the BGN with the French Caribbean (Miquelon 1988: 437; Moogk 2000: 84). Canadian shipbuilding was also meant to decrease France’s dependence on Baltic timber supplies (Miquelon 1988: 433), similar to Britain’s colonial shipbuilding and naval stores policy (Wallerstein 1980: 217n255, 239-40). The Crown soon opened its own Canadian yards for 500-700 ton ships-of-the-line, which dwarfed any ships built in British North America, and employed up to 200 workers (Lanctôt 1965: 113; Harris and Warkentin 1974: 56).¹⁴

Besides shipbuilding, yet another British war had Versailles massively increase its Canadian spending, from 500-600 thousand *livres* annually in the 1730s to 860,000 *livres* in 1743, two million in 1745, five million in 1753, and an inflation-driven 30 million in 1759 (Egnal 1998: 159-60). The Crown’s North American expenditures indicated the French imperial PMN’s subsumption of the Canadian-Indigenous PGN (Miquelon 1988: 439). Yet fur remained Canada’s major export at about 70 percent of total value by 1739, with farm produce at 18 percent, fish and fish byproducts at nine percent, and iron and wood at two percent (Moogk 2000: 84), which may also reflect four crop failures during 1736-43 (Miquelon 1988: 441).

¹³ Wheat production rose from 282,700 bushels in 1721 to 634,605 by 1739; in the same period, cattle rose from 23,888 to 38,821 heads, and flax production increased from 54,650 to 127,219 bushels (Lanctôt 1965: 111-12).

¹⁴ However, private Canadian shipbuilding ceased, and the Royal Quebec shipyards’ output was considered to be lower in quality, due to less-skilled labor and inferior raw materials, producing only 14 ships through the 1750s (Lanctôt 1965: 113; Harris and Warkentin 1974: 56; Moogk 2000: 85, 294n81).

Canada then plunged into a “debilitating” agricultural depression from the mid-1740s to the early 1760s (Harris and Warkentin 1974: 37). In turn, agriculture, shipbuilding, and related industries “collapsed,” further hampered by merchant shippers from Britain’s mainland colonies, whose supply hinterlands were more reliable and ocean crossings shorter than the Canadians’ (O’Callaghan 1853-61: x, 220-32; Miquelon 1988: 441-42).

Crossed and Deteriorating PGNs, 1710s-1750s

During its attempted bulk goods transition, ca. 1710-40, Canada’s ethnic European population rose from about 18,000 to over 40,000, thanks largely to natural means (Moogk 1989: 464; see table 3). But by “combin[ing] indissolubly economic exchange relations with a network of political alliances” (Adelman and Aron 1999: 820) between itself and the western nations – i.e. its hybrid PGN/PMN – France was able to tenuously control North America between the Appalachians and the Rockies, using just 200-600 local officials in any given year during 1719-50 (Eccles 1983a: 355).

Table 3: Euro-Canadian population

1635	135
1640	359
1650	675
1663	3,035
1666	5,870
1676	>7,800
1700	>11,000
1713	18,119
1714	18,964
1734	37,716
1739	>40,000
1755	≤62,000
1760	65-70,000

Sources: Bumsted (1992: 71, 79); Eccles (1983c: xv, 38); Harris and Warkentin (1974: 32, 36, 37); Lanctôt (1965: 101, 108); Moogk (1989: 464); O’Callaghan (1853-61: IX, 126)

At the same time, Montreal and Albany merchants established their own PGN that ignored PMN boundaries (Jennings 1984: 284). Post-1701, with the Haudenosaunees compelled to share their western hunting lands, Montreal merchants received fur that had gone mostly to Albany, and in turn “swapped to Albany’s the furs that came cheaply to Montreal for the

[British] trade goods that came cheaply to Albany,” which were in turn shipped west by the Montreal merchants to be exchanged for more fur (Jennings 1984: 82; Richter 1992: 269). By 1720, this trade was valued at £10-12,000 per year (Buffinton 1922: 356; Jennings 1984: 284), and Albany merchants – formally within Britain’s PMN – had essentially become part of the Franco-Indigenous PGN (Norton 1974: 97-99; Wien 1990: 311-12).

Though easy and profitable for Albany’s merchants, British imperial officials, New York colonial officials, and the Haudenosaunees recognized that the Albany-Montreal trade maintained French influence with the western nations, thereby contributing to the Franco-indigenous PGNs that underlay France’s PMN in North America – whereas Britain would gain influence if the western nations traded at Albany (Buffinton 1922: 358; Aquila 1983: 139; Eccles 1983a: 352). Despite fur’s decreasing economic importance, New York colonial officials encouraged western nations to trade at Albany in the late 1710s (Buffinton 1922: 357), and the westerners brought 323 canoe loads of fur to Albany during 1720-24, up from only 30 during 1716-1720 (Richter 1992: 249). Conversely, despite the greater risk and expense for the Canadian traders, and Versailles’ opposition (Wien 1990: 298-99, 313), French colonial officials understood their advantage in a continued Albany-Montreal trade, given how “intertwined” were the PGNs and PMN (Eccles 1983a: 351-52).

The Albany-Montreal trade also cut the Haudenosaunees out of their mediating role between the western nations and the Albany Dutch (Aquila 1983: 79; Jennings 1984: 353; Richter 1992: 250). Losing this role, and having suffered great losses from warfare and disease, the Haudenosaunees became British subjects with the 1713 Treaty of Utrecht (Richter 1992: 234-35). Despite their official post-1701 neutrality, becoming formally part of Britain’s PMN was arguably a matter of geopolitical survival. However, it also presaged their further incorporation into the world-economy (Richter 1992: 255-80). Like trading posts elsewhere, Britain’s Forts Oswego and Niagara in western New York were “mechanisms of incorporation” (Carlson 2002: 430); by 1740, other than food and shelter, the Haudenosaunees were materially dependent on trade with the two forts (Richter 1992: 268). Besides a general dependence on European goods, this “trade induced acculturation” (Dunaway 1994: 235; 1996a: 38) included alcohol and its attendant social disruption (Richter 1992: 264-68), and cash-wage labor at the forts by individual Senecas and Onondagas. Laboring and land sales for Euroamerican cash became common among the Haudenosaunees by the 1740s (Nammack 1969; Richter 1992: 262), though traditional utilitarian property rights, economic redistribution and their decentralized political structure narrowed any inequalities that arose (Richter 1992: 263). While Britain did not yet physically control their homeland (Shannon 1996: 32), by the 1750s the Haudenosaunees were nominally incorporated (Richter 1992: 255-56; cf. Carlson 2001: 249, 2002: 431-32). “Effective incorporation” came in the 1780s via military force (Hall 1989: 19; cf. Dunaway 1996a: 17; Mintz 1999; Carlson 2001: 248; 2012a: 91). To the extent that incorporation of North American indigenous peoples has never quite ended (Bush 2005: 99-100), the Haudenosaunees have continued to struggle into the present, both legally and otherwise, with the U.S. and Canadian governments over their sovereignty and land rights (Fenelon 2012: 309; Taub 2013).

The Franco-Indigenous PGNs also deteriorated in the 1720s-1750s, partly because post commanders and senior colonial officials overcharged indigenous fur traders for manufactured goods, rather than suppressing prices for geopolitical reasons (Eccles 1983b: 146). As fur’s commodity frontier extended outward (cf. Moore 2000), shipping costs rose between Montreal and the increasingly distant western posts (Innis 1970: 82-83, 100; Eccles 1983b: 147; Egnal 1998: 161). Effectively isolated from competition, each post could operate as a monopoly (Wien

1990: 316). French Colonial officials then proceeded to restructure the trade in their favor. Much of the “capital and commercial expertise” had come from Montreal merchants and traders, whose profits were taxed by the colonial state, which supported and administered the trade and in turn paid the lease holding post commanders (Wien 1990: 295) – though arguably it was as much about the colonial state skimming revenues from an activity others saw as politically important (Wien 1990: 317). Indeed, these military traders raised their own companies, largely comprised of their own relatives – *ergo* the trade fell under the control of a small number of wealthy families, who basically became “a military and commercial colonial aristocracy” (Eccles 1983b: 147). Toward the end, the Franco-Indigenous PGN was costing Versailles more to maintain the colony than it was returning to France (Innis 1970: 110; Desbarats 1995: 629).

Even with increasing royal expenditures, Canada’s relatively few French settlers could not permanently resist British conquest – nor did certain of them have much desire to, e.g. Montreal merchants who appreciated the freer trade within the British Empire (Choquette 2002: 202), echoing New Netherland’s capitulation nearly a century earlier. France’s attempt to change its colonial praxis in North America provided too little in terms of Eurocanadian demographic and economic growth relative to the burgeoning British colonies. Like the Dutch found out in the 17th century, a mercantile colonial strategy based on prestige goods trade was vulnerable to competing core powers. And like New Netherland’s commercial interests in the 1600s, Montreal’s fur traders saw the advantages of being in Britain’s imperial PMN, which gave them access to both British capital and fur’s receding commodity frontier (Innis 1970: 149-280; Eccles 1983b: 187, 190; Hornsby 2005: 220-22). U.S. independence enhanced the Montreal advantage by splitting the PMN with an international border that locked out Albany’s remaining fur traders from Canada (Innis 1970: 221), as the flexible relationships fostered by PGNs located in a contested periphery gave way to the formalized international boundaries of PMNs (cf. Carlson 2001: 245-46; 2012a: 92; Hall 2013: 45).

Nested Interaction Networks and Contested Peripheries in North America and Elsewhere

Examining a timespace of the modern world-system, this paper uses a more generalized, state-based definition of contested periphery than is used by those more typically examining earlier, non-capitalist/tributary world-systems. Recognizing that a contested periphery can exist between states as well as between entire world-systems allows it to remain a useful concept in the MWS’s post-1500 timespaces. Similar to (if perhaps not entirely synonymous with) frontiers and what Hall (2009: 35) calls “zones of incorporation,” contested peripheries are places that show the limits of both core state capacity and indigenous resistance: northeastern North America witnessed the Anglo-French hegemonic struggle, as well as inter-indigenous struggles to access land, fur resources, and European manufactured goods and in turn struggle to maintain autonomy, or at least negotiate their incorporation into the world-economy.

The struggle over the contested periphery of mainland eastern North America was a result of a prestige good helping hook European powers into a region that was still largely a “zone of ignorance,” and then priming the region’s indigenous peoples by involving them in a PGN (cf. Carlson 2012a: 88), the profitability of which was largely due to relatively cheap indigenous labor in both fur-getting and fur preparation and indigenous knowledge of water transport routes through the interior. Following on from Carlson (2001; 2002; 2011a; 2012b), this paper has tried to illustrate the dynamic role prestige goods can play, with both European and indigenous powers attempting to harness PGNs for political-military purposes.

Again, this deviates from the ideal-typical nested interaction networks model, with the BGN included in a PMN, overarched in turn by the PGN, with an IN at the widest geographical scale (Chase-Dunn and Hall 1997: 54; Carlson 2001: 245). Yet Carlson (2002; 2012b: 37-74) also finds nested interaction networks in Russia's fur trade-led expansion across Siberia and into North America showing that this process also seemed to have prestige goods exchange as within, or at least coterminous with, an expanding PMN. This was most apparent in Russian North America. The state explicitly controlled the process during 1700-1743, "roughly" posited as part of an IN, followed by a closely state-regulated period of private enterprise (1743-1799) identified as a PGN, which in turn subsumed a third phase (1753-1795), when the Russian state was compelled to send expeditions to defend its territorial claims: a PMN (Carlson 2002: 402-05). Based on the Russian state's apparently active involvement in all three phases, we could instead posit that the whole process essentially took place within a PMN, or at least was representative of the Kremlin's attempt to expand its PMN by way of a PGN – though Carlson specifies that "*private* interests [were] used to fund the exploitation of primarily *luxury* goods, in place of official political-military expansion on an empire's frontier" (2002: 413, 433; italics in original). Similar to the French, the Dutch, and even at times the British in eastern North America, state interest was at least partly behind PGN processes.

Despite changing post-1760 PMN boundaries, the basic Euro-Indigenous prestige goods trade dynamic in northeastern North America still held as the contested periphery/commodity frontier (cf. Leitner 2005) moved westward, and would be further harnessed to the interest of state. British capital and French Canadian *savoir faire*, along with access to Hudson's Bay watershed fur supplies, let Montreal merchants outcompete Albany's last few fur traders, and use PGNs to control interior North America (*à la* the old French strategy), including territory awarded the United States in 1783 (Nettles 1962: 211-12; Innis 1970: 166-262). In response, the U.S. government in the mid-1790s-1822 also mimicked late-17th to 18th-century French strategy, establishing numerous western fur trading posts to sell goods "at cost" to native peoples, by way of maintaining good relations and hopefully keep them from trading with both British traders on the upper Great Lakes and Spanish merchants in the southwest (Nettles 1962: 212-13; Danziger 1979: 63-64). Though unsuccessful due to the higher quality of British trade goods (and ended by private American fur traders' opposition), the U.S. government was clearly using a series of local PGNs to keep territory within its formal PMN.

A further aspect of the PGN-PMN dynamic was from the impact of old world diseases, which were very much part of Euro-Indigenous unequal exchange in North America (Delâge 1993: 85), and of course hastened the European conquest (Crosby 1986: 200; Carlson 2002: 427; Hollis 2005: 121). Indeed, trade-borne disease struck some groups before actual first contact (Trigger 1985: 237-38; Crosby 1986: 203), one of the primary ways external areas have been dramatically altered by the expanding MWS, well in advance of more formal incorporation (cf. Ferguson and Whitehead 1992: 8; Dunaway 1996b: 458; Carlson 2001: 238; 2012a: 88, 93; Hollis 2005: 108). Carlson (2001: 240) also posits that disease transfer is an immediate impact of intersocietal contact, yet then suggests it may be difficult to see the political-economic impacts of luxury trade on involved societies (cf. Delâge 1993: 88). In this particular timespace, epidemic disease among "virgin soil" (Crosby 1976) Indigenous populations was the underside of the northeastern North American PGNs – hidden in exchange and intercultural contact, a seeming side-effect that was very much a part of a dialectic of trade, local furbearer depletion, and warfare (Jennings 1984: 89).

Yet the northeast's Indigenous societies were rather different from the northwest's, and per Carlson, "the *type* of society being incorporated may shape the incorporation process" (2002: 431; also Hollis 2005: 109). Northeastern indigenous societies were mostly reliant on "poorer" environments, hence were generally less wealthy than the Pacific coast Nootkas, with apparently less of a pre-contact "culture of accumulation" (Carlson 2002: 424-25; also Wolf 1997: 184). They were subsequently less hierarchically organized than, for example, the Haudenosaunees and Hurons, multinational confederations in turn comprised of villages and dependent on political consensus (Trigger 1990: 80-96; Richter 1992: 41-49). Still, northeastern native peoples appeared to have an equally high utility for trade goods as the Nootkas, both for prestige (initially) and increasingly for more mundane purposes as they discerned what these new items were good for, becoming increasingly skilled traders in the process (Trigger 1991; Kardulias 2007: 73). Though the Nootkas were perhaps better traders after first contact (Wolf 1997: 185; Carlson 2002: 428-29), contact had a similar negative effect on both regions: disease killed many; the gender division of labor was reoriented as male economic activity shifted from food hunting to fur hunting, which increased famine risk; firearms were introduced, leading to increased inter-indigenous conflicts; "traditional power structures" were "destabilized"; and the fur bearing mammals on which the PGNs depended became locally extinct (Carlson 2002: 426-27, 429-30, 435). But while the Nootkas caught the Europeans' attention with a profitable prestige good that allowed for "the initial 'hooking' of [the] arena to the world-system" (Carlson 2002: 410), they were not a geopolitically indispensable military ally like the Haudenosaunees to the British or the Ottawas to the French.

