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Editors' Introduction

This issue marks the last one we will publish independently, since we are happy to report that we are in the process of moving JWSR onto the [University of Pittsburgh's Office of Scholarly Publishing e-journal platform](#). This move will help us streamline the review process, and more importantly it will raise the profile of our journal in a number of critical ways. First, the librarians who design and manage this platform are trained to help make research accessible. They are committed to defending open access to scholarly research and to helping users find information. Articles will be formatted to enhance searchability, and we will have more support in publicizing our journal to a wide audience, including a large international readership. Second, all of our articles—including those from previously published issues—will be assigned a Digital Object Identifier (DOI), which provides a more stable link than a URL, which might change. This will further aid in our effort to get our authors' work to those who want to read it. Third, the [Journal of World-Systems Research](#) will soon be indexed in the most common scholarly databases, and we will also be able to measure the impact of articles with a developing array of [alternative metrics](#) that are appropriate for online content. This will encourage more submissions, particularly from junior scholars for whom such metrics are a factor in deciding where to publish. Our anticipated launch date for the new system is, appropriately, May 1, 2015, so watch for our new website, which will continue to be at www.jwsr.org.

This move underscores the arrival of what we see as the second generation of online publishing. JWSR's founding editor, Christopher Chase-Dunn, helped make the journal a leader in scholarly open access publishing, at a time when few others were taking online publishing seriously. Now, with more than 20 volumes, ours is one of the most established peer-reviewed open access journals. And today we now have far better software and support for this form of publishing, thanks in large measure to a growing social movement promoting open access publishing. In response to rising costs of scholarly journals, which is related to the consolidation of the commercial publishing industry, more universities, libraries, government agencies, and scholars are joining together to defend free and open access to information. We are proud to be part of this movement to defend the knowledge commons from commercialization and to support the people and groups that use this knowledge to advance a more just and equitable world (For more details on this movement see [Smith 2015](#)).

We're pleased to bring to our readers an exciting special issue, guest edited by Mangala Subramaniam, that explores relationships between the state and social movements. This special issue assembles a fascinating array of contemporary cases in Asia and Latin America to help further theorizing about processes of contestation and social change. In addition, we have two regular articles that help bring into focus the countries of the semiperiphery and periphery of the world-economy. Schwartzman examines the relationship between China's economic expansion and Mexico's trade performance. She examines changes in these two countries' garlic trade to assess the relative impacts of China's growth on other low-income countries. Her paper provides an important foundation for further research on the processes of change and of reproduction of world-system inequalities. Makki offers us a world-system perspective on the trajectory of the countries of Africa over the past half-century. Despite "growing resource extraction, creeping peasant dispossession, and heightened levels of social polarization and ecological degradation," Makki argues that the shift in the global center of accumulation to East Asia has helped stimulate

economies in Africa. His analysis helps show the processes behind and the consequences of the continent's asymmetrical integration into the world-economy—something he contends must be understood in order to guide the search for a more equitable world-system.

Our book review section features a special symposium on Andre Gunder Frank's last book, the posthumously published *Reorienting the 19th Century: Global Economy in the Continuing Asian Age*. The lead review essay by Albert Bergesen, "World-System Theory After Andre Gunder Frank," enumerates the key insights of Gunder Frank's book and explains how they extend his long and complex history of critical engagement with world-systems analysis. In so doing, Bergesen not only revisits some of the fundamental questions within the annals of PEWS scholarship, but he also makes a spirited call to reorient the field's research agenda in ways that more clearly recognize the central role of trade relations as the "foundation of the modern, and for that matter any, world-system." We have five replies to Bergesen's provocations, with response essays authored by Sing C. Chew, Hae-Yung Song, Annamarie Oliverio and Pat Lauderdale, Robert A. Denmark and Barry K. Gills, and Christopher Chase-Dunn. In addition to this rich and lively debate about the legacy of Gunder Frank's scholarship, we have our normal complement of book reviews. Once again, we are pleased to review a set of books that run the gamut of political economy and world-systems analysis, and we are grateful for the thoughtful appraisal offered by a diverse set of insightful critics.

Jackie Smith, Editor
Jennifer Bair, Book Review Editor
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Journal of World-Systems Research

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Smith, Jackie. 2015. "[Defending the global knowledge commons](https://www.opendemocracy.net/jackie-smith/defending-global-knowledge-commons)" *Open Movements* Series on Opendemocracy.net. At: <https://www.opendemocracy.net/jackie-smith/defending-global-knowledge-commons>

States and Social Movements in the Modern World-System¹

Mangala Subramaniam

Purdue University

mangala@purdue.edu

The mark of the modern world is the imagination of its profiteers and the counter-assertiveness of the oppressed. Exploitation and the refusal to accept exploitation as either inevitable or just constitute the continuing antinomy of the modern era, joined together in a dialectic which has far from reached its climax in the twentieth century. (Wallerstein 1976: 233)

Protest, struggle, and the urge for equality are as old as constricting structures such as caste hierarchy, inequality of power, wealth, and knowledge. Social movement theorists argue that movements, protests, and struggles are legitimate expressions of popular interests and attempt to explain why, when, and how people protest and make claims. Protests and challenges to inequalities have been visible in discourse and movement activities all over the world. Efforts to challenge structural inequities also reveal the complex locations of different groups, particularly in the context of the current trends in globalization. While some attempts have been made to expand the contemporary social movement scholarship in the United States to include international cases, the field remains fragmented. At the same time, an increasing number of U.S.-based scholars are now interested in movement dynamics across countries and contexts.

A significant set of movements globally and across countries have and continue to challenge the consequences of globalization and specifically the neoliberal agenda. Neoliberalism generally refers to the ideology that advocates the dominance of a competition-driven market model and includes a set of policy prescriptions that have defined the world economy since the late 1970s. Within this doctrine, individuals in a society are viewed, if viewed at all, as autonomous, rational producers and consumers whose decisions are motivated primarily by economic or material concerns. But this ideology has little to say about the social and economic inequalities that distort real economies. The neoliberal order that is supported by powerful states and wealthy corporate interests has been expanding over time, but that order is also being vigorously challenged by movements acting both locally and transnationally.

Scholars have begun to integrate tenets from the world-systems approach with perspectives in social movements to develop an understanding of the dynamics of movement action as occurring within a world-systemic context (cf. Smith and Wiest 2012; Kaup 2013). How have changes such as globalization trends and the adoption of neoliberal policy agendas affected the livelihood of people? How have people across rural and urban spaces and across

¹I appreciate very much the comments and suggestions from Jackie Smith on the draft of this article. I thank Suresh Garimella, the then Associate Vice President for Engagement, and his office at Purdue for the grant that made the symposium in Chennai possible. I am also grateful to K. Kalpana, R. Santhosh, and Binitha Thampi and the Department of Humanities and Social Sciences at IIT, Madras for collaborating to organize the symposium on IIT-Madras campus.

countries assessed opportunities and threats and built movements to resist the capitalist world-system? These are the broad questions addressed in this special issue.

This special issue draws from papers presented at a symposium on the state and social movements, organized jointly by Purdue University's department of sociology and the Indian Institute of Technology (IIT), Madras's Humanities and Social Sciences Department and convened at the IIT campus in March 2013. The articles interrogate the power of the state and state institutions within a broader world-system and explore the implications for social movement challenges to this power.

Throughout the history of modern democracy, contradictory claims and policies have served as a basis for social movement action, which is often about resisting market forces and demanding rights. Nonetheless, these papers cover several issues related to challenges to neoliberalism and the state in the world-system: environmental justice, state engagement in resistances to neoliberalism and the world capitalist system, the roles of micro-enterprise development (self-help groups), and the character of mobilization dynamics and leadership of organized challenges in the context of neoliberal agrarian policies such as opposition to GM (genetically modified) crops.

Along with an emphasis on the transnational nature of movements, the articles in this special issue focus on the global South. In sum, authors examine how global forces impact social movement politics, the local character of neoliberalism and resistance, and the tendency of states to support (or not) counter hegemonic struggles. Our consideration of cases in this issue is based on movement politics as being complex, comprising multiple actors and economic and social forces that include the state, NGOs, and global institutions. Moreover, state structures themselves vary, and this variation can impact social movement mobilization. The cases that follow are based in places and countries that have increasingly been integrated into the world system and that continue to see intense struggles against the growing capitalist economy. Considering the translocal character of neoliberalism, struggles in both core and periphery nations may involve the targeting of the state, corporations, and other global economic institutions. Below I discuss the three main ways the papers in this issue contribute to the effort to better integrate world-systems tenets with conceptualizations in social movement theory.

Role of State

First, the articles utilize Sklair's (1999) argument to consider "processes that transcend the nation-state" and thus to look beyond the state as the unit of analysis. But the state is not a monolithic whole, nor is its structure stable and constant. The nature of state boundaries and authority is changing as a result of changing patterns of relations among states, including evolving international norms (Appadurai 1996; Ohmae 1990 1995; Strange 1996). Moreover, the state itself may adopt an anti-neoliberal stance, which Almeida, in this issue, describes as anti-neoliberal political parties (more below).

World-systems scholars draw our attention to the ways in which neoliberal globalization transforms the state. They include advocating and enforcing deregulation, reduction in state spending (particularly in the social sector), and increased foreign investment and trade (Harvey 2005; Robinson 2004). Adoption of these policies has reduced states' roles in providing basic services such as education and health while enhancing the power of private sector actors. Thus the neoliberalization of the state has been particularly detrimental to the countries of the global

South and to people with relatively less access to resources. However, people in the global South (and global North) have not idly watched their lives being transformed in the name of development; they have organized and resisted this collectively (cf. Subramaniam 2014; Sassen 2013; Smith and Wiest 2012; Almedia and Johnston 2006, among others).

As Angelique Haugerud observes, “Neoliberalism has sparked a stunning array of popular countermovements” (2010:112) that often target corporate and state power. Since the late 1990s, there has been a growing tendency to understand these kinds of movement politics as responding to various forms of “dispossession” unleashed as part of the latest wave of neoliberal globalization. Such endeavors for profit accumulation are closely linked to the global capitalist system, but the struggles against accumulation by dispossession are of greater importance in the global South (Harvey 2003). Both Almeida and Kalpana, in this issue, discuss the role of the state in these contests.

Women organized in self-help groups are disciplined by the state to contribute to the capitalist agenda (Kalpana). But this has enabled women to emerge as agents to seek change beyond the financial benefit. The local character of neoliberalism is visible in household-based initiatives such as micro-enterprise development and self-help groups, a theme explored by Kalpana in this special issue. While world-systems analysts examine such household-based subsistence work as key to the maintenance of the capitalist world-system, feminists who work within the world-system approach highlight the economic contributions of women. But as argued by Wallerstein and Smith (1984), informal sector activity is a market transaction which depends on the ability of the state to alleviate the inequalities that arise from promoting capitalism. Drawing from the world-systems approach, Karides (2010), explains the expansion of micro-enterprise development under neo-liberalism as reflective of two separate “strategies of dealing with economic crises—informal or unwaged work and government transfer or social safety nets—merged into one” (p. 192). This expansion has been made possible by the state and has focused largely on women. Feminists have expressly elaborated the economic contributions that women made to households through their informal enterprises.

Turning to the changing stance of the state, it is pertinent to note that especially in Central America, the alliance between emerging anti-neoliberal political parties and popular movements. These trends challenge the world capitalist society. The decades of implementation of neoliberal policies in Central America have been resisted by social movements and a new path to progress is being ushered in (Almeida and Johnston 2006). In his analysis of all six Central American States, Almeida concludes that the “shift from state-led development to neoliberal forms of capitalism at the global level provided new threats and incentives for antisystemic forces to form electoral political parties as a strategy to resist new harms associated with the loss of citizenship rights” (p. 19).

Resistances to Local and Translocal Neoliberalism

Second, and related to the first point above, several of these essays provide a critical, and much needed perspective on the local face and character of the consequences of neoliberalism and resistances by movements particularly in semi-peripheral countries. While neoliberalism itself is translocal in nature, movement dynamics, including their trajectory, can play out differently in different places (Subramaniam 2014). Contributing to the discussion of neoliberalism, critical geographers assert that there is “neoliberalization” of socio-nature—a term that is used to

highlight the particular ways in which specific “local neoliberalisms” are embedded in broader structures and relations of neoliberalism, which is heterogeneous and contested (Bakker 2005: 544; Peck 2001; Peck and Tickell 2002). As noted by Kaup (2013), the struggles against exploitation and accumulation at the local level are tied to global economic change.

Specific “local neoliberalisms” are located within broader structures and relations of neoliberalism, which is a heterogeneous and contested. In fact, global engagements in advocacy and protest is “influenced by processes of mobilization in particular national contexts” (Scoones 2008: 159). Yet these processes are transnationally linked. In the loose network making up global protestors, the GM issue has become a focus of interlinked protests against the “monopolization of knowledge and technology ownerships through patents and the TRIPS agreement, for trade justice as part of the reform of the WTO, against the perceived deprivations of multinationals (such as Monsanto), or in relation to wider rights campaigns around food, health and farming” (Scoones 2008: 157). Struggles against exploitation and dispossession do not merely converge when facing a common oppressor, but also when the changing forms and geographies of exploitation and dispossession bring people together in common places (Kaup 2013). This is particularly evident in the discourse around GM (genetically modified) crops in India. For many involved in the politics of biotechnology, the national frame was about broader issues of rights and social justice in the context of neoliberal agrarian policies (see Roy in this issue).

World-systems analysts have understood social movements as challenging and resisting the underlying structures of the world economy. But they also recognize that not all movements challenge the system or view the issues they contend with as being inter-connected (Hall and Fenelon 2009). Some of these challenges have a local character and are often loosely linked. Such struggles shape and transform opportunities by advancing claims and challenging power within countries and can at the same time contribute to the broader anti-system movements. In addition, new movements may emerge to find ways of meeting the basic needs of those made vulnerable by the state’s withdrawal. At the same time, the movements that emerge at a local or national level may fail or demobilize. Therefore, our analyses must trace the trajectory of these movements and identify the productive outcomes that may emerge.

According to world-systems analysts, the world economy is not composed of individual national economies interacting independently of one another, but tied together by a complex network of capitalist relations. The relations among core, periphery, and semi-periphery countries are historically conditioned and shaped by an integrated single capitalist world-system. Periphery countries are subject to the core’s development and expansionist policies and practices because they lack an internal dynamic that would allow for acting as an independent and autonomous entity within the world world-system (McMichael 2012). Specifically, they are subject to the rules of the hegemonic regime—shaped by the dominant players in the world-system (Arrighi, Giovanni 1994; Arrighi and Silver 2001; Arrighi, Silver, and Brewer 2003).

Core countries retain power through the domination of economic, political, and cultural life on a world scale. Peripheral and semi-peripheral countries are subject to what Emmanuel (1972) terms unequal exchange through trade; meaning that core countries define terms of international trade which are disadvantageous to less developed countries. In the context of contemporary neoliberal globalization, unequal exchange is no longer propagated by core states alone but also by transnational corporations which seek to maximize accumulation through the creation of a system of dependency and exploitation (Bradshaw and Wallace 1996).

As Wallerstein (2004: 26) comments, states can create quasi-monopolies through patents, and other protectionist measures. Quasi-monopolies depend on the patronage of strong states, and so the firms creating quasi-monopolies are largely located within strong states. Strong states can use their muscle power to prevent weaker states from creating counter-protectionist measures. Roy in her analysis of the anti-GM movement notes that the medium-strong semi-peripheral Indian state is not in a position to either prevent the strong hegemonic core state and its leading firms from selling their transgenic technologies to Indian firms or to prevent the flow of technology fees from Indian farmers to the core bourgeoisie, especially after the Indian state approved the commercialization of a particular kind of GM seed. The anti-GM coalition has been successful in pressing ideologically different political parties to protest against the multinational seed firms based in core states. Further, it has enabled the Indian state to move from a sub-imperialist to an anti-imperialist role regarding GM seeds. However, Roy asserts that “until the anti-GM coalition in India resolves its inner contradictions and becomes resolutely anti-capitalist and anti-systemic, it will not be able to effectively challenge the anti-imperialist Indian state’s pro-capitalist stance regarding GM seeds and industrial agriculture” (p. 88).

In a similar vein and using a comparative case approach, Frey discusses the particular form of core-periphery reproduction or core capital accumulation as related to ship breaking. The process of ship breaking contributes to adverse health, safety, environmental, and socio-economic consequences in the periphery and semi-periphery locales of nations in the world system but is explained as being beneficial to the core and the states concerned, domestic firms, workers, and citizens. As very few semi-peripheral countries have the capacity or ability to address the risks associated with hazards such as ship breaking, the adverse consequences for its people has spawned resistance. Frey’s article draws attention to the exploitation of environmental space by the advanced capitalist countries (the core).

Dynamics of Mobilization

Third, the articles examine the dynamics of mobilization processes as influenced by the variable opportunities of neoliberalism. Two articles in this special issue (Lapegna, Roy) consider mobilization dynamics in the agrarian sector. The agrarian sector, in a manner has witnessed intense farmers’ struggles. Local farmers’ movements are embedded in broader structures and relations of neoliberalism. In fact, the local face of neoliberalism combined with the privatization agenda of the state has shaken rural society in particular (Borras et al 2008). In their analysis of transnational agrarian movements (TAM), Borras et al (2008) emphasize that “class too must be considered in any analysis of movement-building and agrarian change dynamics” (p. 25). Class analysis is also important for the analysis of the dissipation of farmers’ movements.

Focusing on a variant of dissipation of movement by examining the case of genetically modified soybeans, Lapegna draws attention to the aspect of class as he examines the demobilization of popular movements and the mobilization of agribusiness. The introduction of GM soybeans in Argentina has been advanced the interests of agribusiness companies and large farmers but resulted in adverse life circumstances for peasants and indigenous peoples, who faced land evictions and health problems from agrochemical exposure. Using primary qualitative data and integrating food regime scholarship and world-systems perspective, Lapegna unravels the relationship between the state and neoliberalism related to agricultural technology which

shows the role of privileged sectors, such as agribusinesses, in promoting a neoliberal agenda. Roy also examines mobilization against GM seeds in India.

In her analysis, Roy describes the role of the state in seeking public opinion and thereby facilitating mobilization against GM seeds as was evident from the massive outpouring of letters and other documents from scientists, agriculture experts, farmers' organizations, NGOs, consumer groups and people from all walks of life. In India, a *mélange* of actors—drawn from the fields of government, judiciary, parliament, civil society, media and businesses, among others—have jostled with each other for at least two decades regarding the introduction of biotech, transgenic or genetically engineered, crops in India. While the initial focus in the 1990s was on the introduction of Bt cotton, which was commercialized in 2002 by the Indian government, the attention has now shifted to another transgenic crop, Bt brinjal. There is no national-level consensus emerging on whether Bt brinjal should be commercialized or not. Much of this indecision is due to the work of the anti-biotech domestic activists.

Although the emphasis of the March 2013 symposium was India, this special issue of the *Journal of World-Systems Research* recognizes the importance of extending our attention beyond India. Included in this special issue are cases from Argentina and Bangladesh in a comparative paper which illustrates the central themes analyzed in this special issue. I also expect scholars working in other regions of the world to apply the framework and findings from the papers in this collection to examine cases in other countries.

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Neoliberal Forms of Capital and the Rise of Social Movement Partyism in Central America

Paul Almeida
University of California, Merced
palmeida@ucmerced.edu

ABSTRACT

Historical shifts in global economic formations shape the strategies of resistance movements in the global South. Neoliberal forms of economic development over the past thirty years in Central America have weakened traditional actors sponsoring popular mobilization such as labor unions and rural cooperatives. At the same time, the free market reforms produced new threats to economic livelihood and well-being throughout the region. The neoliberal measures that have generated the greatest levels of mass discontent include rising prices, privatization, labor flexibility laws, mining projects, and free trade. This article analyzes the role of emerging anti-neoliberal political parties in alliance with popular movements in Central America. Countries with already existing strong anti-systemic parties in the initial phases of the global turn to neoliberalism in the late twentieth century resulted in more efficacious manifestations of social movement partyism in the twenty-first century resisting free market globalization.

KEYWORDS: Popular Resistance, Neoliberalism, Social movement Partyism, Central America, Global Capitalism

With the rise of the third world debt crisis and revolutionary political conflict in the 1980s, Central America transitioned from a period of state-led development to a free market social formation with *relatively* more democratic polities. Neoliberal forms of economic development over the past thirty years in the region have weakened traditional actors sponsoring popular mobilization such as labor unions and rural cooperatives (Silva 2012). At the same time, the free market reforms produced new threats to economic livelihoods and well-being throughout the region. The neoliberal measures that have generated the greatest levels of mass discontent include rising prices, privatization, labor flexibility laws, mining projects, and free trade (see Almeida 2014 for extensive empirical documentation). This article analyzes the role of emerging anti-neoliberal political parties in alliance with popular movements in Central America, with a special emphasis on the current period of accelerated globalization. It addresses a fundamental conundrum in the epoch of global neoliberalism: how is mass-coordinated resistance possible given economic restructuring trends away from the public sector and state infrastructure and towards private organization and consumption that exalts individualism and fragments civil society?

The Shift to Global Neoliberalism and the rise of Social Movement Partyism

Past scholarly attention connecting large scale economic change to mass resistance has largely focused on waves of antisystemic or social movement activity (Wallerstein 1990; Martin 2008). For example, Gunder Frank and Fuentes (1994) associated long term economic trends in Kondratieff cycle dynamics between 1780 and 1990 with the temporal grouping of major social movements around the world, including women's, ecology, peace, and peasant movements. Argarton, Choi, and Huynh (2008) uncovered clusters of similar styles of movements in their study of the "long eighteenth century" (1750-1850). In this nascent period of global capitalist development, new transnational trade networks emerged with the ascendancy of British economic hegemony. The incursion of western trade, markets, and colonial expansion into Africa, Asia, and Latin America set off similar types of religious, nationalist, anti-plantation, and de-linking collective revolts. In the late nineteenth and early twentieth centuries, Arrighi, Hopkins, and Wallerstein (1989) contend in the global North that antisystemic movements grouped at the point of production as peasants and craft labor were increasingly displaced by mechanized forms of capital. In a separate analysis of the late nineteenth century, Bush (2008) aggregates episodes of collective action responding to the imperial phase of global capital into the women's movement, abolition struggles, anti-colonial resistance, and labor/socialist mobilizations.

In more recent historical examples, Silver (2003) demonstrates trends in global labor organizing and strike activity between the late nineteenth century and the late twentieth century in rhythm with changes in capitalist production technologies and spatial distributions of assembly and manufacturing. Wallerstein (2014) viewed the clustering of radical movements around the globe in the late 1960s as associated with the decline of U.S. and Soviet hegemonic power as well as the end of the Kondratieff A-phase of mid-twentieth century economic expansion. In the early neoliberal period of the late twentieth century, Walton and his collaborators' work highlights the synchronicity of austerity protest and food riots as the response to the Third World debt crisis (Udayagiri and Walton 2003). Smith and Weist (2012) also find a growth in transnational social movement organizations in the late twentieth century as a direct outgrowth and response to the social and environmental consequences of neoliberal globalization.

These ambitious studies of global economic change and antisystemic mobilizing largely focus on *levels* of social movement-type activity and their temporal clustering. Another related dimension of heightened mobilization in relation to world-wide economic shifts beyond clusters or waves is the *form* of the oppositional movements. More specifically, with the transition from state-led development to neoliberalism, an upturn of oppositional political parties organizing with popular movements has taken place. This party-popular movement alliance—or social movement partyism—may be one of the more potent forms of slowing the pace of unwanted economic changes in Polanyian terms (Silva 2012, Spalding 2014; Block and Somers 2014).

Most analyses of these anti-systemic political parties and movements focus at the national level by comparing a set of countries or concentrate on a single movement as a case study. The present study adds to these previous frameworks by analyzing the interaction of national regimes in the context of shifts in the capitalist world economy. Such an approach takes into account the transformations of the global capitalist system over time. In this case, the transition from a Keynesian model of welfare state capitalism to neoliberal forms of accumulation in the late

twentieth century had varying impacts on the types of resistance at the national level as new economic grievances impacted the urban and rural working classes (Shefner and Stewart 2011). Indeed, Chase-Dunn (2006: 90) writes, “Under conditions of increased economic globalization the ability of national states to protect their citizens from world market forces decreases. This results in increasing inequalities within countries and increasing levels of dissatisfaction compared with the relative harmony of national integration achieved under the Keynesian regimes.” The neoliberal transition also coincided with the third wave of global democracy (Huntington 1991; Markoff and White 2009). Over the past three decades, these dual pressures of neoliberal restructuring and democratization pushed the forms of anti-systemic mobilization away from armed conflict into more nonviolent forms of social movement struggle (Schock 2005; Nepstad 2011) and electoral politics (Foran 2005).

Anti-neoliberal political parties are beginning to fill an organizational void in civil society by mobilizing resistance movements against neoliberalism over a vast territorial space. These political parties directly challenge the move toward free market globalization and the corresponding state institutions that implement the economic liberalization policies (Subramaniam 2015). The new social movement political parties are also increasing their electoral fortunes as they deepen their alliance with popular movements. The alliance between oppositional parties and social movements is termed “social movement partyism” (Almeida 2006; 2010). Organizations such as political parties and nongovernmental organizations (NGOs) need to be given more recognition for their roles in mobilizing large numbers of people in opposition to externally imposed forms of capitalism. Oppositional political parties and NGOs fill the void of labor unions, rural cooperatives and peasant associations that have been decimated by decades of labor flexibility laws and structural adjustment agreements that reduce formal employment and cut of subsidies to the rural sector. Political parties in particular, use the emerging democratic space to organize across a national landscape, while NGOs tend to work in more local environments. This provides political parties a privileged position and capacity to organize in the neoliberal era. NGOs vary in terms of their missions and capacity to serve as organizers of subaltern groups. In many contexts in the developing world, NGOs carry out the policies and frameworks of their northern donors (Bob 2005; Subramaniam 2007). NGOs in many times and places serve to de-mobilize popular classes (Hulme and Edwards 1997; Jackson 2005). Nonetheless, nongovernmental organizations in countries with an exclusive and repressive history tend to mobilize people in social movement campaigns.

Examples abound of the role of opposition political parties mobilizing large numbers of people against free market reforms in the early twenty-first century. In Greece, traditional leftist parties and the new left SYRIZIA coalition have played a critical role in mobilizing citizens and aligning with other popular sectors in the Greek anti-IMF protests between 2009 and 2015 (Kousis 2014; Diani and Kousis 2014). Similar dynamics have occurred in Spain with the rapid rise of the PODEMOS party from anti-austerity protests in the 2010s. In South America over the past two decades political parties such as the Movement toward Socialism (MAS) and the Pachakuti in Bolivia, Pachakutik in Ecuador (MPP), the Frente Amplio in Uruguay, and the Polo Democrático in Colombia have used their party structures in mobilizing large numbers of citizens against neoliberalism in alliance with popular movements (Almeida 2010). Moreover, all of the above oppositional parties also vie for state power via national elections as a new pathway for achieving structural transformation in the twenty-first century in the context of democratization and relatively competitive elections (Foran 2005).

In countries with strong anti-systemic movements and revolutionary political parties at the dawn of the transition to neoliberalism in the 1980s and 1990s, we would expect a more rapid and extensive resistance to neoliberal forms of capitalism. The growing trend of political parties mobilizing with social movements in the twenty-first century is a product of deepening neoliberalism with relatively more democratic polities encouraging the expansion of electoral parties.

The region's debt crisis between 1980 and 2010 and the corresponding market reforms that governments enacted to comply with structural adjustment accords negotiated with the International Monetary Fund and World Bank are outlined below. In terms of civil society response to the reforms, there was a transition phase whereby new alliances were forged between the popular classes and emerging oppositional political parties in the late 1990s and early 2000s. Specific attention is given to the economic threats posed by the market reforms in terms of deteriorating livelihoods for the working rural and urban classes (Shefner, Pasdirtz, and Blad 2006). The period from 1980 to the 2010s was also characterized by greater levels of democratization and competitive elections in Central America. Sustained anti-neoliberal resistance campaigns did not occur until sufficient organizational power was created by a variety of social groupings, including, labor unions, public sector employees, women's collectives, students, NGOs, and oppositional political parties. These civil society associations and popular organizations used the emerging democratic spaces to shape new multi-sectoral alliances that could withstand pressure from the neoliberal state for their dismemberment.

The general pattern of these alliances is illustrated with experiences from Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama. These cases include mobilizations centered on free trade, price hikes, labor flexibility, privatization and extraction of natural resources. The mass resistance movements are embedded within the context of their broader interaction with large-scale economic shifts in the world system and represent a broader trend observed in South America and other regions of the democratizing global South. The article concludes by highlighting differences in the pace of social movement partyism across Central America in the era of free market globalization and the limits of social movement partyism once the opposition party takes executive power.

Earlier Rounds of Integration into the World Capitalist System, 1940s-1980s

Robinson (2003) has outlined the various phases of Central America's incorporation into the global capitalist economy since colonial rule through the early twenty-first century. After World War II, as elsewhere in the global South, the nations of Central America embarked on a path of state-led economic development. The process centered on an unprecedented expansion of state and economic infrastructure. This included the massive building of highways, public schools, hospitals, power grids, aqueduct systems, and other urban amenities. The period also witnessed a move away from reliance on a few agricultural exports (namely coffee and bananas) to a diversification in agricultural production with the expansion of sugar cane, beef, and cotton (Brockett 1998), as well as investments in light manufacturing industries, often through joint ventures with foreign capital. These efforts eventuated in sustained rates of economic growth in the 1950s and 1960s throughout the isthmus (Bulmer-Thomas 1987). Hence, the state-led development era in Central America initiated a new articulation with the world capitalist economy with the diversification of agricultural production and the emergence of an urban manufacturing sector (Robinson 2003). This marked a clear departure from the previous

incorporation in the world system as peripheral provider of a reduced number of agricultural commodities in the late nineteenth and early twentieth centuries.

The 1940s to the 1980s also witnessed the rise of organized social movements with the expansion of the state infrastructure, urbanization, light manufacturing, and agricultural diversification. Peasant cooperatives, labor unions, student groups, and public school teachers' associations grew markedly under state-led development throughout Central America. Guatemala experienced a short-lived democracy from 1944 to 1954 in which these civil society groups flourished (including the organization of the peasantry and the legalization of organized labor) until a U.S.-sponsored military coup (Glejises 1991). Costa Rica also enjoyed multi-party political competition in the period of state-led development, even though the Communist Party was banned from formal political participation until the mid-1970s. The Costa Rican state also encouraged agricultural sector mobilization in the 1960s and 1970s with its rural colonization program and legalization of banana worker unions. El Salvador and Nicaragua suffered under repressive military regimes, while Panama and Honduras oscillated between oligarchic political parties and military populism that at times mobilized urban and rural working classes (Almeida 2014). By the early 1980s, the state-led development model had largely reached exhaustion levels via the third world debt crisis, failed social reform, heavy state repression, and revolutionary conflicts (Robinson 2003).

In sum, in the state-led development era, resistance movements could be characterized as urban movements benefiting from modernization at times coalescing with the rural proletariat and small landholders. Electoral political parties challenging the distribution of wealth and international economic dependency were largely suppressed under authoritarian rule.¹ Hence, the conditions for social movement partyism as a potent antisystemic resistance movement did not emerge until the global shift to free market democracy in the late twentieth century (Robinson 2006).

The Current Round of Insertion into the Global Capitalist Economy and Multiple Rounds of Popular Resistance: 1980-2010

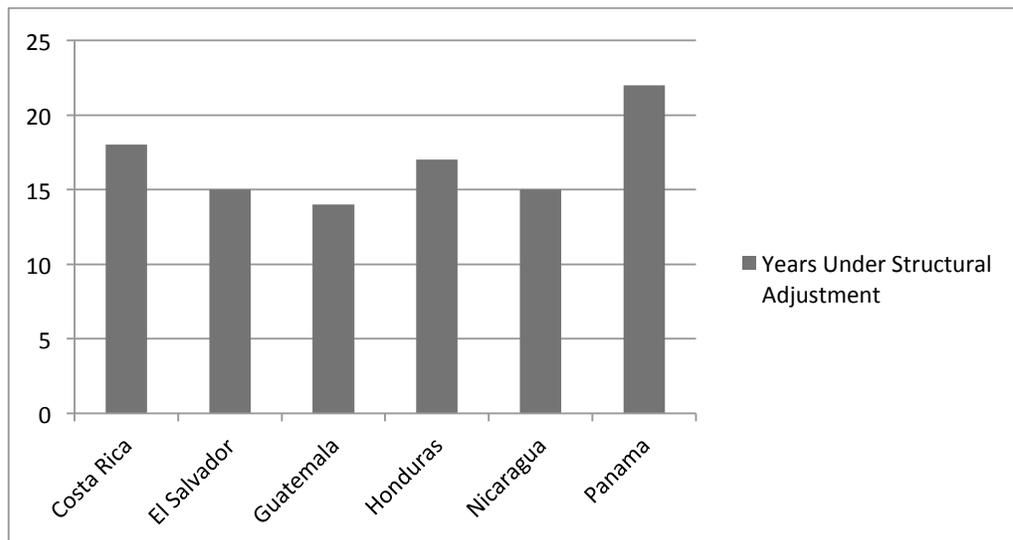
With the global debt crisis of the 1980s, Central American states were hampered by billions of dollars they owed in foreign loans. As elsewhere in the global South, the International Monetary Fund (IMF) and the World Bank stepped in to manage the crisis (Babb 2009). The main strategy for these international financial institutions centered on conditionality agreements or structural adjustment loans (SALs). SALs involved the re-negotiation of debts and future lines of credit for Central American states in exchange for free market reforms enacted on domestic economies. Early SALs in the 1980s in the region included currency devaluations, price hikes, subsidy cuts on basic goods, agricultural inputs and transportation, wages freezes, and mass layoffs in the public sector. A new generation of SALs in the 1990s and 2000s used these same austerity policies in addition to privatization of much of the public sector and state-run industries (Bull 2008).

The consequences of these economic reforms emanating from core powers in the world system resulted in new transnational alliances between Central American capitalists and the global financial elite, especially in industries such as export manufacturing and processing zones, non-traditional agricultural crops, pharmaceuticals, tourism, and call centers (Robinson 2003;

¹ Even in relatively democratic Costa Rica in the state-led development era, the Communist Party (Partido Vanguardia Popular) was banned from electoral competition until 1975.

Spalding 2014). The external debt also debilitated governments in Mesoamerica from sustaining vital social services in health, education, and utilities for the subaltern classes (Lehoucq 2012). Figure 1 demonstrates that all six Central American States were under some kind of structural adjustment agreement for the majority of years between 1980 and 2004.² These structural adjustment pressures illustrated in Figure 1 provide the link between global neoliberalism, national economic policy and local mass resistance in the form of social movement partyism. In particular, within the SAL agreements, Central American states consented to privatize the state infrastructure, lift price controls on food, transportation, and utilities, engage in free trade, and open up natural resources to foreign investment and extraction. These types of arrangements empirically measured as “IMF Pressure” were associated with heightened outbreaks of austerity protest in the first decades of the global debt crisis throughout the developing world (Walton and Ragin 1990).

Figure1. Number of Years under IMF or World Bank Structural Adjustment Agreement, 1980-2004



Source: Figure constructed from Abouharb and Cingranelli (2007)

The first major sustained protest campaigns against structural adjustment erupted in Costa Rica and Panama in the 1980s, while El Salvador and Guatemala experienced short term campaigns of popular resistance. In Costa Rica, the popular classed assembled the first rounds of the social movement party-alliance against neoliberal reforms. Costa Rica entered a foreign debt crisis by the early 1980s (Spalding 2014). At the same time, the country’s long standing democracy expanded political freedoms and political competition in the mid-1970s by legalizing leftist political parties. Several of these emerging socialist opposition parties would unify into the Pueblo Unido electoral coalition between 1978 and 1982. Pueblo Unido gained steam by

² The percentage of years under structural adjustment ranged between 56% (Guatemala) to 88% (Panama).

supporting mobilization against the debt crisis especially in terms of battling subsidy cuts on vital urban services and necessities such as transportation, food, and electricity. This movement-party alliance peaked with the movement against IMF-sponsored price hikes in consumer electricity prices in mid-1983 (Alvarenga Venutulo 2005). Pueblo Unido party militants aligned with neighborhood organizations in dozens of towns and villages to oppose the austerity measures. The mobilizations included the construction of make-shift barricades on the country's major transportation corridors. The nation-wide mobilizations were potent enough to force the government to halt the measure and return prices to their pre-1983 levels.