Northeastern North America's PGN-PMN dynamic actually had more in common with what Carlson (2011b; 2012b: 75-114) finds in West Africa. The inland Asante kingdom, in what is now Ghana, acquired firearms from Dutch (the GWC, in fact) and Danish traders (also Wolf 1997: 208-16) and expanded into neighboring territory, reaching for the coast and direct contact with the Europeans (Carlson 2011b: 16, 37-42). Asante thereby both defeated and circumvented the coastal states that previously controlling the trade, but ran afoul of the British interest in keeping West Africans politically fragmented and competing with each other (Carlson 2011b: 17). Similar to the Haudenosaunees' experience, for the Asante ca. 1700-50 European-supplied firearms were a key tool for both prosecuting a PGN and expanding their PMN (Wolf 1997: 212; Carlson 2011b: 37). A major difference was a reversed disease vector; in part because they were less isolated from Eurasia, Africans were typically much less susceptible to Eurasian diseases than were Indigenous Americans, while Europeans experienced high mortality rates from African diseases (Crosby 1986: 138-39, 286). The Asante were therefore able to develop and engage in state-building and expansion in the 18th century without direct European interference (Carlson 2011b: 47).

But however important prestige goods may have been to the MWS's spatial expansion, it is bulk goods production and trade that allows for ascent up the world-system hierarchy and arguably has had a spatially-expansive dynamic of its own, both in terms of the quest for more and cheaper raw material inputs (Bunker and Ciccantell 2005) and the quest to overcome the local ecological crises upon which capitalist production is based (Moore 2011). Europeans were attracted to the Americas as much by cod, timber, and fertile soil as by furs and precious metals (Richards 2003: 309-516, 547-73). Even where prestige goods were initially important to attracting European attention and colonization, making the PGN-to-BGN transition has proven more important for those colonies' – and their indigenous neighbors' – geopolitical futures in the MWS.

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Impacts of Colonialism – A Research Survey¹

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Abstract

The impacts of colonialism in Africa and Asia have never been compared in a systematic manner for a large sample of countries. This research survey presents the results of a new and thorough assessment of the highly diverse phenomenon – including length of domination, violence, partition, proselytization, instrumentalization of ethno-linguistic and religious cleavages, trade, direct investment, settlements, plantations, and migration – organized through a dimensional analysis (political, social, and economic impacts). It is shown that while in some areas, colonial domination has triggered profound changes in economy and social structure, others have remained almost untouched.

Keywords: Colonialism, political, economic and social impacts, Africa, Asia

There is a strong tradition of empirical-quantitative research from a world systems-perspective (see, among others, Bornschier and Chase-Dunn 1985). This research, however, has until recently been confined to indirect measuring of historically earlier factors, although it stresses theoretically the importance of long-term historical factors. According to Sanderson, world-systems analysis “tends to ignore the precapitalist history of these societies [...] this history often turns out to be of critical importance in conditioning the way in which any given society will be incorporated into the capitalist system and the effects of that incorporation” (Sanderson 2005: 188). For Kerbo (2005a: 430), scholarship has “yet to consider that East and Southeast Asian countries more generally are somehow different from Latin American and African nations when it comes to important aspects of political economy that might interact with the affects of outside multinational corporate investment.” In this regard, the article by Lenski and Nolan (1984) had opened up a new avenue of research: the long-term effects of social-evolutionary development levels on the modern/postcolonial economy and society. This research, however, suffered from a rather small sample and a rudimentary classification of countries into two categories of “industrializing horticultural” and “agricultural.”

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In the framework of a cooperative project between the departments of Social Anthropology and Sociology at the University of Zurich, we replicated and further developed the Lenski and Nolan models with data from the *Atlas of Precolonial Societies* (Mueller et al. 1999). On the basis of a sample of 83 countries in Africa and Asia, we found that the intensity of traditional agriculture ('technology'), as stressed by Lenski and Nolan, indeed has an impact on socio-economic development from 1965 to 1995, but the pre-colonial level of socio-political differentiation ('hierarchy') has even more of an impact (Ziltener and Mueller 2007). However, that article has met severe criticism on the ground that the omission of colonialism and its effects leads to incomplete model specifications and distorted results. Kerbo (2005a, 2005b), for example, has argued that the colonial experiences did negate the evolutionary advantages of some Asian countries, stressing specifically the importance of the presence or lack of infrastructure development during colonialism, the construction of national boundaries by colonial powers, and the far-reaching effects of how the colonial power left the country. The authors, however, admitted in that article that the problem of colonization as "intervening variable" remained unsolved and that it should be "addressed by future quantitative-empirical research. New indicators to measure length, depth, and different impacts of colonization have to be developed." (Ziltener and Mueller 2007: 400). A sociological research project at the University of Zurich addressed that issue. First, we conducted a survey on the existing research – quantitative as well as qualitative – on the impacts of colonialism. This paper presents the findings, systematized by a simple dimensional analysis: the political dimension (section 2.1), the economic (2.2), and the social (2.3). In the following section we take up the question of how to define the temporal boundaries of colonialism, because variables like "number of years colonized" or "time spent under colonial rule" are quite prominent in recent research. We argue that, from a sociological perspective, formal criteria such as political declarations by colonizing powers and legal status should give way to a more careful factual definition of the "onset of colonial impact" and the regaining of political sovereignty ("end of colonialism"). Second, based on this survey, the project aimed at developing a new dataset measuring the impact of colonialism in Asia and Africa (Ziltener and Künzler forthcoming).

Colonialism is a form of temporally extended domination by people over other people and as such part of the historical universe of forms of intergroup domination, subjugation, oppression, and exploitation (cf. Horvath 1972). From a world-systems perspective, much of the history of the capitalist world-economy is a history of colonialism, consisting of repeated and more or less successful attempts by the core to create a periphery, to control it politically in order to exploit it economically (cf. Sanderson 2005: 186f). Both the capitalist and precapitalist world-systems have had colonial empires (Chase-Dunn/Hall 1997: 210). However, we are more specifically interested in the impact of European, American, and Japanese colonialism in its heyday between mid-19th and mid-20th century, what Bergesen and Schoenberg (1980) have identified as the second wave of colonial expansion and contraction (1826-1969).² This is the period of extension and intensification of colonial domination during which "colonial economic development took a new direction. The extensive penetration of Western commodities, organization, and control ushered in the era of the export economy, during which colonialism reached its peak" (Birnberg and Resnick 1975: 3). Our sample is broadly defined as the parts of the modern world-system which were under colonial control in the 19th/20th century. It consists, as in the previous research mentioned above, of 83 countries of Africa and Asia, which contained around 90% of the population under colonial rule in 1920.³

² See also the discussion in *Review* (McGowan 1985; Bergesen 1985).

³ According to French economist Girault (1921: 17), more than 600 Mio people stood under colonial rule after World War I – 440 Mio in Asia, 120 in Africa, 60 in Oceania, and 14 in the Americas.

We are aware of the fact that there is no clear borderline between traditional empire-building, as it has taken place on all continents for thousands (or at least hundreds) of years, and European colonialism. The Mughal empire in Northern/Central India, the Ottoman in Western Asia and Northern Africa, the Chinese in Central and Southern Asia all used methods of domination and exploitation that were only slightly different from colonialism. The Omanis competed with the Portuguese in the control of the East African coast and used typical colonial methods (export-oriented plantations based on slave work) on the island of Zanzibar (Sheriff 1987). However, we focus on ‘modern’ colonialism, as developed in the 19th century by European powers, because of its clearly stronger economic and social transformatory power, its broader impact, and its role in shaping the world before the mid-20th century.

We follow established definitions of colonialism insofar as we define *political domination* as crucial: without a significant reduction of the level of political sovereignty, we would not speak of colonialism. This definition implies that not all forms of political, economic, and social asymmetry and dependence fall under colonialism. We suggest a concept in which the level of intensification of political domination increases, the first one defined as semi-colonialism, indirect rule with little interference in internal affairs, with strong interference in internal affairs, and the fourth as direct rule. From a sociological viewpoint, the legal status of the colony or the degree of formalization of political domination (“formal”/“informal”) is not crucial.

Measuring the Length of Colonial Domination

It is common to declare the year of the formal declaration of a colony or protectorate as starting point of colonialism. We think this legalistic approach is not adequate. If political domination by a foreign power over a significant part of the territory and/or population is crucial to colonialism, then its onset should be the point in time when political sovereignty was *de facto* exercised by that foreign power. . This is more often than not before any *de jure* declaration, and by contrast in certain cases even significantly after this point. As Lange et al. (2006: 1418) point out, “India was clearly under the grip of the English East India Company by the 1750s, but it was not proclaimed a colony under control from London until 1857.” Because Muscat/Oman has never been a *de jure* colony, Price (2003: 481f) and others consider the country “without colonial heritage,” although there was a Portuguese occupation from the beginning of the 16th to the mid-17th century and *de facto* British control from the mid-19th century on. As colonialism can be a gradual and informal process, its onset might be an unequal treaty called a “treaty of amity and trade,” with a more or less subtle loss of sovereignty (including, for example, extraterritoriality of foreign citizens or loss of control over foreign policy), the creation of a major settlement against the will of the local population and/or rulers, or the gradual gain of control over government institutions. In Egypt, the United Kingdom and France initiated in 1876 a stewardship of the public finances that should be considered as a joint form of colonization, even before the country was militarily occupied in 1882. The Ottoman Empire is widely considered as historically non-colonized, although it lost considerable sovereignty through the gradual extension of the “capitulations” system, the Anglo-Ottoman commercial treaty of Balta Liman in 1838, and, from 1881 on, through the foreign-run Public Debts Administration; this body controlled major portions of Ottoman revenue, thereby constituting “an enormous incursion on Ottoman sovereignty” (Horowitz 2004). A similar strategy was followed by the British in the case of Persia. Persia and Turkey are discussed in Cain and Hopkins *British Imperialism: Innovation and Expansion, 1688–1914* (1999) under the title “management without development” (419ff) – we would rather

speak of semi-colonialism in the political sphere and of financial colonialism as the mechanism of taking over government functions in order to ensure (and to maximize) debt payment (“debt trap”).

For political domination, a certain degree of enduring control over significant parts of the autochthonous population is important. Single military attacks with plundering and retreat without the erection of permanent fortresses are thus not coded as the beginning of colonialism. Likewise, a simple trading station or the colonization of an isolated area such as an offshore or river island is not considered as onset. The occupation of James Island in present-day Gambia by the Baltic Duchy of Courland and later by the British (who even declared in 1760 a British Province of the Senegambia) did not lead to any political domination of a significant inland population and is thus not coded as onset of colonialism. The arrival of the Portuguese in the now Indonesian archipelago in the early 16th century cannot be considered as onset of colonialism because they did not manage to establish political control over the “spice islands.” In contrast, on the Malay Peninsula, the Portuguese conquest of the great emporium of Malacca in 1511 clearly signified the onset of colonialism, since the city remained, despite many wars, uninterruptedly under European control well into the 20th century, and this control had a lasting impact on trade flows. Similarly, in Indonesia, colonialism began with the founding of Dutch-Batavia in 1619, which became the colonial center of trade and administration until independence of the country in 1949. In our sample, colonialism had already started in eleven countries in the 16th century; nine followed in the next two centuries, and most countries followed only in the 19th and some even in the 20th century. However, in most of the latter there were earlier contacts with European powers.

Similar to our variable ONSET, we define the end of colonialism (COLEND) as the point in time where the vast majority of the autochthonous population regained full sovereignty over internal and foreign affairs, with or without the participation of foreign settlers. At that moment, it should in principle be possible for a country to form alliances with whatever foreign power it wants. Of course, sovereignty does not automatically mean the end of all political and/or economic dependencies, such as in foreign trade and direct investment. It is not important whether foreign administrators are present or not, but rather whether this presence is decided by the colonial power or by a sovereign government. Foreign military bases, semi-autonomous oil fields, or other foreign enclaves tolerated by a sovereign government are for our purposes not considered a constraint of sovereignty. Egypt, again, is a special case. With British troops controlling the most important shipping infrastructure, the Suez Canal, independence came only with the final withdrawal of all troops and Egyptian takeover in 1956. The cases where the anti-colonial struggle developed into a war of independence against a post-WWII superpower are more difficult to assess. Vietnam’s colonial period ended in 1956, although complete independence and the restoration of sovereignty came only in 1975. All countries in our sample acquired full sovereignty in the 20th century.

With this improved measurement of the length of colonial domination we can reassess the interrelations with other variables. There is no significant correlation between the colonizing country (British vs. French) and the length of domination for the countries of our sample. Also, there is no significant difference between the length of colonialism in sub-Saharan African and Asian or North African countries (cf. graph 1). But, as we find later, the length of colonial domination is related to some economic and social indicators of colonial transformation: the level of colonial violence, investment in infrastructure, employment migration, the significance of plantations, and the success of missionary activities (see Ziltener and Künzler forthcoming). In short, a longer colonial period means more colonial violence, more investment in infrastructure, more plantations, more work immigration, and more religious conversions.

Table 1. Onset and end of colonial domination in Africa and Asia

Code World Bank	Country	Main colonial power(s)	Onset of colonial domination (ONSET)	End of colonial domination (COLEND)	Years of colonial domination (COLYEARS)
AFG	Afghanistan	UK	1880	1919	39
DZA	Algeria	F	1830	1962	132
AGO	Angola	P	1573	1975	402
BHR	Bahrain	UK	1860	1971	111
BGD	Bangladesh	UK	1757	1947	190
BEN	Benin	F	1878	1960	82
BTN	Bhutan	UK	1866	1949	83
BWA	Botswana	UK	1885	1966	81
BFA	Burkina Faso	F	1895	1960	65
BDI	Burundi	G/B	1897	1962	65
CMR	Cameroon	G/F/UK	1845	1960	115
CAF	Central Afr. Rep	F	1890	1960	70
TCD	Chad	F	1900	1960	60
CHN	China	semicol.	1842	1949	107
COG	Congo, Rep.	F	1880	1960	80
DJI	Djibouti	F	1862	1977	115
EGY	Egypt	F/UK	1876	1956	80
GNQ	Equatorial Guinea	P/NL/UK/S	1507	1968	461
ETH	Ethiopia	semicol./I/UK	1908	1954	46
FJI	Fiji	UK/AUS	1874	1970	96
GAB	Gabon	F	1852	1960	108
GMB	Gambia	UK	1816	1965	149
GHA	Ghana	UK	1756	1957	201
GIN	Guinea	F	1865	1958	93
GNB	Guinea-Bissau	P	1616	1974	358
IND	India	UK	1757	1947	190
IDN	Indonesia	NL	1619	1962	343
IRN	Iran	UK/R	1828	1921	93
IRQ	Iraq	UK	1914	1958	44
CIV	Ivory Coast	F	1839	1960	121
JPN	Japan	semicol.	1854	1911	57
JOR	Jordan	UK	1918	1956	38
KHM	Cambodia	F	1863	1955	92
KEN	Kenya	P/UK	1505	1963	315*
PRK	Korea, North	JP	1876	1945	69
KOR	Korea, South	JP	1876	1945	69
KWT	Kuwait	UK	1899	1961	62
LAO	Laos	F	1893	1955	62
LBN	Lebanon	F	1860	1944	81
LSO	Lesotho	UK	1845	1966	121
LBR	Liberia	USA/settler	1821	1976	155
LBY	Libya	I	1911	1951	40
MDG	Malagasy Rep.	F	1642	1960	104*

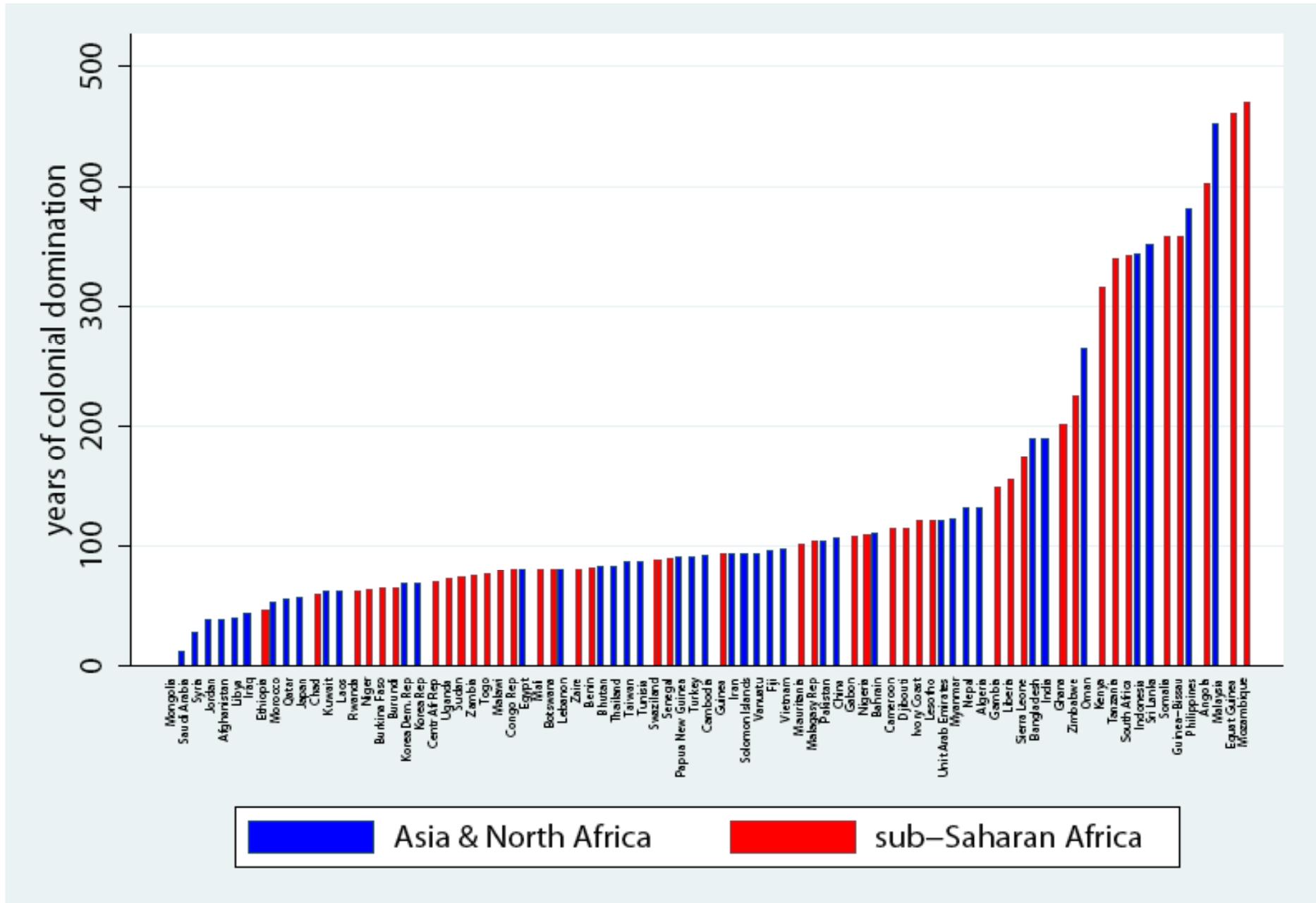
Table 1. Onset and end of colonial domination in Africa and Asia

MWI	Malawi	UK	1885	1964	79
MYS	Malaysia	P/NL/UK	1511	1963	452
MLI	Mali	F	1880	1960	80
MRT	Mauritania	F	1858	1960	102
MNG	Mongolia				0

MAR	Morocco	F/SP	1903	1956	53
MOZ	Mozambique	P	1505	1975	470
MMR	Myanmar/Burma	UK	1826	1948	122
NPL	Nepal	UK	1816	1947	131
NER	Niger	F	1897	1960	63
NGA	Nigeria	UK	1851	1960	109
OMN	Oman	P/UK	1507	1971	264*
PAK	Pakistan	UK	1843	1947	104
PNG	Papua N. Guinea	G/UK/AUS	1884	1975	91
PHL	Philippines	SP/USA	1565	1946	381
QAT	Qatar	UK	1916	1971	55
RWA	Rwanda	G/B	1899	1961	62
SAU	Saudi Arabia	UK	1915	1927	12
SEN	Senegal	F	1816	1906	90
SLE	Sierra Leone	UK	1787	1961	174
SLB	Solomon Islands	UK/G	1885	1978	93
SOM	Somalia	P/I/UK	1506	1960	357*
ZAF	South Africa	NL/UK/Settler	1652	1994	342
LKA	Sri Lanka	UK	1597	1948	351
SDN	Sudan	UK	1882	1956	74
SWZ	Swaziland	Settler/UK	1880	1968	88
SYR	Syria	F	1918	1946	28
TWN	Taiwan	NL/JP	1624	1945	87*
TZA	Tanzania	P/UK/G	1502	1963	339*
THA	Thailand	semicol.	1855	1938	83
TGO	Togo	G/F	1884	1960	76
TUN	Tunisia	F	1869	1956	87
TUR	Turkey	semicol.	1838	1929	91
UGA	Uganda	UK	1890	1962	72
ARE	United Arab Emirates	UK	1850	1971	121
VUT	Vanuatu	UK/F	1887	1980	93
VNM	Vietnam	F	1859	1956	97
ZAR	Zaire (Congo, Dem. Republic)	B	1879	1960	81
ZMB	Zambia	UK	1889	1964	75
ZWE	Zimbabwe	P/UK/Settler	1560	1980	225*

Notes: AUS: Australia; B: Belgium; F: France; G: Germany; I: Italy; JP: Japan; NL: Netherlands; P: Portugal; semicol.: semi-colonial with two or more colonial powers; settler: political domination by foreign settlers (and not by foreign companies or governments); SP: Spain; UK: United Kingdom. In some areas interruption(s) of colonial domination took place. In these cases (marked by *), there are fewer “years of colonial domination” than the subtraction of the year of onset from the year of end of colonialism. Data source: Ziltener and Künzler 2008.

Graph 1. Years of Colonial Domination



The Impact of Colonialism

In recent years, colonialism has been included in a number of empirical studies, often from an economic perspective. While many of these studies discuss the effects of colonialism on long-term *post-colonial* developments, there has been less effort to measure the impact of colonialism *during* the colonial period. More often, the impact of colonialism is described rather than measured. A literature overview nevertheless offered a broad variety of suggestions for important variables. We hereafter present just the most central facts and arguments, differentiating between political, economic, and social impacts of colonialism.

We organize our empirical analysis through the differentiations between the impacts of colonialism in the political, economic, and social spheres; we do not have any hypothesis about the preponderance of one of them. There are no convincing theoretical arguments why the impact of colonialism in one sphere should be more significant than in the others.

The Political Impact of Colonialism

In the political sphere, colonialism affects first of all the pre-colonial elites, although domination took different forms. One impact of colonialism was the political centralization of territories having no central government or, where centralization already existed, the foreign take-over or domination of pre-colonial central government (Bockstette, Chanda, and Putterman 2002: 352). The extent of political control varied from colony to colony, and often within colony from region to region (Bergesen and Schoenberg 1980: 232). Many authors differentiate between an allegedly British style of indirect rule and an allegedly French style of direct administration. According to Herbst, British adherence to indirect rule is overstated and “the notion of a single-minded colonial approach to ruling Africa is therefore unsupported by the evidence” (2000: 82). Coleman draws these styles as polar extremes of a continuum rather than as dichotomy and puts them in perspective: “in practice these forms have not been applied consistently either over time or to the different traditional authority systems within single territories” (1960: 265). Where there was the most effective indirect rule, the political integration was more difficult, and the tension between old and new elites more evident. In contrary, where direct rule was most effective, the political integration has been easier and less obstructed by old elites. Lange (2004), analyzing the variation in British colonialism, argues that direct rule provided an administrative structure based on formal rules and had a centralized legal-administrative structure with a formal chain of command that linked the diverse state actors throughout the colony to the central colonial administration in the metropole; indirect rule promoted local despotism by allowing traditional rulers to be “rent-seekers extraordinaire.” As a result, “the colonial state in indirectly ruled colonies lacked the capabilities to implement policy outside of the capital city and often had no option for pursuing policy other than coercion” (Lange 2004: 907). For a sample of 33 former British colonies, he constructed a variable measuring the extent to which British colonial rule depended on customary legal institutions for the regulation of social relations, by dividing the number of colonially recognized customary court cases by the total number of court cases in 1955.⁴ Bollen and Jackman (1985) argue rather generally that the transfer of power was more orderly in British than in other colonies.

In places where colonialists had to cope with high mortality rates, they settled less and created extractive institutions (Acemoglu et al. 2001, 2002). In contrast to settler colonies,

⁴ The result of Lange’s statistical analysis is that extent of indirect colonial rule is strongly and negatively related to several different indicators of postcolonial political development: the more direct colonial rule was, the better the chance for “good governance” and democracy today.

these extractive institutions concentrate power and are prone to expropriation of property. Institutions as educational facilities and infrastructure are, according to Grier (1999), more established where colonization lasted longer. She also emphasizes constitutional differences within the British empire. La Porta et al. (2008) are less concerned with constitutional differences between the areas ruled by one colonial power, but rather between different colonial powers. According to this research, the legal systems established in British colonies are based on common law, which allows less state intervention than the French legal system established in other colonies. In between the two are the German, Scandinavian, and Socialist legal systems.

One of the most problematic legacies of colonial domination resulted from the instrumentalization of ethnolinguistic and/or religious cleavages. It was common to identify “martial races” (and, thereby, non-martial races) and recruit among them the soldiers/mercenaries for the colonial army. From the Indian experience came the British ‘martial races’ doctrine, “which held that certain ethnic stocks were summoned by culture and history to military vocations” (Young 1994: 105). The British in particular “specialized in cultivating certain populations as military allies” (Trocki 1999: 88): Their Indian army was clearly segregated on the basis of religion and caste membership. In British Borneo, mainly Iban were used as policemen and soldiers, while in British Burma the army was – apart from staff brought in from British-India – dominated by the Karen and Shan, who had been converted to Christianity mainly by U.S. missionaries. Also in the British areas in Africa, the military units created under colonial rule utilized an ethnic recruiting strategy: Tiv in Nigeria, Acholi in Uganda, Kamba in Kenya (Young 1994: 105). In the Netherlands East Indies, the Dutch had long made it a policy to employ Ambonese in the colonial military (Young 1994). Ethno-religious minorities also filled the lower ranks of the French colonial army in Syria (Thobie et al. 1990: 204).

The recruitment into civil service followed in certain cases a similar strategy. Groups allied with the colonialists were given privileged access to education and therefore to the administration; others were disadvantaged, neglected, or punished for being unruly, while some remained generally outside the scope of government policy. In British Ceylon, Christian Sinhalese and people of partly European descent, but also Tamils, were clearly overrepresented in the administration. In the state of Jordan, newly founded under British protection, lower officials were mainly Palestinians and Syrians (Cleveland 1994: 199). In Cambodia and Laos, the French preferred to employ Vietnamese in the administration and also as domestic workers, thereby reinforcing older ethnic animosities (Forest 1980: 454-58), while in their mandate of Lebanon, all key political posts were given to Maronites (Traboulsi 2007: 76). Liberated slaves had a special position in some African countries, such as Gambia, Sierra Leone, or Benin. In Gambia, they were “gradually acquiring prominence in commerce and the educational and religious institutions established by the British, as well as entering government employment” (Hughes and Perfect 2006: 2). In Togo, the embryonic secondary education leading to posts in the administration was dominated by Ewe and Guina-Mina, and five families alone comprised 16% of the enrollment (Künzler 2007: 71). Also in Benin and the Ivory Coast, the colonial administration was dominated by groups from the Southern parts.

Also in the economic sphere, colonial policies created or reinforced occupational specializations along ethnolinguistic and/or religious lines, mainly by granting concessions to members of some groups more often than to others. In Egypt, the British privileged Syrian Christian middlemen (Reid 1998: 238). In Southeast Asia, Chinese and Indians were generally seen by the colonial powers as better suited to trading and work on plantations than indigenous groups such as the Malays. Chinese operated as tax-farming entrepreneurs and *compradores*, collecting and managing goods and businesses for colonial financial and agen-

cy institutions and importers and exporters. The “various tiers of Chinese entrepreneurs and middlemen” were the ties between the world economy and the village, the mining camp and the plantation in Southeast Asia (Elson 1999: 170). In newly independent countries, these legacies proved to be social explosives.