As other countries began to democratize in the region in the 1990s, they followed a similar pattern as Costa Rica, leftist political parties aligned with popular movements to challenge the implementation of neoliberal policies issued by the IMF and World Bank. In some cases, the alliance benefited the electoral fortunes of the oppositional party. Hence, social movement partyism emerged as a key mode of resistance in the shift to global neoliberalism. For example, in Nicaragua, the Frente Sandinista de Liberación Nacional (FSLN) party immediately launched a massive campaign with labor unions and rural cooperatives in 1990 in response to newly elected president Violeta Chamorro's privatization and austerity measures. The national outpouring of popular unrest represented the largest collective actions since the revolution of 1979. Local level resistance to the neoliberal transition was more pronounced where the FSLN maintained a stronger territorial foothold and could mobilize popular organizations affiliated with the party (Almeida 2014).

By the 2000s, all six Central American states had democratized. At the same time, the international financial institutions were pushing a more aggressive form of privatization within structural adjustment accords as the external debt on the isthmus continued to increase (Almeida 2014). In particular, each country in the region came under pressure to begin privatizing and outsourcing strategic components of the state economic and social infrastructure that had expanded so markedly in the previous period of state-led development. Development scholars refer to the privatization policies dismantling the basic social, public, and economic infrastructure as a second generation of structural adjustment (Bello 2007). These privatizations included public lands, hospitals, telecommunications, energy production and distribution, water and aqueduct administration, ports, mail services, public works, and dozens of other state institutions and services. Some of these privatizations began in the 1990s and went through with mild public opposition. However, by the 2000s, opposition political parties gathered enough potency to initiate campaigns of mass defiance against privatization and free trade throughout the region. The oppositional party-movement alliances were more extensive in Costa Rica, El Salvador, and Nicaragua. However, social movement partyism gained strength in Honduras, Panama, and Guatemala with the deepening of neoliberalism in the twenty-first century.

Strong Cases of Social Movement Partyism (Costa Rica, El Salvador, and Nicaragua)

Costa Rica

Costa Rica's road to social movement partyism is rooted in the campaigns against the debt crisis in the early 1980s discussed above. A new round of social movement partyism began in 2000 with the historic struggle against the privatization of electricity and telecommunications in a single legislative package, referred to as "el Combo" by opponents (Almeida 2008; Frajam

2009). Oppositional leftist parties played key roles in the mobilization including the Fuerza Democrática the Pueblo Unido Coalition, and small Trotskyist parties. Hundreds of roadblocks were erected around the country combined with mass marches to successfully force the government to backpedal and cancel its privatization plans. Local regions where leftist parties maintained territorial influence reported higher levels of resistance to privatization (Almeida 2012). Most significantly, the social movement and oppositional party mobilizations provided a blueprint on how to confront an even larger challenge to the survival of Costa Rica's tropical welfare state (Edelman 1999) – the threat of the Central American Free Trade Agreement (CAFTA). The key organizations and oppositional political parties that successfully overturned energy and electricity privatization formed a coordinating body (el Comité Nacional de Enlace) that provided the organizational seeds for the largest opposition to CAFTA on the isthmus. Also in the early 2000s, two new left-of-center oppositional political parties emerged - the Citizens' Action Party (PAC) and the Frente Amplio. Both parties originated from public discontent with the neoliberal direction and corruption of the country's two long-standing traditional political parties (Lehoucq 2007).

By 2003, as the initial rounds of CAFTA were being discussed between the United States and governments of the region, mobilizations broke out on the streets of Costa Rica. By 2004, national campaigns against CAFTA were launched, while the PAC and Frente Amplio political parties publicly opposed the measures. PAC and Frente Amplio party members and legislative representatives often took part in the street marches against CAFTA—hand to hand with public school teachers, students, state employees, truck drivers, and ordinary citizens. The PAC almost won the presidency in early 2006 in a presidential campaign where CAFTA served as the principal public issue for debate, falling just one percentage point short of a victory over Oscar Arias and the long dominant (and pro-neoliberal) Partido de Liberación Nacional (PLN). Mobilizations continued building momentum against free trade in 2006 and 2007, including a two day-long general strike against CAFTA in October of 2006 that included actions in dozens of localities throughout the national territory. Mass mobilization reached historic levels in 2007 with two of the largest public demonstrations in modern Costa Rica history, reaching up to 150,000 people in February and September, respectively. The February 2007 mass march was so immense that it forced the government to hold a referendum on CAFTA.

In the second half of 2007, the referendum resulted in renewed *electoral* mobilization between anti-CAFTA movements on the streets and the PAC and Frente Amplio political parties. These opposition parties mobilized the “No vote” in the referendum. This new social movement party mobilization was in the form of “Patriotic Committees” (*Los Comités Patrióticos*—local bastions of resistance to CAFTA at the community level in charge of getting out the vote in the “No” referendum campaign (Raventos 2013). CAFTA ultimately passed by a narrow margin in the popular vote of October 2007. After this time, a lull occurred in popular and electoral mobilization until the 2010s. Between 2008 and 2014, new struggles over open pit mining, water access, and privatization of highways and ports galvanized citizens to vote for left leaning parties in the 2014 elections whereby the leftist Frente Amplio won an unprecedented 9 parliamentary seats (out of 57) and the left-of-center Citizens' Action Party (PAC) won the presidency and 13 parliamentary seats. The socialist Frente Amplio party ran candidates for the legislative assembly that played major roles in the anti-systemic movements against mining, free trade, and privatization over the previous two decades.

El Salvador

El Salvador entered the neoliberal order after over a decade of brutal civil war (1980-1992). The leftist insurgents of the Farabundo Martí National Liberation Front (FMLN) survived the war and converted into an electoral political party (Allison and Martin 2012). The new oppositional party continued to expand its electoral reach throughout the 1990s winning greater representation in the national parliament and local governments. The FMLN often sided with social movement struggles against agricultural debt, privatization of pensions, telecommunications, and energy distribution and benefited with a growing electoral constituency.

By the end of 1999, the FMLN political party was on the front lines of a battle over health care privatization. The FMLN combated health care privatization from 1999 to 2003 in two massive social movement campaigns using the party's membership to mobilize on the streets and plazas against the neoliberal measures. The protests succeeded in halting health care privatization and eventuated in even more party success in the elections following the anti-privatization campaigns. Between 2003 and 2008, the party turned its mobilizing efforts to confronting the Central American Free Trade Agreement (CAFTA). The anti-CAFTA mobilizations included street marches, road blocks, and educational workshops. Even FMLN mayors participated in the protest activities. The party capitalized on this momentum to increase voter turnout in the 2004 and 2006 national elections, even though it did not harbor sufficient representation in parliament to prevent CAFTA's passage (Spalding 2014). In 2009, the FMLN won presidential power for the first time with nearly 1.3 million votes. In 2014, the party triumphed for a second consecutive period, reaching a historic 1.5 million votes. Between 2009 and 2015, in the midst of the world financial crisis, the FMLN governments have worked to reduce poverty and resist further neoliberal measures such as the privatization of water and sewage administration, along with the implementation of many post-neoliberal social programs for the elderly, school children (e.g., *paquetes escolares*), the rural poor, and women (e.g., *Ciudad Mujer*).

Nicaragua

Nicaragua was baptized into the neoliberal era via counter-revolution. With the stunning presidential loss in the February 1990 elections, the revolutionary Sandinista (FSLN) party stepped down from power. The victorious neoliberal government of Violeta Chamorro unleashed a series of economic measures that slowly dismantled the cornerstones of the 1979 revolution. The policies included privatization of state-run farms, factories, and infrastructure. The FSLN immediately used its mass organizations to resist the neoliberal measures, resulting in a slower pace of the implementation of some of the reforms and greater concessions. These battles moved to the countryside by the mid-to late 1990s as the neoliberal state de-funded state agricultural banks (Enriquez 2010). The FSLN as an oppositional party also tried to maintain the educational budget in the 1990s and early 2000s for the public universities that expanded during the revolution.

By the 2000s, former FSLN militants in the mass organizations, government offices, and the Sandinista army engaged in the NGO sector leading major campaigns against water and electricity privatization as well as consumer price hikes in utilities and transportation. These mobilizations resulted in greater electoral gains in the 2004 local elections and the 2006 national elections for the FSLN. In late 2006, the FSLN won the presidency and the party was re-elected

in 2012. During this time in executive power, the FSLN has protected much of the remaining state infrastructure from further privatization programs and implemented a number of anti-poverty and anti-hunger programs.

Emergent Social Movement Partyism (Honduras, Panama, and Guatemala)

Honduras

Neoliberal reforms in Honduras have also pushed political parties and movements into a close alliance. In 1990, the Honduran state made a decisive turn toward neoliberalism by enacting its first major structural adjustment agreements between the IMF and World Bank. A wave of sustained resistance resulted, but no major left-leaning electoral oppositional party existed at the time. In the end, between 1990 and 1993 a series of structural adjustment reforms (including energy and land privatization) were implemented by the Callejas government in one of the earliest phases of privatization in the region (Sosa 2010).

By the late 1990s a new left oppositional party emerged, the Unificación Democrática (UD) (Allison 2006). At the same time, the Honduran state initiated a second round of structural adjustment reforms with the international financial institutions between 1999 and 2004 in order to reduce its foreign debt and enter the Heavily Indebted Poor Countries (HIPC) initiative governed by the IMF and World Bank (Almeida 2014). Once again, popular organizations began to form alliances to battle the new neoliberal reforms. The two most important coalitions of popular organizations to develop were the Bloque Popular (formed in 1999) and Coordinadora Nacional de Resistencia Popular (established in 2003). The UD oppositional political party entered both of these coalitions. These multi-sectoral alliances fought several campaigns between 2000 and 2009 against privatization, price hikes, and the Central American Free Trade Agreement. Water privatization in particular, provided a central focus of the largest multi-sectoral mobilizations between 2003 and 2009. As elsewhere in Central America, the new round of free market policies emanating from the world economy and global financial institutions shaped the alliance between social movements and political parties in Honduras.

With the ascendancy and then overthrow of the populist Manuel Zelaya presidency in 2009, the party-movement alliance strengthened even further. Large factions of Zelaya's Liberal Party split off to join the Frente Nacional de Resistencia Popular (FNRP) along with the UD in a protest campaign to restore democracy. The threat to power-holders of social movement partyism as a major strategy of action resisting the military coup appeared so great that it resulted in the assassination of two party militants of Unificación Democrática (UD) in the cities of San Pedro Sula and Santa Barbara within weeks of the military ousting of Manuel Zelaya (Estrada 2012). The FNRP focused on building up sufficient social and political forces across the national territory to eventually take state power as an explicit goal. The FNRP sustained a two year battle against the military coup, renewed neoliberal policies and state repression.

With Zelaya's return to the country in mid-2011, an even more powerful social movement party was formed—the Libertad y Refundación (LIBRE) oppositional party.³ Between 2011 and 2014 the FNRP and LIBRE have largely focused on electoral mobilization. In particular, the LIBRE party used social movement mobilization against neoliberal measures in order to support electoral turnout. Indeed, Sosa Iglesias (2014) has documented an upturn in

³ An overwhelming majority of UD party grassroots militants changed affiliation to the LIBRE party in 2011.

social protest between 2012 and 2013 from 212 annual protest events to 497, respectively. This upsurge in popular contention occurred simultaneously with the presidential, parliamentary, and presidential election campaign of November 2013. In these historic elections, the LIBRE party broke up the 100 year old system of two party elite rule and became the second largest political party in Honduras campaigning on a platform of anti-neoliberalism and democratic socialism. This electoral appeal achieved nearly 900,000 votes for president and garnered the second largest number of parliamentary seats in the legislature.⁴

Panama

In Panama, anti-systemic movements emerged from struggles against labor flexibility, and privatization of energy, telecommunications, and water administration in the 1990s. By the 2000s, popular movements used these experiences to build a powerful multi-sectoral coalition called the National Front in Defense of Social Security (FRENADESSO). FRENADESSO is a coalition of high school and university students, labor unions (including the militant construction workers in SUNTRACS), school teachers, and health care staff and professionals. Between 2003 and 2005 FRENADESSO fought two major battles against the restructuring and privatization of the Panamanian health and pension system—the Caja de Seguro Social (one of the more extensive social security systems in Latin America). The mobilizations reached across the national territory and served as a critical organizing experience for the next round of anti-neoliberal contention—the period between 2010-2014 with the arrival of the Martinelli government.

Beginning in 2010, another round of mass mobilization occurred in Panama over a new labor flexibility law that combined other anti-popular legislation such as watering down environmental laws and penalizing protests with harsh legal measures. The 2010 labor flexibility laws were followed by protests over mining contracts and hydroelectric dam construction in the Ngobe-Bugle Comarca in 2011 and 2012. These protests involved solidarity actions across the national territory and forced the government to backtrack on the mega-projects. Out of these anti-neoliberal struggles between 2003 and 2010 emerged a new left oppositional political party in early 2011 – the Frente Amplio por la Democracia (FAD). In late 2012, the Martinelli government and his majority Cambio Democrático Party in the parliament approved the privatization of lands surrounding the Canal Zone in the Province of Colón. The FAD party used its links in the popular movement to coordinate a massive nonviolent uprising against the privatization, leading to mobilizations throughout the country's nine provinces. The mobilizations were successful and the government overturned its plans for the privatizations. Nonetheless, the FAD was unable to convert its successful mobilizations on the streets into electoral victories. The party was only able to garner about 1 percent of the national vote in parliamentary and presidential elections in 2014.

Guatemala

The case of Guatemala is similar to Panama and Honduras (before the formation of LIBRE) with small leftist parties aligning with popular movements against major neoliberal reforms between 2000 and 2014. In particular the ANN and URNG oppositional parties have used their organizational structures to protest against new taxes (Almeida and Walker 2007), free trade, mining, and electricity price hikes. The oppositional parties have engaged with large multi-sectoral coalitions such as the MICSP and the FNL composed of dozens of civil society

⁴ The author witnessed these elections as an international election monitor.

organizations across the country (Yagenova 2015). These small left parties were weak at the dawn of neoliberalism in the 1980s and 1990s and unable able to overcome the massive state repression of the past or the fragmentation of the Guatemalan competitive party system (Allison 2006; Pallister 2013). The ANN and URNG (and smaller aligned parties such as Winaq) usually garner only between 3 and 10 percent of the popular vote in national elections. Nevertheless, with their high commitment followers scattered across Guatemala’s 22 departments, these oppositional parties continue to hold national days of protest against mining and for the re-nationalization of energy distribution (including major nation-wide mobilizations in 2014 and 2015).

Table 1. Global Neoliberalism and Social Movement Partyism in Central America

Country	Neoliberal Policies that Led to the Formation or Consolidation of Social Movement Partyism	Social Movement Party
Costa Rica	Telecommunications and Electricity Privatization, Central American Free Trade Agreement, Mining, Ports and Highway Privatization	Fuerza Democrática/Frente Amplio/Partido de Acción Ciudadana (PAC)
El Salvador	Health Care Privatization, Central American Free Trade Agreement, Water Privatization	Frente Farabundo Martí para la Liberación Nacional (FMLN)
Nicaragua	Land Reform Privatization, Electricity Privatization, Water Privatization, Mass Transportation Subsidy Cuts	Frente Sandinista de Liberación Nacional (FSLN)
Honduras	Telecommunications Privatization, Water Privatization, Model Cities Program	Unificación Democrática (UD), Libertad y Refundación (LIBRE)
Panama	Water Privatization, Labor Flexibility, Social Security/Health Care Privatization, Mining, Land Privatization	Frente Amplio por la Democracia (FAD)
Guatemala	Electricity Privatization, New Taxes, Mining/Mega-Projects	FDNG/URNG/ANN

Conclusion

The shift from state-led development to neoliberal forms of capitalism at the global level provided new threats and incentives for antisystemic forces to form electoral political parties as a strategy to resist new harms associated with the loss of social citizenship rights. The concurrent process of democratization pushes subaltern groups to form oppositional political parties as one pathway to impede the process of neoliberalization. Table 1 summarizes the major neoliberal measures in Central America that unified oppositional parties with popular movements over the past two decades. Many of these policies emanating from the global shift toward deepening economic liberalization have motivated some of the largest outbreaks of popular unrest in

modern Central America, especially over free trade and the privatization of health care, water, electricity and natural resources (Almeida 2014). The mobilizations have led to electoral triumphs for leftist opposition parties in El Salvador and Nicaragua, center-left parties in Costa Rica, and near leftist victories in Honduras and Costa Rica.

Nation-states with strong challenges from the left at the dawn of the shift to global neoliberalism in the 1980s and 1990s were able to form strong versions of social movement partyism at a rapid rate, as in the cases of Nicaragua and El Salvador.⁵ In countries with a two party system, the elite neoliberal parties had to weaken before a social movement party was able to gain substantial strength, as the cases of Costa Rica and Honduras illustrate.⁶ Even countries with small left-wing parties, such as Guatemala and Panama, the oppositional parties have played a fundamental role in mobilizing popular sectors against major free market reforms such as privatization, free trade, and foreign extraction of natural resources, even if they have yet to convert social movement mobilization into major electoral victories. As elsewhere in Latin America and other regions of the global South, Central America demonstrates an innovative mode of mass resistance emerging between party and movement with the world historical transformation from state-led development to a renewed cycle of accumulation centered on privatization and free trade.

A logical next step for the analysis of social movement partyism would be to examine the party-movement relationship once the oppositional party takes power (Levistky and Roberts 2011; Prevost, Vanden, and Campos 2012; Goodale and Postero 2013). For the most part social movement activity has declined in the countries where the left has taken power. This partially indicates that in our cases of strong social movement partyism, much of the prior anti-neoliberal mobilization emanated from the political parties with their ability to “chill out” mobilization after electoral triumph. The left parties in El Salvador, Nicaragua, and to some extent in Costa Rica, originated out of social movements with many rank and file members simultaneously party affiliates and activists in civil society organizations.

In Central America, even when left-leaning governments have taken power in Costa Rica, El Salvador, and Nicaragua they still operate their national economies within the broad parameters of CAFTA and the larger capitalist world system. Even though major reforms have been implemented in Nicaragua and El Salvador (such as Zero Hunger, low interest loans to the rural sector, minimum allowances to the elderly, and school food and uniform programs, etc.), the “post-neoliberal” states still are largely organized along free market lines. Scholars view the social movement party mobilizations and their reformist outcomes in Central and South America as resembling more of Polanyian-type struggle of reducing the most harmful impacts of unregulated markets – such as the sharp social cuts associated with neoliberalism of the early

⁵ The case of Nicaragua also has some variation over time with the pact between Daniel Ortega and Arnoldo Alemán’s Liberal Party (Marti Puig 2015). At times the “pact” was used by the FSLN to demobilize street protests, especially in the late 1990s and against CAFTA in the mid-2000s. The Pact also divided the Liberal Party making Ortega and the FSLN’s election victory achievable in late 2006. In El Salvador, the FMLN’s electoral success is also due to the party’s ability to reach out to sectors beyond its traditional base such as business sectors and groups alienated with the long dominant ARENA party. The choice of presidential candidate Mauricio Funes for the 2009 presidential elections demonstrated this willingness of the party to move beyond its core base of supporters.

⁶ The case of Honduras is somewhat unique in that the military coup of 2009 gave a great boost to *the scale* of social movement partyism by Zelaya’s ability to pull a substantial portion of the traditional Liberal Party into the social movement party of LIBRE. Nonetheless, the party movement alliance had already been formed on a much smaller scale between the UD and popular movements – a relationship that centered on mobilizing against neoliberal measures implemented in the period from 1999-2009.

twenty-first century (Silva 2009; Spalding 2014).⁷ Systematic empirical evidence is also mounting that reformist governments in Latin America are effectively reducing poverty levels and increasing social well-being as observed in measures of health and educational outcomes (Flores Macías 2012; Cohn 2012; Huber and Stephens 2012).

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⁷ Another interesting outcome to examine would be the international relationships between social movement partyism and other leftist governments and anti-neoliberal alternatives such as ALBA in terms of the effectiveness of social movement partyism and the success of reformist governments after an electoral triumph.

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Breaking Ships in the World-System: An Analysis of Two Ship Breaking Capitals, Alang-Sosiya, India and Chittagong, Bangladesh

R. Scott Frey

University of Tennessee, Knoxville
rfrey2@utk.edu

Abstract

Centrality in the world-system allows countries to externalize their hazards or environmental harms on others. Core countries, for instance, dump heavy metals and greenhouse gases into the global sinks, and some of the core's hazardous products, production processes and wastes are displaced to the (semi) peripheral zones of the world-system. Since few (semi) peripheral countries have the ability to assess and manage the risks associated with such hazards, the transfer of core hazards to the (semi) periphery has adverse environmental and socio-economic consequences for many of these countries and it has spawned conflict and resistance, as well as a variety of other responses. Most discussions of this risk globalization problem have failed to situate it firmly in the world-system frame emphasizing the process of ecological unequal exchange. Using secondary sources, I begin such a discussion by examining the specific problem of ship breaking (recycling core-based ocean going vessels for steel and other materials) at the yards in Alang-Sosiya, India and Chittagong, Bangladesh. Attention centers on the nature and scope of ship breaking in these two locations, major drivers operating in the world-system, adverse consequences, the unequal mix of costs and benefits, and the failure of existing political responses at the domestic and international levels to reduce adequately the adverse consequences of ship breaking.

Keywords: Ship Breaking, Hazardous Wastes, Environmental Injustice, Risk Globalization, World-Systems Theory, Ecological Unequal Exchange, Political Ecology, Capital Accumulation, Recycling

“...our world is an ocean world, and it is wild” (Langewiesche, 2004:8)

The world-system is a global economic system in which goods and services are produced for profit and the process of capital accumulation must be continuous if the system is to survive.¹ The world-system can be conceptualized as a three-tiered open system (consisting of a core, semi-periphery, and periphery) that can be understood not only in “economic” terms but also in

¹ See especially Wallerstein (1976-2011, 2000, 2004) for the origin and nature of the world-system perspective and Harvey (2010) for a recent discussion of continuous capital accumulation under capitalist relations in the global economy.

“physical or metabolic” terms (a world-ecology according to Moore [2011b]): it is a system embedded in the natural environment and open to the entry of energy and materials and the exit of dissipated energy and material waste across regions of the system (Frey 1998a; Hornborg 2011; Martinez-Alier 2007, 2009; Moore 2011a, 2011b). In fact, the world-system and globalization itself can be described as a process of “ecological unequal exchange” (e.g., Clark and Foster 2009; Foster and Holleman 2014; Hornborg 2011; Jorgenson and Clark 2009a; Rice 2007, 2009) or a process of “accumulation by extraction and contamination”—or the undervaluation of environmental and human health (Martinez-Alier 2002, 2009). Frey has described the process of ecological unequal exchange in terms of wealth and anti-wealth flows between core and (semi) periphery (1998, 2006a).²

Wealth (in its many forms, including economic value, as well as material and energy) flows from the resource-rich countries of the (semi) periphery or “resource frontiers” to the core countries with adverse environmental and socio-economic consequences for the (semi) periphery (see, e.g., Bunker 1985, 2007; Bunker and Ciccantell 2005; Clark and Foster 2009b; Foster and Holleman 2014; Hornborg 2007; Moore 2007, 2010a, 2010b, 2011a; Robins 2011; Uglietti et al. 2015).³ On the other hand, the core displaces anti-wealth (wastes and the attendant risks, entropy broadly defined or appropriates carrying capacity or environmental space)⁴ by transporting it to the global sinks and to sinks or “waste frontiers” located in the peripheral zones of the world-system. Heavy metals, carbon dioxide and other greenhouse gases, as well as other hazardous materials such as lead and plastic are pumped into the global atmosphere and the oceans at high rates by the affluent or core countries of the world-system (see, e.g., Dietz and Rosa 1997; Jorgenson 2006; Kentor and Grimes 2006; Prew 2010; Roberts, Grimes, and Manale 2006; Roberts and Parks 2007; York, Rosa, and Dietz 2003; York and Rosa 2006).

Core-based transnational corporations export hazards to the peripheral zones of the world-system, including hazardous products (e.g., cigarettes, pesticides, and asbestos), production processes (dirty industries such as benzene and pesticide production plants and other production processes), and wastes (e-waste, lead batteries, and other wastes such as phenols, mercaptans, hydrogen sulfide) (see, e.g., Auyero and Swistun 2009; Clapp 2001; Clelland 2014; Dick and Jorgenson 2011; Frey 1995, 1998a, 1998b, 2006a, 2006b, 2012a, 2012b, 2013; Gottesfeld and Pokhrel 2011; Grineski et al. 2010; Hooks and Smith 2012; Margai and Barry 2011; Nixon 2011; Pellow 2007:73-224; Rice 2011).⁵ These export practices not only damage

² The world-system is best characterized as the unequal, asymmetrical flow of ecosystem goods and services as well as bads. Ecological unequal exchange is not confined solely to the core-periphery relations in the world-system but includes relations within nations and regions of the world-system.

³ This is not only a current process (Bunker 1985; Bunker and Ciccantell 2005; Hornborg 2011), but a historical process that gave rise to the first core nations in Europe and modern global capitalism (Moore 2007, 2010a, 2010b; Robins 2011; Uglietti et al. 2015).

⁴ One reviewer suggested that the use of the term entropy in the present context is misleading. But theories of ecological unequal exchange relations are based on the Second Law of Thermodynamics: the shift from order to disorder in the universe (see, e.g., Bunker 1985; Foster and Holleman 2014; Hornborg, 1998, 2009, 2011). Rifkin (1980:5) has noted: “According to the Entropy Law, whenever a semblance of order is created anywhere on earth or in the universe, it is done so at the expense of causing greater disorder in the surrounding environment.” (See also Adams [1988].) Consider the fact that the core is able to increase its order (eliminating the environmental and human health risks embedded in obsolete hazardous ocean-going vessels) at the expense of the periphery which experiences increased disorder in the form of environmental and health risks when core-based ocean-going vessels are dismantled on its beaches.

⁵ See Carmin and Agyeman (2011) and Faber’s (2008, 2009) restatement of much of the earlier work by Frey (1998a, 1998b, 2006a) and others (Clapp 2001). Clelland (2014) uses the term “dark value” to describe part of the

the environment, but they have adverse health, safety, and socio-economic consequences for the human populations of the (semi) periphery and they represent a form of environmental injustice (e.g., Bullard et al. 2005; Margai and Barry 2011). (Semi) peripheral countries are particularly vulnerable to the risks posed by hazardous exports because (semi) peripheral states and domestic firms have limited means for or interest in assessing and managing risks, and many workers and citizens are often unaware of the risks associated with these hazards.

This paper examines one core-based hazardous export to the periphery to illustrate a dimension of the process of ecological unequal exchange: the transfer of the core's ocean-going ships to yards located in Alang-Sosiya, India and Chittagong, Bangladesh for breaking.⁶ These two geographic sites—some would call them “toxic hotspots” or “sacrifice zones” to use Lerner's [2010] term—are the ship breaking capitals of the world, since a majority of the world's ships are broken on their beaches. Ship breaking is the process of dismantling and recycling or scrapping a ship for steel and other materials when it is no longer profitable for transport use due to age, as well as low shipping rates and/or high steel prices. The case of ship breaking documents one of the ways in which asymmetric, core-periphery relations are reproduced in the world-system. In other words, the process of ecological unequal exchange (as defined in terms of wealth and anti-wealth flows as noted above which serves the metabolic needs of core country economies) facilitates core capital accumulation within the current world-system through extraction from and contamination of the (semi) periphery.⁷

Discussion of this particular form of core-periphery reproduction or core capital accumulation proceeds in five steps. The nature and scope of ship breaking are first examined and the specific political-economic forces driving the transfer of ships to the (semi) periphery for breaking are outlined. The extent to which ship breaking contributes to adverse health, safety, environmental, and socio-economic consequences in the periphery is then examined. An approximate analysis of the costs and benefits is presented in an effort to assess the neo-liberal claim that the movement of ship breaking and other hazards to the (semi) periphery is beneficial to the core and the states, domestic firms, workers, and citizens of these two peripheral countries. Various policy and political responses to curb the adverse consequences of ship breaking are briefly reviewed and discussed. It is argued that conventional efforts (whether “globalization of regulation” or “renationalization of capital”) and the emergence of transnational NGO networks (sometimes referred to as “globalization from below” [Brecher, Costello and Smith 2000; Chase-Dunn 2002, 2010; Subramaniam 2015]) to deal with ship breaking and many other hazardous exports have had limited success because they fail to fully take into account the existence of a world-system based on ecological unequal relations between core and periphery. The paper concludes with

value created through the core's extraction of wealth in its many forms from the (semi) periphery and its ability to offshore or externalize what I call anti-wealth. See Urry (2014) for a discussion of the offshoring of not only anti-wealth but economic and other forms of wealth.

⁶ See the documentary film *Echoes of Shipbreaking* (2014), produced by Vega Productions and directed by Prathamesh Rane at <https://www.youtube.com/watch?v=vV3M4jqD-Sg>. Shortly before completing an earlier draft of this paper, I discovered Demaria's (2010) insightful paper on ship breaking in the yards of Alang-Sosiya, India. Although we take different approaches and he confines his attention to India, I have incorporated several important elements from Demaria's paper that are noted in the text.

⁷ See Foster and Holleman (2014), Hornborg (1998, 2009, 2011), Jorgenson and Clark (2009), and Rice (2007, 2009) for detailed discussions of the process of ecological unequal exchange in which the core extracts energy and material from the (semi) periphery and exports entropy to the (semi) periphery. Harvey (2010) provides a recent discussion of capital accumulation, which is relevant for world-systems theory and the processes of ecological unequal exchange.

several suggestions for future research on the hazardous waste stream in the world-system and ongoing conflicts and efforts to curb it.

The Nature and Scope of Ship Breaking in Bangladesh and India

The global shipping industry, which facilitates the transport of wealth to the core and anti-wealth to the periphery, is one of the major components of the infrastructure underlying the world-system's social metabolism (Demaria 2010; Bunker and Ciccantell 2005).⁸ Consider, for instance, the fact that a majority of the global trade in materials and goods is by sea: 80% of all raw materials and manufactured goods. Slightly more than 100,000 ocean-going vessels were operating during the 2009-2010 period (see Demaria 2010; International Maritime Industry 2011:8; World Bank 2010).

After an average life span of 25 to 30 years or longer, many ocean-going vessels are scrapped for their steel and other resources, though the number of vessels sent to the breaking yards varies according to freight charges and steel prices (Demaria 2010; Greenpeace International 2000, 2001; World Bank 2010). The industry is subject to boom and bust cycles. It thrives during times of economic contraction and declines during periods of economic growth. Approximately 1,000 (more than 25 million tons) of the 100,000 ocean-going vessels—including oil tankers, container ships, bulk carriers, naval ships, chemical tankers, and general cargo ships—were sent to the periphery in 2009 for scrapping (Puthucherril 2010:12-14; Robindebois.org 2010; World Bank 2010:3; see also Greenpeace International [2000] for earlier figures). The number of ships broken increased dramatically during the economic downturn in 2008-2009 when there was excess shipping capacity (Robindebois.org 2009). And it is expected that there will be a dramatic increase in the number of ships broken in the near future as a result of the International Maritime Organization's regulation phasing out older, single-hull tankers during the period from 2010 to 2015 (Karim 2010; Puthucherril 2010:14; World Bank 2010). Other options for obsolete ships or ships of limited economic value include moth-balling or scuttling, but these options are problematic: moth-balling does not solve the long-term problem of disposal, and sinking a ship leads to toxic discharges and forgoes the recyclable value of the ship (Puthucherril 2010:14)

Over 90 percent of the vessels slated for breaking—typically owned by interests based in the core but sailing under foreign flags of convenience—are currently transported to Bangladesh, Pakistan, China, the Philippines, Turkey, and Vietnam.⁹ The remaining ships are broken in

⁸ Bunker and Ciccantell (2005: xxii) describe the role played by the shipping industry in the emergence of the world-system in the following way: "... the development of shipping technology was a critical, and very concrete, element in the material intensification and spatial expansion of the world economy over the past six hundred years, proving that the nation that could develop and control the most efficient shipping could also guarantee its access to cheap raw materials." The global shipping industry has grown dramatically since the 1960s. This growth is in large part a result of the development of standardized shipping containers (see Cudahy, 2006; Levinson, 2006). These containers have facilitated efficient production and transport of manufactured goods in the world-system. Individual container ships carry thousands of tons of freight (mostly from East Asia) and travel more than two hundred thousand miles each year. See American Association of Port Authorities (2008) for data on total cargo volume and container traffic at many ports in the world-system. Halpern et al. (2008) present estimates of the environmental impact of the shipping industry and other human activities on marine ecosystems around the world. And Shin and Ciccantell (2009) provide an excellent overview of the changing nature and location of shipbuilding in the world-system.

⁹ Ocean-going vessels change their nation of registry to reduce national and regional regulations (Kotoky 2015). The British Petroleum's (BP) Deepwater Horizon, for instance, was registered under the flag of the Marshall Islands in

locations such as the United Kingdom and the United States under strict health, safety, and environmental regulation. Ship breaking is pursued mainly in the former countries because labor is cheap; health, safety, and environmental regulations are weak; workers are desperate for jobs; and the recovered steel is used in domestic construction activities. The ship breaking industry was centered in the United States, Japan, and the United Kingdom during and after World War II, but it moved to Turkey and Spain in the 1960s, then to Korea and Taiwan in the 1970s, and it shifted to several countries in South and Southeast Asia starting in the mid-1980s (Demaria 2010; World Bank 2010). In other words, ship breaking moved from the core to peripheral countries in Asia when the cost of breaking ships in the core (due to increased regulations and other forms of “*ecological modernization*,” as well as increased labor costs estimated to be more than 50 times that of developing countries [Rousmaniere and Raj 2007:362]) exceeded the price obtained from the scrapped metal.¹⁰

Ship breaking can be defined as a “pollution haven” industry since it has moved from several core countries to Bangladesh, India, Pakistan, and several (semi) peripheral countries due to increased environmental, health, and safety regulations in the core, as well as low wage labor available elsewhere.¹¹ But other factors have clearly contributed to the movement of the ship breaking industry to South and Southeast Asia (see, e.g., Buerk 2006; Demaria 2010; Hossain and Islam 2006:2). These include strong domestic markets for steel and other materials; the temperate climate of the region allows ship breaking to take place throughout the year; high tides and favorable beach conditions; and close proximity to the main eastbound sea trade routes.

Sixty to seventy percent of the ships scrapped each year go to the Alang-Sosiya yards in India (often described as the ship breaking capital of the world-system) and Chittagong, Bangladesh (Greenpeace International and International Federation for Human Rights 2005; Robindebois.org 2009, 2010, 2011; World Bank 2010:14), though China has become increasingly important in breaking ships and may become more important in the future (See

an effort to reduce US government regulations (Freudenburg and Gramling 2011). This factor was undoubtedly partly responsible for the BP oil spill disaster.