The Economic Impact of Colonialism

The main arguments regarding the economic impact of colonialism are the ‘drain of wealth,’ expropriation (mainly of land), the control over production and trade, the exploitation of natural resources, and the improvement of infrastructure. As Tomlinson summarizes about India:

By the last quarter of the nineteenth century India was the largest purchaser of British exports, a major employer of British civil servants at high salaries, the provider of half of the Empire’s military might, all paid for from local revenues, and a significant recipient of British capital. (Tomlinson 1993: 13)

Colonialism led to a substantial outflow of *financial resources*. It is best documented in the case of British India, where a controversy between Indian historians and defenders of British colonialism still has not been settled. The so-called “Home Charges,” the official transfers of funds by the colonial government to Britain between 1858 and 1947, consisted mainly of debt service, pensions, India Office expenses in Britain, purchases of military items and railway equipment. Debt service occurred not only because of investment in infrastructure, but also due to costly wars and architectural extravagances like the building of New Delhi. Government procurement of civilian goods, armaments, and shipping was carried out almost exclusively in the metropole country; there were no efforts at developing industrial enterprises in India that could have delivered these goods at probably lower prices. Of these official payments, therefore, service charges on non-productive debt, pensions, and furlough payments can be considered as a balance of payment drain due to colonialism. For the 1930s, Maddison estimates these home charges in the range of £40 to £50 million a year, and “if these funds had been invested in India they could have made a significant contribution to raising income levels” (Maddison 1971: 20). In addition, there were private remittances, probably about £10 million a year, and dividend and interest remittances by shipping and banking interests, plantations, and other British investors. According to the ‘drain of wealth’ argument,

most of the colonial surplus was extracted by the metropolitan countries (in the form of interest payments on loans, repatriated profits, salaries and pensions) and this, by reducing the indigenous capital accumulation process, had a negative effect on the colonies’ growth prospects. Direct exploitation also included taxes, tariffs, restrictions on trade and foreign investment, forced labor, and even enslavement of the indigenous population. (Bertocchi and Canova 2002: 1852f)

For a sample limited to African countries this “drain” is measured as the GNP/GDP ratio in 1960 as this “reflects repatriated profits on foreign investment, royalties and direct exploitation activities” roughly at the end of the colonial period (Bertocchi and Canova 2002: 1853).

Diamond (1988:7) emphasizes the establishment of monopolistic state control of cash crop production and exportation, the mining of minerals, and the development of infrastructure as the main impacts of colonialism. The effect of colonialism on trade is assessed by

Mitchener and Weidenmier (2008); they argue that “empires increased trade by lowering transactions costs and by establishing trade policies that promoted trade within empires. In particular, the use of a common language, the establishment of currency unions, the monetizing of recently acquired colonies, preferential trade arrangements, and customs unions help to account for the observed increase in trade associated with empire” (1). Their augmented gravity model shows that belonging to an empire roughly doubled trade relative to those countries that were not part of an empire, between 1870 and 1913. In their analysis, the positive impact that empire exerts on trade is sensitive to whether the metropole was Britain, France, Germany, Spain, or the United States and to the inclusion of other institutional factors, such as being on the gold standard. Trade between the colonial power and its colonies was regulated in different ways: tariff assimilation/customs union, preferential tariff policies, and/or “open door” policies. Fieldhouse (1971) discusses long-term change in colonial trade policies, but – with some exceptions – finds stronger protectionism within French colonialism compared to British. Grier (1999: 320) supports this argument and finds for Spanish colonies a strong mercantilist approach was employed.

Plantations were core elements of the colonial economy. In general, a plantation is “owned by a legal entity or individual with substantial capital resources, the production techniques are based on industrial processing machinery, and the labor force consists of wage laborers resident on the estate” (Paige 1975: 4). The development of a plantation economy required expropriation, which took place in different forms, implying more or less displacement of indigenous population. In British-Ceylon (Sri Lanka), the plantation boom of the 'coffee era' (1830-1880) was enabled through a combination of a special land-sales policy and financial control through banks and agency houses, based on assumed ownership by the colonial government of all 'uncultivated land.' In the end almost all export production was in British hands (Birnberg and Resnick 1975: 18). Plantations were a world different from the surrounding land, not only because of the comparatively modern equipment and facilities, but also because of the related work immigration. Working and living conditions on plantations were generally bad. Many plantation owners used a long-term debt strategy to bind workers to their enterprise. Tropical diseases were widespread and accidents common.

Migratory estates in colonial areas in particular have been sites of frequent resistance movements; rural revolts against the colonial regime were based in large part on migratory wage laborers in, for example, Algeria, Kenya, and Angola (Paige 1975: 68). In general, “the more highly industrialized sugar, tea, rubber, and sisal plantations were considerably more likely to generate labor movements than were less industrialized tree crop plantations in rubber, palm, or copra” (Paige 1975: 350). Sugar, tea, sisal, and oil palm were typical plantation products, while wet rice, coffee, rubber, tobacco, and cacao were also or mainly produced by small farmers.

While in some colonies, governments assisted actively in setting up large estates, in others they favored small production units, “encapsulated in a colonial rhetoric of the nobility of peasant cultivators or, in the Philippines, the ideal of the yeoman farmer” (Huff 2007: 131). The production of cash crops by peasants need not necessarily be less exploitative than plantation work. Especially in the case of agricultural monopolies via marketing boards, traders and/or state officials could gain huge rents by underpaying peasants for their produce. According to Lange et al. (2006: 1443), this “promoted an unproductive economic elite, weak peasant production, and the preeminence of dysfunctional markets.” While they were not based on migrant labor and modern equipment, concessions granting the exclusive rights of exploiting forests were often even more exploitative than plantations. In the Belgian Congo, the collection of wild rubber on huge private concessions resulted in the depopulation of entire villages and “the perpetration of heinous crimes against humanity [...] Villages unwilling or unable to meet the assigned daily quotas of production were subject to rape,

arson, bodily mutilation and murder” (Nzongola-Ntalaja 2002: 22). The situation on the private domain of King Leopold and in the neighboring French Congo was similar.

Opening up plantations in the interior depended on adequate means of *transport and communication* to get the produce to the ports. This was a challenge especially in the mountainous areas where coffee and tea was produced, as in Ceylon or Assam, but also in the linking of the Indian cotton- and jute-producing ‘hinterland’ with the mills of Bombay and Calcutta. These required significant investment in infrastructure. The main transportation technology in 19th-century Europe was the railway, and they were to be built in the colonies as well. Railways also acted as instruments of imperial control, because the technology and much of the capital came from the metropole country. Between 1865 and 1914, railway expansion absorbed 42% of British capital exports (Huff 2007: 134). There were purely military and strategic reasons behind certain railway projects, such as the line in British India leading up to the Khyber Pass to Afghanistan or the Mombasa-Uganda railway intended to ensure British claims on eastern Sudan against the progressing French. While Indian nationalists argued that railways were an expensive military asset rather than an appropriate piece of developmental infrastructure, Fieldhouse attributes to the railway system in India “a huge impact on the Indian economy. It generated an engineering industry that was to provide the basis for much of India’s economic development and created for the first time something approaching an integrated economy” (1996: 118).

Compared with the huge land masses of the Indian peninsula and Central and South Africa, the situation in Southeast Asia (and to a certain degree in West Africa) was different. In the archipelago, the plantations were never far from the coast, and the most of the rice for export was grown in the deltas of the rivers Irrawaddy (Burma) and Mekong (Indochina). Here, investment in canals and irrigation systems were at least as important as railways. In north and west India, a huge canal system was built mainly to reclaim land for agriculture. The French railway following the long Vietnamese coastline has been criticized for being not only too expensive but also not really necessary for North-South transportation (Albertini 1982). However, these projects had an economic impact even before concluded, through the modification of the structure of economic incentives, the spread of paid labor, work migration, and changes in the colonial administration (suppression of revolts and management of famines, for example). Murray (1980: 8) concludes that, for French Indochina, “official efforts of the colonial state administration were instrumental in initiating an accelerated process of primitive accumulation,” referring to the imposition of colonial taxation forcing rural inhabitants to engage in commodity exchange, compulsory labor, and large-scale land confiscations.

Roads were also important for the exertion of colonial authority, bringing profound changes even to more remote villages. According to Kerbo (2005a, 2005b), the different levels of colonial infrastructure development during colonialism contribute to explaining the post-colonial socioeconomic disparities in Southeast Asia. In general, the building of the colonial infrastructure was often labor-intensive and capital-extensive, conceived with regard only to colonial economic and political needs. As Rodney (1972: 228) states, “means of communication were not constructed in the colonial period so that Africans could visit their friends,” nor were they laid down to facilitate internal trade. For example,

All roads and railways led down to the sea. They were built to extract gold or manganese or coffee or cotton. They were built to make business possible for the timber companies, trading companies and agricultural concession firms, and for white settlers. Any catering to African interests was purely coincidental. (Rodney 1972: 228)

Stories about gold in distant, remote countries caused fascination among medieval sailors from Portugal and other European areas. One part of the West African Coastline was soon to be known as the “Gold Coast,” a name adopted subsequently for the British colony there. The Gold Coast became one of the world’s biggest gold producers, but ranked behind another area of the British Empire, South Africa, from where nearly half of the world’s gold came, and almost all of the diamonds (Walshe and Roberts 1986: 545). The control of *mining* was one of the key interests of colonial powers, and large-scale mining⁵ had a huge impact on the local population. Migrant wage labor, the need for housing, food and entertainment triggered considerable urbanization, social distortion, and the advent of new forms of sociability and political activity. Mining took a heavy toll on the workers in the form of accidents and unhealthy living conditions that contributed to the spread of disease.

The Social Impact of Colonialism

“Western virtues are not nearly so obvious and easily imitated as vices.”
-- World Christian Handbook 1949, 150f

Some authors emphasize more general effects of colonial domination, such as alienation. Frantz Fanon, for example, writes “colonialism is not satisfied merely with holding a people in its grip and emptying the native’s brain of all form and content. By a kind of perverted logic, it turns to the past of the oppressed people, and distorts, disfigures and destroys it. This work of a devaluing pre-colonial history takes on a dialectical significance today” (Fanon (1963[1961]: 170). However, such notions can hardly be measured in a comparative way. According to other authors, the social impact of colonialism depended on the number settlers of European origin, colonially-induced labor migration and the level of colonial investment in the health and education sector. Related to that were different practices of ethnic and/or religious discrimination or privileges.

In Latin American Spanish colonies, the low proportion of settlers caused limited social development in the areas of education and health (Mahoney 2003). Countries with between 10% and 30% settler populations tend to have higher income inequality (Gini measures) than those with a higher or lower percentage (Angeles 2007). In settler and plantation colonies, there was a considerable amount of expropriation of land in different forms. The concentration of land ownership was higher where horticultural societies were colonized than in areas with higher population densities and more complex agricultural technologies. The latter were also less prone to the importation of labor. The colonially-induced labor immigration had a strong regional bias (Amin 1972; Fieldhouse 1996). In many colonies, economic specialization developed along *ethnic lines* with the ‘new’ sectors being taken over by ‘newcomers.’ In British Malaya, policies of the colonial government resulted in “such large and self-sufficient migrant communities that the older pattern of absorption into local society [...] only rarely occurred” (Watson, Andaya, and Andaya 2001: 342). On Borneo, the British Brooke regime developed a clear ethnic specialization in which ethnic Chinese were traders and cash-crop farmers, Malays administrators, Iban (an indigenous ethnic group) policemen and soldiers while other indigenous groups in the interior of the island remained generally outside the scope of government policy. The government always favored the amalgamation of smaller groups into one of the larger categories, usually along religious cleavages, i.e. all Muslims were considered to be ethnic Malays. This policy contributed to the formation of an identity among the numerous distinctive and often rival

⁵ Not all mining enterprises were colonial, capital-intensive and large-scale; in some areas where mineral deposits were sufficiently rich and alluvial, traditional small-scale traditional techniques could be applied, as in British Malaya (Huff 2007: i131).

indigenous ethnic groups (Watson, Andaya, and Andaya 2001: 253). Lange et al. (2006: 1446) conclude that through colonial policies of ethn racial discrimination and exploitation British colonizers “contributed to enduring ethn racial polarization,” especially by preventing large groups from being able to participate in productive economic opportunities. Unsurprisingly, in these ‘plural societies,’ the anti-colonial nationalist movements came to see the ‘non-national’ communities as reminders of foreign domination (cf. Trocki 1999: 114; Paige 1975: 355). Many of these minorities became targets of the new governments’ policies and, often, victims of government-sponsored or -tolerated pogroms.

The artificiality of *colonial borders* is one of the popular truisms about the effects of colonialism. According to Englebort et al. (2002: 1093), there is “little disagreement that the boundaries of contemporary African states are unusually arbitrary as a result of their largely colonial origins.” There are two aspects of “artificial borders”: the creation of ethnically fragmented countries and the separation of the same people into bordering countries (Alesina et al. 2006: 2). In the Near East, the spheres of influence and control established in the Sykes-Picot Agreement of 1916 led to an artificial dismemberment and reassembly of Arab territories formerly belong to the Ottoman Empire. Vandewalle (2006: 40) calls Libya an “accidental state,” “created by, and at the behest of, Great Power interests and agreed to by the local provinces who feared other alternatives.” On the Southeast Asian continent, the definition of the river Mekong as border between (semi-colonial) Thailand and (French) Laos was agreed upon by the French and the British, thereby cutting the area inhabited by Lao-speaking people in two parts along the main traffic artery – the Mekong. However, the opposite aspect, the creation of “artificial non-borders” is usually neglected in the analysis of the colonial “heritage,” e.g. the creation of the Dutch East Indies that became modern Indonesia. The colonial borders proved to be long-lasting and have not been changed, except for very few exemptions not included in our sample (Eritrea, East Timor). However, this has also been a deliberate policy by the Organization of African Unity and by the United Nations.⁶ As a consequence of this fixation, according to Herbst (2000), neither colonial nor post-colonial administrations have incentives to invest in the periphery of their territories, causing inefficiency and weak institutions. The colonial borders furthermore created landlocked states, in Africa more than in any other region. And they created large countries, increasing the likelihood of civil wars (ibid.).

Many authors see the investment in the *education and health* sectors as the most positive impact of colonialism. According to the new estimations by Bolt and Bezemer (2009), ‘colonial human capital’ is the most important colonialism-related determinant of long-term growth in sub-Saharan Africa. However, it has to be kept in mind that education under the colonial government was not primarily meant to improve the knowledge of the indigenous population or to open the ways to European universities but to recruit and to train clerks/officials for the administration. Education policies were guided by the practical needs of colonial society. For instance, in Egypt, the British “attempted to confine the Westernized schools to the training of the future civil servants and to direct the bulk of primary school graduates into vocational institutes” (Cleveland 1994: 101); in Malaya, “it was considered unnecessary to offer higher levels since the government viewed education as means of equipping the population with the tools appropriate for their assigned lot” (Watson Andaya/Andaya 2001: 255). Rodney (1972: 264) argues that colonial schooling was “education for subordination, exploitation, the creation of mental confusion and the development of underdevelopment.” However, he sees differences within as well as between

⁶ “Any attempt aimed at the partial or total disruption of the national unity and the territorial integrity of a country is incompatible with the purposes and principles of the Charter of the United Nations.” (United Nations, *Declaration on the Granting of Independence to Colonial Countries and Peoples*, adopted by General Assembly resolution 1514, XV, of 14 December 1960.<www.unhcr.ch>).

colonies, and assumes that British colonies offered more educational opportunities than French ones, largely due to the activities of the missionaries.

The empirical data on enrollments at the end of the colonial period indeed show huge variations in sub-Saharan Africa (Künzler 2007: 74f.). Financial arguments played an important role: In Egypt, austerity measures under the rule of Lord Cromer (1883-1907) such as the closing of public schools and the increase of fees led to a decline of the primary and secondary enrollment rates (Cleveland 1994: 101). At the same time, independent schools were in many colonies forbidden or carefully observed in order to exclude the development of a potentially anti-colonial elite. Trocki (1999: 88) argues that the impact of schools was “far-reaching, since it had the effect of creating cultural allies for the colonial powers”. There was virtually no other option for school graduates than to work within a colonial structure (government, trade, mission), a situation that created what Wallerstein (1970: 410) called the “clerk between two worlds” where “[t]o concentrate on his psychological dilemmas [...] is to miss the key factor, the structural bind in which this class found itself.”

“Cultural allies” were also the parts of the population that converted to the religion of the colonizers. *Missionary activities* thus belonged to the repertory of the European colonizers from the beginning in 15th century, and in many places their collaborators and subjects accepted their religion as ‘superior’ – and/or for opportunistic motives. In many areas, missionaries came with the colonizers, in some before them. Colonization or semi-colonial rule often brought religious freedom and the protection of missions for all kinds of Christian churches and sects. A relation too close with the colonizers could be a disadvantage for the mission. In India after independence, the Christian Church “has become free from the stigma that it was an ally of the ‘foreign’ rulers,” while during the British colonial domination, it “was often looked upon as an ally of an alien imperialism” (World 1949: 150f).

How far-reaching the change of life related to conversion to Christianity really was, beyond routines and rituals, is difficult to assess. Much depended on the distance between traditional life and the new religious instructions and standards – the new religion demanded not only exclusivity and renouncement of traditional practices such as ancestral worship and shamanistic health rituals as well as non-sedentary lifestyles, polygamy and open promiscuity. Missionary activities were especially successful where a process of self-Christianization could be set in motion. In these cases, local assistants successively took over the preaching and converting, and “native Churches” were built. In Africa, there was more African control over missionary activities where missions were established before colonial rule, while in the reverse case the dividing effects on African societies were more distinct (Ilfie 1969: 130). Among the consequences of Christian missionary work in Africa was also an age cleavage since it was above all the young who were attracted to the early missions, “so that acceptance of education and Christianity often appeared almost as a revolt of a whole generation against its elders” (Ilfie 1969: 128). There were also many other unintended consequences, such as Christianity-inspired, but anti-Western messianistic movements, “native Churches” that could inspire independence movements, or a dissolution of the traditional cultural value system followed by a complete breakdown of social structure. In Vietnam, the Cao Dai sect was founded in 1926, a case of “frankly fabricated traditionless syncretism” which mingled Confucianism, Buddhism, Taoism, spiritism, and freemasonry, among others, with a quasi-Catholic church organization (Osterhammel 1997: 99). The impact of missionary activities was big in areas which were not converted to one of the “high” or scriptural religions (Islam, Hinduism, Buddhism etc.) already, i.e. mainly areas in south of the Sahel belt in Africa (with the exception of the East African coast), in Southeast Asia (in the Archipelago the Philippine and some Indonesian islands, on the continent the so-called “mountain tribes”) and in Oceania. Among the highly educated in stratified societies, missionaries argued in favor of Christianity by referring to the superiority of European

knowledge, technology etc. The latter met usually open doors, but unrestrained missionary zeal put these exchanges at risk, again and again, as in the case of Vietnam (cf. Watson Andaya/Ishi 1999: 200). In Islamic areas, colonial missionary activities were especially unsuccessful. If this has to do with traditional animosities out of centuries-old religious competition or with the fact that apostasy is a crime punishable by death in Islamic law (Lewis 1995: 295), is not of importance here. As the World Christian Handbook summarizes:

in the whole Moslem world, particularly in the homelands of Islam in the Near East, the number of converts from Islam to Christianity has always been very small and is still very small. The Christian churches consist of foreign residents and of people belonging to families which were never Moslem. (World Christian Handbook 1949: 76)

In mainly Islamic areas, converts usually were followers of ancient Christian churches, which had survived in some parts of Western Asia. In many colonies, converts were given special tasks in administration and/or army, and they usually became “loyalists.” This had a lasting impact on interreligious relations, independently of their absolute numbers. The decolonization process brought many risks for converts, which were often – especially in cases of armed conflicts and wars of independence – met by emigration.

Regarding *health and life expectancy*, colonialism had a mixed impact. On the one hand, medical centers were founded, typically with the purpose of lowering infant mortality and advancing disease prevention and vaccination campaigns. The limited impact of these measures has to do with the predominant orientation of “imperial medicine” (Elson 1999), which was “particularly interested in controlling, by medical research and eradication campaigns, the most spectacular manifestation of ill-health, epidemic sicknesses ... The continued outbreak of such epidemics was an affront to Western dominance, moreover they had serious economic consequences because they killed so many labourers and rendered so many others incapable of work” (ibid. 177f).

By ending or reducing traditional warfare – whose frequencies and character are hotly debated – in many regions, colonialism had a pacification effect which reduced economic disruptions and related famines. For Southeast Asia, Elson (1999: 160) argues that it was the significant reduction of mortality, not an increase of fertility, which led to a net population growth in colonial period. On the other hand, urbanization and the work in mines, plantations and on the big infrastructure construction sites favored the spread of diseases and increased dramatically the number of work-related accidents. In Southern Vietnam, one in twenty plantation workers died, which was double the overall mortality for the French colony (ibid., 157). In Africa, the establishment of plantation colonies had “a grossly disturbing effect on the African nutritional economy” (De Castro 1952: 179). In certain areas colonialism led to a drastic population decrease. In the Belgian Congo, the decrease was by 50 percent between 1879 and 1919; mainly due to forced labor and the atrocities linked to it (Hochschild 2000[1998]: 233). Furthermore, colonial investment in health facilities mainly benefited the colonialists, especially in settler colonies.

Conclusion

We started by admitting that the problem of colonization as 'intervening variable' remains unsolved in recent research, including our own. The huge variety and diversity of colonial experiences that we found described in the research literature (and that we can confirm on the basis of our evaluation) is a challenge to all attempts at coding the factual impact of colonialism and therefore its “legacy.”

Our research survey shows that there are differences between the socio-economic development in colonized and non-colonized areas/countries. The (few) non-colonized areas in Africa/Asia experienced less intensive modes of integration into the world economy, a slower disruption and disintegration of the traditional social structures, all in all a slower pace of change compared to colonial economies (cf. Dixon 1999b: 57f). Although some Asian countries, e.g. Vietnam, Indonesia and especially South Asia (former British-India, Burma, Ceylon) did experience colonial domination with far-reaching consequences, the political impact of colonialism has been widest in sub-Saharan Africa, in areas where a lesser degree or the absence of traditional state- and empire-building opened opportunities for significant political transformations. The economic impact of colonialism varied greatly, both in Asia and Africa. Many regions have been transformed through the development of plantations, mining booms and settler economies, others have been tied to empires through colonial policies as in the case of the French mercantilism or Japan's highly interventionist colonialism. Other areas have remained untouched or only superficially changed through colonialism, such as neglected land-locked regions in Africa as well as highly developed traditional economies in East or West Asia. Regarding social transformation, the difference between Africa and Asia is most pronounced. With few exceptions (French-Indochina, Fiji, Malaysia), all countries which experienced a profound colonially-induced social transformation through immigration, proselytization and partition are located in Africa south of the Sahara. In most heavily-populated areas with traditional states and empires as well as dominant scriptural religions, this was not possible, not necessary or not desirable for the respective colonial power.

However, the impact of colonialism should not be overestimated. As demonstrated in many analyses, it is *one* important determinant of the socio-economic development of Africa/Asia in the 19th-20th century, but not the only one and in many cases not the most important one. On the Arab Peninsula, for instance, the decline of the demand for pearls in the 1920s and the large-scale production of petroleum are considered to have changed societies much more than British indirect rule and related investment, which was promoted by indigenous elites (Owen and Pamuk 1999: 76ff). In many cases, colonies were annexed before their geopolitical or economic value to the Imperial Empire was even assessed: "One consequence was that, once colonies were seized, the imperialist powers were frequently content to permit local economic activities to stagnate rather than to allow a rival metropolitan state administration to assume either formal or informal control. This 'benign neglect' – in addition to the discovery and subsequent exploitation of natural resources in other colonies – produced a heterogeneous pattern of capitalist economic development throughout the colonial world (Murray 1980: 13).

We therefore conclude that caution is justified regarding the supposedly transformatory effects of colonialism. While for some areas, it is obvious that profound changes in economy and social structure can be traced back to colonial measures, others remained almost untouched, sometimes even conserved. To deal with the impact of colonialism by dummy-variables ("colonized/not-colonized," French/British, etc.) is clearly inadequate. The challenge is to identify the main dimensions of colonial transformation and to find indicators to measure the factual, real levels of impact. The next level of the project aims at developing a multidimensional measure of the impact of colonialism in order to open up new avenues for comparative research, qualitative as well as quantitative.

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Book Reviews

Brian J. Gareau. 2013. *From Precaution to Profit: Contemporary Challenges to Environmental Protection in the Montreal Protocol*. New Haven, CT: Yale University Press. 362 pages, ISBN 978-0300175264 Cloth (\$55.00).

Since the disastrous 2009 Copenhagen climate talks, global climate governance has roiled in crisis. Michael Grubb, a long-time influential advocate for a binding global climate treaty, has warned that the world could enter its “darkest hour” (Grubb 2011). Other scholars now argue that small clusters of countries should negotiate treaties amongst themselves, and expand their clubs over time (Victor 2011). Some have even suggested a “G-2” solution decided by the United States and China alone. On the left, climate justice and “system change” activists are more likely to reject talk of any carbon-trading settlement altogether, despite the occasional radical defense of a global cap-and-trade scheme (Hahnel 2012). Still, a universal treaty remains on the global agenda. And the Montreal Protocol is the precedent most often cited as a uniquely effective example of global environmental governance, thanks to the steep reductions in ozone depleting substances it has achieved since entering into force in 1989.

Yet as Brian J. Gareau shows in *From Precaution to Profit: Contemporary Challenges in the Montreal Protocol*, this ostensible success story is misunderstood, with important implications for global climate politics. Gareau argues, first, that the role of consensus science in the Protocol’s inception has been greatly overstated; second, that the treaty’s real successes are largely explained by a pre-neoliberal, precautionary political context that no longer prevails; third, that under neoliberalizing conditions, U.S. intransigence, and a newly challenging technological setting, the Protocol’s effectiveness has dwindled; and finally, that global civil society (including public science) so far lacks the tools to compel nation states to do better. Gareau musters impressive ethnographic and historical research, supplemented with careful readings of new radical geography, environmental sociology, Bourdieusian theories of social capital, and Foucauldian literatures on power/knowledge and governmentality. And his presentation is clear and cogent even as it navigates the proverbial alphabet soup and dull bureaucratic procedures of treaty governance. In terms of sweeping global developments, he narrates the extraordinary capacity of California’s commercial strawberry industry to enlist the United States government’s assistance in hijacking a vital environmental treaty, this despite “the rather inconsequential role that strawberries play in society” (Gareau 2013, p. 149). Readers of this journal may not be stunned to read about the ability of powerful corporations and the U.S. government to bring global environmental institutions and poorer countries’ aspirations to heel (see Park and Roberts 2007). But they will learn much about the concrete mechanisms whereby global inequalities are translated into legal victories for some core countries on the negotiating floor.

From Precaution to Profit is divided in two. The first section argues that over the course of the 1990s, global environmental governance neoliberalized, with devastating implications for governments’ ability – and willingness – to resolve the contradiction between markets and environment in the latter’s favor. The second explores in ethnographic depth the controversy over methyl bromide (MeBr), a toxic chemical gas used to pre-sterilize tomato and (most importantly) strawberry fields to prevent infestation by pests. MeBr, whose continued use the

American “polluter-industrial complex” has vehemently insisted on, also happens to be a significant ozone-depleting substance, and the most important target of regulation through the Montreal Protocol, now that it is successfully drawing down use of chlorofluorocarbons (CFCs).

Gareau’s book builds on a growing new literature showing that in the Montreal Protocol’s initial 1980s negotiation, the role of science was more mixed than the protocol’s champions – and climate science boosters – typically recognize. Research on ozone-depleting substances then was far less conclusive than research on anthropogenic climate change today. On the other hand, at that time replacing CFCs with alternative substances actually offered the world’s major chemical companies the prospects of significant profits. These companies had not yet worked out precise replacements, but they reasonably expected that slightly costlier solutions would allow them to squeeze smaller competitors out of the market. The problem for Gareau is that this economic argument undermines his second claim for the Montreal Protocol’s early success, namely that a “general interest” mood of precaution prevailed over neoliberal market logic in the 1980s. If the economic ramifications of regulation were not especially frightening, perhaps the discourse about prevention, and the willingness to use “command and control” regulatory methods, was just rhetorical residue from the 1970s. Gareau alludes to U.S.-based civil society pressure as a key force in the late 1980s, with reference to others’ scholarship. More detail is needed here. Other accounts of the shifting terrain of environmental governance in the 1980s suggest that a pro-market shift was already well underway at that time, particularly in the U.S., with business-friendly NGOs like the Environmental Defense Fund taking full advantage (see Meckling 2011, Oreskes and Conway 2010, Pooley 2011). Had Gareau briefly compared the politics surrounding the agreement of the Montreal Protocol with other high-profile environmental struggles of the time, he might have made his periodization more persuasive.

In any case, Gareau’s definition of neoliberalization, which draws on radical geography arguments about its processual and uneven character, powerfully illuminates two key dimensions of the 2000s’ MeBr controversy, where the United States insisted on special exemptions for California strawberry growers, thus undermining the phase-out of MeBr across the globe. The first is the hypocrisy of Northern governments, which, while promoting trade liberalization in general, nonetheless engaged in protectionism for favored industries. In the many meetings of the Montreal Protocol that Gareau attended, the United States refused to engage in debates about the overall global economic implications of the phase-out, instead insisting, in a marked shift from the tenor of earlier negotiations within the Protocol, that no regulation should impose costs on any *particular* industry. The second, linked dimension pertains to the role of scientific knowledge in governance and the ability of NGOs to meaningfully contest core countries’ claims on behalf of a general, global interest. In the 1980s and 1990s, global public science offered the only legitimate grounds for negotiating reductions in ozone-depleting substances. But once the MeBr controversy erupted, American negotiators insisted on the particular, private knowledge produced (or funded) by California growers. Gareau argues that neoliberalization was as much about the United States defending its favored science as defending any particular industry. When NGOs would appeal to the United States, EU, and other countries to resist this agenda, however, they usually had no effect. This leads Gareau, leaning on Bourdieu, to theorize that powerful actors were vertically penetrating the Protocol’s seemingly horizontal social networks. And in what Gareau reads as Foucauldian processes of power/knowledge and governmentality, the United States in particular was able to use its leverage to compel poorer countries to submit to the U.S.’s protectionist agenda, all while legitimizing its actions by clouding the scientific debate, and by compelling NGOs to adopt neoliberal discourses about avoiding “market

disruptions.” But if the United States is the clear villain in this story, the European Union (EU) plays a more ambivalent, even positive role. It remains unclear to what degree this reflects a fundamentally different approach to reconciling economic and ecological imperatives.