¹⁰ Ecological modernization theorists (e.g., Mol 2001) maintain that highly developed countries are adept at dealing with their environmental problems because of increased public concern with the environment, the economic means, and increased environmental regulation. One of the ironies (or, perhaps hypocrisies) surrounding the ecological modernization perspective is that the highly developed countries do often deal with their environmental harms effectively, but they do so by displacing them to countries located in the peripheral zones of the world-system. Of course, the movement of ship breaking to the periphery (and the movement of other hazards from the core to the periphery, see Bonds and Downey [2012]) can be framed as a manifestation of ecological modernization processes. Ehrlich and Holdren (1971) developed the term the “Netherlands Fallacy” to refer to the fallacy of thinking that the environmental impacts of rich countries are contained within their national boundaries. And it is this fallacy that is entrenched in the ecological modernization narrative. See York and Rosa [2003] and Bonds and Downey (2012) for theoretical and empirical critiques of the ecological modernization perspective.

¹¹ A research literature has emerged around the “pollution haven” debate or the idea that the core’s hazardous industries and wastes move to the (semi) periphery to escape environmental regulation (see Bonds and Downey 2012; Commission for Environmental Cooperation 2012; Frey 1998b, 2006a, 2012a; Levinson and Taylor 2008; Muradian and Giljum 2007). See Clapp (2002) for an early but nonetheless relevant critical review of the literature, much of the research was conducted by neo-liberal economists reporting little or limited support for the thesis. Clapp (2002:11-13) is highly critical of this research and notes that the hazardous waste management industry (this would include industries like ship breaking, battery recycling, e-waste recycling, among others) has not been the subject of research by neo-liberal economists. See recent research on several of these industries, which supports the “pollution haven” thesis (Frey 2012a; Committee for Environmental Cooperation 2012). On the other hand, subsequent research conducted by economists on the thesis is open to Clapp’s criticisms (e.g., Cole 2004; Eskeland and Harrison 2003; Levinson and Taylor 2008).

Figure 1 for the geographic location of the two ship breaking capitals). Leadership in ship breaking has alternated between India and Bangladesh over the last ten years (World Bank 2010:14).

Figure 1. Location of Alang, India and Chittagong, Bangladesh



Steps in Breaking a Ship

Brokers based in Dubai, Hamburg, London (where Clarkson, the world's largest ship broker is based), and Singapore sell the core's ships (typically registered under flags of convenience) to breakers who pay anywhere from 400 to 500 dollars or more per ton for the ships (Robindebois.org 2010). The buyers have a financial incentive to break ships quickly so they can recover their investments. It normally takes a workforce of 200 to 250 workers three to five months to dismantle an average-sized ship (Demaria 2010).

Several steps are followed in this extremely dangerous process once the ship is anchored offshore (see, e.g., Buerk 2006; Demaria 2010; Langewiesche 2004; Puthucherril 2011:285-286; Rousmaniere and Raj 2007; World Bank 2010). Local authorities must first complete various legal formalities (ensuring, for example, the ship is gas free to reduce the risk of explosions). The ship is then beached at full speed during high tide. Once the ship is beached, workers vent

flammable gases in the interior of the ship by hammering or punching large holes in the hull and seawater during high tide washes out the fuel tanks. Ships are stripped of all furnishings and appliances, as well as other material—such as asbestos, generators, wiring, life boats, life vests, pipes, toilets, wash basins, navigation equipment, wooden doors, foam, and the like—and often sold along the road outside the yards. Large sections of the ship are then cut off by gas torches and dragged closer to shore by giant winches. The large sections of steel are cut into smaller pieces and teams of men carry the metal sections to trucks for loading and removal. The steel is transported by truck to re-rolling mills for recycling. The recycled steel, often in the form of reinforcement rods, is used domestically in building and road construction.

Thousands of mostly young, male, and illiterate migrant workers from poor rural areas are employed in the ship breaking yards.¹² Workers are categorized into several groups: those using torches to cut up ships and their helpers, those carrying large iron plates, laborers, contractors, supervisors, winch operators, crane drivers, fitters, carpenters, asbestos workers, and firemen. Daily wages are anywhere from \$2 to \$7 per day, depending on the job (DeMaria 2010; Puthucherril 2011:287).

The Case of the Alang-Sosiya Yards in India. Alang is located in the highly prosperous, manufacturing state of Gujarat and the shipyards are located on a six-mile stretch of beach on the western coast of the Gulf of Cambay. Ship breaking employed over 40,000 workers and others in related industries in early 2000 and upwards of 50,000 by 2009 (Demaria 2010; Greenpeace International 2000, 2001; International Federation for Human Rights 2002). Established in 1982, the Alang-Sosiya yard is the largest breaking yard in the world in terms of the actual number of ships broken. Alang-Sosiya was the number one ship breaking site in 2007 (with 129 ships), 2008 (194), 2009 (435), and 2010 (422) (see Robindesbois.org 2008, 2009, 2010, 2011). An average of approximately 200 ships have been dismantled each year for the past decade (Robindebois.org 2010). Over 5,000 ships have been dismantled since the yard opened (Demaria 2010:255). In addition to the recycling of steel and other metals, hazardous wastes are generated as noted above (Basha et al. 2007; Demaria 2010; Greenpeace International 2001; Reddy et al. 2005).

The Case of Chittagong, Bangladesh. Chittagong is the primary port of Bangladesh and the center of much of the country's industry (Rousmaniere and Raj 2007; World Bank 2010). The Chittagong yards are located on a ten-mile stretch of beach named Fauzdarhat, which is approximately twelve miles northwest of Chittagong and located on the Bay of Bengal. Ship breaking was introduced in 1969 when a vessel (the Greek ship M.D. Alpine) was beached on the shore during a storm (Puthucherril 2010:27). Large ships (tankers, cargo ships, and container ships) have traditionally been dismantled at the yards. The yards have employed upwards of 20,000 to 22,000 workers and 200,000 people are thought to be employed in businesses related to ship breaking such as shops and steel re-rolling mills, and the dependents of workers may number as many as 500,000 people (Buerk 2006; Hossain and Islam 2006; Puthcherril 2010:28; World Bank 2010). The Bangladesh Ship Breakers Association and government officials maintain that Chittagong surpassed Alang in terms of steel tons broken in late 2008 (Anonymous

¹² The International Federation for Human Rights and Young Power in Social Action (2008:7) report that 25% of the workers in Chittagong are under the age of 18, some as young as 12. They identify the main cause of child labor to be poverty and debt, resulting from a family's loss of land, disappearance of a father, the cost of a wedding, or some combination of the three.

2008; Basha et al. 2007), but the Bangladeshi Supreme Court put heavy restrictions on importing ships for breaking in early 2010 that reduced the number of ships broken in 2010 and 2011 (Robindebois.org 2010; 2011). The numbers of ships dismantled each year from 2007 to 2010 were 105, 182, 214, and 93, respectively (Robindebois.org 2008, 2009, 2010, 2011). The future of ship breaking remains somewhat uncertain in Chittagong, though recent developments suggest that ship breaking will return to its previous level (Anonymous 2011). Hazardous materials and unsafe dismantling practices are pervasive in the yards (Basha et al. 2007; Greenpeace International and International Federation for Human Rights 2005; International Federation for Human Rights and Young Power in Social Action 2008; Rousmaniere and Raj 2007; World Bank 2010).

Adverse Consequences

Approximately 95 percent of an ocean-going vessel's bulk consists of steel (much of which can be recycled) and the remaining 5% consists of hazardous materials (Greenpeace International 2000; World Bank 2010). Hazardous materials include bacterial oil sludge, toxic paints, asbestos, halons in foam and firefighting equipment (ozone depleting substances), fuel residues, heavy metals (arsenic, cadmium, chromium, lead, mercury), organotins or biocides, persistent organic pollutants (dioxins, PVCs, PAHs), and radioactive substances (Basha et al. 2007; Buerk 2006; Demaria 2010; Greenpeace International and International Federation for Human Rights 2005; Hossain and Islam 2006; Puthucherril 2010:18-19; Reddy et al. 2005; Tewari et al. 2001). Such hazards can damage the environment and adversely affect human health through occupational exposure and environmental dispersion in the soil, water, and air or large-scale failures such as explosions and fires. Workers come into direct contact with toxic materials on the job and in their squalid sleeping quarters located in the yards (Basha et al. 2007; Greenpeace International 2001; Greenpeace International and International Federation for Human Rights 2005; Hossain and Islam 2000; Reddy et al. 2005; Sahu 2014; World Bank 2010). Numerous undesirable social and economic consequences are also associated with ship breaking, including staggering economic costs and an inequitable distribution of costs and benefits to be discussed below (World Bank 2010).

Bangladesh and India are particularly vulnerable to the risks posed by ship breaking because of the young, poorly trained, uninformed, undernourished, unhealthy, migrant workforce with limited access to safety and protective equipment, adequate housing and sanitation facilities, and limited risk assessment and management skills (e.g., Demaria 2010; Greenpeace International and International Federation for Human Rights 2005; Hossain and Islam 2006; International Federation for Human Rights 2002; Sahu 2014). The heavy humidity and heat in the local environment discourages the use of protective clothing and gear even when it is available. Most of the work is done by hand with hammers, torches, and crowbars (Puthucherril 2011:286).

Other problems exist, including limited awareness of the risks associated with hazards, nonexistent labor unions, politically unresponsive state agencies, inadequate risk assessment and management capabilities, and limited health care facilities (Sahu 2014). In addition, organized activism among workers is limited because potential participants are unaware of their rights and have little time for such activity since they work six days a week and there are few channels through the courts or legislature for effective public participation. The problem is compounded

by labor conditions: workdays often run from 7:00 a.m. to 7:00 p.m. with no overtime or leave benefits, and wages are anywhere from \$2.00 to \$7.00 (or less) per day depending on the specific job and location (Demaria 2010; International Federation for Human Rights 2002; Greenpeace International and International Federation for Human Rights 2005; Hossain and Islam 2006; Sahu 2014; World Bank 2010).

Environmental Risks

Emissions of toxic substances contained in the bilge and ballast waters of ships and the improper disposal of hazardous wastes and materials contribute to the risk of environmental damage. Environmental damage includes soil contamination, soil erosion, water pollution, contamination of coastal regions and subsequent biodiversity loss such as the destruction of vast areas of mangroves, air pollution, and threats to plant and animal health. Since reliable data do not exist on the full scope and nature of the problem in the shipyards of Alang-Sosiya and Chittagong, it is not possible to estimate the actual environmental damage (see, e.g., Basha et al. 2007; Demaria 2010:256; Greenpeace 2001; Hossain and Islam 2006:18-32; Puthucherril 2011:288; Reddy et al. 2005; World Bank 2010:33-37). Such damage is a serious problem because it can deplete important natural resources, disrupt the stability of larger ecosystems, and threaten human health and the livelihoods of farmers and fishers in surrounding villages (Demaria 2010). And, of course, hazardous materials are carried outside the yards by equipment and other materials taken off the ships and reused elsewhere. Steel re-rolling mills, for example, disperse toxic materials into the atmosphere through heating steel coated with toxic materials. Rising sea levels resulting from climate change may increase environmental damage by washing out “legacy pollution” on the beaches of the breaking yards (World Bank 2010:38-39).

Human Health and Safety Risks

Occupational and environmental exposure to the hazards posed by ship breaking and the attendant health consequences are not fully known, but those exposed are at a high risk of death, disease, and injury because of their increased susceptibility to various site-specific cancers, skin irritation, respiratory problems such as asbestosis, and neurobehavioral problems. Accidents are common and workers are at increased risk of death and injury from snapping cables, chemical spills, welding fumes, falls, falling objects, fires, and explosions (Demaria 2010; Greenpeace International and International Federation for Human Rights 2005; Hossain and Islam 2006; Puthucherril 2011:285-288; Rousmaniere and Raj 2007; Sahu 2014; World Bank 2010).

Since reliable data do not exist on the full occupational and environmental exposure to the emissions of hazardous substances in the yards, it is not possible to estimate the actual number of deaths or cases of disease and injury that can be attributed to them. It is quite clear, given what we know about the environmental risks discussed above, that health problems linked to ship breaking are pervasive. Air pollution and water contamination have been well documented (Basha et al. 2007; Reddy et al. 2005). Hazardous waste management is also a problem, for hazardous wastes are dumped in a haphazard fashion (Demaria 2010; Puthucherril 2010, 2011). Accidents and the adverse health and safety conditions facing workers and the inhabitants of the areas surrounding the yards are serious (Greenpeace International and International Federation for Human Rights 2005; International Federation for Human Rights and Young Power in Social Action 2008; Sahu 2014; World Bank 2010).

Adverse human health effects have been reported by a number of researchers (Greenpeace International 2001; Greenpeace International and International Federation for Human Rights 2005; Sahu 2014; World Bank 2010). The conditions are so severe that "...a doctor at the Red Cross Hospital in Alang [is reported to have said that] working one day in the ship breaking yards is equal to smoking 10-15 packs of cigarettes" (Greenpeace International and International Federation for Human Rights 2005:10). Reliable data on the number of accidental deaths and future deaths resulting from diseases with long latency periods such as asbestosis, lung cancer, and mesothelioma are not available, but a recent study of Taiwanese ship breaker workers who had stopped working for a period of 24 years indicated they are at substantially increased risk of asbestos-related diseases such as overall cancer, oral cancer, lung cancer, and mesothelioma (Wu et al. 2014). Nixon (2011) captures this idea of long-term consequences with his concept of "slow violence." Estimates indicate that one in every six workers may have asbestosis and workers are at inflated risk of lung and related forms of cancer in the shipyards of Alang-Sosiya and Chittagong (Greenpeace International and International Federation for Human Rights 2005). Greenpeace International and International Federation for Human Rights (2005) estimate that thousands of workers have died in the last several decades and thousands are at risk in the future.

Communicable diseases are also a problem in the yards. One researcher described the situation in Alang in the following way:

The labourers in Alang live in poor housing and sanitary conditions and little attention is paid to their health and safety concerns. According to the physicians in and around Alang who treat numerous Alang patients, the combination of hazardous working conditions, congested and unhygienic living conditions, poor drinking water, (...) and rampant prostitution have given rise to a number of skin, gastrointestinal, and liver diseases besides tuberculosis, leprosy, malaria, malnutrition, cancer, HIV/AIDS, and other sexually transmitted diseases (cited in Greenpeace International and International Federation for Human Rights 2005:11).

The stories of a number of workers who were injured or killed in the breaking yards of Alang-Sosiya and Chittagong are included in a 2005 report by Greenpeace International and the International Federation for Human Rights (2005). Several of these "witness stories" from Alang and Chittagong are quoted at length to illustrate the seriousness of the problem:

Alang-Sosiya, India

Bhaskar Zena was 35 when he was burnt alive at plot no. 17. His family in Nuashai did not get any compensation (Greenpeace International and International Federation for Human Rights 2005:37).

My name is Ramhari. I am 53 years old and I have lived in Dudurapada hamlet of Adapada village all of my life, except for the four black months in Alang. There are about 3,000 households in my village and about 1,000 young people have migrated to Alang looking for a job. Out of sheer poverty I also left for Alang looking for a job. I was desperate after one of my sons died of a snakebite.

I stayed in Alang for a few months, not aware of what could happen to me. One morning a major catastrophe struck me and my family. I was working on the deck of a ship beached at plot no. 49. Somebody dropped a large iron ball, which struck my head. I fell unconscious and was brought to the hospital, but I did not know how long I stayed there. Maybe two or three months. I wasn't aware of my condition, but gradually I found out that my left arm was fully paralysed.

I encountered a great hardship with my family and was compelled to start begging. Our lives have become extremely miserable. Since the accident I have lost six children due to various illnesses. I tried my best to obtain some kind of treatment for them, but it didn't work as I didn't have enough money. I undertook several things, basically washing dishes in small hotels, to feed my family.

My wife couldn't bear all this and she has since become mentally ill. How could one bear so much loss? I don't remember everything clearly, because I was grief stricken. My mind was in one place and my body somewhere else.

After the incident, they paid me 3,000 rupees (60 euros) plus some money for medical treatment. I knew that the money given to me was meager, but I couldn't do anything. How can I fight in an alien place where I know nothing and nobody? The money didn't last long. Now I am forced to beg, due to the ship breaking work (Greenpeace International and International Federation for Human Rights 2005:30).

Chittagong, Bangladesh

Shorab died in July 1998 while he was lifting an oxygen bottle, used for gas cutting, onto a ship. The rope broke and the bottle fell on his chest. He fell in the muddy water. Two hours later his fellow workers found his body (Greenpeace International and International Federation for Human Rights 2005:21).

[Muhun a]... 36-year old cutter from Sylhet was injured during the major explosion on the TT Dina oil tanker on 31 May 2000 in Chittagong. This explosion killed 16 workers and left 40 people injured. Muhun escaped death on that occasion, but three years later he suffered another blast that left him paralysed (Greenpeace International and International Federation for Human Rights 2005:29).

Economic Costs

The economic costs associated with the cleanup of contaminated sites in Alang and Chittagong, as well as the surrounding communities and beyond are high. The treatment and compensation of the victims of hazardous exposures are potentially very costly. Destruction of marine life and the livelihoods of fishers, mangroves, biodiversity, soil and the livelihoods of farmers, water and air quality, and other natural resources is also likely to be costly. Reductions in human health are costly, and they can impede future economic growth (Price-Smith 2001). These and other

tangible and intangible economic costs associated with the transfer of this particular hazardous industry appear to be substantial (Demaria 2010; Rousmaniere and Raj 2007; World Bank 2010).

Social Costs and Environmental Injustice

Proponents and the institutions of global environmental governance (GEG) and proponents of ecological modernization maintain that international trade spreads benefits such as the reduction of environmental harms and provides many benefits and opportunities for countries engaged in recycling practices such as ship breaking (see, e.g., the discussion of Okereke [2008] on environmental justice and neoliberal environmental governance). Contrary to the goals of GEG, most of the costs or risks associated with the transfer of ship breaking to the beaches of Bangladesh and India (and other hazards for that matter) are distributed in an unequal fashion.¹³ In other words, most of the benefits go to the core-based interests that control shipping and the brokers and breakers/owners who profit from the sale of the ships, while Bangladesh and India bear most of the costs. Losses are distributed in an unequal fashion within Bangladesh and India: some groups—especially the state and local capital—are able to capture the benefits and other groups—those marginalized by age, class, race/ethnicity, and geographic location, including workers and their families as well as those in surrounding communities—bear the costs (Greenpeace International and International Federation for Human Rights 2005; International Federation for Human Rights and Young Power in Social Action 2008; Sahu 2014; World Bank 2010).

An Approximate Analysis of Economic Costs and Benefits

Are the costs associated with the displacement of ship breaking to countries like Bangladesh and India offset by the economic and other benefits as proponents of neoliberalism (Grossman and Krueger 1993, 1995) and some ecological modernization theorists (Mol 2001) suggest? After all, ship breaking employs thousands of poor workers desperate for jobs in Bangladesh, India, and elsewhere. The steel recovered from the ships is recycled and used domestically in road and building construction which reduces the environmental and health impacts of mining and reduces energy use; the yards supply upwards of 80% of Bangladesh's steel and upwards of 15% of India's steel at half the price of furnace produced steel (Demaria 2010; International Federation for Human Rights 2002; Hossain and Islam 2006; Rousmaniere and Raj 2007; World Bank 2010). In addition, import duties and other fees on incoming ships provide revenue for the state.

Answering the question raised above as noted by some analysts (Frey 2006a, 2012a) is problematic because it is difficult to identify, estimate, and value the costs and benefits (especially the costs) associated with hazards in monetary terms (see, e.g., Frey, McCormick, and Rosa 2007; Funtowicz and Ravetz 1994). Despite suggestions and efforts to the contrary (e.g., Logan 1991), there is no widely accepted factual or methodological basis for identifying, estimating, and valuing the costs and benefits associated with the flow of core hazards to the

¹³ The unequal distribution of the costs or risks between core and periphery and within the periphery is contrary to Ulrich Beck's (1992, 1999) "risk-society" thesis. He argues that risks increasingly impact both the poor and rich. See Alario and Freudenburg (2010) who use the analogy of the Titanic sinking in their discussion of the unequal distribution of risks in the "risk-society."

periphery. Even if the consequences of hazardous exports could be meaningfully identified and estimated, there remains the question of valuing them in monetary terms and identifying appropriate discount rates and time horizons. Economists typically look to the marketplace for such a valuation, but adverse health, safety, environmental, and socio-economic consequences are not traded in the marketplace. Efforts have been made to deal with this problem by using either expert judgment or public preferences (Mitchell and Carson 1989), but such techniques are deeply flawed and morally suspect (see Dietz, Frey, and Rosa 2002; Foster 2002a).

Comments contained in the often cited 1991 memo by former World Bank Chief Economist Lawrence Summers (1992) are worth quoting at length because they illustrate the difficulties and contradictory outcomes of applying traditional economic reasoning to the transfer of hazardous industries and wastes like ship breaking to the periphery. Sounding a bit like Marie Antoinette, Summers notes:

Just between you and me, shouldn't the World Bank be encouraging *more* migration of the dirty industries to the LDCs? I can think of three reasons:

(1) The measurement of the costs of health-impairing pollution depends on the forgone earnings from increased morbidity and mortality. From this point of view a given amount of health-impairing pollution should be done in the country with the lowest cost, which will be the country with the lowest wages.

(2) The costs of pollution are likely to be non-linear as the initial increments of pollution probably have been very low cost. I've always thought that under-populated countries in Africa are vastly under-polluted; their air quality is probably vastly inefficiently low compared to Los Angeles or Mexico City....

(3) The demand for a clean environment for aesthetic and health reasons is likely to have very high income-elasticity. The concern over an agent that causes a one-in-a-million chance in the odds of prostate cancer is obviously going to be much higher in a country where people survive to get prostate cancer than in a country where under-5 mortality is 200 per thousand. Also, much of the concern over industrial atmosphere discharge is about visibility of particulates. These discharges may have little direct health impact. Clearly trade in goods that embody aesthetic pollution concerns could be welfare enhancing. While production is mobile the consumption of pretty air is a non-tradable.

The editors of *The Economist* (2007:14) magazine based in London made a similar argument more recently:

...the best way of recycling waste may well be to sell it, often to emerging markets. That is controversial, because of the suspicion that waste will be dumped, or that workers and the environment will be poorly protected. Yet recycling has economics of scale and the transport can be virtually free--filling up the containers that came to the West full of clothes and electronics and would otherwise return empty to China. What's more, those who are prepared to buy waste are likely to make good use of it.

Such reasoning undervalues nature and assumes that human life in the periphery is worth much less than in the core because of wage differentials (see also Foster 2002b; Frey 2006a;

Harvey 1996:368; Martinez-Alier 2009). Although most costs occur in the periphery, and many of the benefits are captured by core countries and elites located in the periphery, the costs to the periphery are deemed acceptable because life is defined as worth so little.¹⁴ In sum, it can be argued that the “costs”—once we consider non-economic values and long-term time horizons, including impacts on the environment, human and animal health, and the unequal distribution of the health, safety and environmental risks—outweigh the benefits, but the valuation discourse of economics of the neo-liberal variety continues to dominate the policy discourse and empowers those who benefit from the industry, impeding efforts to effectively regulate the industry.

What Can Be Done? And Who Should Do it?

The image of ghost ships sailing to the breaking yards located on the beaches of India and Bangladesh is a disturbing one. Unlike the Flying Dutchman, however, many of these ships have been and will be beached and broken with adverse health, safety, environmental, and socio-economic consequences. The displacement of ship breaking to the beaches of Bangladesh and India can be framed as racist (Bullard et al. 2005; Pellow 2007:37ff; Puthucherril 2010:51), but it represents something more. It reflects the unequal power relations underlying relations between countries occupying different positions in the world-system. Centrality in the world-system allows core countries to engage in Not-In-My-Backyard (NIMBY) like behavior and to impose their anti-wealth on the (semi) periphery.

Efforts to curb the adverse consequences associated with ship breaking in Bangladesh and India and hazardous industries located throughout the periphery have taken a wide variety of forms: various national and regional regulatory efforts such as the 2013 European Union (EU) Shipbreaking Regulation banning EU flagged ships from being beached in Asia; bilateral and multilateral environmental agreements; various international conventions, including the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (hereafter the Basel Convention) and the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (Hong Kong International Convention) adopted in May 2009 under the auspices of the International Maritime Organization, that becomes effective in 2015 (see Bhattacharjee 2009; European Commission DG Environment 2009; Frey 2006a; Karim 2010; Lucier and Gareau 2014; Moen 2008; Okereke 2008:80-98; Puthucherril 2010, 2011); Codes of Conduct such as the International Chamber of Shipping Industry Code of Practice on Ship Recycling; and a range of trade treaties (see, e.g., Demaria 2010; Greenpeace International and International Federation for Human Rights 2005; Hossain and Islam 2006; International Federation for Human Rights 2002; Okereke 2008; Puthucherril 2010: Chapters 3-5, 2011; Rousmaniere and Raj 2007; World Bank 2010). These efforts to “globalize responsibility” are problematic because of noncompliance and weak implementation and enforcement capacity at the national and supranational levels, resulting from fragmented efforts, limited resources, increased capital mobility, the neoliberal project that frames regulation as a trade barrier, and increasing legitimization discourse efforts by exporting countries and

¹⁴ Or, as Herman Daly (1993:57) has noted: "By separating the costs and benefits of environmental exploitation, international trade makes them harder to compare." To put it another way, the “metabolic rift” between the core and (semi) periphery (Foster, Clark, and York 2010; see also Moore 2000, 2011a) resulting from ecological unequal exchange is made invisible by globalization and the attendant market ideology espoused by proponents of the neo-liberal perspective and ecological modernization.

industry lobbies to redefine hazardous wastes as “resources” to be recycled (see, e.g., Bhattacharjee 2009; Frey 1998a, 2006a, 2006b; Greenpeace International and International Federation for Human Rights 2005; Karim 2010; Lucier and Gareau 2014).¹⁵

Several analysts have called for more stringent measures, including “the renationalization of capital” (Daly 1996:145-162) or the dismantling of what Schnaiberg (1980) and his colleagues (Gould et al.1996, 2008) have called the “transnational treadmill of production.” Implementation of such proposals appears unlikely given the structural constraints posed by the current world-system. In effect, stopping the displacement of hazards or environmental harms (as noted elsewhere [Frey 2006a]) through the “globalization of responsibility” or the “renationalization of capital” is unlikely as long as the core countries control a majority of the wealth generated in the world-system.

What is actually being done to challenge ship breaking as it is currently practiced in Bangladesh and India? Several organizational and political activities are currently underway. Non-governmental organizations (NGOs, including Bangladesh Environmental Lawyers Association, Toxic Links, Human Rights Law Network, and Young Power in Social Action) have pressured state authorities in Bangladesh and India to develop and enforce higher standards and open the policy discourse to the public about toxic wastes (Demaria 2010; Rousmaniere and Raj 2007). Several labor organizations (e.g., Alang-Sosyia Recycling and General Workers’ Association) have sponsored strikes for better wages and working conditions with limited success. International NGOs such as Greenpeace International, the Basel Action Network (BAN), and Platform on Shipbreaking monitor and study actual conditions in and around the yards, as well as pressure yard owners and state authorities to change operating procedures (see, e.g., Demaria 2010; Greenpeace International 2000, 2001; Greenpeace International and International Federation for Human Rights 2005; Rousmaniere and Raj 2007). Greenpeace International, the Basel Action Network, the Ship Breaking Platform, and other organizations (such as the International Maritime Organization, the International Labour Organization, International Metalworkers Federation, the European Commission Director General of the Environment, and the United Nations Environment Programme) as well as many analysts have made a number of specific recommendations (European Commission Director General of the Environment 2009; International Federation for Human Rights 2002; Greenpeace International and International Federation for Human Rights 2005; Hossain and Islam 2006; Puthucherril 2010, 2011:191-207; Aahu 2014). These include:

- Ship breaking yards should be open to inspection by NGOs, trade unions, and other groups.
- Operating ships should be made cleaner through maintenance and retrofitting.
- A global regulatory regime should be developed and fully implemented to regulate ship breaking.
- The next generation of ships should be constructed to reduce health, safety, and

¹⁵ The 2013 European Union Shipbreaking Regulation banning ship beaching in Asia is easily defied by changing nation of registry (Kotoky 2015). See Lucier and Gareau (2014) for a discussion of efforts by interested economic actors to redefine how hazardous wastes should be regulated under the Basel Convention. They provide an insightful discussion of efforts by exporting countries and industry lobby groups to redefine hazardous wastes as “resources” to be recycled in an effort to marginalize environmental injustice claims and to therefore define “appropriate policy” and promote their economic interests. See also Puthucherril’s (2010, 2011) detailed and critical discussion of the ambitious Hong Kong International Convention and other efforts to curb the risks associated with ship breaking. See also Karim’s (2010) excellent discussion.

environmental impacts at the time of decommissioning.

- Ship owners and flag state holders should be responsible for the clean and safe dismantling of ships.
- Workers should be protected through improved health and safety practices in the yards.

Economic globalization and the attendant adverse consequences have clearly fostered counter-hegemonic forces or anti-systemic movements (see, e.g., Arrighi et al. 2012; Bandy and Smith 2005; Keck and Sikkink 1998; Martinez-Alier 2002; Pellow 2007, 2011; Smith and Wiest 2012; Wallerstein 2002) in the form of transnational networks of NGOs. The extent to which national and transnational NGOs will actually curb the adverse consequences of economic globalization in India, Bangladesh, and elsewhere is the subject of much debate (see, e.g., Brecher et al. 2000, Buraway, 2010; Chase-Dunn 2002, 2010; Evans 2000; Mol 2001; Pellow 2007: Chapters 3 and 7, 2011; Swerts 2013; Wallerstein 2002). Counter-hegemonic globalization in the form of transnational networks of NGOs (referred to as “globalization from below” by Brecher et al. [2000] and Chase-Dunn [2002, 2010], among others) is often seen as a viable means for *curbing* some of the worst abuses associated with the transfer of hazardous production processes, whether ship breaking, e-waste recycling, battery recycling, or otherwise, to “sacrifice zones” located in the (semi) periphery (see also Frey 2012a; Gould et al. 2008:103-104; Pellow 2007; Smith and Wiest 2012). This approach is not without its critics, who argue that domestic NGOs involved in transnational networks often become dependent on Western financial resources and frames and exclude those directly engaged in or affected by ship breaking and other forms of hazardous production practices from the political process, contributing to what Swerts (2011) calls a “democracy deficit.” Transnational networks of NGOs seem incapable of providing the strong opposition needed to curb the adverse consequences of the industry.

Stopping ship breaking—in other words ending the core’s appropriation of the periphery’s carrying capacity or “environmental space”—is difficult, for it is deeply embedded in the very structure of the current world-system and influences the domestic political economy of both Bangladesh and India. Ship breakers/yard owners lobby hard against state regulation and judicial activism (Demaria 2010; Parman 2012) with considerable success.¹⁶ This latter point is well illustrated by state efforts of both countries to curb anti-ship breaking NGO activity and strong regulation by branding such policies as anti-developmental and disruptive to business activity (Bahree 2014). And there are few financial incentives (in this “race to the bottom”) for Bangladesh and India *who are in direct competition with each other* and the other ship breaking countries (China, Pakistan, and Vietnam) to establish strong regulatory measures comparable to those found in Europe, Japan, South Korea, and North America or to stop breaking ships. In sum, the ecological unequal relations these two countries share with the core are important for maintaining elite advantage in Bangladesh and India and continuous capital accumulation in the core as noted above.¹⁷

¹⁶ See Demaria’s (2010:256-259) discussion of the Indian Supreme Court and the “Blue Lady” case and the Bangladeshi Supreme Court’s 2010 restrictions on ship breaking in Chittagong (Anonymous, 2011). See also Karim (2010) for additional discussion of the issue.

¹⁷ Puthucherril (2010:12) is much more optimistic. He notes “... international standards for ship recycling, along with greater North-South cooperation, are necessary to ensure sustainable ship recycling.”

Conclusion

What this paper brings into sharp focus is the ecological contradictions of globalization and the current world-system. To be more specific, it contributes to the emerging literature on ecological unequal exchange and what some have called the exploitation of environmental space by the advanced capitalist center. Much of the existing literature has focused on the extraction of wealth from the “resource frontiers” located in the peripheral zones of the world-system. The ship breaking case reported here represents an important example of the displacement of the core’s anti-wealth to the “waste disposal frontiers” of the (semi) periphery and the resulting adverse health, safety, environmental, and socio-economic consequences for the periphery. Ship breaking illustrates quite clearly that capital accumulation in the core is dependent on (semi) peripheral contamination.

Much more research is needed on core capital accumulation through (semi) peripheral contamination and the process of ecological unequal exchange. Future research should look at the full range of hazardous production practices and wastes that are displaced to the “waste disposal frontiers” and the resulting political conflicts and responses. One direction for future research should be the examination of the movement of the core’s hazardous production practices to the more than 3,500 export processing zones located in (semi) peripheral countries scattered throughout Asia, Africa, Latin America, and the Caribbean (Dicken 2011:193, 2015). These zones have limited regulatory restrictions on hazardous production practices and waste disposal and offer many other concessions to core capital that facilitate capital accumulation, including harsh restrictions on domestic and transnational NGO activity. The zones represent an increasingly important feature of the expanding rift in the world-system (resulting from ecological unequal exchange) and needs to be more fully addressed in efforts to understand relations between the core and (semi) peripheral zones in the world-system.

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Economic Entitlements via Entrepreneurial Conduct? Women and Financial Inclusion in Neoliberal India¹

K. Kalpana

Indian Institute of Technology Madras
kkalpana@iitm.ac.in

Abstract

This paper examines the gendered local character of neoliberalism at the household level by focusing on microcredit/finance programs in India. Microfinance promoted by the state as an informal activity targeting women is intended to alleviate income inequalities, even as it contributes to maintaining the world capitalist system. In India the inception of microfinance-based Self Help Groups (SHGs) or peer groups of women savers and borrowers in the 1990s has coincided with a rightward turn towards neoliberal policies of structural adjustment, privatization and economic deregulation. In this paper, I show how Indian policy makers have endeavored to make women's economic entitlements contingent upon their disciplined financial behavior and their willing participation in neoliberal agendas of creating and deepening 'self-regulating' markets at village levels. Drawing on an ethnographic study conducted in a South Indian state, I show that the community level 'neoliberal disciplining' that microfinance entails does not proceed without resistance. Whilst SHGs seek to constitute women as fiscally disciplined savers and borrowers, women stake their 'rightful' entitlement to bank credit even as they reject outright the entrepreneurial subjectivities they are expected to assume. They pursue purposes and ends that extend well beyond 'financial inclusion.'

Keywords: Microfinance, Women, Neoliberal Governmentality, Capitalist Accumulation, India

The intertwining of neoliberal capitalism and development policymaking in the last two decades of the twentieth century and beyond is perhaps best exemplified by the case of microfinance/credit programs. Microfinance programs—which involve neighborhood-based peer groups that save and rotate small amounts of capital and subsequently 'leverage' the resources of formal financial institutions in order to on-lend larger sums of capital to group members (Pagura and Kirsten 2006)—have won powerful adherents and supporters that include international financial institutions such as the World Bank and the International Monetary Fund (IMF), the international development industry (including United Nations agencies), national governments, commercial banks and other for-profit lending institutions. Microfinance is celebrated for having dramatically expanded the "frontier of formal finance" by moving it "down market," or towards "small farmers, micro-entrepreneurs, small and

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medium enterprises, the very poor and those in remote areas” (Von Pischke 2003: 6-7). In so doing, it contributes to “rural financial deepening,” or an expansion in financial transactions in rural areas through the offer of new contract terms and conditions and a wide range of financial services to broader clienteles (Gonzalez-Vega 2003).

The microfinance phenomenon epitomizes what world-systems theorists identify as capital’s imperative to seek profit, to endlessly accumulate itself, in the process generating “a need for constant technological change, a constant expansion of frontiers – geographical, psychological, intellectual, scientific” (Wallerstein 2004: 2). Insofar as microfinance is concerned, the emergence of novel transactional technologies that entail innovations in lending and repayment methodologies have set it apart from an older generation of rural credit programs. Some of these innovations include the peer pressure mechanisms inherent to group-based or joint-liability lending that deliver on-time repayment and close-to-market rates of interest typical of most programs. Compared to individual-targeted lending, these programs significantly reduce transaction costs and labor expended by lending institutions in disbursing loans, monitoring loan use or inducing loan repayment (Johnson and Rogaly 1997: 38-51, Wenner 1995). Formerly deemed credit-unworthy, low-income households and communities have come to be perceived not only as ‘bankable’ but a vast *market* of savers and borrowers and *consumers* of financial services waiting to be tapped at the “bottom of the pyramid” (Prahalad 2005).

The global ascendance of microfinance signals an enormous commercial and governmental investment in the quotidian *disciplining* and *responsibilizing* of its program participants, in keeping with the imperatives of capital accumulation under neoliberal capitalism. As is well known by now, this disciplining is gendered: women from land-poor and low-income households are the overwhelming constituency of microcredit projects worldwide. Feminist scholars have observed that the valorizing of the economic agency of women in poverty proceeded apace with the advance of neoliberalism in the 1980s, and they raised growing concerns about the devastating social impacts resulting in the 1990s. In response to both ‘anti-poverty’ and ‘efficiency’-related concerns, women came to be constructed as a valuable and under-utilized *resource* for development or the “missing link” (Razavi 1997) in low-cost poverty alleviation strategies. Their participation was expected to deliver optimal outcomes such as enhancing household wellbeing, ensuring child survival, increasing food security, and raising family incomes (Jackson 1996; Razavi 1997).

In this paper, I examine ongoing strategies of capital accumulation in the world economy via feminized and poverty-targeted economic development programs in India. I situate these with respect to transnational processes, such as neoliberal Structural Adjustment Programs, SAPs, and transnational development interventions, such as microfinance, which have flourished in India and elsewhere in consonance with the SAPs. Even as I draw upon theoretical debates that tease out the relationship between microfinance and capitalist accumulation (Aitken 2010; Karides 2010; Karim 2011; Mayoux 2002; Rankin 2001; Weber 2002), I situate these with respect to analytical literature on the Indian experience of neoliberal reforms (Chatterjee 2008; Corbridge et al 2011; Harriss 2011) and the Indian variant of the global microfinance phenomenon viz., Self Help Groups (SHGs) or village-level microfinance-centered peer groups. I do so in order to explore the irreducibly specific and particular forms that transnational strategies of capital accumulation may acquire in varied country contexts.

In India, SHG-based microfinance is currently the most visible and successful embodiment of the ‘mainstreaming’ of women within economic development and anti-poverty programs.² In this paper, I show how women’s participation in economic development projects is solicited, mobilized, and harnessed by policy makers as part of the social safety net of hou

seholds in poverty during a period in which the Indian state has transited from a ‘developmental’ to an ‘emergent capitalist’ state (Vasavi and Kingfisher 2003). I argue that while an emergent neoliberal state in India extends survival-oriented financial assistance to poor households (via their responsabilized women members), it simultaneously advances neoliberal agendas of creating and deepening self-regulating markets at the grassroots. Drawing upon ethnographic field work conducted in the South Indian state of Tamil Nadu, I explore the contradictions and the unintended outcomes that ensue when rural women, the intended instruments of this process, subvert and re-define project goals and objectives. I use these narratives of subversion to make the case that projects of ‘financial governance’ that bring a financial rationality to bear on the domains they seek to govern are neither stable nor uncontested, and that we would do well to understand finance itself (and microfinance as part of it) as an assemblage that draws on diverse materials in ways that are often politically contested (Aitken, 2010).

Theorizing Microfinance Under Neoliberal Capitalism: “Self-regulating” Markets and Political safety Nets

The poor themselves can create a poverty-free world.... Credit can create self-employment instantaneously. Why wait for others to create a job for you? (Yunus 2005).

As articulated by Grameen Bank founder Muhammad Yunus and others, globally dominant microfinance imaginaries valorize entrepreneurial individuals as responsible agents of their own economic well being. This has taken place even as budget-constrained governments implementing neoliberal economic reforms struggle to provide access to social services and livelihood opportunities for economically marginalized citizenry (Rankin 2001; Mayoux 2002). Analysts note that the massive expansion of microfinance and micro-enterprise based development interventions occurred in the 1990s—a period marked by the articulation of a ‘poverty agenda’ by the global development industry in response to the resurgence of poverty and income inequalities associated with neoliberal economic restructuring (Thomas 2000; Weber 2002). Microfinance was promoted as the grassroots dimension, or the ‘human face’ of economic liberalization policies and an ideal ‘self-help’ strategy that would enable the poor to secure services such as education, health, water and sanitation despite increased unemployment and rising costs of basic amenities (Mayoux 2002).

Situating microfinance in the historical context of crisis management in capitalist societies at the turn of the 20th century, Weber (2002) uses Karl Polanyi’s (1957) thesis of the “double movement” to argue that neoliberal policy reforms, which may be seen as representing the tendency of capitalism to dis-embed the economy from society by permitting the free market to ‘self-regulate’ (the ‘first movement’), have provoked popular resistance at local levels in several countries undergoing structural reforms (the ‘counter-process’ or the

² By late March 2013, over 7.3 million SHGs (of which 81% were *women’s* SHGs) maintained savings worth Rs.82 billion (equivalent to approximately US \$1.4 billion) with the banking sector in India. Of these SHGs, over 4.4 million SHGs (of which 84% were women’s groups) had loans outstanding from banks worth Rs.394 billion (NABARD 2013).

‘second movement’). In this context, the “strategic embedding” (Weber 2002) of microfinance in the global political economy of poverty reduction serves the dual function of advancing the goals of the ‘first movement’ (by extending trade in financial services at the grassroots), even as it acts as a “political safety net” by financing and promoting private entrepreneurship, thereby absorbing surplus labor in informal sectors and mitigating income insecurity. Through its latter role, it simultaneously dampens, contains, and disciplines the politics of the ‘second movement’ (Weber 2002).

The structural compatibilities between microfinance-based development interventions and economies undergoing neoliberal reform are further developed by Karides (2010) who observes that public assistance to low-income populations in the Caribbean region has increasingly taken the form of support for petty market operations, which was vigorously promoted during the SAPs. In effect, two historic and *distinct* strategies aiming to overcome the crisis of capitalism—namely governmental transfer and informal self-employment—have fused into the single form of ‘micro-enterprise development’ that has come to be perceived as a ‘safety net under globalization’ (Karides 2010). While Weber (2002) and Karides (2010) have underscored the “palliative” relief that microfinance programs offer to populations impacted adversely by neoliberal economic re-structuring, others have argued that microfinance itself may be seen as a “financial object” capable of generating and sustaining forms of profit and capital accumulation (Aitken 2010). To attract international investors specialized financial services providers and Microfinance Institutions (MFIs) often charge their borrowers interest rates that are as high or even significantly higher than rates in the formal financial sector. This distorts the agenda of ‘financial inclusion’ of the poor, entrenching a ‘two-tier’ system of credit wherein marginal groups are marked out for high-cost credit (Aitken 2010).

The above-mentioned frameworks help us understand the ‘strategic embedding’ (Weber 2002) of microfinance in the gendered political economy of anti-poverty initiatives in India. I also seek to identify the precise mechanisms of capital accumulation via SHG-based microfinance by showing how the extension of trade in financial services has opened up new disciplined and feminized markets of micro-borrowers and savers for the formal financial sector in India. I examine also whether the “second function” of microfinance (Weber 2002)—that is the promotion of private entrepreneurship, or the agenda of ‘micro-enterprise development’—actually alleviates income inequality by absorbing surplus labor and enabling women of working poor households to participate in and contribute to capitalist accumulation projects at the grassroots.

While I situate my analysis of microfinance with respect to India’s experience of neoliberal economic reforms, I draw on Foucaultian scholars of governmentality who conceive of neoliberalism not so much as a withdrawal or ‘retreat of the state,’ but as a positive technique of government that spawns new regulatory technologies seeking to govern economic life. By acting upon diverse and multiple social forces and entities (individuals, households, collectives, businesses), the state autonomizes and responsabilizes these so that they may, in turn, regulate and align the conduct of governed populations with broader socio-political objectives (Burchell 1996; Rose 1999:174). I propose that microfinance is an emergent regulatory technology of neoliberal governmentality whose rise (in India as well as other parts of the world) coincides with and is, in part, reliant on modes of government that Ferguson and Gupta (2002) describe as “transnational governmentality.” Key elements of these global governance regimes include the regulatory and disciplining strategies of SAPs implemented by International Financial Institutions, the proliferation of voluntary organizations supported by transnational funding, and the outsourcing of the functions of the state to non-state actors and agencies that assume responsibility for delivering an array of basic amenities and services to governed populations (Ferguson and Gupta 2002).

To understand how pivotal the responsabilizing and disciplining of women is to these processes, I turn to literature that explores the making of new gendered subjectivities in keeping with the emergence of neoliberal developmental rationalities. Drawing on their ethnographic research in Nepal and Bangladesh respectively, Rankin (2001) and Karim (2011) argue that microfinance programs attempt to constitute ‘rational economic woman’ or women clients who function efficiently and sustainably as ‘self-maximizing entrepreneurs’ (Rankin 2001), embodying the principles of competition, profit, and entrepreneurship and acting in consonance with market rationalities (Karim 2011). It appears then that ‘women in poverty’ must re-fashion themselves in order to populate the new grassroots level ‘self-regulating’ markets for microfinance that peer-group based lending has opened up in several parts of the world.

Microfinance Origins and Organizational Specificities in India

In the decades following India’s independence, the post-colonial state adopted the mandate of eliminating the monopoly of the traditional moneylender in rural India and ending the exploitative ties binding the landlord-cum-moneylender to the cultivator-borrower (Pulley 1989). Literature on chronic debt in the rural countryside has shown that indigenous moneylenders accumulated capital through relations of monopoly power and social control over poor cultivators and sharecropper households, enabled by the interlocking of credit with other factor markets such as product and labor markets (Bhaduri 1973, 1986). During the years of ‘social banking’ (1969 – end-1980s), the central government launched an aggressive, supply-led approach to rural credit, primarily through nationalization and the ensuing mobilization of commercial banks in the cause of wealth redistribution and affirmative action (Pulley 1989). The rural banking initiatives launched during these years included the massive proliferation of bank branches in semi-urban and rural areas, the introduction of specialized lending schemes, the capping of interest rates for specific classes of borrowers, and the setting of targets to lend to designated ‘priority’ sectors of the economy or ‘weaker sections’ of the population.

However, the intended linkages between banks and the land-poor or the poorest sections of rural India were stymied by the high transaction costs of doing business with a geographically dispersed population, the “urban orientation” of field staff, and perceptions of the bank as an “alien institution” inaccessible to the poor, among other reasons (NABARD 1999: 1.7.2). The unwillingness of banks to lend to rural population groups in the pre-microfinance era, despite policy mandates to do so, is not unique to India, as the literature on rural finance testifies (Hulme and Mosley 1996). Since the advent of microfinance and peer-group based lending, commercial banks and specialized microfinance institutions are willing and eager to lend to informal grassroots collectives in low-income rural and urban settlements leading to the critique of capital accumulation by microfinance lenders as discussed above (Aitken 2010). However, we must attend more closely to the organizational structuring of SHG-based microfinance in India in order to better understand the processes at play.

Residence-based groups that range from 12 – 20 members each, SHGs are grassroots collectives that generate their own capital and take collective decisions with respect to the terms of their financial transactions, such as rates of saving, interest rates, repayment schedules, and disciplinary mechanisms. Promoter agencies—both state and non-state such as non-governmental organizations (NGOs)—facilitate the formation of SHGs and play a supportive role through the provision of training, assistance in accounts-maintenance, financial auditing, and other critical services. As soon as it is formed, an SHG opens a savings account in a proximate commercial bank as the first step in establishing a relationship

with the formal banking sector. The group leaders, selected from within the group, assume responsibility for maintaining group accounts and liaising with banks, promoter NGOs, and government agencies. Being user-owned and member-controlled entities, SHGs have been described as “micro-banks” (Harper 2002) or “Community-Managed Loan Funds” (Murray and Rosenberg 2006). It is important to note that in this model of lending, the total capital generated within the group through member savings (including interest incomes) *belongs to the group* and is usually distributed among group members at the end of a stipulated, mutually determined period of time.

While SHGs own the internal finances they generate and make group-level decisions regarding the terms of lending and borrowing, they also borrow from external sources—primarily the commercial banks that are the account-holders of the groups’ finances. In 1990-91, the Reserve Bank of India (RBI) and the National Bank for Agriculture and Rural Development (NABARD), the prime institution promoting agricultural and rural financing in India, initiated the SHG-bank linkage project that linked residence-based peer groups to commercial banks so that the resources of the latter are optimally utilized by sections of the rural population (hitherto) un-served by public sector banks. SHG-banking offers non-subsidized credit linked to the volume of group savings, which the poor can use for any purpose, including household consumption (RBI 2009: 2-4).

In April 1999, the central government introduced a nationwide poverty alleviation program called the *SwarnJayanti Gram Swarozgar Yojana* (SGSY), which used SHGs to deliver a mix of bank credit and government subsidy to targeted beneficiaries below the official poverty line to encourage self-employment activities. The rural development administration (the District Rural Development Agency at the district level and the Block Development Office at the sub-district or block level) provided the subsidy component of the scheme, while loan funds were provided by commercial banks. Being a targeted anti-poverty intervention that focused on vulnerable sections of the rural poor, the SGSY guidelines prescribed that Scheduled Castes and Scheduled Tribes must account for at least 50%, women 40% and the disabled 3% of its total beneficiaries³ (RBI 2011).

Apart from the policy push towards SHG-banking by the highest strata of financial policy makers in India, does SHG-banking also make sense to the banking sector from the point of view of enhancing its financial performance and capital accumulation strategies in the neoliberal era? In the following section, I discuss this issue.

Situating Microfinance in Neoliberal India: Why Lend to SHGs?

Significantly, the enthusiastic promotion of women-targeted microfinance programs since the early 1990s has coincided with the Indian government’s adoption of liberalization policies consisting of the standard IMF/ World Bank policy prescription of short-term stabilization and medium and long-run structural adjustment measures. While some states in the world-system have entirely resisted the adoption of neoliberalism, as Subramaniam (2015) points out in her introduction, India has embraced economic liberalization. As Gupta and Sivaramakrishnan (2011) observe, the relationship between economy and state has been reformulated in wide-ranging ways, besides also transforming India’s perception of itself and its place in the world-system. In addition to reforms aiming at the international integration of the Indian economy through changes in taxation, trade barriers and investment, a spate of internal changes have facilitated the entry of private operators in core sectors that include

³ The Indian government classifies the Scheduled Tribes (STs), Scheduled Castes (SCs) and the Other Backward Classes (OBCs) in decreasing order of social oppression and deprivation.

health care, education, transport, telecommunications, sanitation, and energy (Gupta and Sivaramakrishnan 2011).

Since the 1990s, reforms in the Indian banking sector were also undertaken as a component of the overall economic policy reforms, following the recommendations of the first Narasimham Committee on Financial System set up in August 1991. Critics observe that the reforms emphasized improvement of the allocative and financial efficiency of the banking sector, with performance evaluation criteria of the banks shifting towards restoring profitability and portfolio quality above other indices (Kohli 1997). However, the trajectories of neoliberal reforms have been mediated by a strong state tradition (Harriss 2011) in India and path dependencies (Corbridge et al 2011) that have tempered the effects and consequences for different sections of the population. Following from his early work suggesting that the post-colonial Indian state derives its legitimacy by steering the program of economic development and national regeneration, as opposed to the “alien,” “extractive” colonial state (Chatterjee 1998), Partha Chatterjee (2008) contends that the growing hegemony of corporate capital in India during the 1990s and the ongoing primitive accumulation of capital dispossesses subaltern classes and necessitates welfarist policies targeted to the poor in the electoral/political context of a representative democracy. The recognition that the marginalized may become ‘dangerous classes’ if left utterly bereft of state support is reflected in the continuance of governmental policies that seek to “reverse the effects of primitive accumulation” (Chatterjee 2008: 62).

Projects of ‘inclusive banking’ that originated in the early 1990s have thus taken shape in a policy context marked, on the one hand, by the banking sector’s pursuit of institutional viability in a competitive and deregulated environment and, on the other, the governmental imperative of complementing the newly-unfettered market mechanism. Apart from the policy push that motivated nationalized banks to finance SHGs, the ‘efficiency’ considerations of enhancing repayment performance, reducing transaction costs for the lender and restoring the institutional viability of the financing banks (especially India’s rural development banks or Regional Rural Banks that had displayed several operational inefficiencies in the past) have also accounted for the vigorous promotion of SHG-financing within the formal financial sector.⁴ Notably, SHG-banking in India was conceived and initiated after the notion of “women as disciplined borrowers” had gained the status of a development truism, following the proliferation of women-targeted microcredit programs in neighboring Bangladesh during the 1980s. It is hardly incidental, therefore, that the overwhelming participation of women in SHGs was enthusiastically welcomed by financial policy-makers during a period when considerations of commercial viability and transactional efficiency came to dominate the banking sector.

Linking Economic Entitlements and Entrepreneurial Conduct: Microfinance and Neoliberal Governmentality

In India and elsewhere finance (and microfinance) is not governed in relation to a single set of interests, but is marked instead by complicated networks of social actors and assembled from diverse materials in ways that are often contested (Aitken 2010). On the one hand, the RBI and NABARD have endeavored to mold SHG-banking in keeping with the commercial principles of banking and the guidelines generally identified as best practices in microfinance, such as the avoidance of capital subsidies, non-directed or untied lending, and

⁴ The first NABARD-issued circular on the SHG-Bank Linkage project expresses these concerns clearly (NABARD 1992).

linking loan size to group savings. On the other hand, the Ministry of Rural Development has sought to use SHGs as cost-effective channels for reaching a subsidy-bearing anti-poverty scheme to a targeted population group for the pre-determined purpose of financing enterprise activity. The multiple and conflicting motives and interests of the different institutional actors involved may be attributed, in part, to the legacies of state developmentalism in India. While the SHG phenomenon emerged and grew during the reform years in India, the linkage of the SHGs to nationalized or state-owned banks and, in particular, their incorporation within central government sponsored anti-poverty schemes have been facilitated by pre-existing state tradition (Harriss 2011) and path dependencies (Corbridge et al. 2011) of ‘social banking’ in the sector of rural and agricultural financing.

While SHG-banking therefore makes it possible for women from ‘unbanked’ rural households and communities to lay claim to development resources earmarked for them by policies of the Indian state, *this access nevertheless hinges on the women constituting themselves as fiscally disciplined actors*—prudent savers and responsible borrowers—in village-level markets for microfinance that the SHG phenomenon has opened up and on their acquisition of the appropriate subjectivities. For instance, an SHG that had functioned for a minimum period of six months was eligible to seek a linkage loan, provided it demonstrated “financial discipline,” “credit history,” and “mature financial behavior” through the rotation of the group’s internally generated financial corpus. Rural women were expected to “imbibe the essentials of financial intermediation” (NABARD 2006: 2) and provide manifest evidence of their “creditworthiness” so that commercial banks may finance them through the Direct Linkage scheme. In order to secure financial assistance through the SGSY scheme, women members of SHGs were required to display entrepreneurial agency by demonstrating willingness and capacity to initiate enterprise activity, besides cultivating proper financial intermediation skills (as in the case of the Linkage scheme).

SHG-based microfinance thus offers a safety net (Karides 2010; Weber 2002) for households in poverty or those belonging to the potentially “dangerous classes” (Chatterjee 2008) through the provision of low-cost bank credit for consumption purposes (via the Linkage scheme) and subsidy-bearing credit for initiating new income-generating activities (via the SGSY scheme). However, in order to avail of the promised financial assistance, the women members of SHGs must undertake to efficiently manage their “micro-banks,” create and deepen “self-regulating” markets for microfinance at village levels, and inculcate the skills and capacities required to inhabit these market spaces, advancing thereby the goals of capital accumulation (e.g., Weber 2002). We see, therefore, how SHG-based microfinance, as an emergent technology of neoliberal governmentality, strives to shape and direct the “self-regulating capacities” and “self-steering mechanisms” (Miller and Rose 1990) of women of rural poor households so that they responsibly manage the financial resources they generate, ‘choose’ to adopt financial calculations, practices and identities in domains where these logics may not have been dominant earlier (Aitken 2010), and willingly bear the risks of collectively-managing micro-enterprise activities.

In the following sections of the paper, I draw on case studies from the state of Tamil Nadu that highlight the processes of negotiation between the women’s SHGs, on the one hand, and bankers and the rural development bureaucracy, on the other, when the women stake claim to their economic entitlements (via subsidy-bearing and non-subsidized loan schemes).

A Note on the Field Study: Rationale and Methods

While the operational guidelines of the SGSY scheme and the NABARD and RBI-promoted Direct Linkage scheme apply uniformly across the country, the SHG phenomenon has displayed marked regional variations and unevenness in its growth. The two Southern states of Tamil Nadu and Andhra Pradesh assumed an early lead in the program and accounted for 44% of all credit-linked SHGs by late March 2005, with the four Southern states accounting for 59% of all credit-linked SHGs in the same period (NABARD 2005: 41).

The ethnographic study this paper draws upon was conducted in two phases between August 2004 and April 2006. The first phase included interviews with a total of 12 NGOs active in SHG promotion in six districts of Tamil Nadu. The second phase consisted of intensive fieldwork involving 27 SHGs in three villages in a district of Northern Tamil Nadu.⁵ In these villages, women from land-poor households—the principal constituency of the SHGs—performed daily wage labor in agriculture, brick kilns, the construction sector, leather-based industries (shoe companies and tanneries), domestic work in wealthier households, and subsistence-level self-employment activities in the lower end of the informal sector. The fieldwork included participant observation of the weekly village-level SHG meetings, multiple rounds of open-ended, wide-ranging discussions with group leaders and group members as well as field staff of promoter agencies, and visits to the bank and the Block Development Office (BDO). My aim was to observe first-hand the processes that preceded the sanction and disbursement of bank loans.

SHGs in the study villages

In the three study villages, the SHGs were exclusively women's groups, with age ranging from three to seven years. The number of members per SHG ranged from 16 to 20. Of the 27 SHGs, 15 were composed exclusively of the Scheduled Castes (SCs) and 10 of the Other Backward Classes (OBCs), while 2 SHGs had members of both caste groups.⁶ While each SHG had a savings account with its nearest bank branch, the 27 SHGs were promoted by diverse agencies that included development NGOs, the BDO and the rural branch of a nationalized commercial bank. Table 1 shows the distribution in the study villages of all SHGs, those that had received the SGSY financial (loan-cum-subsidy) assistance and those that had received the Direct Linkage loan.

Table 1: SHG distribution in study villages

	Village 1	Village 2	Village 3	Total
Total No of SHGs studied	10	8	9	27
Of total, SHGs that received SGSY assistance	5	6	2	13
Of total, SHGs sanctioned (not disbursed) SGSY assistance	-	-	2	2
Of total, SHGs that received the Direct Linkage loan	-	-	9	9

⁵ While all relevant contextual information is provided, the names of the study villages, the administrative block and district and the promoter NGOs are withheld.

⁶ For the most part, the two principal caste groups (SCs and OBCs) live in segregated fashion in separate hamlets in rural Tamil Nadu. Hence, most SHGs are also caste-segregated.

The total financial assistance ranged from Rs.50,000 to Rs.200,000 per SHG for the 15 groups that received or were sanctioned the SGSY loan. Of this, the subsidy component ranged from one-third to one-half of total loan value. The amount of the Direct Linkage loan received by the 9 SHGs ranged from Rs.40,000 to Rs.200,000 per SHG.

Poverty, Social Context, and ‘Financial Intermediation’

The women members of SHGs were expected to constitute themselves as responsible savers and disciplined borrowers who demonstrated to banks—through the efficient rotation of their own capital—that they were fiscally responsible agents qualifying for bank credit. The information in the SHGs’ books of accounts (the savings pass books and loan ledgers) on the repayment status of all loans borrowed by the women informed the judgments of bank officials regarding the creditworthiness of the group as a collective and of individual members. Conscious that SHG-banking linked them to women from households and communities that had been the targets of ‘social banking’-type schemes associated with poor credit discipline in the past,⁷ the financing banks were found reluctant to make loans through the Linkage scheme which carried no lending quota. Consequently, the bank personnel subjected the SHGs’ account books to intense scrutiny whenever women sought loans through the scheme. The NGOs that engaged in SHG promotion in other parts of Tamil Nadu also testified that the zero tolerance displayed by some bank managers towards any delay in the repayment of internal loans disadvantaged groups comprising very poor and socially marginalized communities when they applied for the Linkage loans. In contrast, the ‘anti-poverty’ mandate of the SGSY scheme and its disbursement targets to vulnerable social groups mediated bankers’ credit-assessment procedures.

In the three study villages, the women attempted to make the bank officials understand that irregular repayment (of internal loans) was, to an extent, inevitable due to poverty and uncertain livelihoods. More commonly, women altered SHG account books before bank supervision to create a semblance of timely repayment. The promoter NGO played the critical role of ‘setting right’ the account books by camouflaging repayment irregularities prior to bank evaluation of SHGs’ loan ledgers. Directly promoted by the financing bank, the nine SHGs in village 3 were deprived of this dimension of ‘promotional’ support. When the five SHGs comprising women of the OBC communities in village 3 received a loan of Rs.200,000 per group through the Linkage scheme, the four SHGs located in the Scheduled Caste habitation of the village applied for the loan as well. Arguing that the ‘irregular’ repayment of their internal loans demonstrated diminished capacity to repay bank loans, the bank manager firmly turned them away.⁸ One of the more tenacious of the four SHGs was sanctioned a (smaller) sum of Rs.150,000 after the women “wore down” the manager through their repeated visits and requests. Eventually the other three SHGs in the SC habitation were also sanctioned the Linkage loan after a change of guard at the bank. The President of one of the SHGs commented, “The former manager was too strict in judging our repayment record. But the new man has a conscience and is more humane. He understands our poverty.”

Interestingly, the women did not always concede the bank’s right to govern their financial decision-making through evaluation, and thus regulation, of their responses to livelihood and other crises. The President of an SC SHG in village 3 challenged the manager (who had denied their Linkage loan) saying, “We have no employment now and have not

⁷ Poor institutional incentives for repayment had plagued older, credit-based anti-poverty schemes also implemented by commercial banks (Kabeer and Murthy 1996).

⁸ As per current rates, approximately Rupees 60 = 1 US \$

repaid our loans. But it is *our* savings money that we haven't repaid. And that is not your business. You have a right to question us if we don't repay *your* loans. When the bank officers brought to bear an intense scrutiny of their internal loan repayment, women from the poorest SHGs drew attention to the economic oppression of their households and communities. They framed their entitlement to the Linkage scheme not in terms of their fiscal performance, but rather the dire nature of their need for development resources from the state. They reminded the bank officials that household poverty and the vagaries of livelihoods inevitably mediated the forms of financial intermediation their SHGs displayed.

Fabricating Entrepreneurship: The Costs and the Gains

World-systems theorists analyzing household structures in the capitalist world-system argue that the structural importance of subsistence work and petty production for the survival of poor households signals an incomplete or semi-proletarianization, with wages constituting only part of the incomes on which these households rely (Wallerstein and Smith 1984). In the three villages studied, the households of SHG members were engaged in a range of petty market activities that involved both petty commodity production and micro-scale retail or trade, which supplemented incomes from (seasonally-available) wage work in the farm and non-farm sectors. The vast majority of these market-oriented activities may be classified as "survival activities" (Ghate, Ballon and Manalo 1996) into which the poor are pushed for the want of more profitable activities. They involve rudimentary skills and low entry barriers and are over-crowded and clustered at the bottom of the informal sector. Some of the most common examples in the region of study were home-based *beedi*⁹-rolling, vegetable, fruit and flower vending, mobile door-to-door sales of cooked food, and petty hawking.

A few of the other remunerative activities, that were regarded as commercial successes in the context of the village economy, may be classified as 'micro-enterprises' wherein experience and skill requirements restricted entry. While micro-enterprises, in contrast to survival activities, are generally seen to generate savings for expansion and potential for growth (Ghate, Ballon and Manalo 1996), this was not always the case in these villages. Most of the micro-enterprises in question (such as shops, grocery stores or hotels) were home-based (with the front portion of the house serving as the premise for the activity), catered to village-specific markets, and survived through the intensive exploitation of family labor—usually comprising the SHG member and her husband.¹⁰ The owners of these home-based shops or hotels contributed to the profitability of larger, wholesale stores and shops in the neighboring towns from which they sourced their wares, but they hardly, if ever, maintained detailed financial accounts of their own businesses and often drew on their stock to feed and supply provisions to their households. While the loans sourced from SHGs were used to supplement working capital for these small businesses, their owners ruled out any possibility of re-investment of their earnings to grow the business either through investing in new technologies, expanding the scale of operation, shifting their unit to the nearest town, or hiring waged (i.e., non-household) labor. The only prospect of capital-intensive business activity offered to the SHG members in these villages was the invitation from the state to participate in the SGSY scheme.

⁹ *Beedis* are low-cost, hand-rolled cigarettes.

¹⁰ None of the women in the villages of study participated in sub-contracted production chains that accumulated capital and derived profits by linking women's home-based income-earning activities to global or overseas markets. A classic example of this instance may be found in Maria Mies' (1981) description of Indian 'housewives' making lace for global export markets.

In April 1999, the SGSY was introduced as the outcome of a policy decision to consolidate multiple extant self-employment promotion programs into a single comprehensive scheme, based on a group approach, in contrast to the earlier focus on the individual beneficiary (RBI 2011). By way of addressing some of the shortcomings associated with pre-existing programs, the SGSY guidelines prescribed that (a) development resources be concentrated in developing a few selected economic activities in a block and that (b) the rural development administration, commercial banks, and the *Panchayat*¹¹ collaboratively undertake comprehensive planning to ensure the viability of enterprise activities selected under the scheme (RBI 2011). The SHGs that received the SGSY loan were expected to set up group-owned and managed enterprises, selecting from the list of activities pre-approved in each block.

In the study villages, the women members of the SHGs dismissed as far-fetched and impractical the underlying premise of SGSY policy viz., the posited linear relationship between enterprise activity managed by the rural poor (organized into SHGs) and the generation of business incomes that would enable them to cross the income-poverty line. In particular, the women rejected *in toto* the idea of group-owned, capital-intensive and state-financed micro-enterprises, or the particular entrepreneurship model advanced by the SGSY scheme. This had as much to do with the absence of support from the rural development administration in sourcing markets for the proposed new enterprises as the saturation of local village markets by existing small businesses and the perceived non-viability of group-managed business activity.

Nonetheless, the SGSY scheme was much sought after on account of the coveted subsidy component, which induced women to make the scheme work for them by subverting its official borrowing purpose. Rather than being invested in a group enterprise, in 11 of 13 SHGs that received the loan, the loan-cum-subsidy amount (following group practices with internal loans or Linkage loans) was equally distributed amongst the members and used for a variety of household-related needs.¹² The loan was repaid to the bank, not through business incomes as envisioned by policy, but through incomes earned by the SHG women and their earning household members via multiple forms of wage and self-employment.

Even as the women repudiated the official borrowing purpose of the SGSY loan package, they strove to sustain the myth of 'women's entrepreneurship' financed by the scheme. The case of an SHG, which proposed to manage a brick kiln business, illustrates the *modus operandus* involving a three-way nexus between the SHG, the bank and a local business owner. The SHG contacted a brick kiln owner in the neighborhood and struck a deal with him. The owner provided documentary evidence to the bank stating that the SHG had acquired a brick kiln and leased it to him to manage. The SHG women paid the brick kiln owner Rs.4000 for providing the document and extending his cooperation. Bank staff inspected the brick kiln thrice for purposes of verification and photo documentation. However, as the Secretary of the SHG put it: "Of course the bank knew that we were not managing the brick kiln!" *Importantly, the fiction of make-believe enterprises was created and sustained by the SHGs with the full knowledge of promoter NGOs, financing banks and the subsidy-sanctioning BDO.* This collusion was rendered necessary by the mandate of all agencies to ensure that an annual quota of loans allocated under the scheme was disbursed to women who were neither willing nor able to engage in loan-financed income generation.

The enterprise activities that the SHGs proposed to manage included poultry farming, the leasing of coconut groves, tailoring units, shoe-making units, brick kilns, manure preparation, mosaic stone making and coir (rope) making units. In each case, the back-door

¹¹ The *Panchayat* is the lowest unit of local self-governance in India.

¹² The two groups that were sanctioned, but had not yet received the loan also planned to do the same.

entry of locally based and small-scale business operators was crucial to sustaining SGSY policy on the field. Identifying willing enterprise owners was difficult and the pay-offs correspondingly high if the owners feared a possible seizure of their enterprise by the bank, in case of a loan default by the group. The expenses incurred by SHGs did not always end with the disbursal of the loan. SHGs were required to participate in government-sponsored exhibitions of SHG products that celebrated the emergence of women 'micro-entrepreneurs' and SGSY-promoted livelihoods. Such exhibitions demanded that the fiction of managing enterprises be sustained over a longer period and at higher cost.

The women valued the SGSY scheme despite the costs, the stress, and the efforts involved in the complex and often conflict-ridden negotiations that preceded loan sanction and disbursal. SHGs had no control over timing of bank loan sanction. Hence, bank loans were used to fulfill the *long-term* needs, distinct from immediate or emergent needs of households such as the acquisition of assets, gold jewelry in particular, the repayment of old debt, and improvements to housing. The women also used bank loans to seek elective medical treatment for chronic, long-term conditions, in contrast to the internal loans that were used to finance treatment for medical emergencies or sudden illness.

The value that women attached to the 'successful' implementation of the SGSY scheme was reflected in their extraordinary efforts to ensure disciplined, on-time loan repayment. The misgivings of bank officials regarding women's ability or intent to repay bank loans were belied by on-time repayment of *all* bank loans (whether subsidy or non-subsidy) by *all* SHGs. The repayment discipline was sustained through punitive practices such as the verbal abuse of borrowers (by co-members), the imposition of fines for late repayment, and the quicker-than-necessary repayment of bank loans. Defaulting on a bank loan was inconceivable, no matter the circumstances.

Invoking the State: Beyond 'Financial Inclusion'

A significant non-material resource that the SHGs presented was the opportunity to network closely with state agencies and build strategic relationships, which were drawn upon by women to advance interests that extended well beyond access to low-cost bank credit or anti-poverty schemes. The SHGs in Tamil Nadu functioned as a state-legitimized, village-level organizational structure that represented women at public forums from which they were customarily excluded as individuals. On the orders of the state government, SHGs were routinely invited to participate in all public events relating to local governance, such as the village-level *Panchayat* meetings. The links that the women's groups developed with state institutions were invaluable insofar as they enabled the women to navigate local vested interests and caste-based power structures. In one of the villages, the traditional (unelected) village headman was incensed at the women (and women of the socially marginalized castes, in particular) for their participation in the village-level public meeting (*Grama Sabha*) of the *Panchayat*, and he challenged their right to do so. The SHGs promptly reported the matter to the chief of the rural development administration (the District Collector), on whose orders the officials of the BDO and police personnel rebuked the headman for over-stepping the limits of his jurisdiction.

As this case suggests, the women proactively used the official support for their SHGs to gain access to other state institutions, in particular the police. It was uniformly reported that police stations were more willing to register cases of sexual harassment, marital violence, and dowry-related abuse when these were referred by the SHGs. Some women reported that they used the threat of "filing a complaint using the SHG letterhead" to reign in abusive husbands or sons-in-law. My interviews with men revealed that rural communities popularly

interpreted the presence of multiple state actors in SHG promotion and financing as support for an agenda of gender equality. The disgruntled husband of an SHG member informed me that the government had made the “big mistake” of declaring that “women are equal to men” through its support for women’s SHGs. The exhibitions organized by the local administration to showcase enterprises financed by the SGSY scheme served to reinforce the perception that women’s social status and power as a collective had grown since the advent of SHGs. It did not matter that the SHGs did not actually own or operate the enterprises on display because the exhibition served as a visible manifestation of women’s access to state institutions and public spaces and a powerful means to convey a sense of what women could achieve.