On the whole, Gareau’s claims are persuasive and amply supported by his research. Their implications, unfortunately, are daunting. He ends on an ambivalent note, suggesting that a MeBr phase-out may well end up occurring because of very recent technological progress and expanded organic growing practices. Yet he insists that the controversies of the 2000s demonstrate a distressing neoliberal turn and the worrying fragility of the best global green treaty on offer. What is to be done? Gareau makes vague arguments about the need for greater civil society mobilization, especially in the U.S., and he argues that the relationship between science, civil society, and policy-makers needs to be re-aligned in favor of a precautionary approach. Is this enough to get the Montreal Protocol back on track? And even if so, does what worked for ozone politics in the 1980s really provide a helpful analog for contemporary climate politics? With climate change, actually implementing a “precautionary” approach likely means long-term, economy-wide planning. But the historical reference for such interventionist U.S. government planning extends much further back than the 1980s, to the New Deal and its immediate aftermath, and to the militant labor movements that fought for that era’s decommodifying welfare policies. Clearly, the context has changed. And is a global climate treaty the right goal? *From Precaution to Profit* makes it clear that nation-states are the decisive actors, and that global institutions have limited power to coerce the most powerful national governments. Gareau has helpfully specified the ways that neoliberalization is undermining global environmental governance. But it will fall to other scholars and activists to apply its lessons in work on what sorts of leverage particular civil society actors already have, and the sorts of leverage they will need to build, to keep the profit imperative from devastating efforts to slow climate change.

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Nitsan Chorev. 2012. *The World Health Organization between North and South*. Ithaca, NY: Cornell University Press. 288 pages, ISBN 978-0801450655 Cloth (\$45.00)

In this fascinating book, Nitsan Chorev explores the evolution of the role of the World Health Organization (WHO) between 1970 and 2000, focusing in particular on its response to external pressures. So far, the WHO has mostly escaped the attention of scholars interested in international organizations, global governance and policy making. Chorev's book contributes to closing a gap that needed to be filled, not only because the WHO is one of the largest United Nations agencies in terms of its budget, scope of mandate, and programming, but also because it provides an ideal empirical setting to investigate the dynamics and effects of the interdependencies among different institutional actors in global governance. Over the three decades under analysis, the WHO has interacted with, and perhaps more importantly has provided the platform for interaction among, donor countries, recipient countries, the pharmaceutical industry and multinational corporations, consumers, health activists and NGOs.

After reviewing the classical positions on the degree of autonomy of international organizations vis-à-vis member states, the author opts for a constructivist perspective that acknowledges the importance of external pressures faced by an international organization (i.e. resource dependence, procedural dependence, and normative dependence). Chorev claims that the interplay between external pressures and the volitional conduct of WHO does not result what are often presented as two dichotomous options: either passive compliance or active resistance. Instead, the book extends the palette of available options for an international organization to include *strategic compliance*, when the organization alters the meaning of external demands before adhering to them, thus closing the gap between the required changes and its own goals; and, *strategic resistance*, when the organization reframes external demands in such a way that member states find it difficult to challenge its non-compliance, thus minimizing the risk of sanction. In other words, what makes a response active or passive is not whether the organization ultimately conforms to or resists exogenous pressures, but rather whether it attempts to alter the meaning of those pressures. The author shows that this kind of active 'strategic' posture has enabled the WHO to maintain a stable notion of its identity and goals, even in periods of turbulent ideological and economic transitions.

This interpretation is convincingly supported by a rich and detailed historical narrative based on thorough archival research, including the minutes of the World Health Assemblies and the correspondence between government officials and state representatives. The documentary analysis has been corroborated by a set of approximately 50 interviews of relevant experts.

The five empirical chapters (Chapters 3-7) offer a vivid account of the institutional dynamics behind the design of a specific intervention for development. Against a backdrop characterized by dramatic ideological turns, first the rise of the New International Economic Order and its eclipse by Neoliberalism, the book argues that the WHO has systematically attempted to strike a balance between conflicting pressures, as well as between its own agenda and these environmental changes.

Two longitudinal cases illustrate the intense negotiations and deliberations behind most global initiatives launched by the WHO. One case is the cyclical dispute between a holistic approach to basic health versus vertical disease control programs. For example the 'Primary Health Care' approach, officially launched during the Alma Ata conference (1978) as a strategic response to the expectations of developing countries, was soon challenged by 'Selective Primary Health Care' approach discussed during the Bellagio Conference (1979). Adding 'selective' was

allegedly a countermove aimed at re-establishing the vertical approach by a coalition that included the World Bank, the Ford Foundation, USAID and the Canadian International Development and Research Center, among others (Chapter 3). In the 1990s and 2000s the pressure to embrace the neoliberal agenda was exacerbated. A significant portion of the original WHO mandate was appropriated by the World Bank or attributed to the newly established UNAIDS (Chapter 5). In the attempt to revitalize its role, the WHO accepted to conceive health in economic terms (e.g. health as instrumental to growth) and to launch programs that had a clear cost-effectiveness rationale (Chapter 6).

The second case is the evolution of the relations between the WHO and the private sector from confrontation to co-operation (Chapter 4). In the 1970s and 1980s, the WHO had a clearly hostile attitude towards multinational corporations. The organization contrasted the health approach based on curative, urban-based, high-technology care in developing countries with what it labeled 'appropriate technology'. It promoted the notion of 'essential drugs', implicitly accusing corporations of dumping non-essential ones, especially in developing countries. It sponsored a code of conduct for infant formula that clearly signaled its willingness to hold companies accountable for their inappropriate marketing practices. In the following decades, however, the WHO shifted its attitude towards the private sector such that, during the the 1990s and 2000s, business became a regular partner of WHO initiatives, which industry actors supported with both monetary and in-kind donations (Chapter 7).

These historical narratives serve two interrelated analytical purposes. First, the initiatives and paradigms of international organizations are often perceived as reified, especially when they are injected with technocratic expertise, as in the case of the WHO. Chorev, instead, unveils the process through which these initiatives are socially, or better yet politically, constructed. Second, we come to appreciate the 'active' role played by an International Organization even when the policy outcome may be classified as a failure. Personally, I had, and I still have, reservations about the strategic ability of the WHO to systematically respond to external pressures in order to maintain its legitimacy. Yet, the book persuaded me that the strategic response should be factored in before enunciating any 'verdict of irrelevance' for an international organization.

Nevertheless, I would have expected a clear conceptualization of legitimacy throughout the book, perhaps building on the well-established scholarship that has differentiated between pragmatic, normative and moral legitimacy. Lumping together all these categories creates some ambiguity on what type of legitimacy the WHO is seeking in the cases under analysis, and from whom.

The concluding chapter presents an interesting synthesis of the evolution of global health regimes in the 1970s-1980s and in the 1990s-2000s. I found, however, that the author could have drawn more compelling insights from the comparative analysis of the cases presented in the empirical section, especially by comparing more explicitly across the cases the three conditions that enable strategic responses, namely independent goals and preferences, scope of supervision and leadership.

These relatively minor reservations aside, *The World Health Organization between North and South* is a remarkable work which speaks to different academic communities. Scholars of sociology, international relations, global health, public policy and administration will find it instructive and engaging. The book will also be valuable for graduate seminars. For example, it could be used in a graduate course on international governance or to provide an overview of the evolution of global health over the last decades.

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Ian Morris. 2013. *The Measure of Civilization: How Social Development Decides the Fate of Nations*. Princeton, NJ: Princeton University Press. 381 Pages, ISBN 978-0691155685 Cloth (\$29.95)

The Measure of Civilization is a compendium of data on the leading edge of the emergence of sociocultural complexity and hierarchy over the past 14,000 years. It is very useful for those who do research on long-run, large-scale social change. But for the general reader *The Measure* needs to be discussed in conjunction with Ian Morris's 2010 book, *Why the West Rules – For Now*. Most of *The Measure* was originally written as a data appendix to support the story told in *Why the West Rules*.

The big idea is that complex human systems, like other complex systems, need to capture free energy in order to support greater scale and complexity, and that the ability to capture free energy is the main variable that accounts for the growth of cities and empires in human history. Morris traces the increasing size of human settlements since the origins of sedentism in the Levant about 12,000 years ago. And he uses estimates of the sizes of the largest settlements in world regions as a main indicator of system complexity. Using this method he notes that there was parallel evolution of sociocultural complexity in Western Asia and Northern Africa, South Asia, East Asia, the Andes and Mesoamerica, and that the leading edge of the development of complexity diffused also from its points of origin. And sometimes the original centers of complexity lost pride of place because new centers emerged out on the edge. The old Mesopotamian heartland of cities now has none of the world's largest cities. Development is spatially uneven in some regions, with the center moving to new areas.

In the introductory chapter of *The Measure of Civilization* Morris provides a useful overview of earlier efforts to measure social development, and he also provides a helpful and insightful discussion of the social science literature on sociocultural evolution since Herbert Spencer.

Morris's research is unusual for an historian because he carefully defines his concepts, specifies his assumptions and operationalizes his measures, and then uses the best quantitative estimates of settlement sizes as the main basis of the story he is telling. His estimates of the sizes of the largest cities utilize and improve upon earlier compendia of city sizes.

The main focus of the earlier book (*Why the West Rules*) is the comparison of what happened in Western Asia, the Mediterranean and Europe with what happened in East Asia. Morris is careful to trace the histories of the diffusion of complexity in both areas. He also makes contemporaneous comparisons of the two regions which allows us to see that there has been a see-saw pattern back and forth regarding which region was ahead or behind in the development of sociocultural complexity. The West (Western Asia) had an original head-start, but the East caught up and passed, and then the West (Europe and North America) passed the East again. The focus on energy capture is a valuable materialist angle that cuts through a lot of the nonsense one finds in most other East-West comparisons. And the focus on cities rather than polities or civilizations allows us to see the big patterns more clearly.

While *The Measure of Civilization* is about the quantitative basis of Morris's analysis, *Why the West Rules* adds a lot of detail beyond the basic focus on energy capture. It is a fascinating story told well. The energy capture idea misses some of the patterns that are of interest to those who want to study whole world-systems over long historical time. The story tends to be rather core-centric with little attention paid to the transformative roles played by peripheral and semiperipheral marcher states in the construction of large empires. Not much is made of the transformation of systemic logics of development over the long period studied, and how differences in the development of capitalism may have been an important aspect of the East/West trajectories. But the foregrounding of energy and cities is a valuable strategy for comprehending both the patterns of history and for considering the present and the future of human development. Morris's books are insightful contributions to our efforts to penetrate the fogs of sociocultural evolution.

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David Jacobson. 2013. *Of Virgins and Martyrs: Women and Sexuality in Global Conflict*. Baltimore: The Johns Hopkins University Press. 254 pages, ISBN 978-1421407548 Paper (\$24.95)

Of Virgins and Martyrs is the sexy title for a book that takes the reader on three "journeys": a tour of "honor societies" in the Middle East and North Africa that are based on a form of tribal patriarchy; the beginning of modernity, notions of the self, and the emergence of woman's ownership of her body, in 16th century Europe and especially Protestant Holland; and the benefits of globalization to the world's women. In the process we are introduced to the "tribal patriarchy index", which Jacobsen designed to help explain and predict religious-based violence, and the results of a survey of British and French Muslims on legal and gender matters. The book is a fascinating and engrossing *tour d'horizon*. But it does have its limitations.

An admirer of modernity, Jacobsen associates it with self-hood as well as with notions of women's autonomy and control over fertility. He is also partial to the grand narratives of modern social theory, including that of Max Weber and Norbert Elias' civilizing process." He contrasts liberal and modern notions of the self and the individual with the primacy of the community in tribal patriarchy. His starting trope is Biblical, with King David's sin of helping himself to another man's wife (Bathsheba), and his son Amnon's rape of his own sister Tamar. The objective is to underscore not only pre-modern royal privilege but also male entitlement, female subordination, and the place of women's premarital virginity in the honor-shame complex of tribal patriarchies. He then moves – perhaps a bit too seamlessly – to contemporary Oman, Iraq, and other sites in the Middle East, where virginity is still emphasized and "honor crimes" committed. There, the female body is the site of cultural and political contestation, taking in part the form of an Islamist backlash against the encroachments of Western modernity and globalization. Jacobson is cognizant of the symbolic uses of the body, and especially the female body, but his is a more materialist approach. (In this respect, he has an interesting reference to the notion of the body as a social/cultural construction, which prompted Martha Nussbaum's 1999 trenchant critique of Judith Butler and Foucauldian approaches.)

Jacobson is of course correct to point to the achievements of modernity. As the author of a book entitled *Modernizing Women*, I can only concur. However, he is too quick to contrast tribal patriarchal communities with modern Western states, neglecting the crimes of modern empires, colonial agendas, imperialism, and capitalist globalization. The persistence of patriarchy is a matter of continued scholarly debate, especially among those of us writing from within Middle East women's studies, but it cannot be divorced from aspects of international relations. Patriarchal structures have remained in Afghanistan, for example, because the United States and its proxies deliberately undermined a left-wing modernizing regime after its emergence in 1978 and especially during the 1980s. This was a state that had, at the center of its social reform program, the compulsory schooling of girls as well as boys. In Iraq, patriarchal structures re-emerged because of the international sanctions regime of the 1990s and especially after the United States and the UK invaded a sovereign state, dismantled an entire state apparatus, and produced such chaos and decentralized power that violence – including violence against women – persists more than a decade after that invasion. The hyper-masculinity that is associated with the honor/shame complex may have existed prior to the invasion, and especially in certain isolated communities outside the state's purview, but it was intensified by the breakdown of a strong, centralized state.

The book's subtitle is "women and sexuality in global conflict", which is a reference to the conflict between violent tribal patriarchy and Western modernity. But here I would raise two related issues that should have received some attention. First, one can see Western modernity at war with itself – with its ideals of women's equality and rights versus the persistence of violence against women in Western societies. True, such forms of violence are illegal and subject to prosecution, but their persistence is more anomalous than is the case in "pre-modern" communities. Hardcore pornography, sexual assaults in the military, the persistence of rape, sexual harassment by mayors or other officials – these examples would seem to transcend religiosity or tribalism, especially as they occur in advanced and highly developed societies. Misguided foreign policies based on perceived (national) self-interest similarly perpetuate violence against women, as with the male entitlement of U.S. soldiers (and those of other countries) that generates strip bars, brothels, and so on, not to mention sexual abuse.

Secondly, Jacobsen is correct to call Wahhabism – the strict Islam of Saudi Arabia and its proxies – a "colonizing force" (p. 59) that seeks, among other things, to "cleanse" and "purify" society of Western or modern ills, or even what it perceives as illegitimate Muslim practices. He attributes such purification rituals to religious-based zeal – from Catherine of Siena to Ayatollah Khomeini and Osama Bin Laden – but also to the ideological zealotry of the Red Guards. I would add the atrocious Khmer Rouge – but then why stop there? Why not extend the analysis to the awful bombings of Vietnam by the U.S. military, and similar acts to "purify" the world of communism, such as the Indonesia of 1965 and Pinochet's Chile?

For Jacobson, violence is an organizing principle of the pre-modern society (p. 114). In contrast, Sylvia Walby's recent book on the contemporary social system in the global era situates multiple sites of inequality (e.g., class, gender, race, ethnicity, sexuality) within four main institutional domains: economy, polity, civil society, and violence. Walby is cognizant of the pervasive presence of violence in the modern, globalized world.

As one who has long written about structured gender inequality in countries of the Middle East and North Africa, I certainly cannot object to Jacobsen's discussion of patriarchy, honor crimes, low female labor force participation, and so on. But the achievements of the women's rights movements, legal and policy changes, and secular advances such as fertility

declines, educational attainment, and growing employment in the public sector should be noted as well. And while it is broadly true – as empirically shown by Jacobsen’s tribal patriarchy index – that areas with strong patriarchal tribes are more likely to produce violent extremists, it is also the case that in many countries such as Algeria, Morocco, and Tunisia, states as well as civil society groups such as associations of feminists and secularists have staunchly opposed Islamist extremism. Islamist extremists everywhere are doubtlessly enraged by the fact that Algeria today has a 31 percent female share of parliamentary seats.

As noted, Jacobson is a proponent of globalization, but he fails to acknowledge its dark side. Globalization may favor those women with considerable human capital as well as other assets and skills, but it has left behind working-class women, creating new categories of the poor. In some countries, the “feminization of poverty” is a reality, while in other countries the highest rates of unemployment are found among women. In the United States, the absence of job security, paid maternity leaves, and quality and affordable childcare centers underscores the pervasive disadvantages faced by working class women in the rather ruthless environment of neoliberal capitalism. In this regard, the otherwise interesting discussion of fashion and “erotic capital”, which Jacobson ties to the self and subjectivity, lacks analysis of the link between fashion and market relations.

The chapters on the challenges of immigration in Britain and France – especially from the Muslim world – are among the best I’ve read on the subject. I tend to agree with Jacobson’s discussion of multiculturalism and its failings in the UK (and the Netherlands), and I share his preference for the French republican model, with its injunction against the *niqab* and other overt expressions of cultural or religious difference and separation. Jacobson provides some intelligent policy advice and I hope the French authorities are paying attention.

Obviously I have some differences with Jacobson’s analysis, but the book is rich and engrossing, and Jacobson has read widely and well. As such, the book is likely to appeal to a diverse audience. For those interested in the Middle East and North Africa, the book is best read in conjunction with studies by experts from within Middle East Studies. There, one would read not only about the persistence of tribalism, religiosity, and backlashes against Western modernity, but also about the emergence of social movements for change, including those led by feminists, socialists, and genuine democrats.

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Kathi Weeks. 2011. *The Problem with Work: Feminism, Marxism, Antiwork Politics, and Postwork Imaginaries*. Durham, NC: Duke University Press. 287 pages, ISBN 978-0822351122 Paper (\$23.95)

In this provocative and energizing book, Kathi Weeks makes extremely smart arguments aimed at unmaking the valorization of work, and demanding a postwork politic. Weeks' book serves both to critique Marxist (especially state socialist) and feminist (particularly liberal and socialist feminist) strategies, and to advance a utopian vision of a society no longer defined around work and productivity. After reading her book, I find myself enthusiastic about the potential for a movement aimed at repositioning work's placement in society. Central to Weeks' argument is how much Marxist and feminist scholarship has problematically focused critiques on the organization and distribution of work, rather than the values underlying work. As a political theorist, Weeks considers and historicizes the work of a wide range of scholars – from Weber to Negri to Dalla Costa and James to Hochschild to Halberstam – marshaling evidence for her own argument “that seeks to pose work as a political problem of freedom.”

Weeks begins by critiquing the work ethic, while also indicating its vulnerability. First, Weeks sets out a strong argument for how the work ethic has emphasized the place of work and consumption as central to society, while movements to address, for example, gender, race, and sexual discrimination have expanded “the scope of the work ethic to new groups and new forms of labor, and to reaffirm its power” (p. 68). Yet as she convincingly points out, there are contradictions and instabilities where contestations become visible. Weeks next explores how central work remained to a socialist vision, whether a model of socialist modernization or socialist humanism. Here, autonomist Marxism emerges as Weeks' potential solution, claiming a broader political movement and a greater focus on agency and resistance. Autonomism makes the goal to not simply see work more justly distributed or made more meaningful, but to see work play a different, less central role in society. The aim is “to reduce the time spent at work, thereby offering the possibility to pursue opportunities for pleasure and creativity that are outside the economic realm of possibility” (p. 103).

Feminist conceptualizations of how important the household and its reproduction of labor are to the economy centered the 1970s wages for housework movement, which Weeks analyzes in some depth. She traces how demands for wages for housework were not meant to valorize domestic work, but came out of an autonomist critique of both liberal and socialist feminist arguments for market or public childcare, for example, which simply support existing capitalist and gendered arrangements. As Weeks argues, wages for housework “was a means by which to constitute a feminist and anticapitalist political collectivity whose ultimate aim was the radical transformation of the institutions of work and family” (p. 136).

From here, Weeks argues for a basic unconditional income, which would give individuals the freedom to opt out of work. Basic income not only recognizes inextricable links between productive and reproductive work, but also helps solve crises of unemployment, underemployment, and contingent employment. Weeks further argues for shorter working hours, contrasting such an approach with models that argue for more and better work for women. Unsatisfied with existing accounts of how to address conflicts between work and family, Weeks insists upon a shorter working day as the best solution. Rather than privatizing or socializing reproductive labor or reinforcing a gender division of labor, shorter work hours – along with basic income – can transform our systems of employment and family into more democratic forms that promote freedom. Weeks ends her book with an analysis of utopianism, recognizing

that her proposals may be read as utopian, yet arguing that utopian hope is crucial to allow us to imagine the future as both connected to and radically different from the present. Weeks argues that while demands for shorter work hours and basic income may not, in fact, lead to revolution, they “are potentially effective mechanisms by which to advance critical thinking, inspire political imagination, and incite collective action.”

Weeks makes an exciting and compelling argument. While my own research is precisely aimed at feminist claims for work supports such as public childcare, what my research finds also fits with Weeks’ central contention: societies are healthier when workweeks are shorter. To maximize gender equality and minimize risk of poverty, we need both basic incomes and shorter workweeks for all workers. Yet, how these ideals are implemented matters. While the Dutch system of part-time hours is much touted as a better model for work-life balance than the long hours required for many U.S. workers, the fact that many women work very few hours, while most men work full-time, entrenches gender inequalities in ways particularly damaging for single mothers. Yet faced with long hours and few supports, U.S. mothers are more likely to leave the labor market for long periods than, for example, Swedish mothers – reinforcing gendered divisions of labor. Ideally, I would like to see 30-hour workweeks for both men and women, along with employment supports, and basic income. Where both men and women work shorter hours and rely on basic income, care no longer need be divided by gender, while work no longer need crowd out life.

I might quibble a bit with the book. I wished for more discussion of the labor movement, and its attempts to limit working hours. Unions played a key role in establishing the 40-hour workweek, although that victory has been sadly eroded (including recent attempts to undermine the idea of overtime pay in the name of “flexibility”). What role may a broader labor movement play in fighting for fewer working hours? I also wished for more attention to renegade social scientists, such as economists who argue for shortened workweeks for both the good of the economy *and* the environment. I was further surprised that Weeks, in discussing the need for basic income, did not refer to “decommodification” – or the degree to which individuals and families can live independently of market participation. Given the very interesting debates between Esping-Andersen and feminist interlocutors over the commodification and decommodification of women’s labor, this was a missed opportunity. Finally, the flow of the book’s argument – from political theorizing to pragmatic demands – was broken by the penultimate chapter on utopian visions.

Yet, I ultimately found Weeks’ book engaging, moving, and important. If there is a movement worth fighting for, it includes an emphasis on fewer working hours and basic guaranteed income. Many of the policies I support – higher taxes, higher spending on education and training, publicly funded childcare and paid care leaves – help address the needs generated by an economic system that valorizes work – and consumption – above all others. These policies may also make labor more expensive in ways that challenge capitalism. Yet Weeks has convinced me that basic guaranteed income and fewer working hours may begin to unmake the central place work has in our lives, and give us entirely new opportunities to dream, create, play, and love.

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Peter Knapp and Alan J. Spector. 2011. *Crisis and Change Today: Basic questions of Marxist Sociology, Second Edition*. Lanham, MD: Rowman & Littlefield Publishers. 371 Pages, ISBN 978-0742520448 Paper (\$23.30)

Writing a comprehensive text on Marxist sociology is a daunting task, and I most sincerely congratulate anyone with the courage, determination, and knowledge required to undertake this formidable labor. *Crisis and Change Today* by Peter Knapp and Alan Spector, now in its second edition, is just such a text. The authors are professors at Villanova and Purdue-Calumet universities respectively, and it seems apparent from the content of the book that one or both of them have experience in movements for social change as well as in academic scholarship.

The central idea of Marxist sociology, the authors say, is that the elimination of social classes and of nation states is both possible and desirable (p.1), and every part of their book tries to sustain this basic thesis. *Crisis and Change Today* is divided into four long chapters corresponding to what the authors regard as the four main roads into Marxist social theory. Each chapter develops six major propositions about one of these approaches to Marxist theory. These six propositions are used to answer ten important questions about human societies and their history. Although this degree of numerical symmetry seems a bit artificial, the 24 propositions are indubitably Marxist and most of the 40 questions are of compelling interest.

The first chapter concerns historical ideas and is entitled “Base and Superstructure: Marx’s Theory of History.” It identifies seven main stages in human history respectively characterized by these seven modes of production: primitive communism, Asiatic, ancient, feudal, capitalist, socialist, communist (pp. 26-8). All but the first and last of these production modes are class divided systems, and at this moment in history the communist mode is just a conjecture about the future. Perhaps the most important proposition developed in this chapter is the claim that “class struggle has been the motor of history” (pp. 104-5). Also discussed (approvingly) in chapter one is the Marxist model of base and superstructure. According to this formulation, the political and legal institutions of society plus the prevailing forms of social consciousness (the superstructure) are largely caused by the existing mode of production (the economic base). The power of the ruling class is rooted in the economic base, but the superstructure protects the interests of this class and reproduces its political and cultural hegemony.

A particularly interesting part of the first chapter is its critique of classical liberalism (pp. 54-58). Knapp and Spector consider five realms of liberal policy: economics, politics, philosophy, ethics, and aesthetics. In each realm the actual results of liberal policies are more damaging than liberals ever acknowledge. The practical outcomes of liberal economic policy (*laissez-faire*) are inequality, waste, and stagnation rather than a benign moving equilibrium. Liberal political policy (pluralism) generates plutocratic domination and sometimes fascism rather than true democracy or responsive government. Libertarianism, the application of liberal principles in the sphere of philosophy, produces exploitative capitalist ideology and ideas congenial to the wealthy rather than anything that resembles unvarnished truth. Selfishness and predatory behavior, not individual self-development, are the upshot of liberal individualism in the field of ethics. And art-for art’s sake, the narcissistic liberal aesthetic, devolves into commercially driven homogeneity and sexploitation rather than creative innovation and rich cultural variety.

The second chapter of *Crisis and Change Today* is about economic ideas and bears the title “Surplus Value: Marx’s Economics.” This chapter defends the labor theory of value, argues

that wealth is based upon the exploitation of labor, asserts that a falling rate of profit is inherent in capitalism and causes periodic crises, and argues that both Keynesian economics and foreign investment are ultimately ineffective remedies to inevitable capitalist crises. Among the questions considered in the second chapter are why unemployment exists (pp. 135-143), who benefits from racism and sexism (pp. 143-154), does the USA have unusually high levels of social mobility (pp. 162-169), and why economic depressions occur (pp. 169-180). The answers that Knapp and Spector provide for these questions are plausible (at least to Marxists), if unsurprising.

Chapter 3, which is named “Class Struggle: Class, Party, and Political Theory”, focuses on the political ideas of Marxist sociology. This chapter maintains that the state in a capitalist society essentially serves the capitalist class (which is therefore a ruling class); that fascism is a perpetual danger in capitalist societies and, faced with a severe economic crisis, the capitalist class sometimes embraces fascism; that the USSR, after initially vanquishing capitalism, moved towards a version of state capitalism; and that opportunism (i.e. abandoning Marxist principles to take advantage of immediate circumstances (p. 268) has severely weakened working class movements. The questions considered in this chapter include why the capitalist class has political power in a capitalist society (pp. 203-212), how the politics of a capitalist society change over time (pp. 219-226), what is fascism (pp. 226-243), what is the dictatorship of the proletariat (pp. 243-251), and why socialism collapsed in the USSR and China (pp. 256-267).

The final chapter of *Crisis and Change Today*, entitled “Applying Dialectics: Some Issues in the Philosophy of Science,” deals with philosophical ideas in general and dialectical ways of looking at the world in particular. In this fourth chapter the authors defend a scientific (as opposed to a humanist or critical theory) interpretation of Marxism. They claim that history and social structure can be studied scientifically; that change is ubiquitous and human nature is historically variable; that all components of the real world are interrelated; that contradictory forces exist within all phenomenon; that understanding these contradictory forces is key to scientific explanation; and that the existence of contradictory forces is the basic reason for the ubiquity of change within human societies and the natural world. Among the questions addressed in chapter four are whether a science of society is possible (yes) (pp. 284-292), can and should social science be value neutral (no on both counts) (pp. 317-324), do laws of history exist (yes if one focuses on change and looks widely enough) (pp. 344-350), and what is the value of dialectics (comprehending contradiction and avoiding false dichotomies among other things) (p.350-363).

One can learn a great deal about Marxist sociology from *Crisis and Change Today*. The text is particularly strong when comparing Marxist and non-Marxist sociologies and when describing the differences between various forms of Marxism and the political consequences of these differences. The discussion of why mature capitalism generates extreme wealth inequality is very good (pp. 46-52), and the analysis of why socialism collapsed in the Soviet Union and China is both insightful and heartfelt (pp. 256-275). I do not think this book would work well as an introductory text to Marxist sociology. It assumes too much prior knowledge about Marxism as well as a certain commitment to the Marxist approach. However, it functions quite well as a reference and refresher for sociologists and other social scientists who have already cast their lot with Marxism.

The least satisfactory part of *Crisis and Change Today* is its overall organization. Structuring a text around the answers to 40 questions does not yield a systematic presentation of Marxist sociology. The questions themselves do not fall into a natural sequence, and the answers

provided are often rambling, repetitive, and only occasionally incisive. The upshot is a jerky and somewhat discontinuous exposition of Marxist social science as if the text, by its very composition, intends to model the irregular nature of a dialectical process. The book would benefit from a broader variety of historical examples and from a wider range of empirical evidence. The authors repeatedly fall back upon jaded metaphors, such as the game Monopoly, when more historical examples and more empirical evidence are needed.