Conclusion

This paper has explored the simultaneously intertwined and divergent trajectories of the feminized SHG phenomenon and an emergent neoliberal capitalism in India. It situates this with respect to broader structural compatibilities between microfinance/credit based development interventions and capitalist accumulation on a world scale. The frontiers of formal finance in India have moved “down market” (Von Pischke 2003) via SHGs to the women of rural land-poor households and socially oppressed castes that did not previously have access to the formal financial sector, despite the inclusive promise of ‘social banking’ and its endeavors to reach the financially excluded poor. However, the highest echelons of India’s policy making institutions, such as the RBI, NABARD and the Ministry of Rural Development, have designed ‘inclusive banking’ and ‘anti-poverty’ projects that make women’s economic entitlements contingent on their appropriate financial behavior and the display of ‘disciplined’ financial intermediation. Despite the relative autonomy that SHGs enjoy as ‘micro-banks’ (Harper 2002) that generate their own capital and decide the terms of group transactions, they function nevertheless under the watchful gaze of the state via promoter NGOs, the rural development administration, and nationalized commercial banks.

If microfinance strives to produce “rational economic” actors (Karim 2011; Rankin 2001) who efficiently participate in the new “self-regulating” markets that it creates (Weber 2002), the SHG phenomenon requires that women imbibe the skills, capacities and entrepreneurial subjectivities deemed necessary, and that they engage in (self and peer) disciplining in order to successfully advance the agenda of financial deepening at village levels. We might understand the SHG-targeted SGSY scheme as part of the Indian state’s endeavors to increase the reliance of rural poor households on self-employment activities that are sufficiently capital-intensive and large-scale enough to enable them to cope with economic adversity without making additional demands of the state or private capital. The SHG phenomenon itself might be seen as an emergent technology of neoliberal governmentality that aims to autonomize and responsabilize rural poor communities, who are being urged to take over some of the functions of the state through generating local employment and increasing profits for small enterprises (Rose 1999: 174; Miller and Rose 1990; Ferguson and Gupta 2002).

However, as my fieldwork suggests, the long-term transitions that the liberalizing state has attempted to initiate at household and community levels have had uneven and partial effects, involving conflict, collaboration, collusion, and even outright subversion. The women members of SHGs laid claim to bank credit even when they did not adhere to the professed objectives and formal rules of the schemes through which they availed state developmental resources. The women of socially oppressed castes coaxed, cajoled, beseeched and argued with bank managers to secure access to the Direct Linkage loans, even if the repayment record of their internal loans was judged and found wanting. Despite their outright rejection

of the enterprise-management clause, the women in all the SHGs that applied for the SGSY loan finance sought what they perceived as their rightful entitlement to the financial assistance it entailed.

In the latter instance, the women converted state support for micro-enterprise development to a form of government transfer or welfare provisioning through their (labor, cost, and effort-intensive) appropriation of the SGSY scheme, strengthening, thereby, the safety net (Karides 2010; Weber 2002) component of SHG-based microfinance. Although expected to cultivate disciplined repayment performance by the bank managers they interacted with, the women vigorously defended their right to permit flexibility and latitude with respect to the repayment schedules of their internal or group-generated loans. However, they recognized that the disciplinary dynamics that accompanied bank loans were of a different kind altogether. Resorting to punitive disciplinary mechanisms, the women bent over backwards to repay bank loans, offering the advantage of a new, hyper-disciplined and feminized clientele to commercial banks operating in a performance-oriented and portfolio-conscious ‘reform’ environment.

While Weber (2002) expects that the *political* safety net function of microfinance will dampen/ contain political mobilization or popular protests that challenge neoliberal policies at the grassroots, the women, on the contrary, used the platform provided by the SHGs to bring to the attention of state representatives their anger and despair at the deplorable working conditions that prevailed in the lower rungs of the informal sector in which they were employed. During the monthly block-level meetings¹³ organized by promoter NGOs and attended by government representatives, the women raised issues relating to the unsanitary work environment of leather-processing industries, the pitifully low wages offered by the smaller shoe companies, the Rs.10-a-day wage that home-based *beedi* work earned, and the verbal abuse and sexual exploitation of women workers (of the subordinate castes) in the construction sector by the (mostly dominant caste) site supervisors.

Refusing to confine their concerns to the self-employment oriented micro-enterprise activities that were deemed the exclusive business of the SHGs, the women persistently drew attention to *all the sites in which they labored*. They urged the state to legislate effectively in order to increase the monetary returns to their labor in the informal sector and to re-structure their everyday work lives in ways that would attenuate its oppressive dimensions. In so doing, the women demanded, in effect, a “re-embedding of the economy within social and political control” (Weber 2002) and sought to hold the state to account for its evident disinterest in doing so. We see therefore that while SHG-based microfinance seeks to govern the subjects of development—rural women from land-poor households—bringing them in line with mainstream financial practices and constituting them as disciplined neoliberal subjects, the dissenting ‘counter-conducts’ of the women and the collusive nexus they create with the agents of the state demonstrate the “variegated” and “ambiguous” terrain on which financial governance proceeds, the “decentered” and “heterogeneous” practices that constitute it, and the uneven effects it generates (Aitken 2010: 237).

The women’s responses to the SHG phenomenon that I have mapped in this paper suggest that we are witnessing a complex re-configuring of the relationship between the liberalizing state and rural households and communities in India. It is evident that these women have eschewed a position of thoroughgoing opposition to the state, given the valuable, survival-oriented resources it offers. Equally importantly, this reflects their experience-derived recognition of what feminist scholars have reiterated in multiple contexts—that the state can be a valuable ally for women who negotiate multiple patriarchies

¹³These meetings were held to discuss the routine management and smooth functioning of SHGs and the repayment of bank loans.

embedded within family/kin relationships and at broader community levels (Sangari 2007; Rai 2008). If the SHG women and their households are not attempting a radical dissociation from a statist agenda of financial governance, they do not give up resistance to (some) elements of neoliberal governmental rationalities that conflict with the survival imperatives of their households either. As women's SHGs continue to remain central to the anti-poverty initiatives of the central government in India,¹⁴ it remains to be seen what new strategies women in poverty will devise to wrest development resources from the state, even while they may (or may not) fully or partially reform their conduct and fashion themselves in keeping with policy expectations. The question of whether women's struggles "in and against the state" (Rai 2008: 56) as they play out in the evolving terrain of SHG-based microfinance will continue to marshal 'allies' from local state agents in order to sustain challenges to caste, household and kin-based patriarchies is one that remains equally open-ended.

Self-help programs such as the Indian microfinance case are one instance of contemporary state-led initiatives in the capitalist world-system to autonomize and responsabilize households and communities in ways that render them efficient actors who survive adversities and utilize, with entrepreneurial zeal, the new market opportunities ostensibly opened up by neoliberal reforms. In order, however, that we understand the long-term transitions in the capitalist accumulation strategies they set in motion and capture more fully the contradictions and complex, often unintended outcomes they generate, academic research must create spaces whereby theoretical literatures on the capitalist world-system and neoliberal governmentalities are allowed to inflect and engage with each other's perspectives and concerns. Perhaps through such creative engagements we might delineate better the emergent local face of neoliberalism in many parts of the world, the political contests it has generated, and the gendered characteristics it often bears.

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¹⁴ While the SGSY scheme is in the process of being phased out and replaced by the National Rural Livelihoods Mission (NRLM), the latter also seeks to incorporate women's microfinance SHGs within the ambit of its programs. Its stated aim is to bring a woman from each identified rural poor household under the SHG network as part of a 'universal social mobilization' strategy it espouses (MoRD n.d: 8).

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Popular Demobilization, Agribusiness Mobilization, and the Agrarian Boom in Post-Neoliberal Argentina

Pablo Lapegna
University of Georgia
plapeгна@uga.edu

Abstract

Based on ethnographic research, archival data, and a catalog of protest events, this article analyzes the relationship between popular social movements, business mobilization, and institutional politics in Argentina during the post-neoliberal phase, which arguably began circa 2003. How did waves of popular mobilization in the 1990s shape business mobilization in the 2000s? How did contentious politics influence institutional politics in the post-neoliberal period? What are the changes and continuities of the agrarian boom that cut across the neoliberal and post-neoliberal periods? While I zoom in on Argentina, the article goes beyond this case by contributing to three discussions. First, rather than limiting the analysis to the customary focus on the mobilization of subordinated actors, it examines the demobilization of popular social movements, the mobilization of business sectors, and the connections between the two. Second, it shows the ways in which the state can simultaneously challenge neoliberal principles while also favoring the global corporations that dominate the contemporary neoliberal food regime. Finally, the case of Argentina sheds light on the political economy of the “Left turn” in Latin America, particularly the negative socio-environmental impacts of commodity booms. The article concludes that researchers need to pay closer attention to the connections between contentious and institutional politics, and to the protean possibilities of neoliberalism to inspire collective actions.

Keywords: Demobilization, Business mobilization, GM soybeans, neoliberalism, Argentina

In the last decade and a half, South America has experienced a series of political and social changes. Several governments in the region—including Venezuela, Argentina, Brazil, Uruguay, Paraguay, Bolivia, and Ecuador—have challenged many of the neoliberal policies initially implemented in the 1970s and deepened in the 1990s, all while building strong alliances with popular social movements. This historical conjuncture has been labeled a “Left turn” (Cameron and Hershberg 2010; Levitsky and Roberts 2011), and different interpretations abound. Some emphasize its “populist” tendencies, questioning the excessive power of the executive branch and the lack of checks and balances (e.g. Weyland 2010), while others admonish governments for succumbing to reformism (e.g. Petras and Veltmeyer 2005; Webber 2011). Regardless of the

labels, recent changes in South America indicate the role that state and social movements play in bringing about social change, posing a challenge to neoliberal globalization, and opening spaces for alternative futures (e.g. Smith and Wiest 2012).

In this article, I analyze the relationship between popular social movements, the state, and agribusiness in Argentina to bridge the literatures on critical agrarian studies, social movements, and “post-neoliberalism” in Latin America. In doing so, I pay particular attention to changes and continuities in contentious politics and the political economy of the agrarian boom in Argentina to illuminate empirical and theoretical issues concerning Latin America and the contemporary global food regime.

Argentina shares three features with its South American counterparts. First, social movements emerged in reaction to processes of neoliberalization, predating and promoting the anti-neoliberal agenda that was later implemented by the national government (Silva 2009). Second, similar to the cases of Bolivia and Venezuela, the Argentine government had to face the disruptive mobilization of business actors and elites that opposed a post-neoliberal agenda and de-stabilized the government (Domínguez 2011; Eaton 2007). Third, revenues yielded by agribusiness benefitted the state via export taxes, but the government largely ignored the environmental and social consequences of agricultural expansion (Binimelis, Pengue and Monterroso 2009; Leguizamón 2014), a situation comparable to the effects of the “commodity booms” in Bolivia, Brazil, Ecuador, and Paraguay (Altieri and Pengue 2006; Bebbington 2012; Haarstad 2012). Focusing on Argentina, my goal is to address three questions. How did waves of popular mobilization in the 1990s shape business mobilization in the 2000s? How did contentious politics influence institutional politics in the post-neoliberal period? What are the changes and continuities of the South American “commodity boom” that cut across the neoliberal and post-neoliberal periods?

The article is based on primary data from interviews and participant observation and a database of protests based on newspaper reports. I did fieldwork for more than twelve months between 2003 and 2013, conducting forty-five semi-structured interviews in northeast Argentina and in Buenos Aires. The database of protests is based on the national newspaper *Clarín*, from which I collected records of 919 protests events for the 2003-2006 period, using a sampling method of revising Tuesday and Friday editions, and classifying each event by actors, actions, location, demands, and targets.

In what follows, I first elaborate my arguments on social movements and global agro-food systems in the post-neoliberal context, and then delve into the Argentine case to examine the ways in which popular mobilization, the state, and agribusiness mobilization shape each other and the country’s political economy. In the conclusion, I draw the connections between the Argentine case and trends in Latin America more broadly, suggesting lines for future research.

Food Regimes and Mobilization

Critical agrarian scholars have been greatly influenced by the “food regime” perspective, which highlights the role of agriculture and food in the expansion of global capitalism (Friedmann and McMichael 1989). Historically, the transitions between global food regimes responded to changes in world capitalism and mobilization “from below” (Friedmann 2005), as the global food regime dominated by British Empire (ca. 1870-1930s) was followed by a regime that developed under U.S. hegemony (ca. 1950s-1970s). The contemporary neoliberal or corporate

food regime is characterized by the relative weakness of national states in a global system dominated by transnational corporations (McMichael 2009). This current context has inspired researchers to analyze transnational agrarian movements (Borras, Edelman and Kay 2008) and movements of global scope that challenge neoliberal hegemony, such as *Via Campesina* (Desmarais 2007). Scholars in this tradition have also considered the articulation between global processes and the mobilization of peasants and indigenous peoples at national and local scales (Edelman 1999; Otero 2004) and the re-embeddedness of farming systems with local markets and agro-ecosystems (Friedmann and McNair 2008). Food regime scholars, in short, converge in seeing social movements and contentious mobilization as a tool of subordinated actors to challenge neoliberalism. Accordingly, research has overwhelmingly emphasized *resistance* to agricultural biotechnology (Fitting 2011; Heller 2013; Klepek 2012; Newell 2008; Pechlaner 2012; Schurman and Munro 2010; Scoones 2008).

In this article, I argue that we can expand this scholarship by showing how powerful actors also use contentious mobilization to legitimize the contemporary neoliberal food regime, both in terms of its principles and institutions (“free market” policies) and its agrarian manifestations (agricultural biotechnology). To do so, I focus on the demobilization of popular social movements and the emulation of disruptive tactics by powerful agribusiness actors. In other words, rather than limiting my analysis to the mobilization of subordinated actors, I examine the *demobilization* of popular social movements, *business* mobilization, and the *connections between the two* (Lapegna 2014; Peine 2010; Peschard 2012; Roy 2013).

Below I bridge the literatures on critical agrarian studies, social movements, and “post-neoliberalism” by way of example, inspecting the role of threats in unifying and spurring business mobilization (Walker and Rea 2014). I show that, in a context of anti-neoliberal policies, the taxation of soybean exports provided the incentives to unify agribusiness in Argentina. On the one hand, this agribusiness mobilization created political opportunities for candidates aligned with agribusiness interests and, on the other, it cemented certain alliances between the national government, authoritarian governors, and social movements. This shows that contentious politics can have an impact on institutional politics—a scenario less explored than the inverse one, i.e. the opportunities offered by institutional politics for the mobilization of challengers outside the polity. Finally, I show how the Argentine government challenges some neoliberal principles, while also favoring transnational corporations that dominate the contemporary neoliberal food regime. The net effect has been a deepening of the agrarian economic arrangements initiated in the neoliberal period.

The State, Contentious Politics, and the Agrarian Boom in Argentina

Argentina went from being a “poster child” of neoliberalism in the 1990s to becoming one of the post-neoliberal countries of South America in the early 2000s. In the 1990s, the national government promoted a wide program of neoliberalization, closely following the recommendations of the International Monetary Fund (IMF). This process dismantled the institutional arrangements that governed agricultural production for much of the twentieth century, eliminating subsidies and regulatory bodies. By the mid-1990s, these institutional reforms paved the way for an agricultural boom in Argentina. In 1996, the national secretary of agriculture approved the use of genetically modified (GM) soybean seeds, engineered to endure a particular herbicide. Favored by “free market” policies, global agribusiness corporations eagerly

promoted GM seeds that were adopted by farmers and agribusinesses. By the mid-2000s, more than half of the arable land in Argentina was sowed with GM soybeans (see figure 1, below). Beyond agriculture, the national government pegged the Argentine peso to the U.S. dollar, privatized state-owned companies, eliminated tariffs for exports and imports, and promoted a pro-business climate.

These neoliberal policies resulted in a cycle of protest (Tarrow 2005), as contention diffused among different social actors (Farinetti 2002; Silva 2009; Villalon 2007). In 1993 and 1995, several provinces affected by budget cuts experienced *puebladas*, or massive riots (Auyero 2003). The deregulation of agricultural markets also spurred the creation of new peasant and indigenous social movements in Northern provinces and the southern Patagonia region, and some of the associations of medium and small farmers adopted confrontational discourses and actions (Domínguez 2009; Giarracca 2001).

A disruptive form of protest, roadblocks, took hold in this ascending cycle of contention. Initially organized in company towns affected by massive layoffs prompted by the privatization of the national oil company (Auyero 2003; Barbeta and Lapegna 2001), roadblocks or “*piquetes*” became the main form of action for popular social movements towards the end of the 1990s (Rossi 2013; Scribano 1999; Silva 2009). Despite their ideological and organizational differences (see Svampa and Pereyra 2003), the variegated *piquetero* movement became a key political actor that besieged the administration of then-President Fernando de la Rúa (1999-2001) (Epstein 2003). By the end of the 1990s, the organizations of the unemployed and their visible, disruptive, and characteristic form of action (i.e. roadblocks) put the negative consequences of neoliberalization on the public agenda. The state responded to these contentious challenges by repressing social movements, dismissing their protests, or providing piecemeal resources to quell contention (Lodola 2005). By the mid-2000s, this confrontational relationship between popular social movements and the state was replaced by a collaborative relationship.

From Neoliberalization to “Post-Neoliberalism”

In December of 2001, lootings spread throughout several Argentine cities in the midst of a deep economic crisis, emerging from a “grey zone of politics” made up of political machines, party brokers, and law enforcement (Auyero 2007). As a reaction to the lootings, President de la Rúa declared a state of siege, which only prompted residents of Buenos Aires to protest this authoritarian response. The next day, December 20, thousands took over the streets and the president resigned.

Néstor Kirchner was sworn in as President in May of 2003, and he soon sought to differentiate his administration from the neoliberal policies of the 1990s. During his presidential campaign, Kirchner was not a well-known public figure and did not have a widespread support from his party (the Peronist or Justicialista party). Upon taking power, Kirchner sought to shake off the influence of Peronism’s strongman Eduardo Duhalde, who had served as interim President in 2002. To do so, the Kirchner administration crafted an ideological position distinct from previous governments, while building alliances with organizations of the unemployed (*piqueteros*), which controlled nearly 208 thousand workfare subsidies in 2001 and more than 2.3 million in 2003 (Ronconi and Franceschelli 2007: 233).

Kirchner’s approach to disruptive protests and *piquetero* organizations contrasted with that of his predecessors: his administration tolerated roadblocks, met with *piquetero* leaders, and established a relationship of collaboration and mutual support (Wolff 2007). The anti-neoliberal

position of the new government resonated with many popular social movements. Yet social movement activists remained aware of the pragmatic aspect of Kirchner's alliances. As Julio, a local leader of a peasant movement told me in 2011: "To me, it was a strategy of Kirchner... The guy had no backbone; he needed support from somewhere. And he took the easy road; he won over the people and the organizations, that's why he emerged. Who knew of Kirchner back then? Nobody. So he found support in the organizations, and that worked for him."

The Kirchner administration developed what social movement scholars call a relationship of consultation (Giugni and Passy 1998: 86). The discursive and political affinities between the administration and popular social movements translated into forms of institutional collaboration, as the latter gained access to resources and joined the state bureaucracy. Access to the administration allowed social movement organizations to place their members in the offices and programs in charge of the issues that gave rise to the movements in the first place. As Luis D'Elía (the head of the national organization FTV, the largest *piquetero* organization) put it: "For us [the participation in the administration] allowed us to gather information, to get to know the territories, to be in touch with grassroots organizations; it's a capital that is useful for us" (quoted in Gómez and Massetti 2009: 43). In other words, from the point of view of national leadership, participation in the government gave organizations a national platform to expand their scope.

From the point of view of local activists, the collaboration with the government afforded material and political benefits. The FTV, for instance, developed a close relationship with the national Ministry of Social Development, which allowed them to appoint employees in provinces where the Ministry runs programs. This was the case for Estela, a peasant activist in Formosa, a province in northeast Argentina. Through the FTV, she and other eleven activists in a peasant movement were appointed as "Territorial Promoters for Social Change" (*Promotores Territoriales para el Cambio Social*), and they donated forty percent of their wages to fund the movement's activities. These appointments not only provided job security, but also a certain level of autonomy vis-à-vis the provincial government, which sees this peasant movement as part of the political opposition. In this and similar provinces ruled by authoritarian regimes, being an activist means to be unemployable in state agencies or programs. As a relative said to Estela when she tried to recruit him to the movement: "I'm more than forty years old and I'm unemployed... I'm not going to oppose Gildo [the governor], are you nuts?"

Hugo is another case in point. He belongs to the same peasant movement as Estela, and in 2008 he was appointed to work in a national office in Buenos Aires on land tenure issues. In 2011 we met in Buenos Aires, near the train station where he starts his two-hour commute to the irregular settlement (*asentamiento*) where he lives. "The government gives things to the organizations, but does not always give what the organizations want; they 'bring down' dough [cash], but they do it badly (*bajan guita pero la bajan mal*)," he told me with a hint of despair. Despite this critical stance, Hugo is aware of the importance of being part of the "downward movement" of information and resources coming from the national state. His position provides his organization with vital information to keep track of the institutional and political realignments within the national government, and access to national allies can provide resources and access to state programs (more on this below).

Popular social movements and the Kirchner administration thus developed a relationship of mutual support. The mobilization of popular social movements buttressed specific government policies and offered Kirchner's administration political support at critical moments. For instance, in March 2005 when Kirchner confronted the oil company Shell over a spike in gas prices,

several *piquetero* organizations supported a boycott, blocked gas stations, and protested at the company's offices.¹ In November 2005, the government-movement alliance took a transnational turn when massive demonstrations (many of them organized by *piquetero* organizations) derailed the project of United States, Canada, and Mexico to launch a Free Trade Agreement of the Americas (FTTA) during a summit in the Argentine city of Mar del Plata. A group of presidents, led by Hugo Chávez, Néstor Kirchner, and Lula da Silva, created a "counter bloc" that defeated the FTAA project and confirmed the power of movement-state alliances in Latin America, posing a challenge to the U.S. hegemony in the region (Smith 2014; Smith and Wiest 2012).

In Argentina and Latin America, then, the political stances and economic policies of Kirchner's government represented a break with the neoliberal past, in part achieved through the support of popular social movements. At the national scale, however, the affinities and collaborations between the post-neoliberal state and popular social movements also translated into a progressive demobilization of the latter. For instance, the data I gathered about contentious collective actions shows that the unemployed accounted for more than half of the protest events in 2003, but by 2006 they only organized less than 10 percent of them (see Table 1).

Table 1. Contentious Collective Action by Actor, 2003-2006

Actor	Contentious Collective Action							
	2003		2004		2005		2006	
	N	%	N	%	N	%	N	%
Unemployed/"Pickers"	74	52.5	114	43.5	74	25.8	22	9.6
Neighbors	14	9.9	19	7.3	12	4.2	55	24.0
Victims' Relatives & Friends	9	6.4	21	8.0	25	8.7	15	6.6
Public Sector Workers	12	8.5	26	9.9	75	26.1	38	16.6
Private Sector Workers	7	5.0	23	8.8	21	7.3	18	7.9
Transportation Workers	7	5.0	15	5.7	42	14.6	20	8.7
Other	18	12.8	44	16.8	38	13.2	61	26.6
TOTAL	141	100	262	100	287	100	229	100

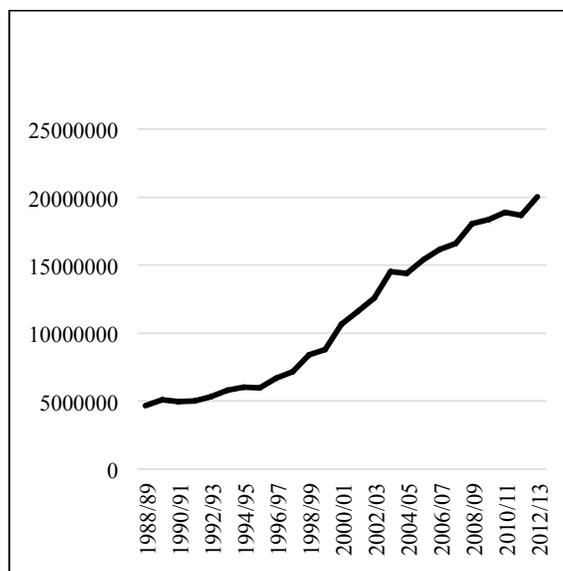
Source: Database of Protests in Argentina. N = 919

The macroeconomic policies of the Kirchner administration contrasted with the neoliberal policies of the 1990s, as his government eliminated most "free trade" arrangements and strengthened the state intervention in the economy. This was most clearly evidenced in the taxes applied to agricultural exports. In 2002, the interim government of Duhalde reinstated the export taxes ("*retenciones*") that had been eliminated in the 1990s. Starting in 2002 at a rate of 10 percent, *retenciones* were increased later that year to 20 percent. During Kirchner's presidency, export taxes for soybeans were raised to 35 percent and the administration used this revenue to

¹ "Kirchner llamó a un 'boicot nacional' por los aumentos" *La Nación*, March 10 2005 and "Escracharon a Shell y bloquearon dos estaciones," *Página 12*, March 11, 2005.

fund what some call an “export-oriented populism” (Richardson 2009).² These policies, however, did not deter agricultural expansion. On the contrary, the acreage and production of GM soybeans increased every year, as Figures 1 and 2 illustrate. By the end of Néstor Kirchner’s government, the exports of the soybean agro-industrial complex (soybeans, oil, and soybean meal) represented nearly one-fourth of the total Argentine exports (INDEC 2012).

Figure 1. Soybean Area in Argentina, 1988-2013 (in hectares)



Source: Ministerio de Agricultura, Ganadería y Pesca

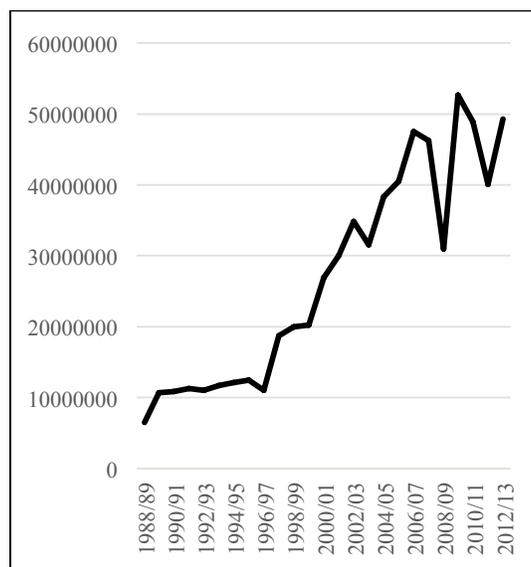
These post-neoliberal changes should not obscure key continuities with previous periods, particularly regarding agricultural production and subnational politics. The expansion of agribusiness and GM soybean production resulted in a series of negative consequences for rural populations and the environment. First, the growing demand for soybeans at the global level increased pressures for arable land in the Argentine countryside. In northern provinces, large tracts of land held by provincial elites increasingly encroached on the small properties of peasant families and indigenous communities. This demand for land and processes of accumulation by dispossession soon resulted in violent conflicts (Cáceres 2014). Since 2011, the murder of peasant activists in northern Argentina have occurred in the provinces of Santiago del Estero, Tucumán, and Formosa (Lapegna 2013a), while leaders and members of peasant-indigenous movements are constantly harassed (Domínguez and De Estrada 2013).

Second, the diffusion of GM soybean production has increased processes of deforestation (Pengue 2005). According to governmental reports, between 1998 and 2008 almost 1.7 million acres of native forest were destroyed (Leguizamón 2014). Third, the extensive production of

² “Export taxes comprised 8 to 11% of the Kirchner government’s total tax receipts, and around two-thirds of this—nearly US\$2 billion in 2006—came from soy exports” (Richardson 2009: 242).

GM, herbicide-resistant soybeans have resulted in agrochemical runoff into water supplies and herbicide drifts contaminating the air, putting the health of rural and suburban populations at risk (Binimelis, Pengué and Monterroso 2009).

Figure 2. Soybean Production in Argentina, 1988-2013 (in metric tons)



Source: Ministerio de Agricultura, Ganadería y Pesca

In short, the reliance of the post-neoliberal state on primary exports shows strong continuities with the neoliberal period. This, in turn, creates a cycle in which agriculture “generates resources to the government (...), a portion of which is redistributed through social policies, which increases well-being, which provides the social and political support needed to validate the model” (Cáceres 2014: 24-25). Politically, this socio-economic and environmental scenario translates in partnerships between national and subnational governments. Governors and provincial elites profit from primary economic activities and, in turn, support the national government. These trends, as we will see next, deepened during the administrations of Néstor Kirchner’s successor and wife, Cristina Fernández de Kirchner.

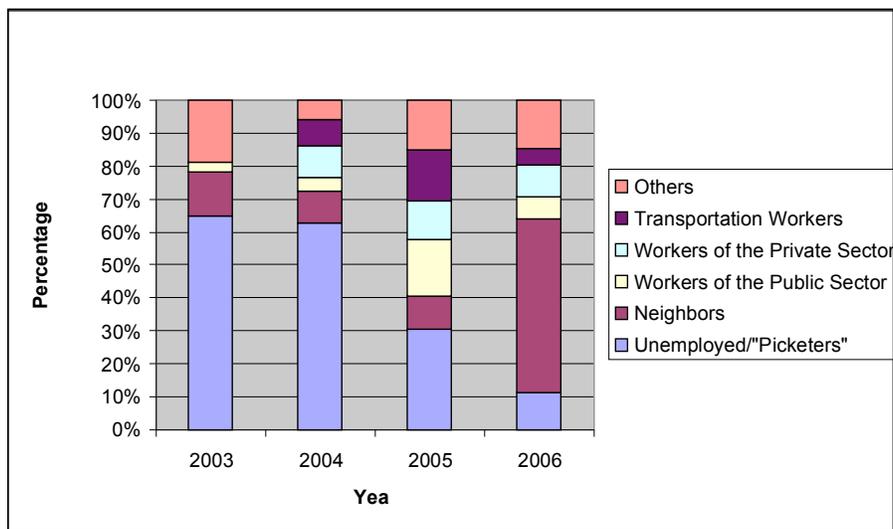
Agribusiness Mobilization and Die-Hard Neoliberalism

In October 2007, Cristina Fernández de Kirchner (a Peronist Senator and hereafter CFK) was elected president in a landslide, obtaining more than 45 percent of the votes. In December of 2007, she was sworn in and shortly after entered into a profound conflict with agribusiness. In March 2008, the national government raised export taxes from 35 to 44 percent, triggering the opposition of medium and large landowners and farmer’s associations. Supported by media conglomerates and national newspapers, these farmers launched a lockout, refusing to bring

crops and meat to the market, blocking roads throughout Argentina between March and July. As a counter-reaction to the contentious collective actions of agribusiness and middle classes, popular social movements mobilized in Buenos Aires in support of the national government in March and April of 2008.

Farmer's associations had organized shorter protests against export taxes in previous years. But in 2008 they were able to build a broad coalition in order to create a sustained challenge to the government. Massive demonstrations in the city of Rosario further emboldened agribusiness, which took the offensive and demanded the complete elimination of *all* export taxes (Giarracca and Teubal 2010). Agribusinesses, farmers, and sectors of the middle classes thus adopted the form of action (the roadblock) that was generally used by poor people's movements and organizations of the unemployed. An analysis of protest events between 2003 and 2006 shows that the use of roadblocks as a tactic was progressively decoupled from unemployed workers and adopted by "neighbors" (*vecinos*), a category that journalists often use in reference to middle class demonstrators. As Figure 3 illustrates, whereas *piqueteros* organized more than 60% of the roadblocks in 2003-2004, they only organized 10% of the roadblocks by 2006. In contrast, while *vecinos* only accounted for 10% of the roadblocks in 2003, the number had risen to 50% by 2006.

Figure 3. Blockade by Participant, 2003-2006



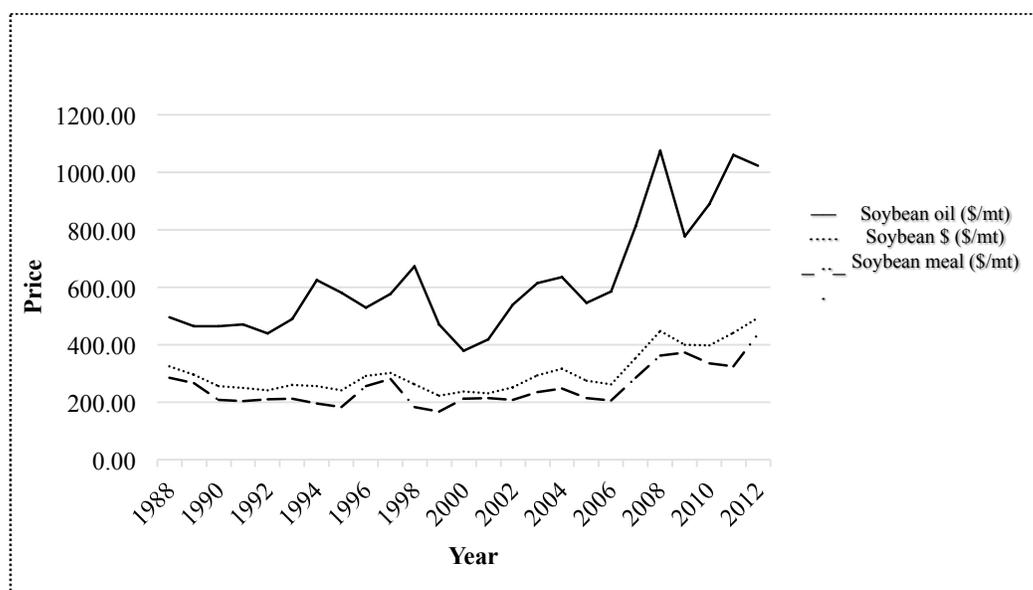
Source: Database of Protests in Argentina. N = 919

The trend evidenced by my catalog of protest events, together with the agribusiness mobilization of 2008, suggests a process of tactical emulation. As *piquetero* organizations and popular social movements progressively abandoned disruptive contention and collaborated with the government (moving, so to speak, from the streets to the offices), agribusiness emulated the disruptive tactic of roadblocking, moving from the farms to the roads. Whereas the streets, roads, and squares were the turf of popular social movements during the 1990s, by 2008 these spaces had been occupied by the mobilized middle and upper classes in support of "free market" policies.

The national government initially dismissed agribusiness protests, but ultimately had to take a stand in face of the disruption caused by the lockout and roadblocks. CFK sent a bill to Congress, which modified export taxes by adjusting its rate to the fluctuations of international prices. The bill was approved in the lower house of congress (*Diputados*), but the parties of the opposition and agribusiness lobby fiercely opposed the bill in the Senate (Fairfield 2011: 447). Farmer and agribusiness associations, supported by middle class sectors, mobilized in Buenos Aires to oppose the bill. During a dramatic, nationally televised congressional debate on July 16th, Vice President Julio Cobos (in his capacity as head of the Senate) verbally expressed his negative vote and transformed a deadlock into a defeat for the government-sponsored bill.

The 2008 agribusiness protest posed a twofold challenge to the political and economic policies of the national government. On the one hand, the protests expressed a neoliberal view, opposing the government's intervention in the economy. The mobilization against export taxes was, in large part, motivated by the fact that agribusinesses were expecting to reap the benefits of higher international prices in the near future (Fairfield 2011: 439-440). The scheme of "retenciones móviles," or variable export taxes promoted by the national state, would increase the tax rate as prices went up. For agribusiness and farmer's associations, this was a violation of "free market" principles. As Figure 4 shows, international prices for soybeans went down in 2009, but began to move up again in 2010, confirming both agribusinesses' forecasts and concerns.

Figure 4. International Price of Soybeans, Soybean Oil, and Soybean Meal 1988-2012 (US\$)



Source: World Bank

On the other hand, beyond specific policies the agribusiness mobilization became an oppositional political force against the national government. In many of the hundreds of roadblocks and mobilizations, demonstrators deployed a de-stabilizing discourse and even demanded the president's resignation. By the 2009 mid-term elections, ten political parties had

incorporated pro-agribusiness activists as candidates, electing thirteen of them to the lower house and one to the Senate.

As I explain in the next section, the national government responded to the agrarian challenge in two ways. First, it created new institutional spaces catering to organizations and activist networks closely connected to the government. Second, it expressed support for global agribusiness corporations, creating dilemmas and ambiguities that puzzled many of the social movements supporting the government.

Social Movement Dilemmas and the Ambiguities of the Post-Neoliberal State

After the confrontation with agribusiness, the national government created institutional spaces to garner the support of small farmers and peasants. In 2009, the government converted the Social Agricultural Program (PSA), a program created in the 1990s and renewed annually, into a permanent office: the *Sub-Secretaría de Desarrollo Rural y Agricultura Familiar* (SSDRAF, Under-Secretary of Rural Development and Family Agriculture). This institutional recognition was well received by peasant social movements, but they also had to face a complex and sometimes contradictory scenario. On one hand, peasant movements supported a national government that recognized them as a valid social and political actor, gave them access to institutional spaces, and reversed some of the neoliberal policies of the 1990s. On the other hand, their constituency had been suffering the consequences of the sweeping expansion of transgenic agriculture, which the government did little to address. The conflict between agribusiness and the national government was manifested in a clash between the neoliberal views of the former and the post-neoliberal policies of the latter. Yet the conflict was mostly about who had the right to reap the benefits of soybean exports, while the socio-environmental consequences of GM soybean expansion were largely ignored.

During CFK's second term in office (2011-2015), the relationship between the national government and popular social movements was redefined by the government's stance towards transgenic agriculture, which further exposed the ambiguities of its "post-neoliberalism." In the 2011 elections, CFK built her political support on three pillars: the Peronist party, provincial governors, and social movements created *after* 2003. On the heels of the conflict between the government and agribusiness, the CFK administration cemented its relationship with governors and the Peronist party to maintain political stability and ensure support in Congress. The alliance of the national government with governors put social movements in a difficult position, since provincial elites are often business partners with soybean growers and authoritarian governors who usually dismiss or repress peasant movements (Domínguez 2009).

Since 2011 the CFK administration has sidelined social movements created in the 1990s (that is, those movements *predating* the start of Néstor Kirchner's regime) and relied instead on the social movement organizations that emerged *during* the Kirchner period. These social movement organizations doubled as political cliques of the Peronist party and factions of the national government. In 2012, the government launched an umbrella network (*Unidos y Organizados*, "United and Organized") that included, among others, the group "*La C mpora*" led by M ximo Kirchner (the son of N stor and Cristina Kirchner), "*Kolina*," a faction of the national government led by Alicia Kirchner (the sister of N stor Kirchner and minister for social development), and the "*Movimiento Evita*" led by Emilio P rsico (more on him below). Members of local organizations predating the Kirchner regime were sidelined by these

realignments, but they also felt that it was hard to disengage from their connections to the government, lest be isolated, lose their voice, or be left without resources to organize activities and address the needs of their members.

I witnessed these dilemmas firsthand in 2009 while participating in a meeting at the office of a peasant social movement in a small town in northeast Argentina. At the meeting, Hugo (a leader appointed to a program in Buenos Aires introduced above) argued for further involvement with the FTV. He informed movement participants about a recently created CMP, “*Central de Movimientos Populares*,” an initiative of FTV to create a confederation of popular organizations and social movements.

Hugo – If we were to analyze what the FTV offered and what we offered, I think it’s about the same. (...) CMP has a political goal, if we’re not interested in participating in electoral politics, then we’re not going to rise up or grow. The CMP is targeting the 2011 elections, but if we want to get things through CMP we have to commit. I talked to [an official of the under-secretary of rural development] and he told me that they want to support CMP. He underlined that they will do that with “*compañero* organizations;” in other words, Peronist organizations. We have to see if it’s convenient for us, if we want that. CMP isn’t going to have resources, but could give contacts (...) If we want to get in on this, the time is *now*. Later, you’re not going to get in at the end of the line.

Arturo – We have to think seriously about what it would mean to create CMP here, to see with which organizations [are we going to work with].

Julio – If we think about the elections, we have to be the initiators. If not, later we join the others and it won’t work. You have to get on the line and be at the will of others [*tenés que ponerte en la cola, y depender de otro*]

Hugo – If we enter CMP, it’s *now*. CMP is FTV. If someone from here gets ahead of us, we’re screwed; there will be fewer resources. To achieve this, we have to say to Luis [the head of FTV], ‘reserve us the first place.’

When I met with Hugo in 2012, he said that during the 2008 conflict with agribusiness, his peasant movement supported the government, but that involvement had them “bouncing from place to place” (“*estuvimos de acá para allá*”). They mobilized in Buenos Aires and neglected the inner workings of the movement (“*descuidamos lo de adentro*”). “We tried to be in every place to make sure we didn’t miss anything, and we [end up] missing ourselves,” he told me metaphorically (“*Tratamos de cubrir todos los espacios para no quedarnos afuera, y quedamos afuera de nosotros mismos*”). When I saw him again in 2013, he summarized the relationship between social movements and the government, saying: “What happened with the Kirchner government was that they took our claims and made them theirs, and in doing so, they neutralized us.” During our conversation I mentioned that Emilio Pérsico (the leader of the “*Movimiento Evita*”) had been appointed under-secretary of Rural Development and Family Agriculture. He was a public official in the province of Buenos Aires in 2005, and his appointment puzzled peasant social movements given his relative lack of experience with rural and peasants’ issues. “We made demands for small farmers and peasants, but now, who is in

charge? A neighborhood leader [referring to Pésico]. They leave you without arguments. They always seem to think that we have put out our hands to see what they give us [like a beggar]. And anyone seems to be better than us when it comes to filling the positions.” This was how Hugo expressed his feelings of peasant movements being sidelined. In 2011, Estela also voiced her discontent with her work at the Ministry of Social Development: “If you criticize something, they tell you that you belong to the opposition.” She was also dissatisfied with the pressures she received to do political work for “Kolina,” a faction within the government led by Minister Alicia Kirchner.

Specific policies of the national Ministry of Agriculture and discourses of CFK contributed to tense relationships between peasant-indigenous social movements and the national government, while also revealing the ambiguities of the post-neoliberal state in Argentina. During its second term, CFK’s administration maintained a cold stance towards Argentine agribusiness, yet its relationships with *global* agribusiness corporations progressively improved. In 2012, for instance, CFK expressed her support for Monsanto, praising the company for opening a plant to produce GM corn seeds. In June 2012, President CFK stated:

I was with Monsanto, which announced to us a very important investment concerning corn. (...) And besides they were very happy because Argentina today is – shall we say – at the forefront in matters of biotechnological progress (...) Here I have – and the truth is that I want to show you it all because I am very proud – the prospectus of Monsanto [which made] a very important investment in producing a new transgenic corn seed in the province of Córdoba. (...) And today, the head [of Monsanto] told me that they were very impressed by the support that our government was giving to science and technology. You should all be certain that we are going to continue in the same line. (...) We are nearly 40 million residents [in Argentina] and we have a territory that is the eighth [largest] in the world. This places us in a ‘pole position’ [sic] in terms of food producers and biotechnology in Argentina.

In this speech, CFK also referenced the “Strategic Agro-Food Plan, 2020,” an initiative launched in September 2011 to increase agricultural production and further expand the area of cultivated land in Argentina. She finally referred to the acceptance of GM seeds, reflecting the rate of government approval for new GM seeds. During her first two terms in office (2008-2013), eighteen new GM crops were released in Argentina (in contrast to the eleven approved in the decade before, see Figure 5).

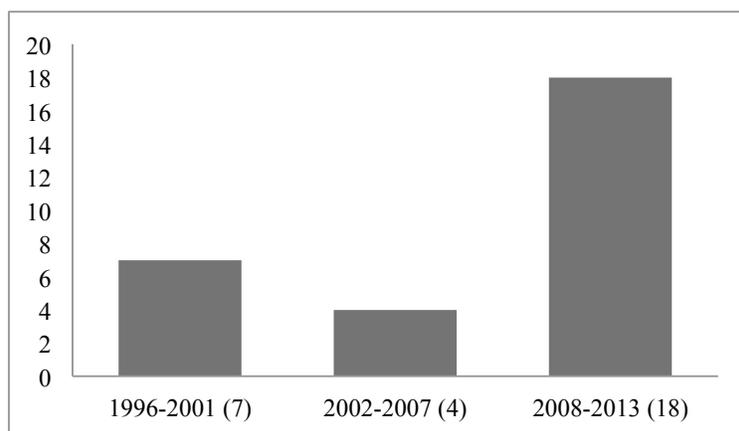
In 2012 shortly after CFK praised Monsanto, the Minister of Agriculture announced the approval of a new variety of GM soy, which combines resistance to both the Roundup herbicide and pests. During an event organized by Monsanto at a five-star hotel, the Minister said: “I fundamentally agree with Monsanto, not only in the approval of the ‘Intacta RR2’ [the new GM soybean], but also in the investment and trust that it has given Argentina through investments that have already been announced by our nation’s president.”³ The government continued this support by promoting policies that advance global agribusiness interests and ensuring a friendly business environment. For example, the government presented a bill in Congress to limit seed use and strengthened intellectual property rights over GM seeds.⁴ It also dropped a long-running

³ “Una de cal y muchas de arena: Monsanto en Argentina” *Marcha*, August 24th 2012.

⁴ “Semillas en debate”, *Página 12*, October 5, 2012.

investigation into tax evasion by Cargill, one of the largest global corporations in the soybean export market (Teubal, Domínguez and Sabatino 2005) (Kneen 2002).⁵

Figure 5. GM Seeds Approved for Commercialization in Argentina, 1996-2013



Source: Argentine Office of Biotechnology, CONABIA

Conclusion

In this article, I provided an overview of recent Argentine history to expand the purview and to bridge social movement research and critical agrarian studies, and illuminate some of the contradictions and ambiguities of the contemporary post-neoliberal scenario in Latin America. During the 1990s, Argentine popular social movements opened political opportunities for political actors that shared with them a similar anti-neoliberal position. The challenge to neoliberalism in Latin America thus emerged from key charismatic figures but also, and perhaps fundamentally, from the sustained efforts of popular social movements. The collaboration and consultation between governments and social movements, however, resulted in the progressive replacement of disruptive contention with more conventional forms of mobilization. In the context of post-neoliberal governments, social movement organizations became increasingly ensnared in state bureaucracy and patronage politics (Lapegna 2013b; Wolff 2007: 22-24). It would be simplistic, however, to interpret the institutional incorporation of popular social movements as a sign that they are duped or directly controlled by the national government. Social movement leaders are keenly aware of the challenges and perils entailed in supporting the national government. At the same time, it is hard for leaders to reject the access to resources offered by the national government, knowing that the members of their movement have urgent material needs.

Paradoxically, the mobilization of subordinate actors against processes of neoliberalization in the 1990s also opened opportunities for pro-neoliberal social actors. The wave of popular protest in the 1990s legitimized the use of roadblocks as a form of protest. As popular social movements progressively refrained from disruptive mobilizations (i.e. roadblocks), powerful social actors emulated this form of action to protest the curbing of “free markets” via export taxes and the

⁵ “Giro de la AFIP: desistió de un reclamo millonario contra Cargill” *La Nación*, October 3, 2013.

threat posed by the post-neoliberal state. In 2008, the actors of agribusiness appropriated roadblocks as a form of disruptive mobilization to promote their interests, oppose the post-neoliberal agenda of the national government, and ultimately gain institutional spaces in Congress.

The Argentine case illustrates that so-called post-neoliberal governments have given short shrift to the socio-environmental effects of commodity booms (Altieri and Pengue 2006; Bebbington 2012; Haarstadt 2012). In Argentina, the macro-economic policies of the post-neoliberal state have had a Keynesian orientation in that they seek to stimulate aggregate demand by increasing government spending and the income of popular sectors. A large part of revenues redistributed by the state, however, were created by the production of GM soybeans that have had negative socio-environmental consequences for some of those very same sectors; namely, peasant families, indigenous communities, and rural populations. The government of CFK first confronted Argentine agribusiness, and then supported global agribusiness corporations during the second term, suggesting the power of what Peter Newell (2009) calls “bio-hegemony.”

In terms of delineating a research agenda, agribusiness mobilization in Argentina suggests the importance of paying closer attention to two social processes: the dynamics of mobilization and demobilization connecting subordinate and powerful actors with institutional politics, and the protean possibilities of neoliberalism. First, by further investigating the iterative relationships between institutional and contentious politics we can go beyond the customary emphasis on how the former informs the latter and better capture the ways in which contention modifies elite alliances and the trajectory of governments and states.

Second, neoliberalization needs not to be imagined in solely negative terms. The neoliberal policies of the 1990s in Argentina not only implied budget cuts, privatization, and the adoption of export-oriented transgenic agriculture, but also promoted the creation of political subjectivities aligned with these ideas and policies. This means that we need to identify the productive effects of neoliberalization and understand it as a process that not only *destroyed* the social fabric, but also benefitted certain social actors (e.g. medium to large agribusiness in Argentina, see Gras 2009) and constructed a political common sense that motivated the massive agribusiness mobilization in 2008. Business mobilization tends to be more effective when their collective actions look like grassroots campaigns (Walker and Rea 2014). Argentine agribusinesses’ capacity to mobilize in large numbers should prompt us to pay closer attention to how a “neoliberal reason” is constructed by think tanks and foundations (Peck 2010), but also to identify the ways in which neoliberal ideas, policies, and values are transmitted and adopted by a variety of actors beyond the business community.

Agricultural biotechnology is one of the main tools of the current global food regime controlled by corporations and governed by neoliberal principles. Together with the United States and Brazil, Argentina is one of the leading players in the global production of genetically modified crops, a key input in today’s feed and food industry. As a battleground in the contemporary global food regime, Argentina is likely to play an important role in the future agricultural production at a global scale. Thus, the interplay between popular social movements, business mobilization, and the state analyzed here, although national in scale, could thus have global reverberations.

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Contesting Corporate Transgenic Crops in a Semi-peripheral Context: The Case of the Anti-GM Movement in India¹

Devparna Roy

University of Puget Sound

droy@pugetsound.edu

Abstract

Market penetration by the hegemonic core state's agricultural biotechnology firms has been preceded and accompanied by a vigorous anti-genetically modified seeds (anti-GM) movement in semi-peripheral India. To understand the extent of anti-imperialism and anti-capitalism exhibited by the Indian state, it is useful to investigate the character of democratizing forces—such as the anti-GM movement—which interact with and shape the state. I use primary and secondary data sources to analyze the anti-GM movement in India and argue that the movement is anti-corporate without being anti-capitalist. Further, it is counter-hegemonic but not anti-systemic. These four traits reflect the strengths and weaknesses of exemplary coalition-building between right-wing nationalists, centrists, and left activists. The Indian anti-GM movement suffered an early failure when the Indian state commercialized Bt cotton seeds in 2002, following the entry of unauthorized Bt cotton seeds and lobbying by farmers' groups for legalization of Bt cotton seeds. However, an effective coalition between the right-wing, centrist, and left elements was built by about 2006. This was followed by a most significant victory for the anti-GM movement in February 2010, when the Indian state placed an indefinite moratorium on the commercialization of Bt brinjal seeds. A second, more qualified, victory was achieved by the anti-GM movement when the Indian state placed a hold on field trials of GM crops in July 2014. The anti-GM coalition has been successful in pressing ideologically different political parties to take steps against the multinational seed firms based in core states. Further, it has enabled the Indian state to move from a sub-imperialist to an anti-imperialist role regarding GM seeds. But until the anti-GM coalition in India resolves its inner contradictions and becomes resolutely anti-capitalist and anti-systemic, it will not be able to effectively challenge the anti-imperialist Indian state's pro-capitalist stance regarding GM seeds and industrial agriculture.

Keywords: anti-GM movement, India, anti-corporate, coalition politics

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Much of the debate around genetically modified (or GM) seeds and crops has focused on the local or national regulatory systems and the potential adverse effects of the products of agricultural genetic engineering on health and the environment. I will address some of these debates from the angle of world-systems analysis, because such an approach explains why contemporary issues related to GM seeds cannot be successfully addressed at the level of the individual state, but rather must be resolved at the world-system level. I argue that at the current stage of its evolution, the Indian anti-GM movement is anti-corporate without being anti-capitalist. Further, it is counter-hegemonic but not anti-systemic. Finally, the anti-GM movement has enabled the Indian state to move from a sub-imperialist to an anti-imperialist role when it comes to GM seeds.

Genetic engineering has emerged as a leading industry of the core states of the modern world-system (Wallerstein 2004; Chase-Dunn 2006). Seeds are the delivery system of agricultural genetic engineering. GM seeds are a leading product of multinational firms based mostly in core states, and certain multinational biotechnology firms have made attempts to penetrate markets in semi-peripheral countries such as India. Some of these firms have met with notable success. For example, Bt cotton seed, a kind of transgenic or genetically engineered or GM cotton seed, was commercialized in India in 2002.² Bt cotton seeds quickly captured the Indian cotton market between 2002 and 2012. It has been estimated that over 92 percent of the cotton grown in India in 2012 was Bt. Writing in the prestigious international journal *Nature*, K.S. Jayaraman (2012) claimed that the vast majority (97 percent) of the Bt cotton in India was sold or licensed by the U.S.-based agricultural biotechnology firm Monsanto. There are at least two problems with Monsanto's GM hybrid seeds for Indian farmers. These seeds are expensive for the farmers and, like other hybrid seeds, they lose vigor after one generation (ibid). Thus, farmers must buy new stocks every year, which for many results in a never-ending cycle of market dependency.³

During the course of my research, I found that many Indian farmers had joined anti-GM activists—right-wing nationalists, centrists, and leftists—in protesting against transgenic seeds and Monsanto's dominance in the Indian market. Market penetration by biotechnology firms such as Monsanto was preceded and accompanied by a vigorous anti-GM movement in India, as well as the simultaneous creation of various pro-GM groups.

This paper is divided into eight sections. Following the introduction, I give some background information about India. Next, I provide a theoretical discussion of quasi-monopolies and semi-peripheral actors. Following a section on data and methods, I discuss the early phase (1998-2005) and mature phase (2006-present) of the Indian mobilization against GM seeds and an analysis of the movement. In the concluding section, I reflect on the successes of the Indian anti-GM movement and its future challenges.

² Transgenic or GM seeds are created by scientists by introducing foreign gene(s) into a host genome. For example, Bt crops are created by introducing gene(s) from the soil bacterium *Bacillus thuringiensis* into the crop genome. Scientists introduce genes from *B. thuringiensis* into the cotton genome to create Bt cotton plants. These Bt cotton plants produce pesticide-like substance that make these GM cotton plants resistant to certain lepidopteran pests. Similarly, the Bt brinjal plants produce pesticide-like substances that make these transgenic brinjal plants resistant to specific pests. The vegetable 'brinjal' (*Solanum melongena*) is also known as 'eggplant.'

³ GM or genetically engineered seeds are available either as hybrids or varieties. GM hybrid seeds have to be replaced every year to get maximum yield, and they are costlier than GM varieties. GM varieties can be saved and re-used by the farmer for several years. GM hybrids generally give better yields compared with GM varieties.

Setting the Context

To better understand the Indian anti-GM movement, it is useful to briefly analyze how its main interlocutor, the Indian state, operates. Following independence from British colonial rule in 1947, the Indian state has travelled through two major phases of *democratic developmentalism*: (i) the mixed economy era, the period 1947 to 1990, characterized by long periods of rule by one political party—the Indian National Congress and (ii) the neoliberal globalization era, 1991 to the present, characterized by rule of various political parties.⁴ By using the term *democratic developmentalism*, I mean to acknowledge that the Indian state actors operate in a democratic context, and they continue to prioritize the role of seed markets in meeting certain social and developmental needs, such as addressing the livelihood concerns of small and marginal peasants, rather than a focus on just creating profits for seed firms. Elsewhere, I have argued that the contemporary Indian state is a hybrid formation—pursuing neoliberal policies in some sectors of the economy, such as the information technology industry, but exhibiting a strong “democratic developmental” impulse in others, such as the seed sector (Roy 2014).

It is also important to keep in mind that India is one of the very few non-core countries to have built up a robust tradition of formal democracy. Since its inception, the Indian state has played a crucial role in industrializing the country and helping support a modern democracy and civil society in India. Observers will broadly agree that a vibrant civil society flourishes in India today. Along with the state, different civil society groups are playing a vital role in deepening democracy in India.

As McMichael (2013) comments, India has long been part of a countertrend of sorts to the *globalization project*,⁵ as the Indian state has never completely accepted neoliberal principles because of compelling social and ecological reasons. In response to the globalization project, the Indian state has initiated many welfare measures for rural citizens. This Indian form of twenty-first-century development finds resonance with recent Latin American initiatives to bring markets under social control (McMichael 2013).

Though certain states are fast urbanizing, India continues to be an agricultural society, with possibly the largest contingent of peasant-farmers in the world, most of whom are smallholders owning less than two hectares of land per household. Most Indian farmers continue to self-provision seeds, planting them from the previous year’s harvest and exchanging seeds among themselves. However, there are also thousands of farmers in India who buy seeds from the market. Should most Indian farmers be somehow convinced to buy hybrids and transgenic hybrids from the market instead of self-provisioning seeds, the Indian commercial seed market would become immensely profitable for private seed firms.

There were few indigenous seeds firms existing in India prior to the 1970s. There was an exponential increase in the number of private seed firms since the late 1980s, coinciding with economic liberalization. Foreign seed firms have entered India since the late 1980s, with 100 percent foreign equity allowed in the seed industry since 1991. In terms of seed technology, it should be noted that the Green Revolution seeds were based on imported technology that Indian

⁴ ‘Neoliberalism’ is the dominant economic ideology in the world since the 1980s, and under its influence, many national governments (including that of India) have deregulated, privatized, and restructured national economies so to become more internationally competitive. ‘Globalization’ is characterized by the extension of production and consumption activities across national boundaries, under a global neoliberal economic regime.

⁵ McMichael (2000: 259) defines the globalization project as “an emerging vision of the world and its resources as a globally organized and managed free trade/free enterprise economy pursued by a largely unaccountable political and economic elite.” For a brief breakdown of its components, see McMichael (2000: 187).

public sector scientists adapted to local conditions. Further, during the Green Revolution era, which had marked the beginning of industrial agriculture in many regions of India in the 1960s, seed markets in India were dominated by public sector firms. Today, in the Gene Revolution era, which began in 2002, seed markets in India are dominated by private firms.

As Ramamurthy (2011) notes, the entire cotton chain, from seed to fiber to fabric and apparel, is a global chain. Cottonseed production in India is at the center of the investment strategies of the biggest multinational seed companies in the world. Companies such as Monsanto, Bayer, and Dow have operated in India since 2001, when the Government of India promulgated an act to protect their intellectual property. These foreign corporations have been eagerly buying Indian seed companies and investing in them. The Indian market, already twice the size of the U.S. market in 2010, is expected to grow even further by 2020. Indian hybrid cottonseed is at the core of multinational seed company strategies for the extended reproduction of capital (Ramamurthy 2011).

Market concentration in the world's seed industry has been growing over the years. In 1995, before the commercial release of transgenic seeds, the world's top ten seed companies controlled 37 percent of the world's commercial seed sales (Shand 2012). In 2009, the top ten companies accounted for 73 percent of the commercial seed market. The three largest seed firms—Monsanto, DuPont, Syngenta—accounted for 53 percent of the proprietary seed market globally in 2009, and the same three corporations accounted for nearly three quarters of all U.S. patents issued for crop cultivars between 1982 and 2007 (Shand 2012).

The vast majority of farmers in developing countries are self-provisioning in seed, and they represent the seed industry's biggest competition. In 2006, seeds from the public sector accounted for 11 percent of the global seed market value, while farmer-saved seeds accounted for 21 percent and proprietary seeds accounted for 68 percent (Shand 2012). Currently, the domestic seed market in India is one of the largest in the world. It is worth about U.S. \$1.3 billion, and has been growing at a compounded annual growth rate of about 15 percent, according to a report in a major Indian financial daily, *The Economic Times* (2012).

In 2007, Monsanto's GM biotechnology traits accounted for about 85 percent of all area (trait-acres) devoted to commercial GM crops in 13 countries where GM crops were planted (Shand 2012). Only five firms, Monsanto, DuPont, Syngenta, Bayer, and Dow Agrosiences, accounted for 98 percent of all biotech trait-acres in 2007 (Shand 2012). It should be noted that all five firms are based in core countries. According to Shand (2012), the world's six largest seed/agro-chemical/biotechnology firms, which are BASF, Bayer, Dow Agrosiences, DuPont, Monsanto, and Syngenta have a 'dangerous chokehold' on the global agricultural research agenda. In the perception of many activists with whom I have spoken, these 'Big Six' corporations constitute what may be termed the 'GM cartel.' Whether or not the 'GM cartel' has been intentionally formed by the six corporations, the evidence is that the Big Six corporations have agreed to cross-license proprietary germplasm and technologies, consolidate R&D efforts, and terminate costly patent litigation battles.

Theoretical Background

According to Schumpeter (1941), the success of capitalism could be measured in terms of technological innovation and 'avalanches of consumer goods.' Capitalism was driven by repeated examples of 'creative destruction' in the course of which new technologies, products,

materials, organizational methods, and markets destroyed old institutions and practices and replaced them with new ones (Schumpeter 1941: 83). Further, this unsteady dynamism of the capitalist economy was increasingly the work of big business. Monopoly and oligopoly protected innovators, and kept their rivals out of the marketplace. According to Schumpeter's analysis, the individual entrepreneur was becoming redundant as research teams took over. The entrepreneur's sense of personal ownership of the business declined as large corporations became limited companies with shareholders.

Building on Schumpeter's narrative of capitalism, Wallerstein (1984) argues that the capitalist world-economy, which came into existence in Europe in the sixteenth century, is a network of integrated production processes united in a single division of labor. The basic economic imperative of this world-economy is the ceaseless accumulation of capital, made possible by the continuous appropriation of surplus-value, which is centralized via primitive accumulation, the concentration of capital, and the mechanisms of unequal exchange (Wallerstein 1984). Further, the political superstructure of the world-economy is the interstate system composed of 'states.' The zones under the jurisdiction of these states have never been economically autonomous, since they have always been integrated into a larger division of labor—that of the world-economy.

To better understand competing conceptualizations of the current phase of globalization by world-systems theorists, let us turn to the work of Hopkins and Wallerstein (1986), who use global commodity chain analysis to argue that globalization is not a new process and that capitalism as a world-system has been spatially expanding since the seventeenth century. The competing conceptualization of globalization (by theorists such as Peter Dickens, Miguel Korzeniewicz, and Gary Gereffi) argues that whereas the *internationalization* of bygone eras also involved the extension of business activities beyond national borders, it was a simple quantitative process; *globalization* instead involves the functional integration of production, or a qualitative process of change (Ramamurthy 2004). Dickens and other theorists shift the scale of analysis from national to multinational corporations ('drivers' or 'leading firms'), which now increasingly control the process of integration of production. In their work, they demonstrate how multinational corporations are able to overcome the nation-state's protectionist measures and enhance their competitive advantage by lowering labor costs and increasing industrial flexibility (Ramamurthy 2004).

Sellers who are best located within a given market always prefer a monopoly because this allows them to create a relatively wide margin between the production costs and the sales price, and thus realize high rates of profit (Wallerstein 2004). Marginal firms prefer competition. Perfect monopolies are difficult to create, and therefore rare, but quasi-monopolies are not. The normal situation for so-called leading products (that is, products that are both new and have an important share of the overall world market for commodities) is an oligopoly rather than an absolute monopoly (Wallerstein 2004). This observation by Wallerstein holds true for the global market for seeds, especially for GM seeds, as I discussed above.

As Wallerstein (2004: 26) comments, states can create quasi-monopolies through patents, and other protectionist measures. Quasi-monopolies depend on the patronage of strong states, and so the firms creating quasi-monopolies are largely located—juridically, physically, and in terms of ownership—within strong states. Strong states can use their power to prevent weaker states from creating counter-protectionist measures. The medium-strong semi-peripheral Indian state is not in a position to either prevent core states and their leading firms from selling their transgenic technologies to Indian firms or to prevent the flow of technology fees from Indian

farmers to the core bourgeoisie. This was especially the case once the Indian state approved the commercialization of a particular kind of GM seed. I argue that the Indian Bt cotton seed market can be said to be a quasi-monopoly of Monsanto for at least three reasons. First, in India, the Bt cotton seed market is currently in the hands of about fifty private players, most of whom are domestic firms who license the gene constructs from one multinational firm—Monsanto (calculated by the author from IGMORIS data⁶). Second, Indian farmers pay annual technology fees to Monsanto amounting to millions of Indian rupees (about one hundred million US dollars, according to Pray and Nagarajan [2010]). This amounts to a transfer of wealth from the semi-peripheral peasantry to the semi-peripheral and core bourgeoisie. Third, the Indian public sector is not yet in a position to challenge the quasi-monopoly of Monsanto within India. Even though the Indian state created a public sector with R&D investments in transgenic seed technology in the 1980s, the Indian public sector has so far released and later, withdrawn only one variety of GM seed (for details of this case see Roy 2013).

In such a situation, I argue that the role of the national anti-GM movement in the public debates over GM seeds in India becomes especially salient for the Indian state. As noted by Subramaniam (2015) in her introductory essay to this issue, the state has played a pivotal role in implementing and sometimes resisting neoliberal practices that have constituted the global capitalist system. In this article, I will consider how the Indian anti-GM movement has enabled the Indian state to move from a sub-imperialist role to an anti-imperialist role when it comes to GM seeds.⁷

But before I discuss the anti-GM movement in India and its interactions with the Indian state, I will briefly consider the features of semi-peripheral states, of which India is one. Some states have a near even mix of core-like and peripheral processes; they may be called semi-peripheral states. These semi-peripheral states have unique political properties: they apply pressure on peripheral states and they are under pressure from the core (Wallerstein 2004). Their crucial problem is not to slide into the peripheral category as well as to do what they can to propel themselves toward the core. Both goals require considerable state interference with the world market (Wallerstein 2004). In the twenty-first century, semi-peripheral countries such as South Korea, Brazil, and India have strong firms that export products (such as automobiles, pharmaceuticals, and steel) to peripheral zones, but they also connect to core zones as importers of more “advanced” products (Wallerstein 2004).

According to Chase-Dunn’s structural theory of the world-system (1990), the most important feature of the semi-peripheries is that fascinating political movements are more likely to emerge there than in core states or peripheries. Concurring with Goldfrank (1978), Chase-Dunn (1990) argues that movements of both the right and the left have often found fertile ground in semi-peripheral and second-tier core states. The contradictory location of semi-peripheral areas in the larger world-systems is the reason for this political fertility. More stratified semi-peripheries are likely to produce social revolutions which challenge the logic of capitalism, while relatively less stratified and politically liberal semi-peripheries are likely to achieve the degree of class harmony necessary for upward mobility within the capitalist world-economy (Chase-Dunn 1990). In my analysis, contemporary India may be classified as a politically liberal but socially stratified semi-periphery with a low degree of class harmony. The liberal political environment

⁶ IGMORIS is a government of India service available at: igmoris.nic.in/Files2/YearWise_List_2002_May2012.pdf

⁷ For reasons of space, in this paper, I am not going to discuss the linkages between the Indian anti-GM movement and other national and/or continental anti-GM movements. However, I will argue that the Indian anti-GM movement is not anti-systemic in nature, and thus, it is not part of the family of anti-systemic movements spanning the globe.

and working democracy dissipates some of the tensions created by the class structure of Indian society, leading to a situation where groups across the political spectrum—right-wing nationalists, centrists, and left activists—can operate in various states of India today, meeting with differing levels of success in different regions.

For Chase-Dunn (1990: 25), both the ‘workerist’ (Marx’s notion that socialism will most effectively be built by the action of core proletariat) and the ‘Third Worldist’ (Samir Amin’s contention that agents of socialism are most heavily concentrated in the periphery) positions have important elements of truth, but he suggests an alternative: the semi-peripheral areas are the weak link of the modern world-system. For him, semi-peripheral areas, especially those where the territorial stage is large, have sufficient resources to be able to stave off core attempts at overthrow and to provide some protection to socialist institutions if the political conditions for their emergence should arise. While core exploitation of the periphery creates and sustains alliances among classes in both the core and the periphery, the most important experiments with socialism have emerged in semi-peripheral states, and there is reason to believe that semi-peripheral areas will continue to produce powerful challenges to the capitalist mode of production in the future. Chase-Dunn (1990) cautions that semi-peripheral revolutions and movements are not always socialist in character (e.g. Iran in 1979), but when socialist intentions are present, they are greater possibilities for real transformation than in the core or the periphery. Such semi-peripheral revolutions may transform the character of the capitalist world-system.

The BRICS countries—Brazil, Russia, India, China and South Africa, or emerging economies—are an important sub-group of semi-peripheral states. According to Wallerstein (2013), the BRICS states have emerged both as anti-imperialist agents—if anti-imperialism is defined as opposing the hegemony of the United States—and as sub-imperialist agents of the core. Further, he argues that BRICS states have demonstrated little capacity to resist and transform capitalism. Thus, unlike Chase-Dunn (1990), Wallerstein (2013) is not optimistic about the possibilities of the larger semi-peripheral states or a BRICS nation such as India emerging as both authentic anti-imperialist and anti-capitalist agents. When it comes to a leading product such as GM seeds, is the semi-peripheral Indian state generating authentic anti-imperialist resistance by restricting the quasi-monopolies of leading firms based in core states? Is it supporting real anti-capitalist movement and hastening the demise of the capitalist world-system? I will speak to this unfolding key debate on the role of semi-peripheral countries later in this article.

Data and Methods

Empirical material presented in this article builds on the insights gathered during intermittent fieldwork over twenty-two months carried out in various parts of India between 2000 and 2014. During my fieldwork, I extensively interviewed farmers, farmers’ leaders, activists, politicians, social movement leaders, media persons, and natural scientists. For this paper, I conducted semi-structured formal and informal telephone interviews in 2014 and 2015 with fifteen key actors based in India, including anti-GM activists and intellectuals, journalists, and scholars. Some key informants were interviewed two or more times in order to clarify their opinions and views. While the interviews were being carried out, I took notes based on their answers to my questions. Direct quotes from their interviews were later scrutinized by the informants for accuracy. I also draw upon archival documents such as scholarly articles, newspaper articles, activist organization publications and websites.

Indian Mobilization against GM Seeds: The Early Phase (1998-2005)

In 1995, the Government of India granted permission MAHYCO, a large domestic seed firm, to import Bt cotton seeds from Monsanto. Imported Bt cotton seeds were used by MAHYCO for backcrossing into Indian cultivars. In 1996-98, MAHYCO was granted permission by the Indian government to conduct field trials on these Bt cotton hybrids. I argue that in the 1990s, the Government of India acted as a sub-imperialist agent of the core for two reasons. First, it permitted MAHYCO to bring Monsanto's proprietary Bt gene construct into India. Second, the central government's economic policies in 1991 allowed for one hundred percent foreign direct investments (FDI) in the seed sector, thus creating the opportunity for multinational firms to enter and significantly influence the Indian seed sector.

All these developments were taking place away from public attention. However, the 'terminator seeds' controversy brought the debate about GM crops to the national media attention for the first time in 1998 (Scoones 2008). Monsanto was suspected of trying to release products with a terminator gene—a gene which would prevent replanting and make farmers reliant on annual purchases from seed companies. Monsanto released a series of press advertisements to counter the notion that it was releasing products containing the terminator gene. Non-governmental organizations (NGOs) concurrently launched the 'Monsanto Quit India' campaign to heighten public awareness about GM crops.