Each of the 40 questions in this book is accompanied by an exercise presumably designed to deepen understanding of both the query and the answer provided. Such exercises are, in principle, an excellent idea, but I found many to be both frustrating and unhelpful. The relationship between the question posed and the accompanying exercise is often obscure. Some of the exercises involve fairly abstract tasks for which the authors provide scant or inadequate guidance. Doing an exercise often requires subtle insights or complex judgments not readily available to even an experienced sociologist, let alone to a novice student. For example Exercise 4.4 (pp. 312-6), which deals with testing theories, requires the reader to choose an observed multivariate relationship, invent at least three theories addressing this relationship, derive at least three different empirical consequences from each theory, choose appropriate indicators for each empirical consequence, and finally construct Marxist and non-Marxist explanations for the observed relationship.

Each of the 40 questions is also accompanied by a brief annotated bibliography suggesting further reading on the subject. The annotations are generally interesting and informative, but the choice of literature to annotate frequently seems eccentric if not arbitrary. Some of the books and articles discussed are marginally relevant to the subject and/or seriously outdated, and some important Marxist scholarship of recent vintage is entirely ignored. A second edition should take pains to update its bibliography and make its annotations of maximum contemporary relevance.

Crisis and Change Today intends to portray Marxist sociology as an ongoing scientific project. This intention is partially undermined by Knapp and Spector's reverential attitude towards Karl Marx. They treat Marx not simply as the founder of the Marxist intellectual enterprise, but as a source of almost infallible wisdom. Divergent theoretical or empirical claims are sometimes adjudicated by referencing a classical Marxist text. Seldom do the authors dispute anything written by Marx, and even more rarely do they treat a standard Marxist interpretation as superseded by recent scholarship. A.N. Whitehead says that "a science that hesitates to forget its founders is lost," and I tend to agree.

One cannot expect a text on Marxist sociology to address every aspect of this fascinating but capacious subject. Nevertheless a state-of-the-art treatment of the field should certainly give more attention to environmental concerns than does this book. Environmental analysis and critique have been at the forefront of Marxist sociology for at least the past decade. Disregarding environmental topics makes the book seem unnecessarily passé. Similarly *Crisis and Change Today* makes no mention of financialization, a process that, since the 1970's, has restructured the capitalist class, reorganized world capitalism, and become deeply implicated in recent capitalist crises. A compelling text on Marxist sociology cannot remain mute on financialization or on the abundant Marxist literature about this vital development.

One of the tributes on the back cover of the paperback edition claims that *Crisis and Change Today* merits an A+. This is an egregiously hyperbolic evaluation. I credit Peter Knapp and Alan Spector with having produced a flawed but still useful review of Marxist sociology. I do not think this book will convert many aspiring social scientists to Marxism. It can, however,

refresh the knowledge of those already committed to historical materialism, and it does effectively reveal the differences between Marxist and non-Marxist approaches to social science.

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Morten Jerven. (2013). *Poor Numbers: How We Are Misled by African Development Statistics and What to Do about It*. Ithaca: Cornell University Press. 187 pages, ISBN 978-0801478601 Paper (\$22.95)

Nearly everyone who is engaged in quantitative macro-comparative research in the field of international development routinely uses data on gross domestic product (GDP) per capita. It has long been recognized in the literature that GDP per capita is not an adequate proxy for “development,” whatever that heavily laden term may mean. We also know that it is difficult to deflate GDP per capita statistics from different time periods into a common base year, and that it is even more difficult to translate GDP per capita statistics from different currencies into a common base currency. All of these problems are compounded when we try to calculate what we're usually most interested in: GDP growth.

Despite these shortcomings, GDP per capita is reported and its growth is calculated every year, year after year, for an ever-widening array of countries. By far the continent with the most countries (and thus data points) is Africa. Since the 54 countries of Africa include some two-thirds of the world's poorest countries, regression analyses involving African countries often amount to little more than comparisons of Africa versus the rest of the world. Similarly, analyses that focus only on poor countries often amount to little more than analyses of Africa. In short, due to the preponderance of African countries in international datasets, African GDP statistics are central to nearly all quantitative macro-comparative research on development.

Consequently, no quantitative macro-comparative development scholar can afford to ignore Morten Jerven's new book, *Poor Numbers: How We Are Misled by African Development Statistics and What to Do about It*. Forget the “what to do about it”: there's nothing academics can do about it, and it is very unlikely that the World Bank and other intergovernmental organizations will bother to do anything about it. As for “how we are misled,” this book is essential reading.

Jerven shines a light on the previously obscure processes through which GDP and other statistics come to be reported in international datasets like the World Development Indicators. He conducted fieldwork in national statistical offices in Ghana, Kenya, Malawi, Nigeria, Tanzania, Uganda, and Zambia. He also collected e-mail surveys from representatives of statistical offices in a further 15 African countries. His work thus includes new primary source insights on 22 African countries, plus secondary source analyses from others as well.

The sausage-making he reveals is not pretty. For example, in Zambia there is almost no record of how the national accounts for 1973-1994 were compiled. The Zambian statistics for those years are there in the international datasets; take them or leave them. In Ghana the “annual” economic survey has only been published once (2005) in the last 25 years. In all countries, heroic assumptions abound.

Unsurprisingly, baseline surveys are out of date or nonexistent, the IMF and World Bank are generally non-cooperative, and national leaders often attempt to manipulate data for political advantage. Expert staff have been pulled out of routine economic measurement to work instead on compiling statistics related to the Millennium Development Goals and other IGO and NGO priorities. National statistical offices languish in ancient premises with no internet access while national central banks occupy class A space in new glass-and-steel office towers. In some cases national statistical offices are simply left unstaffed for substantial periods of time.

As with much of the larger African story, tragic ironies abound. The success (or lack thereof) of the structural adjustment programs foisted upon African countries in the second half of the 1980s cannot be evaluated because the severe government cutbacks demanded by these very programs resulted in the suspension of the systematic compilation of national accounts. Similarly, the supposed failure (or lack thereof) of state economic planning in Tanzania cannot be evaluated because international donors insisted on promoting economic growth outside the established parastatal enterprises and state marketing boards, which were the agencies responsible for tracking economic activity. And of course much of the recent “reduction” in poverty in African countries has been accomplished through the simple restatement of national accounts, not through real economic growth driven by trade, investment, or neoliberal globalization.

Regular users of international datasets will not be surprised to hear that nationally reported figures, World Bank figures, and Penn World Table figures often disagree—sometimes spectacularly (Chapter 1). Nor will they be surprised to learn that African development statistics are of generally poor quality (Chapter 2). The really important parts of the book are Chapter 3, which includes case studies of Nigerian and Tanzanian data collection, and Chapter 4, which reports the results of Jerven’s interviews. Two illustrative findings, both from Chapter 3, serve to underscore the embarrassment that can result from taking African development statistics at face value and the damage that could be caused if anyone actually formulated real-world policies on the basis of the results of our statistical analyses.

First, an entire economic literature has grown up around the phenomenon of “output shocks,” events in which countries suffer sudden, massive economic declines. Output shocks are reputed to be a feature of less-developed economies, and enormous econometric firepower has been trained on their analysis. Some output shocks are doubtless real, such as the one that accompanied the mass privatization of Russia’s state assets beginning in 1992. Most, however, seem to be epiphenomenal: they are statistical artifacts resulting from the rebasing of economic data series. Jerven studies one such shock in detail, the 33% (!) decline in Tanzanian GDP per capita recorded for 1988 in the Penn World Table. The PWT records a matching 20% rise in 1987, which some economists have attributed to a successful structural adjustment program. Both extreme figures are the result of the bungled international handling of a rebasing exercise that was correctly reported by the Tanzanian statistical office in its own official reports.

Second, a very hot new area in development econometrics is the use of sophisticated instrumental variable models to estimate “true” levels of economic growth uninfected by the kinds of problems detailed by Jerven in this book. Since most African countries are highly dependent on agriculture, one popular approach is to use rainfall as an instrumental variable for estimating GDP per capita. Leaving aside the substantive criticisms that in many African countries agriculture is not rain-fed and that the main agricultural challenge in some places is too much rainfall rather than too little, it is in fact true that rainfall is strongly associated with reported economic output in Africa.

It should be. As Jerven explains, many African countries base their GDP estimates on estimates of agricultural production. They do not, however, directly measure agricultural output, but instead estimate it based on rainfall. Worse, some countries do not have accurate rainfall statistics, so they estimate agricultural output based on rainfall forecasts from international meteorological offices. That is to say, rainfall estimates (or forecasts) are used to estimate agricultural output, and agricultural output is used to estimate total output via a multiplier. Then, a highly-respected university econometrician comes along and finds that the resulting GDP data are correlated with rainfall. The econometrician uses this fact to construct an “error-free” GDP figure based on rainfall levels. It's all mind-bogglingly pointless—and just might win you the Nobel Prize.

At 187 numbered pages, this is a short book. Taking out the notes, references, appendices, index, and fluffy introduction leaves just 114 pages: a day's reading. One wonders whether such a short book really required a six-page preface and six pages of acknowledgements. The book grew (or shrunk?) out of a Ph.D. dissertation, and it shows. It is not the well-mulled work of a mature scholar. It is the rushed output of a very talented graduate student who must have been under quite a bit of pressure to wrap up. This is reflected in (among other minor shortcomings) very poor copy-editing: for example, the World Development Indicators dataset is rendered as the "World Development Institute" (Tables 1.1 and 1.2). Other, smaller copy-editing errors abound. For these, Cornell University Press should share much of the blame.

Nonetheless, this is an important book, and it is a book that must be read to be appreciated. The glory of the book is in the gory details. Jerven deserves all the credit he will surely receive for researching, writing, and publishing a Ph.D. dissertation as a book that will be widely disseminated and discussed. No one can really understand the meanings of the figures reported in the international data infrastructure without having read this book. By implication, no one has really understood the meanings of the figures reported in the international data infrastructure before.

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Leslie C Gates. 2010. *Electing Chavez: The Business of Anti-Neoliberal Politics in Venezuela*. Pittsburgh: University of Pittsburgh Press. 195 Pages, ISBN 978-0822960645 Paper (\$24.95)

The election to the Venezuelan presidency of the late Hugo Chavez in 1998 with a resounding 57 percent of the popular vote marked the first in a string of electoral victories by anti-neoliberal candidates in Latin America. What accounts for this turn of the Left has been a topic of ongoing scholarly and popular debate. Focusing on the role of the business sector in Venezuela's watershed 1998 elections, Leslie Gates argues that examining state-business relations in the region may hold the key to understanding the new anti-neoliberal politics. In Venezuela, according to Gates, Chavez managed to overcome business opposition to his candidacy and to actually win the backing of a “small coterie” among the powerful business community. In her view, this goes a long way in explaining his triumph at the polls. In turn, “[i]nterpreting this

recent trend in Latin American politics,” she says, “depends on explaining why this tsunami [the left turn] first came ashore in Venezuela” (p. 4).

Gates sets out to resolve “two puzzles.” One is how did Chavez manage to overcome the fierce opposition of the business community to his candidacy? The second is how did he manage to win the support of a small but important group of business leaders? With regard to the first, she finds that voters held anti-business views and were thus not negatively influenced by business hostility to Chavez. In turn, she explains this widespread anti-business sentiment by the highly visible involvement that the business community had in a series of public corruption scandals in the 1980s and 1990s as well as its close association with highly discredited public institutions and political parties. This latter association involves a new group of politically engaged business executives, which she terms “bisnocrats” to distinguish executives appointed to ministerial and cabinet posts in successive Venezuelan governments in the latter decades of the 20th century from more traditional technocrats and bureaucrats.

With regard to the second, she finds that there was an “elite outlier calculus” to assist Chavez. These outliers among the business sector “had economic interests that predisposed them to pursue access to the state even if it meant overlooking the policies Chavez advocated” (p. 86). Specifically, state dependent businesses, meaning those businesses that are dependent on the state for contracts, licensing, services, financing, and so forth, have “access based” rather than “policy based” interests and therefore seek to assure that winning candidates will not threaten their access to the state. They exhibit a structural predisposition to pursue and secure this access over making sure that governments adopt certain economic policies. She finds that in 1998 a full 75 percent of elite outliers who backed Chavez had primary business interests in state-dependent sectors of the economy.

Gates concludes from these findings that the success of anti-neoliberal presidential candidates may not be structurally determined by neoliberal globalization as much as by the organization and agency of business elites. “The structural underpinnings of anti-neoliberal politics exist not so much in the structure of social inequality as in the structure of business elites” (p. 144). Research into anti-neoliberal politics would do well to focus more systematically on state-business relations, especially on the degree of business dependence on the state and on the extent to which the nature of these relations generate public anti-business antipathy – all this in the context of historically contingent circumstances in each case.

Gates’ case study makes an important contribution to our understanding of the politicization of class in recent electoral outcomes in Latin America, and in particular, to the analytical purchase of focusing on the mediating element of state-business relations in these outcomes. However, she seems to assess those relations not as merely an important and overlooked factor in the 1998 Venezuelan vote, and by extension, in other electoral processes in Latin America; she claims that they were *the* determining factor. “The role of strategy (or agency) in bringing Chavez to power lies not so much in the candidate’s rhetorical strategy but rather in the choice of some business elites to assist Chavez,” she claims. Certainly these electoral processes are overdetermined in that there are multiple factors and no one single causal agent. Yet in her account the behavior of other actors are determined by that of the business elite. In place of the dialectic of the interaction of multiple agencies there is an inflation of the singular agency of business elites.

These elites, for instance, are said to determine the popular vote by engaging in corruption and associating with discredited political institutions, thus generating anti-business sentiment among the popular classes. By way of comparison, she claims that in Mexico –

another petrostate with structural parallels to Venezuela – these elites were less involved in politics until the election of Ernesto Zedillo to the presidency in 1994, and hence their conduct did not generate enough anti-business sentiment for an anti-neoliberal candidate to win an election. Here the popular classes are left without their own collective agency; there is no role for ideological and political struggles over hegemony in times of structural and legitimacy crises. To suggest that anti-business sentiment is the singular consequence of the business elite's fowl play or opportunism is to deny agency to the popular classes and their organic intellectuals in the development of their own political engagement and class consciousness.

Gates' study in this regard could be enriched by a more expansive discussion of hegemony, counterhegemony, and structural crisis in Latin America – if not the world-systemic context – as the region moved into an era of anti-neoliberalism at the turn of the century, as well with a more extensive engagement with the political sociology literature on the state, class, power, hegemony and crisis. She locates her study within “a broader intellectual agenda of re-invigorating theories of the state that are structurally rooted but historically contingent” (p. 142) as initially articulated by Nicos Poulantzas. Yet the study does not specify underlying structural roots that ground the matter of the historical contingency in patterns of state-business relations; it lacks analysis of class and power or of the *capitalist state*. Nor does it address analytically or theoretically the significance of crises within the dominant groups and their systems of ideological control for state-business relations or for openings from below.

Finally, it would be interesting if Gates could have included some comparative discussion, such as comparing Venezuela to the two other closest cases in Latin America, that of elections and the rise of anti-neoliberal presidents in Bolivia and Ecuador. In the Bolivian case, we would expect to find that the business community did not have anywhere near as causal a role as in Venezuela, whether directly or mediated in accordance with Gates' model, in the election of Evo Morales and that the role of this community was dwarfed by the causal agency of the mass indigenous movement. Despite these critical observations, this work provides valuable new insight into anti-neoliberal politics and to the study of capital and the state in Latin America.

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