Although it was well known that field trials of Bt cotton had been established, details of trial sites became public only in November 1998 (Scoones 2008). The *Karnataka Rajya Raitha Sangha* (KRRS), an influential farmers' group based in the southern state of Karnataka, announced the 'Cremate Monsanto' campaign at once. The leader of the KRRS, the late Professor M.D. Nanjundaswamy, identified a series of anti-GM slogans and gave notice that all field trial sites in Karnataka would be burned, in front of the media.

The GM crops debate continued in the national media at a high pitch throughout 1999 and 2000, with the anti-GM NGOs in various parts of the country continuing to garner significant press attention. Scoones (2008) notes that there were a number of workshops and consultations on transgenic crops, and more concerted counter-moves by the pro-GM groups, with interventions by non-resident Indian and foreign scientists, other farmers' leaders (such as Sharad Joshi of Maharashtra), and industry commentators, including a Monsanto-commissioned public opinion survey which claimed to show Indian farmers' support for biotechnology.

Legal actions or public interest litigations were undertaken by the anti-globalization activist Vandana Shiva's organization, Research Foundation for Science, Technology, and Ecology (RFSTE), and the geneticist-activist Suman Sahai's organization, Gene Campaign, against both Monsanto and the state. Besides public interest litigations, direct protests also occurred during this time. The KRRS was active in crop-burning media events, and argued for a five-year moratorium on GM seeds. There were regular rallies and demonstrations at Monsanto's former India research headquarters at the Indian Institute of Science in Bangalore (Scoones 2008). Events such as citizens' juries in Karnataka in 2000 and in Andhra Pradesh in 2001 created platforms for activists to discredit GM crops and industrial agriculture (Scoones 2008). Media interest in GM issues remained high, with industry and NGO websites providing alternative views on the Indian scene.

Despite elaborate tests, the Indian government refused MAHYCO permission to commercialize Bt cotton in June 2001. MAHYCO was asked to conduct further tests. Thus, in June 2001, it was unclear how long it would be before the Indian government approved the commercialization of Bt cotton. But the situation changed within a few months with a discovery of unauthorized Bt cotton growing on hundreds of hectares in Gujarat (a western state of India) in September-October 2001.⁸ Following this discovery, in March 2002, the Indian government approved the commercial release of Bt cotton seed produced by a private company, MAHYCO Monsanto Biotech Limited or MMB. How do we understand this change of mind of the Indian government? According to Ramanna (2006), the reasons for the decision moving from *de facto* to *de jure* acceptance of Bt cotton must be understood in terms of a powerful story line of 'GM as farmers' choice,' which emerged following the events in Gujarat and which posed a challenge to the discourse of the anti-GM civil society groups. News of farmers growing Bt cotton in Gujarat and other states prior to the central government's approval led to a shift in the way transgenic crops were portrayed in the media and policy-making circles. The rationale was then put forward that if farmers want the technology, what right does the national government have to deny them transgenic seeds?

The anti-GM civil society groups could not refute this powerful logic. If they opposed Bt cotton, it made them appear indifferent to the real interests of the farmers they were supposed to represent. The pro-GM lobby presented Indian farmers as decision-makers and voters for Bt cotton, which trumped the portrayal of Indian farmers as hapless victims of globalization—a picture which had been put forth by the anti-GM lobby and which had garnered widespread attention because of Indian farmers' suicides. The pro-GM lobby's strategy following the Gujarat incident was not to stress the intellectual property rights violation caused by the unauthorized Bt cotton seeds, but to emphasize the issue of farmer's choice (Ramanna 2006). Pro-GM farmers' groups such as Sharad Joshi's *Shetkari Sangathana* demanded the rapid approval of Bt cotton. The discourse of farmer's choice essentially blurred the distinction between unauthorized seeds and MMB Bt cotton, when it came to the Bt cotton hybrid's success.⁹

Scoones (2008) notes that the legal introduction of Bt cotton in 2002 led to more protests. Gene Campaign held a high-profile conference in Delhi that argued for an overhaul of the regulatory system. Greenpeace, with its India office located in Bangalore, geared up for consumer-based protests in shopping malls, and caught the attention of the media with its protests around regulatory discussions. However, the KRRS protests became muted because of the failing health of Nanjundaswamy prior to his death in February 2004.

Around 2004, many campaign-based NGOs had begun to see the anti-GM campaign as inherently limiting, and they were eager to develop a narrative about possible alternatives to GM crops and industrial agriculture (Scoones 2008). A lot of attention was infused by anti-GM NGOs into providing alternative evidence of the limits of Bt cotton technology just in time for the three-year-review of Bt cotton results in 2005 (Scoones 2008). In addition to discussing the problems with Bt cotton technology, the anti-GM NGOs also began to seriously develop the

⁸ The unauthorized Bt cotton seeds in Gujarat was called 'Navbharat 151' which was marketed by a small Indian seed company as a hybrid but was in reality an unlicensed Bt cotton hybrid. Although the Navbharat 151 seed contained the same Bt toxin gene as the MMB Bt cotton, it was crossed with a different parent. It is unclear how the MMB gene construct got into Navbharat 151.

⁹ See Roy (2006) and Roy, Herring and Geisler (2007) for a discussion of how the unauthorized GM hybrid seeds (namely Navbharat 151) performed better than MMB's Bt cotton hybrids for many farmers interviewed in Gujarat during the years 2002-2004.

story of a possible alternative to industrial agriculture. Thus, in the move from what I call a ‘constrained narrative,’ which centered around anti-GM campaigns in which GM seeds were painted as being harmful for the farmers, consumers, environment, economy, and society, to what I call a powerful ‘counter-hegemonic narrative’ which subsumed the earlier narrative, questioned not just GM seeds but the entire model of industrial agriculture itself. It focused on alternatives to the paradigms of industrial agriculture and GM seeds; the anti-GM civil society groups were able to raise the debate on GMOs to a higher and more-encompassing level. Pro-GM groups argued that the debate should be restricted to the single issue of whether GM seeds were advantageous for various social groups and the economy, but anti-GM groups brought in the larger issues of choice of agricultural paradigms—agro-ecological or industrial—and choice of development strategies—corporate-led or state-led—and the implications of such choices for Indian democracy.¹⁰

Indian Mobilization against GM Seeds: The Mature Phase (2006-present)

Efforts were made since 2003 in India to launch a second transgenic crop, Bt brinjal. Brinjal is a very popular vegetable in India, consumed by the rich and poor alike. When it comes to brinjal, Indian farmers cultivate both hybrids and open pollinated varieties (OPVs). This market segmentation facilitated collaboration between the public sector and the private sector, beginning in 2003 (Herring and Shotkoski 2011). MAHYCO shared its biotechnology (which it had developed in collaboration with Monsanto) with Indian public institutions for development of Bt brinjal. These public institutions developed Bt brinjal varieties with technology donated by MAHYCO, while MAHYCO itself continued to concentrate on Bt hybrids, assuming that many farmers would eventually favor them for their yield advantage.

In contrast to the Bt cotton story where hundreds of private sector hybrids have been released from 2002 onwards, and only one public sector variety was released, more brinjal OPVs from the public sector than hybrids from the private sector were planned for release. This would give Indian farmers a choice between two types of GM cultivars: the lower-cost and save-able seeds of Bt brinjal varieties and the higher-yielding and more expensive hybrid seeds. The central government’s Genetic Engineering Approval Committee (GEAC)’s Expert Committee concluded in October 2009 that the technological trait in brinjal was effective in controlling target pests, safe to the environment and humans, and had the potential to benefit farmers. Given the approval by the GEAC, one would assume that the stage had been set for Bt brinjal to be legally introduced in India. However, that was not to be.

In a serious attempt to solicit opinions from the public about developing human-centered policies regarding Bt brinjal, the then Minister for Environment and Forests, Jairam Ramesh, announced that he would not accept the GEAC recommendations for commercial release of Bt brinjal, but would instead open public consultations on a tour of seven Indian cities. In January 2010, he toured far-flung cities within India: Kolkata and Bhubaneswar in the eastern states, Ahmedabad and Nagpur in the western states, Hyderabad and Bangalore in the south, and Chandigarh in the north. There was a massive outpouring of letters and other documents from

¹⁰ For further discussion, see Roy (2014). Moreover, while GM seeds are often associated with the paradigm of industrial agriculture, this need not be the case for all farmers. See Roy (2010, 2012) for reasons why self-identified organic farmers in Gujarat (India) chose to cultivate Bt cotton and why their attitudes toward GM seeds changed (or did not change) over time.

scientists, agriculture experts, farmers' organizations, NGOs, consumer groups and people from all walks of life. These publicly available documents run into hundreds of pages and are written in many languages by many different individuals and groups, both pro-GM and anti-GM. After the consultations, in February 2010, Minister Ramesh placed an indefinite moratorium on the commercialization of Bt brinjal until independent scientific studies established the safety of the product in terms of its long-range impact on human health and the environment (including the rich biodiversity existing in brinjal in India).

Which factors led to this unprecedented opening up of the debates regarding GM crops and the future of Indian agriculture in January 2010? The anti-GM civil society groups played a major role in launching public awareness campaigns about the problems with Bt brinjal, mobilizing public opinion in January 2010 to get citizens to respond to Minister Ramesh's public consultations. But the demonstrated efficacy of anti-GM civil society groups was not the only reason why the February 2010 indefinite moratorium came into being. Roy (2014) notes four other reasons that led to the 2010 moratorium on Bt brinjal. The first is the lack of release of unauthorized Bt brinjal seeds to farmers at that point in time and the second is the difficulty of mobilizing brinjal-producing farmers to rally in support of Bt brinjal. The third reason is the lack of scientific consensus on the issue of Bt brinjal. Unlike in the case of Bt cotton where few Indian scientists joined the anti-GM groups, the GM food crop Bt brinjal saw a divided scientific community. The fourth reason is the opposition by many powerful regional/state governments to Bt brinjal. Minister Ramesh's announcement of the indefinite moratorium on Bt brinjal's commercial release continues to this day and is the first major victory for the anti-GM civil society groups in India. The salience of this major victory of the anti-GM coalition over corporate transgenic seeds needs to be emphasized. The noted food and trade policy analyst Devinder Sharma told me, "The February 2010 government decision to announce an indefinite moratorium on the commercialization of Bt brinjal was the *most* significant victory achieved by movements arising from within the Indian civil society in the last forty years." Given India's numerous social/environmental movements, some of which are globally renowned, this assessment by Sharma should give the reader pause for thought.

Just before the national elections in summer 2014, the GEAC of the environment ministry of the ruling United Progressive Alliance (UPA) government approved field trials of some fifteen GM crops. In June 2014, a new government was formed by the right-wing *Bharatiya Janata Party* (BJP) in New Delhi. There was some fear among anti-GM activists that the new government would continue with the previous government's stance on field trials of GM crops. However, due to pressure from the right-wing organizations such as the *Swadeshi Jagaran Manch* (SJM)¹¹ and the *Bharatiya Kisan Sangh* (BKS), the new government placed a hold in July 2014 on the field trials of fifteen GM crops. This decision by the New Delhi government was sought to be overturned by some states. For example, Maharashtra has just allowed open field trials for five GM crops, including Bt brinjal. Nevertheless, many other states including Gujarat, the home state of Prime Minister Narendra Modi are not allowing field trials of GM food crops, at least for the present. The earlier decision by the central government to place a hold on the field trials of GM crops can be counted as a qualified success for the anti-GM movement, however

¹¹ The *Swadeshi Jagaran Manch* or SJM (Forum for National Awakening) is associated with the BJP, and is an organization devoted to both economic and cultural nationalism. The *Bharatiya Kisan Sangh* or BKS (Indian Farmers' Union) is also associated with the BJP, and is a nationwide farmers' organization. Both SJM and BKS are part of the right-wing '*Sangh Parivar*' (the Family of Organizations associated with the politically and culturally influential civil society group *Rashtriya Swayamsevak Sangh* or 'National Association of Volunteers').

short-lived it may have been. But even if the central government in New Delhi were to approve of field trials of GM crops in the future, the state governments would have the last word on whether field trials of GM crops would be permitted in their respective states. Biotechnology is decided at the level of the central government, but agriculture ultimately falls under the administrative ambit of the state.

Analysis of the Anti-GM Movement in India

In this section, I will make five points. First, in the early phase (1998-2005), the anti-GM movement did not score any notable victories because of its inability to develop an effective coalition between right-wing nationalists, centrists, and left activists between 1998 and 2001. A further problem was created by the entry of unauthorized Bt cotton seeds unnoticed by the Indian state and civil society groups, a fact which was discovered only in fall 2001. In the case of Bt cotton, the pro-GM corporate interests were able to outmaneuver the anti-GM groups and state actors due to the alignment of powerful cotton farmers' interests with Monsanto's interests in the wake of the discovery of unauthorized Bt cotton.

Second, in the mature phase (2006-present), the anti-GM movement was finally able to build an effective coalition comprising of right-wing, centrist, and left-wing groups. Each component built links with their respective political parties, parliamentarians and policymakers in both state-level (regional-level) and central governments, as well as scientists, media persons, urban consumers' groups, and farmers' groups sympathetic to their ideologies.

Scoones (2008) notes that the GM debate in India was characterized by the strategic development of alliances and the linking of actors and organizations in new, often fragile coalitions. However, I will argue that the fragility of the civil society coalitions in the area of GM crops became a thing of the past by about 2006. Despite the ideological differences and the contrasts in personalities and work styles, Indian activists were able to form nationwide loosely-knit yet robust networks such as the Coalition for GM-Free India. This Coalition nurtured an energetic and wide-ranging campaign against GM crops in India from about 2006. Different actors fought on different fronts across the country. Thousands of activists throughout the country worked with peasants to mobilize support against Bt brinjal. Though longstanding activists such as Devinder Sharma, Suman Sahai, and Vandana Shiva were also present in this struggle, new activists had begun to play a larger role.

Many strands of activism came together to form the anti-GM movement in India from the early 1990s onward. There were activist organizations that had been long tackling the negative side effects of industrial agriculture in the Green Revolution areas. Such environmental groups felt that not only had Indians overlooked the old dangers associated with Green Revolution technologies, they were inviting new dangers by welcoming plants releasing pesticide-like substances into the environment. Other groups worried about the biosafety implications of transgenic crops; after viewing the chaos surrounding Bt cotton, they fought for a stronger regulatory system that would effectively monitor GM crops from the lab to the field.

Further, there were centrist and left wing organizations that focused on the negative impacts of contemporary capitalism, including the WTO's trade-related intellectual property rights (TRIPS). These civil society groups concentrated on localization and developing community-based self-reliance in all matters, including food. Such groups created local and village-level seed banks to maintain seed diversity and farmers' autonomy, they promoted

organic and sustainable agriculture among farmers, and they educated the non-farming public on why they should buy and eat organic, GM-free food and use GM-free fiber. Additionally, there were individuals and groups that mobilized different constituencies: women (seen as providers of food to families and as seed guardians), consumers (who could vote with their wallets), and farmers. Also, there were groups that had a rights-based approach to food and farming.

There were right-wing groups that fought against the idea of cultural and economic imperialism by non-indigenous technology and foreign firms while seeking to preserve native economies and cultures. There were left groups that sought to resist the same types of imperialism but with the goal of creating a socialist economy. Thus, a heterogeneous medley of individuals and groups with very different interests and representing various constituencies cobbled together the Coalition for GM-Free India by 2006.

Third, I argue that the anti-GM Indian movement is anti-corporate and anti-imperialist. Let me illustrate with examples. On January 30, 2010, the day that Minister Ramesh held the public consultations in the northern city of Chandigarh city, more than a hundred thousand Indians across the country, organized by the anti-GM movement, went on a fast to deliver the message that the independence won by the country through the freedom struggle and through the leadership of non-violent (*ahimsa*) non-cooperation (*satyagraha*) offered by Mahatma Gandhi cannot be lost to GM crops such as Bt brinjal (Dutta 2012). The protestors drew on Gandhi's concept of *Hind Swaraj* (sovereign self-rule) and noted that the agricultural economy cannot be turned into a source of exploitation by foreign seed firms. They used the slogan: 'Remember the Mahatma, Stop Bt Brinjal, and Protect India's Seed & Food Sovereignty.'

The 'Monsanto Quit India' day continues to be organized as a site of protests against the power of the global agribusiness in shaping the Indian farming landscape, corporatizing farming, and undermining the food sovereignty and food security of local grassroots farmers (Kuruganti 2011, quoted in Dutta 2012). On this day, protests were organized by farming communities all across India. On August 9, 2011, farmers gave voice to their resistance to the commoditization and privatization of agriculture in the form of four key claims made to the Indian government: (a) no collaborative research projects and partnerships with Monsanto or other similar food corporations in state-owned agricultural universities or within the national agricultural research system; (b) no commissioned projects under GM crop trials in these institutions and no GM crop trials; (c) no public-private partnerships in the name of improving food productivity, particularly for crops such as rice and maize that pose serious concerns of food security and food sovereignty; and (d) setting up sustainable grassroots systems of seed self-reliance that respect the local knowledge and technology of farmers, and simultaneously seek to support institution building and infrastructure around self-reliant systems (Dutta 2012). The "Monsanto Quit India" movement draws its cultural relevance from the 1942 Gandhi-led 'Quit India' movement.

On the 'Monsanto Quit India' day of August 8, 2013, farmers from twenty Indian states gathered in New Delhi for a day-long *dharna* (sit-in) to demand freeing the country from GM organisms and the withdrawal of lopsided provisions in the Biotechnology Regulatory Authority of India (BRAI) Bill, 2013, which allows ease of release of GM crops in India (Sood 2013). The farmers presented a national flag made from non-Bt-organic cotton to Prime Minister Manmohan Singh for unfurling on the Independence Day. Pankaj Bhushan, co-convener of Coalition for a GM-Free India, told the audience,

It is a shame that cotton and *khadi*,¹² the symbols of our fight for Independence, are today controlled by an American MNC¹³ because of our indifference and inaction. Ninety-three per cent of Indian cotton seed has the proprietary technology of Monsanto. On this Independence Day we will hoist non-Bt organic cotton national flags in all the 20 states from where people have joined this *dharna*; this is a symbolic beginning to regaining our seed sovereignty. We also request the Prime Minister to hoist this flag from the ramparts of the Red Fort this year. (Sood 2013)

The Indian anti-GM NGOs have been dismissed as “agents of the state” in some quarters, but the events of February 2010 and July 2014 raise the question of who drives whom: does the semi-peripheral state use social movements for its own gains or do social movements successfully press the semi-peripheral state to accept their goals? I would argue that the state’s decisions in February 2010 showed the power of the centrist and left-of-center elements within the anti-GM coalition to force the Indian state—when the governing party also subscribed to a left-of-center ideology—to cede to their demands, while the central state’s decision in July 2014 showed the power of right-wing elements within the anti-GM coalition to coax the right-wing governing party in New Delhi to agree with their demands.

By cobbling together an umbrella-like organization, the Coalition for GM-Free India has provided space for right wing, centrist, and left wing NGOs and activists to interact and promote the ‘national’ interest. Further, the Coalition for GM-Free India has proved that a loosely knit yet robust network of NGOs subscribing to a wide range of ideologies has its organizational advantages. It remains nimble and pragmatic enough in being able to achieve its goal of creating a GM-free India, whether a left-of-center or a right-wing political coalition is in power. The right-wing NGOs in the anti-GM movement have conduits to the right-wing BJP, while the centrist and left-wing NGOs in the anti-GM movement have connections with the Congress party and left parties.

Fourth, this analysis of the anti-GM movement supports Chase-Dunn’s claim that for the world-system analysts, the most fascinating political movements arise in the semi-peripheral countries. As Chase-Dunn argues, movements of the left and right have both emerged in semi-peripheral countries. However, to my knowledge, the Indian anti-GM movement is probably the first case of right, centrist and left elements together building an effective coalition to thwart the ambitions of core states and leading firms based in core states to create more quasi-monopolistic situations with regards to GM seeds. The successful and exemplary Indian anti-GM coalition may trigger similar coalition-building activities in other non-core states.

Fifth, this analysis partly supports Wallerstein’s argument that semi-peripheral states play the dual roles of anti-imperialism; by opposing the hegemonic core state and its leading firms, and sub-agents of imperialist core. During the 1990s, the Indian state acted as a sub-imperialist agent. But by 2010, the visible pressure created by the anti-GM coalition on the Indian state emboldened the state to act as an anti-imperialist agent in the realm of GM food crops, if anti-imperialism is defined as opposing the hegemony of the United States. But until policies that uphold and further capitalism in agriculture are jettisoned by the Indian state, it is possible that the Indian state will act to develop capitalism in the agriculture sector in other non-core regions. For example, the legal researcher and policy analyst Shalini Bhutani believes that the February

¹² *Khadi* is handspun cloth, the creation of which was popularized by Gandhi as a means of winning back the economic independence of India.

¹³ MNC is the acronym for ‘multinational corporation.’

2010 decision of Minister Ramesh was actually undertaken to buy time for the Indian public sector which is after all carrying out R&D work on GM crops, including GM brinjal. Bhutani informed me, “After all, if you carefully read Jairam Ramesh’s statement on why he announced an indefinite moratorium on Bt brinjal, you will see that he did not announce a blanket ban on GM crops.” According to Bhutani, India is one of the few countries where the state is seeking to respond to the issue of seed pricing in the sector of agricultural biotechnology by developing its own public sector transgenic seeds, the belief being that if you have competition in the market, it will offer more choices to the farmers, that is more Bt varieties to choose from—foreign brands versus “made in India” brands, and also keep prices of GM seeds in check.

The Indian anti-GM coalition is currently divided on the issue of public sector transgenic seeds. For example, Dr. Vijoo Krishnan, the joint secretary of the All-India Kisan Sabha (AIKS)—a civil society group which has over twenty million members, all of whom are small farmers—told me,

We are for scientific innovation. The issue of who controls our seeds is important. Monopolies in seeds should not be encouraged, especially if these monopolies rest with private seed firms. Public sector seed firms should be encouraged. Participatory plant breeding and participatory seed development leading to public sector seeds should be encouraged by the government. These processes build on interface between scientific fraternity, agricultural research institutions, and farmers. Research on GM crops must be through the public sector research institutions and must be allowed only after putting in place a stringent regulatory mechanism for ensuring bio-safety concerns are effectively addressed. Field trials can only be allowed after such a process and until then there must be a moratorium.

Concluding Reflections

The February 2010 moratorium on Bt brinjal and the July 2014 hold on field trials of GM crops signal the coming of age of the Indian anti-GM movement. The moratorium on Bt brinjal is an especially important milestone in the Indian citizenry’s participation in human-centered policy approaches. The two policy decisions also opened up debates about the different paths to development that Indians can adopt. Though the interactions of state actors with civil society actors remain something of a ‘black box’ for investigators, it is possible to speculate that the Indian state moved from a sub-imperialist role in the 1990s to an anti-imperialist role by 2010, because counter-hegemonic actors still existing within the state can play a role in contesting the power of core-based firms, provided the semi-peripheral state faces sufficient pressures from domestic civil society.

Nevertheless, I discern three problems with the Indian anti-GM movement. First, as Bello (2002) points out in a different context, normal corporate behavior is construed by some activists as abnormal. The assumption they make is that the problems associated with certain multinational firms can be ‘solved’ by removing those corporations from the capitalist system. They do not realize that the problem is really with the way the capitalist system functions as a whole. They do not realize that ‘reforming’ the capitalist system by excising certain firms may be out of question because new firms behaving in ‘old’ ways will emerge to replace the excised firms.

Second, as I have already noted, the Indian anti-GM coalition is currently divided on the issue of public sector transgenic seeds. I argue that the anti-GM coalition will have to soon reach a consensus on the desirability of public sector transgenic seeds so that it can become more than a pawn in the game between the hegemonic core state, multinational firms, and the anti-imperialist Indian state.

Third, Bt brinjal has been legally introduced in neighboring Bangladesh in January 2014, and may be cultivated in open-air field trials in Maharashtra in the near future. The prospects of Bt brinjal seeds travelling across the porous Indo-Bangladeshi borders or the borders between Maharashtra and other Indian states is acknowledged as a problem by activists, scientists and state actors who fear a repetition of the Bt cotton story. If unauthorized Bt brinjal seeds reach Indian farmers, then the Indian debates about alternative pathways to development—which are premised on not seeing entry into the core region as the endpoint of semi-peripheral development—and the experiments in democratic decision-making about GM seeds will be short-circuited.

The Indian state has been transformed from a sub-imperialist agent of the core to an anti-imperialist agent because of the pressure created by the anti-GM Indian coalition. If unauthorized Bt brinjal seeds do not reach Indian farmers, if the anti-GM Indian coalition becomes resolutely anti-capitalist (not just anti-corporate), and if it also takes a stand against public-sector GM seeds, then it will possibly influence the semi-peripheral Indian state to move in an anti-capitalist direction. My reading of the anti-GM Indian movement supports Chase-Dunn (1990)'s optimism about the possibilities of larger semi-peripheral states such as India, in conjunction with the anti-GM movement, to emerge as agents that will transform the character of the capitalist world-system. Wallerstein (2013) has claimed that BRICS states have demonstrated little capacity to resist and transform capitalism. However, as I have shown in this paper, through an exemplary coalition-building between right-wing, centrist, and left elements, the Indian anti-GM movement has influenced the Indian semi-peripheral state to resist those multinational capitalist firms which seek to further capitalist accumulation through the creation of monopolies of GM seeds and GM crops. Whether, and to what extent, the Indian state will seek to transform capitalism within and outside its boundaries depends to a large extent on the Indian anti-GM movement's capacity to resolve its inner contradictions and press the Indian state to do likewise.

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Will China's Development lead to Mexico's Underdevelopment?

Kathleen C. Schwartzman

University of Arizona

kcs@email.arizona.edu

Abstract

China has become an important global actor in the arenas of production, trade, and foreign investment. In 1948, China contributed slightly less than 1 percent to global exports; by 2013, it had grown to almost 12 percent. Has China's vertiginous trade growth come at the expense of other exporters or does it represent an expansion of new consumer markets? For policy makers in the so-called "emerging markets," this is most relevant since many have adopted the export-led model as their engine of development. The goal of this article is to add to the current literature on the effect of China's growth on Mexico. Combining elements of world-systems, race-to-the-bottom, and global commodity chain frameworks, I analyze the consequences of China's export growth in garlic. The evidence strongly suggests that China's entrance into this global market has had deleterious consequences for Mexico's production and exports.

Keywords Globalization, Underdevelopment, South-South Competition, Mexico, China, Garlic

Mexico has faced many economic challenges since gaining independence from Spain. China's participation in global economic exchanges poses a new one. In 1948, China contributed slightly less than 1 percent to global exports; by 2013, it had grown to almost 12 percent (Figure 1). In 1979, China began to open its economy with tariff reductions and launched its own export upsurge. Two inflection points stand out¹: one in 1983 and another in 2002 following China's adherence to the WTO.

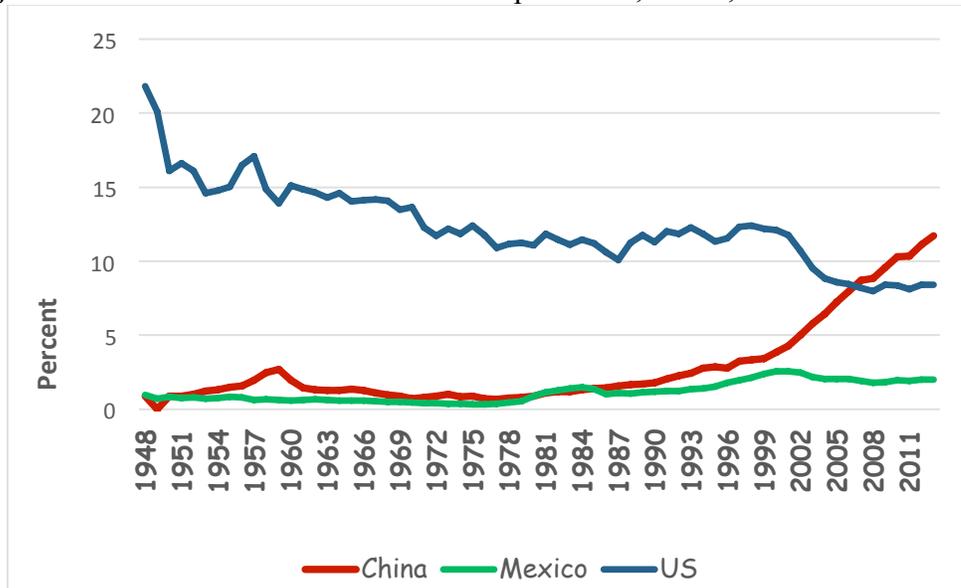
China's WTO commitments included reducing its average tariff rate to 10 percent by 2005, and eliminating import quotas, licenses, designated trading practices, and other non-tariff barriers. China agreed to limit domestic agricultural subsidies to 8.5 percent of the value of production (below the 10 percent limit allowed for developing countries under the *WTO Agreement on Agriculture*), and to eliminate all agricultural export subsidies prohibited by the WTO, including grants and tax breaks linked to exporting. Most importantly, it would eliminate

¹ WTO (2010) Merchandise includes raw materials and agricultural products; everything except services.

constraints on foreign investment (e.g. technology transfer or local content requirements), and it would protect investors' intellectual property rights (Rumbaugh and Blancher 2004).

In exchange, China's adherence to the WTO expanded its ability to export to previously closed, limited, or high-tariff markets. China "joined" global commodity chains by becoming the host country for outsourcing. Foreign corporate actors initiated China's integration into global networks. Some were very large (Foxconn); some were small (McGill--producer of paper punches); some were retailers such as Wal-Mart and Crate and Barrel, while others were wholesalers.

Figure 1. Shares of World Merchandise Exports: US, China, & Mexico²



For policy makers in other emerging markets (also known as developing or lesser developed countries), it is important to ask if China's vertiginous trade growth has come at the expense of other exporters, or if it represented an expansion of new consumer markets. This question is most relevant for those nations that have adopted the export-led model as their engine of development. The goal of this article is to add to the literature on the effect of China's growth on other nations and on Latin America. Combining elements of world-system, race-to-the-bottom, and global commodity chain frameworks, I analyze the consequences of China's export growth in garlic.

Theoretical Significance

We are in the midst of a global "race to the bottom": in labor standards, wages, and environmental integrity. The displacement of Mexico from the U.S. garlic market is one small example of this global race. It exemplifies Wallerstein's initial notion that production chains are fluid, and nodes can be substituted on the basis of geography, labor regime, technology, or

² Unless otherwise indicated, graphs and tables are authors' calculations based on data from FAO, WTO, U.S. Department of Commerce, Bureau of the Census, Foreign Trade Division, and Mexico, Secretary of Agriculture (SAGARPA).

political regime. In contemporary discussions, race-to-the-bottom has provided the conceptual framework for analyzing the effect of globalization on national labor regimes (Chan and Ross 2003) and environment.

In the relay race, producers and distributors move from one developing nation to another. It unleashes a South-South competition. Although host governments do not initiate the race, they become complicit in bidding wars because they, as much as foreign investors, want to maintain their “competitive advantages” of, for instance, cheap labor, lax working conditions, and lenient environmental regulations (Hough 2012). They are responding to firms from the developed world searching for lower production costs. Despite the “hospitality” host governments extend to investors, they often end up worse off. Given a global consumer market that is relatively inelastic in the short-run, one country’s gain is likely to be another’s loss; not every nation can be a net exporter.

The fluidity of global trade, subcontracting, as well as foreign direct investment are not simply universal processes of “globalization.” This race-to-the-bottom is best understood when embedded in World-systems theory, which offers the analytical leverage to understand the “why” and the “when” of such races. Scholars have argued that U.S. firms, in an attempt to maintain their economic niche and profit levels, began transforming production: partitioning production into commodity chains and inserting more offshore maquiladoras (more countries) into the final product. Over time this led to a perpetual race-to-the bottom. Specifically, world-systems theory allows us to link the continuous search for lower production costs—the race-to-the-bottom—with the U.S. profit crises and hegemonic slide (B-phase). The current global flows follow a U.S. hegemonic slide that began two decades earlier and was precipitated by stagnating rates of capital accumulation and the rising cost of socially-oriented state intervention and regulation (Harvey 2005). This hegemonic decline is reflected in multiple indicators of global economic dominance (Economist 2013; Harvey 2007; Thurow 1992; Bowles, Gordon, and Weisskopy 1983). Commentators are divided on whether or not this represents a transient decline or a real economic contraction characteristic of the B-phase of the Kondratieff cycle. Putting aside that debate, we can at least say that capital mobility is fundamental for the reproduction of capital. The race-to-the-bottom accomplishes this with a constant compression of production time and production space (Bonanno and Cavalcanti 2011).

The early B-phase gave way to North-South (N-S) competition. As the U.S. economy contracted and profit rates fell, firms sought cheaper labor, moving parts of the production process to Mexico. The Charles E. Gillman Company, an early mover, recognized an opportunity to become more competitive in the wire and cable industry by locating part of its production in Mexico in 1970. The Mexican ‘division’ reduced operating costs, and allowed the company “to pass on substantial savings to our customers” (Gillman). Together, the race-to-the-bottom and world-systems theory frameworks direct our attention to the N-S competition (United States and Mexico), which was both prior to, and responsible for unleashing the South-South competition (Mexico and China).

World-systems theory and race-to-the-bottom provide theoretical foundations for the study of Global Commodity Chains (GCC). The earlier concept of Hopkins and Wallerstein (1977) has been extended and modified (Gereffi and Korzeniewicz 1994; Gereffi et al. 2001). GCC describes a production process that crosses national boundaries, utilizes diverse forms of labor control, and does so under the umbrella of interconnected firms. Any of the actors along the chain may subcontract or allocate tasks to countries that possess advantages—typically natural resources, cheap labor, political stability, or environmental conveniences. GCC is concerned

with understanding how commodities are produced: identifying sets of inter-firm networks which connect manufacturers, suppliers and subcontractors in global industries to each other, and ultimately to international markets (Bair 2005: 156). The goal is to identify where, how, and by whom value is created and distributed. While world-systems theory and race-to-the-bottom identify the root causes of these chains, GCC investigates their organizational forms. The GCC that we observe today would have been impossible without the rapid rise of new technologies facilitating the mobility of production components (Castells 1989). Together, these interconnected frameworks offer analytical leverage to speculate on the fate of peripheral or semi-peripheral nations that are highly dependent upon core nations undergoing a contraction or hegemonic slide (Frank 1969).

In the first section of this paper, I review some of the research on the “China effect” for both developed and underdeveloped countries. Then I summarize some of the research on the “China effect” for Latin American in general, and for Mexico in particular. Finally, I describe my analysis of the garlic industry. Unlike the conclusions that posit ‘no negative effect’ for developing countries, I conclude that in this case, China’s gain was Mexico’s loss; the U.S. hegemonic slide had a negative consequence for its Mexican satellite.

The China Factor in the World Economy

Most countries have increased their imports from China, but has it been at the expense of other exporters? And are all exporting countries losing their foreign markets? Using trade data from 1995–2010, Husted and Nishioka (2013: 567) test the impact of China’s trade growth on 93 other exporters³. They are particularly interested in distinguishing the impact of China’s gains on developed from those on developing countries. They find that developing countries have not seen their share diminished, but developed countries, namely Japan and the United States, have. Within their sample of 91 importers, the United States lost export market shares in all but eighteen countries while China gained in all.

Subdivided into time periods, they find that from 1995 to 2000, China’s share growth was moderate; from 2000 to 2005, China’s share growth was greater and accompanied by a market share loss for the United States. From 2005 to 2010, China continued to increase its market share. In analyzing China’s increased shares, they partition out the expansion in the variety of *new* commodities exported (extensive margin) from an increase in *existing* commodities (intensive margin). Their findings do not support the conclusions of Broda and Weinstein who find that about 30 percent of U.S. import growth was of the extensive type; but are in line with Amiti and Freund (2010) (quoted in Husted and Nishioka 2013) who find that most of the export growth from 1997 to 2005 was of already existing commodities (2013:571)⁴. In both cases, outsourcing and the fragmentation of production into Global Commodity Chains are important contributors to market gains. Between 2003 and 2005, Chinese joint ventures and affiliates accounted for 75 percent of the increase in China’s trade (Manova and Zhang 2009, quoted in Husted and Nishioka 2013: 576).

³ Their sample accounted for 76.8% of total world imports.

⁴ Husted and Nishioka (2013) provide an extensive literature review.

The China Factor in Latin American Economies

This literature addresses two questions: what is China's effect on Latin America's export markets; and what is its effect on Latin America's domestic markets? China's export growth can affect Latin America by taking over some or all of its third-country market shares, or by exerting downward pressure on global prices. Secondly, China's growth can affect Latin American producers by competing in their own domestic markets.

Gallagher and Porzecanski (2008) use the UN Commodity Trade Statistics Database (UN Comtrade) to investigate whether China's rise as a global exporter affected the ability of Latin American and Caribbean countries (LAC) to compete in world export markets. They conclude that China and LAC are not competitors on the world market because they have dissimilar export profiles. LAC countries export primarily raw materials and primary goods (2008:186). I describe their findings about Mexico in the next section.

China and Latin America may not be competitors but the trade relationships between them are asymmetrical. In 1993, LAC had a trade surplus with China; by 2005 it had a deficit. The Chinese market is important for the Latin American exports of raw materials and primary products such as grains, beef, and copper (Gallagher and Porzecanski 2008: 189). At the same time, LAC import high-value added manufacturing goods from China. China is critical for LAC trade, but the inverse is not the case. In 2005, Latin America received only 3 percent of all of China's exports and accounted for only 3.8 percent of China's imports. By 2009 China was Brazil's major trading partner. Brazil exports low-value-added goods and primary products to China: more than 75 percent is comprised of iron, soybeans, and oil. In contrast, Brazil imports value-added and high technology goods from China. Perpetuating this disadvantageous raw material –value-added exchange is the fact that China protects some of its commodities in its home market. The level of trade protection varies with the degree of processing. Jenkins, Peters, and Moreira cite the case of Brazilian soybean exports in 2005: soybeans accounted for 28 percent of exports to China in 2005 while processed soybean oil accounted for only 2 percent (2008: 238). In this way, China's import and export growth contribute to the persistent current account deficits of LAC and put them further behind in the race to 'catch up' to other developing countries in establishing manufacturing capabilities.

Latin American producers have additional concerns about their own domestic markets. From 1995 to 2005, imports from China rose from 1.8 to 5.5 percent of total LAC imports (Jenkins et al. 2008: 239). Again we can ask if these imports represent new commodities previously not available or competition with domestically produced ones. Antidumping cases against China register the fear of LAC producers that domestic markets are threatened by Chinese imports. In 2008, China was the target of 33 percent of Brazil's ongoing antidumping cases, 50 percent of Peru's, and 100 percent of Colombia's (Weik 2013). Brazilian steel producers were alarmed by China's decision to eliminate its export taxes (effective December 1, 2008) on cold-rolled, galvanized, and high value-added steel products. From January to August 2008, Chinese exports of steel to Latin America grew 36 percent against 17 percent to the rest of the world. Of additional concern for the Brazilian steel industry was China's plan to scrap export taxes on hot-rolled steel, section steel, and steel rods and wires (Brasilians 2008). Brazilian industry representatives claimed that subsidization in China has likely harmed them in both the domestic and export markets.

The China Factor in the Mexican Economy

Here I consider four questions. Did China displace Mexico from: 1) global markets, 2) the U.S. market, 3) its own domestic market, and 4) its garlic markets in all of the above? In Husted and Nishioka's analysis, Mexico did not fare so badly. Their analysis assumes that total market shares remain constant overtime. They analyze the total overtime market-share changes to determine the weight of the competition component (the intensive margin). I have extracted several data points from their individual country analysis (Table 1). They conclude that Mexico, (in their "developing countries" subsample), did not lose significant global market shares to China between 1995 and 2010. When subdivided into three time periods however, Mexico shows positive growth during the first period and a slight loss during the second. The 2000-2005 period spans the time when China joined the WTO and firms left Mexico for the new destination. Transferring foreign direct investment from Mexico to China explains some of this change. For example, \$514 million was diverted from the Hi-tech hub of Guadalajara alone. Overall, however, they calculate an insignificant effect (.847), concluding, "Mexico's export shares hardly changed over the period even as China's shares rose across the board" (Husted and Nishioka 2013: 580).

Table 1. Changes in Global Export Market Share

	Mexico	United States
1995-2000	1.154	1.823
2000-2005	-.447	-5.406
2005-2010	.139	-.706
Total change 1995-2010	.847	-4.290

Source: Husted and Nishioka (2013:575, 577, Tables 3 and 4)

Other studies, while concluding that developing countries generally did not suffer material damage, identify Mexico as an outlier. In comparing Brazil and Mexico, Jenkins et al. conclude that Brazil has fared better as a major exporter of primary commodities to China, while Mexico has been negatively affected by Chinese competition in export markets, particularly the United States (2008: 237). "There is near unanimous consensus that Mexico is losing competitiveness and foreign investment to China" (Gallagher and Porzecanski 2008: 186, 192). This is because Mexico's comparative advantage and export profile are similar to that of post-WTO China. Many judge the losses to be greatest in low-tech, labor-intensive goods (such as textiles and electronics). After 2005, China gained access to markets (such as the EU and the United States) from which it had been restricted under the 1995 Agreement on Textiles and Clothing (ATC). It significantly increased its clothing and textile exports. As others have documented, China began exporting textiles and lightly manufactured goods, but subsequently diversified to include sophisticated electronics, machinery, and transportation goods. The latter three contributed 17 percent to China's exported value in 1993 and rose to 41

percent in 2003 (Rumbauth and Blanche 2004). Table 2 highlights China's shift in commodity composition and in world shares.

Table 2. China's Export Profile

	Composition of Chinese Exports		China's Share in World Exports	
	1995	2010	1995	2010
Food and live animals	4.5	2.0	3.4	5.0
Machinery and transport equipment	23.2	50.8	3.1	19.0

As is evident in Figure 1 above, Mexico did not fare well as China increased its global share; but Mexico's loss in the "global market" may actually underestimate the real loss. Since Mexico has a dependent relationship with the United States, the displacement in the U.S. market matters significantly more than its displacement in the global market. This dependency is reflected in the trade, foreign direct investment, and capital flows between the two countries. All nations engage in these flows, but dependency is distinct from simple exchanges because of Mexico's asymmetrical trade with the United States. In 2012, 78 percent of Mexico's exports were destined for the United States whereas only 14 percent of U.S. exports were destined for Mexico. In other words, Mexico counts on the United States to purchase a bulk of its exports (monopsony), but the United States does not count on Mexico. Likewise, half of Mexico's imports come from the United States. As many have pointed out, these flows represent Mexico's maquiladora participation in global commodity chains. Although, the United States has increased both its volume and percentage of trade flows with Mexico, the United States is far from having a trading partner concentration with Mexico. For instance, Mexico's share of U.S. trade is minor (Table 3).

Table 3. U.S.-Mexico Trade

	% of Country Exports		% of Country Imports	
	Mexico to U.S.	U.S. to Mexico	To Mexico from U.S.	To U.S. from Mexico
1985	60.4	4.72	66.6	4.66
1990	69.3	5.28	66.1	6.24 (1991)
2000	91	10.38	74.1	9.38
2010	80.07	12.79	48.24	11.79
2012	77.70	14.0	50.08	12.0
1930-1960 average	69.71		76.44	
1960-1980 average	64.55		64.00	

Notwithstanding geographic proximity and NAFTA, the highly touted free trade agreement, total U.S. import value from China surpassed Mexico in 2003. By 2010, U.S. imports from China were one and a half times the value of those from Mexico (Figure 2). Exacerbating the asymmetric relationship, the United States continued to export significantly more to Mexico than it did to China (Figure 3).

Figure 2. U.S. Imports from Mexico and China

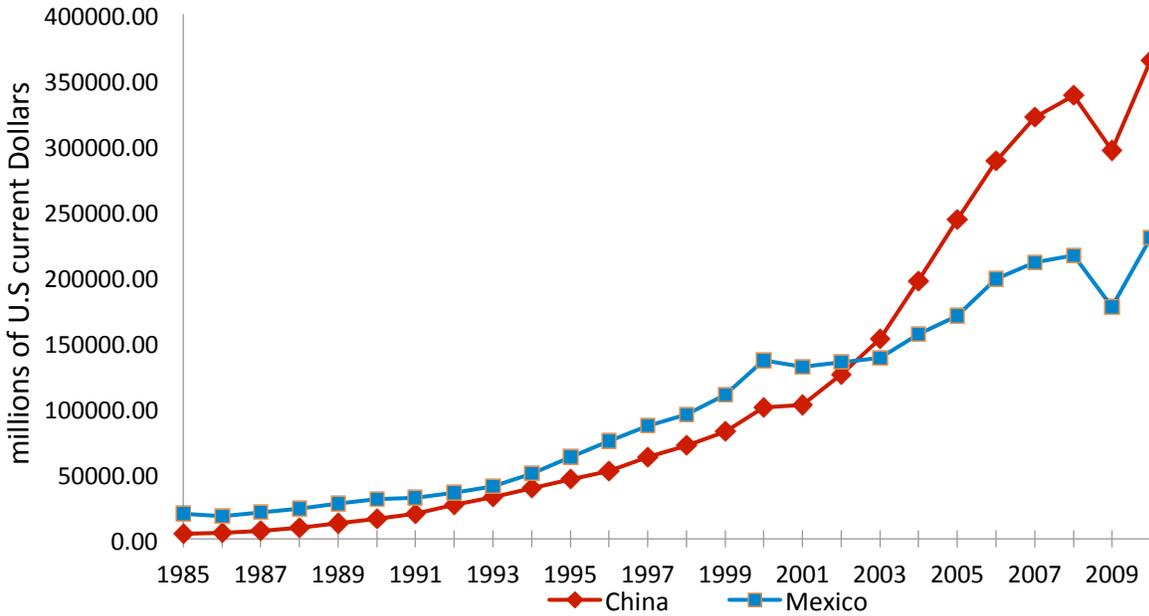
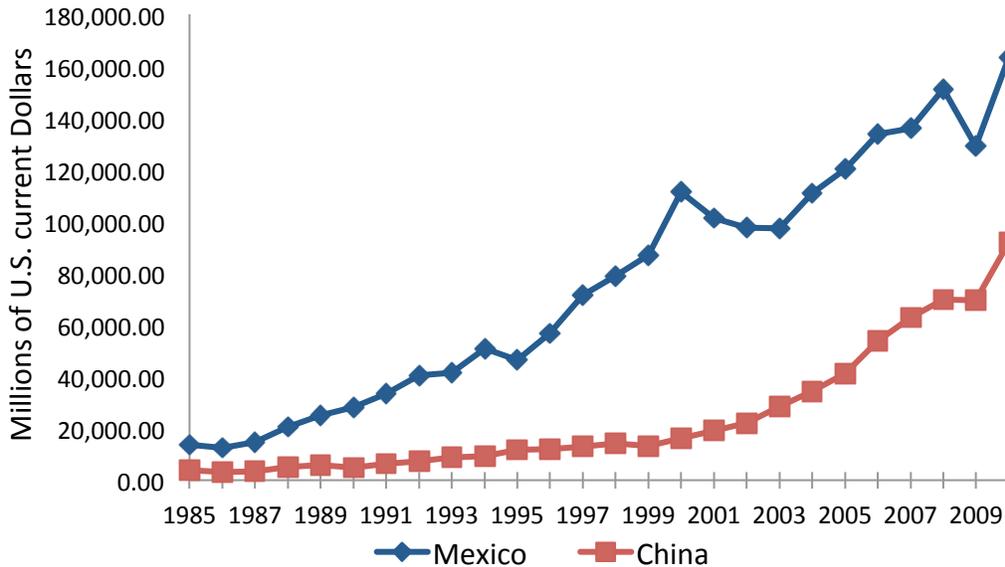


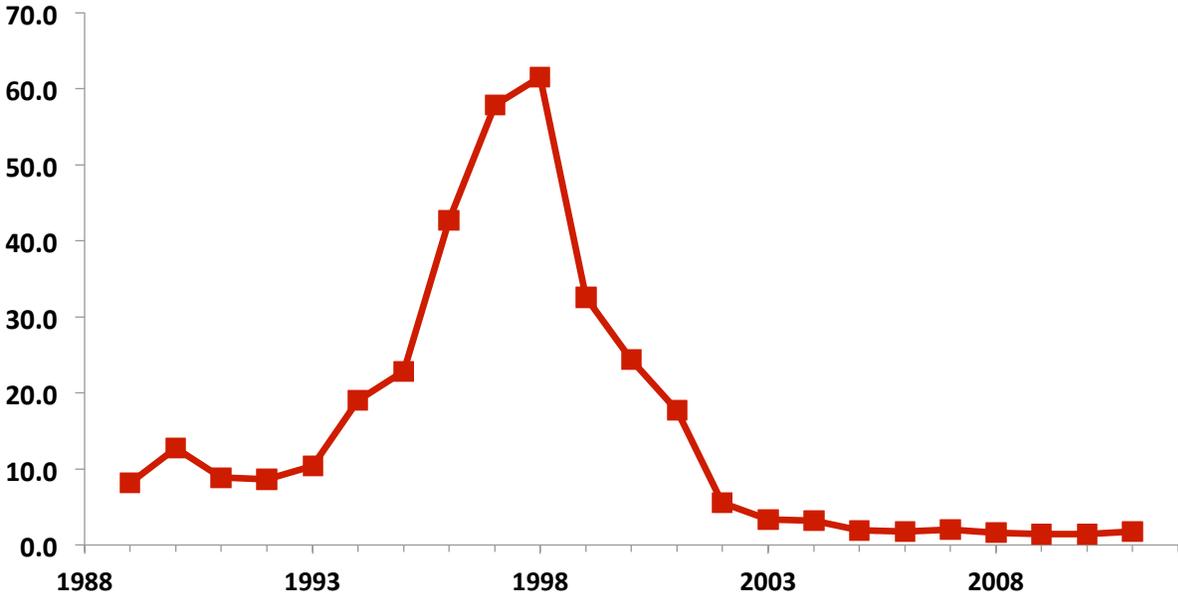
Figure 3. U.S. Exports to Mexico and China



Iranzo and Ma (2006) conclude that the competitive effects of China have been detrimental for Mexico. NAFTA may have given Mexico one decade of a privileged position in the U.S. market, but with the opening of China to the world market, Mexico faces new competition.⁵ Their study examines the disaggregated sector data, based on commodities. Using the 4-digit industry code (SITC) they find a negative correlation between Mexico and China with respect to the U.S. market. Their analysis shows no statistical significance for the pre-NAFTA period but a statistically significant negative effect for the post-NAFTA period. Their results imply that the competitive effect is largely contained within existing products, for example the gradual displacement of previously traded Mexican-made Barbie dolls by Chinese ones (2006:16).

On the other hand, for some commodities such as flat-screen televisions, they find that China complements Mexico’s exports to the United States. This product requires parts such as the glass component from China, but due to its large size, the specialized packing and assembly take place in Mexico (Iranzo and Ma 2006). Others, such as A.T. Kearney, voice a similar optimism, predicting that “Although Mexico competes with China for manufacturing investments, its proximity to U.S. markets will likely keep it competitive for investment in heavy goods, such as vehicles, transport equipment and large consumer durables” (2007: 18).

Figure 4. Ratio of Mexico to China in U.S. Imports of TV Receivers (SITC 761)



For other commodities, the data do not justify optimism. Consider the category of TV receivers, including video monitors & projectors (U.S. Census Foreign Trade Standard International Trade Classification SITC 3-digit group #761). In 1993, Mexico’s share of the U.S. imports was 10.4 times greater than China’s. In post-NAFTA 1996, U.S. imports from Mexico had risen to 42.7 times greater in dollar value than those from China (including transportation

⁵ This diversion from Mexico to China repeats processes that unfolded elsewhere when Mexico joined NAFTA. Industries left the Dominican Republic for Mexico, for example.

costs). Mexico's import dominance over China rose to a high of 61.5 times in 1998 before beginning a precipitous decline. By 2002 Mexico's import share had slipped to only 5.5 times that of China. By 2007, China and Mexico were about even (Figure 4)⁶.

The number of enterprises in the Mexican maquiladora sector dropped from a peak of 3,703 in December of 2000 to 3,230 in July 2003. Of the 523 enterprises that left during this period, one-third relocated to China, with the rest moving to other Asian countries, Central America, or the Caribbean (Werner, Barros, and Ursúa 2006). Carrillo and Gomis (2003) attribute Mexico's foreign investment losses to a number of additional factors. They point to improvements in the macro economy which strengthened the peso against the dollar and created a wage and production-cost push. Second, they suggest that Mexico is disadvantaged by the NAFTA rules that prevent a third country from using any one of the NAFTA signatories as a trampoline to get into the other two. They also point to the deterioration of Mexico's infrastructure and lack of resources for new investment in roads, ports, and telecommunications, resulting in increased delivery and distribution time. They and others (Hanson 2010) judge that poor public security and excessive bureaucratic hurdles also contribute to reduced enthusiasm for investment in Mexico.

The China Factor in Mexican Garlic Trade

Attentive to the fact that the fate of Mexico's exports vary by historical period, by destination, and by commodity, I turn to the question of Mexico's export market for garlic. Could Mexico be a country, and garlic a commodity immune from the perpetual race to the bottom? There are reasons for optimism. Mexico: rural, contiguous with the United States (particularly crucial for fresh perishable produce), and signatory to NAFTA, had comparative advantages when it came to garlic. In sampling garlic, I am choosing one commodity that should have been more successful in resisting the two processes associated with the U.S. economic decline (commodity chains and race-to-the-bottom). Rather than asking if the outcome described here is generalizable to commodities beyond garlic I invert the question to ask if observed negative outcomes for labor-intensive industries such as textiles, shoes, toys & electronics are generalizable to agricultural commodities that should have been immune. Unfortunately, the answer is yes. However, the consequences for Mexico may not necessarily be repeated in other semi-peripheral and/or peripheral countries. While these countries share similar levels of poverty, inequality, and stagnation, they are not all alike in terms of their dependency status. Historically, Mexico has had a dependent relationship with the United States.

In 1991, the United States imported garlic from Argentina and Mexico (19 and 57 percent of imports respectively) to supplement the domestic supply during the off-season. As the U.S. demand rose from .4 lbs. per capita in 1970 to 2.5 lbs. in 2009, it was met by increased production and increased imports, with the latter growing more quickly. The United States is now the world's largest import market for fresh garlic, followed by Indonesia, France, and Brazil (FAO). By 2010, 54 percent of the available U.S. supply was imported; up from 11 percent in 1980.⁷ In 2004, imports were comprised of fresh (76%), dried garlic flakes (15%), and powder (9%). As suggested above, a large proportion of garlic imports came from Mexico, which had the comparative advantages of good quality and low transportation costs. Importing and contract

⁶ My calculations

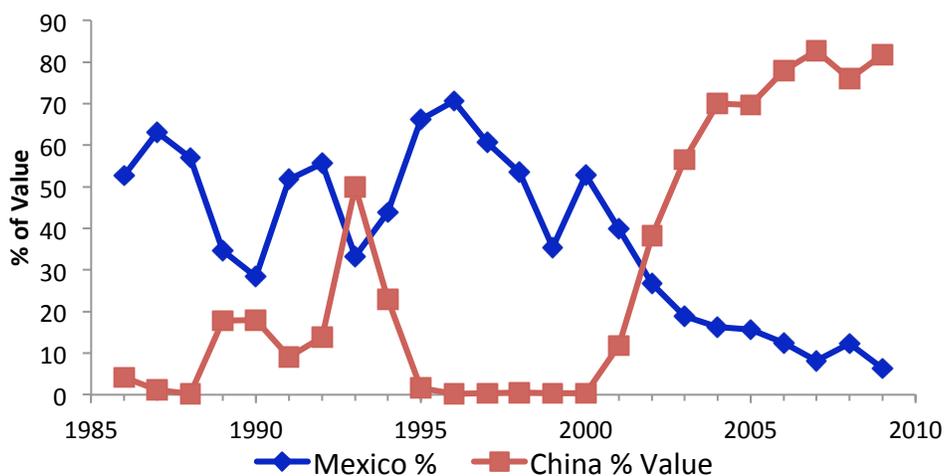
⁷ Some of the available U.S. supply was exported. In 2006, it was 6.4 percent.

growing were two mechanisms of acquiring Mexican garlic. The trade agreements of GATT (1986) and NAFTA (1994) further enhanced Mexico's access to the U.S. market.

The United States now imports garlic from China, the global leader in garlic production and exports. China's competitiveness grew following its 2002 accession to the WTO; since then it has dominated U.S. garlic imports. This had grave implications for Mexico. In 1980, China and Mexico exported about equal quantities globally (14011 and 13758 tons respectively). By 2009, China's global export volume was 126 times that of Mexico's. Mexico's share of the value of U.S. total garlic imports dropped from 50 percent in 1990-92 to 16 percent in 2004-06, and Argentina's dropped from 23 to 9 percent (Huang and Huang 2007). As with textiles and electronics, despite the geographic advantage, Mexico lost to Chinese competition. Price was the determining factor. In the Los Angeles market in June 2013, for example, white garlic from China and Mexico sold for \$2.28/kilo and \$4.4/kilo, respectively (Mexico 2013).

U.S. purchase of Mexican garlic was inversely related to that from China (Figure 5). As a consequence of a 1993 antidumping petition filed (with the USITC) by U.S. Fresh Garlic Producers Association (FGPA) against China, a 377 percent tariff was placed on 159 Chinese garlic shippers and traders. This tariff was judged to be equal to the Chinese dumping margin. Importers were required to post a bond or cash deposit equal to 377 percent of the invoice value (59 FR 59209 1994). During this period, Mexico recaptured some of the U.S. market. However loopholes in the legislation eventually resulted in China retaking the lead. In 2002, for the first time, U.S. garlic imports from China surpassed those from Mexico. By 2012, 88 percent of U.S. imported garlic was supplied by China and only 8 percent by Mexico.

Figure 5. U.S. Imported Garlic Market Shares: Mexico and China



The fresh garlic market was particularly important since an average of 94 percent of Mexican garlic exports were fresh. By 2012, 67 percent of the U.S. supply of fresh and chilled garlic was imported and 90 percent came from China. Mexico was losing the U.S. market. In 2000, 95 percent of Mexican exported garlic was destined to the United States; by 2009, it had dropped to 63 percent. Overall the average percentage of Mexican production that was exported

fell from 28 percent (1980- 2001) to 24 percent (2002-2010). In short, a smaller percentage of Mexico's production was exported and its production declined (Table 5).

Table 5. Mexico's Declining Garlic Industry

	1980-2001 Average	2002-2010 Average
Quantity Exported (Tonnes)	15219	11448
Production Exported (percent)	28.3%	24%
Exported destined for U.S. (Percent)	95% (2000)	63% (2009)
Produced (Tonnes)	54276	48311
Available garlic imported (Percent)	6.4%	31.4%

The Real South-South Competition

Garlic arrived in Cuba with the Spanish conquerors and was subsequently planted in Mexico by Cortez. Planting expanded along with domestic consumption. Currently about 65 percent of the production is consumed locally as fresh garlic, and around 10 percent is used in processed forms (SAGARPA 2010). Mexican producers began losing some of their own domestic market to imported garlic. The share of imported garlic in Mexico's national supply reached a high of 40 percent in 2002, but the averages for the 1980-2001 and 2002-2010 periods were 6.4 percent and 31.4 percent respectively. A first wave of imports came from the United States, followed by Chile and then Argentina. The commercial producers and distributors' organization, Comité Nacional Sistema Producto Ajo (CONAJO), complained that garlic was coming into Mexico from Chile and Argentina, even though production in those countries was down. CONAJO alleged that imports from China had arrived illegally through the southern and northern borders of Mexico. Producers were at a great disadvantage because of China's greater volume and lower prices. Cases of Chinese garlic triangulation through Chile were documented. Illegal imports were facilitated by free trade agreements that Mexico had signed with Chile (Chile-Mexico, effective 1998) and Argentina (Mexico-Mercosur, effective 2006). Mexican producers criticized the low labor standards and poor phytosanitary conditions of Chinese garlic production. CONAJO's complaints resulted in a July 26, 2007 Decree (Art. 73) which imposed a prison sentence and a fine on offending commercial importers.

In 2008, a parliamentary group of the PRD (Party of the Democratic Revolution) testified to the Mexican Senate that Chinese garlic was still causing financial injury to Mexican producers who had invested resources and were using the best agricultural practices and technology in order to offer consumers a product high in quality, freshness, and cleanliness. Producers complained about the high volume of imports in the 2008-2009 period. In 2009, twenty-three charges involving 8.5 tons of garlic were filed against importers in thirteen Mexican states. Additional imports could not be definitively identified because they were mixed with garlic from other origins. Two importing companies had their stock destroyed (SAGARPA 2009).

In 2011, Mexico signed a Free Trade Agreement with Peru (effective February 1, 2012). CONAJO argued unsuccessfully against the Government's "arbitrary" decision to embark on the FTA on four grounds (CONAJO 2011). First, Peru's very low levels of sanitation: fields littered

with garbage, and human and animal defecation in water sources used for irrigation. Second, lower production costs because wages are about 30-40 percent below Mexican salaries and cheap water is available from the Andean run off. Third, imports damage a Mexican sector that over decades has invested millions of pesos in the production of the highest quality garlic. Fourth, Peru imports garlic from China that will flood the Mexican market. The statement from the president of CONAJA ended with the warning that if the garlic industry could no longer employ workers, they will be forced to migrate to the United States generating the “consequent and known problems of family disintegration, desertion, and etc.” The PRD parliamentary group requested a renegotiation of the Mexico-Peru FTA in order to award garlic a 5-year exclusion. The Secretary of the Economy rejected it (Mexico SE 2011).

For Mexico, this South-South competition and the loss of both the U.S. and Mexican markets led to reduced production and even destruction of crops. While not the largest producer in Mexico, the state of Baja exports close to 100 percent of its crop. Garlic production began increasing in 1993 and peaked in 1998-1999. Since then it has been declining. The number of farmed hectares dropped from 609 in 1998-1999 to 394 in 2003-2004. Producers in other states were destroying their crop. In 2012, 60 percent of garlic production in Zacatecas (the largest producer in Mexico) remained unsold in storage. In 2013, some 400 producers in Tlacolula, (Oaxaca) tossed 200 tons of garlic for lack of a market. They complained of inadequate transportation, intermediaries (coyotes) who claimed too much of the profits, and extremely low prices (CONAJA 2013). In summary: garlic production was down; exports were down; and exports to the United States were down. Garlic sales are not a major driver of Mexico’s GDP, but even this small sector with its comparative advantages was not immune to the deleterious effects of the race-to-the-bottom.

Food and Markets that Matter

While researchers have identified the Chinese-Mexican competition in commodities ranging from t-shirts to electronics, it also exists for agricultural commodities. The U.S. food supply is basically home grown but increasingly comes from other countries. In 2011, between 10 and 15 percent of food consumed in the United States was imported. For fruits and vegetables, the imported share of consumption rose from 9.5 (1977-1979) to 20.1 percent in 1999 (USDA). Some of the demand is for traditionally consumed foods not produced in the United States (e.g. bananas) or produced only seasonally (many fruits). Additional import demand comes from new migratory streams that prefer foods from their country of origin. Other foods are imported because they can be produced less expensively abroad and/or are given tariff advantages. Del Monte, for example, moved its asparagus production from the state of Washington to Peru following the 1991 Andean Trade Preference Act (ATPA) (VGN 2007; Egan 2004).

For all these cases, the U.S. food market should be secure for Mexican exporters. Geography has traditionally played a major role in the global trade patterns of fresh produce that is highly perishable and seasonal (Huang and Huang 2007). In 2010, 80 percent of all Mexico’s exports were destined for the United States. Although agricultural, fish, and food products made up only 18 percent of total exports, 77 percent of those exported commodities went to the United States. For exported vegetables, 95 percent were destined for the United States. And for the United States, about 50 percent of total imported vegetables came from Mexico (in 2011, though this figure was more or less stable over the previous years).

But even Mexican agricultural exports have encountered serious competition in the last decades. China is one of the fastest growing sources of U.S. food imports, more than tripling in value between 2001 and 2008. In 2008, in response to this increase, the FDA opened its first overseas office in China (Gale and Buzby 2009). In higher value-added imports such as dried or preserved vegetables, China's U.S. market share rose from 15.6 percent in 2000 to 33.1 in 2011. In contrast, Mexico's share dropped from 11.3 to 6.6 percent. These statistics reflect China's comparative advantage over Mexico—lower labor costs. Costs are so low that some fish, poultry, berries, and other products are shipped to China, processed in factories along the Chinese coast, and re-exported (Sanchez, Franke, and Zecha 2008). China may also have an advantage in more advanced food processing technology. Twenty one of the 32 Mexican states produce garlic. Although Zacatecas leads in production, with somewhere over 50 percent destined for export, it has only one firm dedicated to transforming garlic into value-added products (SAGARPA 2010).

The globalization of garlic follows the road already taken by other commodities. Globalization is more appropriately characterized as South-South competition (S-S), and S-S as a race to the bottom. This trend was pronounced in apparel, perhaps a pioneer in overseas sweatshops. Some U.S. producers (who weren't part of an earlier wave of outsourcing to Asia) journeyed from the United States to Mexico, then to China, and then from China to Vietnam or Bangladesh. Chan and Ross illustrate how the offshoring of the labor-intensive apparel industry pits countries of the South against one another (2003:1011). Numerous researchers have identified Chinese-Mexican competition in commodities ranging from t-shirts to electronics (Carrillo and Gomis 2003; Chan and Ross 2003; Iranzo and Ma 2006; Rumbauth and Blancher 2004). In general, new trade developments, such as China's adherence to the WTO, can unleash a move of trade and capital. Improving wage scales in any of the South economies may do the same. As Mexican wages crept up, it lost foreign investment and markets to China. This highlights the dilemma for developing nations: they cannot all be net exporters and use the export-led strategy as their motor of development.

Semi peripheral Nations Embedded in Global Commodity Chains

The story of Mexico and China is more multifaceted than a race to the bottom. China's export and foreign investment gains alongside Mexico's losses are not simply the result of two nations acting independently. They are connected by virtue of their commercial interactions with the United States. Thus the reformulated question is: "What is the fate of nations such as Mexico that are dependent upon another nation which is losing its global dominance?" Andre Gunder Frank argued that "the satellites experience their greatest economic development and especially their most classically capitalist industrial development if and when their ties to their metropolis are weakest" (1969:10). Inversely, he argued, as core countries experienced crises of war or depression (such as the Napoleonic Wars, WWI, and WWII), the loosening of trade and investment ties allowed satellites to initiate autonomous industrialization and growth.

In the post-WWII period, the United States enjoyed global hegemony, a position supported by its superiority in production. As the United States began its hegemonic slide in the 1970s, it embarked on numerous attempts to ameliorate its profit crises. One was offshoring. The early maquiladora programs offered a buffer against consumer volatility and low-wage labor that helped to ameliorate this crisis. NAFTA opened Mexico further to trade and capital flows. Some of the research described in this article suggests that Mexico's access to the U.S. market increased for a few years post-NAFTA. But the dual symptoms of the U.S. hegemonic decline—

weakening consumer demand and use of emerging markets for offshoring—had negative consequences for Mexico: it lost the race to the bottom.

Following Frank, the U.S. economic slide should have boded well for Mexico, but it appears that Mexico is unlikely to substantiate his prediction. There are several reasons why his observations about Latin America may not work for Mexico. The current phase of globalization no longer looks like those described by Frank, where dependent nations regained control of pre-existing domestic markets in the absence of imported foreign commodities. This is because Mexico's economy has been integrated into the contemporary global economy as one node in a commodity chain. Mexico will have a difficult time returning to autonomous industrialization and growth because the contemporary patterns of hosting part of a GCC often occur without significant technology transfers (Castells 1989). This is connected to a second obstacle. Mexico's historic dependence on the United States led it to accept neoliberal reforms, which included amendments to the Mexican constitution. Mexican governments transformed three major arenas: they furthered opened trade relations with the world; terminated government-directed development programs; and significantly reduced state involvement in production, capital accumulation, income redistribution, and social welfare. These reforms were strongly encouraged by the IMF and the World Bank following Mexico's 1982 debt crisis and subsequent debt restructuring. They destabilized the autonomous development that had bourgeoned under the earlier Import Substitution Industrialization (ISI) model. Because of Mexico's preexisting dependency and periodic economic stagnation, it attempted to stimulate growth by accepting what can be characterized as further dependency. Trade dependency was augmented by foreign direct investment and debt dependency, which in turn was augmented by foreign portfolio investment dependency. Mexico also depended on the United States as an escape valve for a growing population which its labor market was incapable of absorbing.

The fate of Mexico seems more aptly described by the Mexican lament: “cuando EUA estornuda, México sufre pulmonía” [when the United States sneezes, Mexico catches pneumonia]. As Faux (2009) opines, “If Mexico could not prosper during fifteen years of exporting goods and people to a bloated U.S. consumer market, it is hard to believe it will be able to do so when that market has slimmed down.” Emerging market hospitality to core offshoring was not guaranteed as one hegemon gave way to another. Capital has no loyalty: not to its country-of-origin and much less to a country-of-destination. The foreign investment confidence rankings index produced by A.T. Kearney communicate investors' high confidence in China and their wavering and declining opinions about Mexico. By 2002, China had taken the number one position in the Confidence Index. In 2012, Mexico did not even make the top twenty-five, though it did return to the list in 2014.

Conclusion

What are the conditions that allow an export-processing platform--just one weak link in a longer and more concentrated GCC--to accumulate enough surplus to jump-start its economy? Leaving aside the debate regarding China's potential for hegemonic status, it is taking on many functions typically attributed to hegemons. China is reinforcing the dependency of other underdeveloped nations: it imports raw materials from Africa and Latin America, exports finished goods to them, and employs strategies of foreign direct investment. In addition to the classic WS-T notion of exchanges, it now (like the United States) dominates some global agricultural markets.

Will China follow Mexico's trajectory and lose its comparative advantages as capital moves on to Vietnam, Bangladesh, or Africa? Its political regime differs from Mexico in significant ways. China is not subject to the same international pressure to implement neoliberal reforms. In this way, China has a greater chance of capturing savings from its export-processing platforms and investing in ways that might promote growth. And China has yet to forsake all SOEs (state owned enterprises), which may also be contributing to Chinese primitive capital accumulation.

Many maintain that globalization of trade is the most efficient economic system. Vertical integration and/or comparative advantages are justifications for this verdict. But even granting the efficiency argument, which has a good number of critiques (Greenberg 2014), there must be a concern for the 'externalities' created by the South-South competition/ race to the bottom. These include sustainability of any given economy, as well as of the environment, along with the fate of citizens and workers. Surely CONAJO was being polemical in 2011 when it argued to the Mexican Senate that if garlic wasn't protected in the Mexico-Peru free trade agreement, Mexico would risk more citizens fleeing to the United States. This is where externalities of economic theory "become the social problems of nations and the tragedies of individuals" (Schwartzman 2013).

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Post-Colonial Africa and the World Economy: The Long Waves of Uneven Development

Fouad Makki

Cornell University

fmm2@cornell.edu

Abstract

The aim of this article is to examine the interactive dynamics of “Africa” and the “world economy” over the past half century. By relating the overarching developmental trajectory of the continent to the long-wave rhythms of the world economy, the article identifies three relatively articulated periods in the political economy of postcolonial Africa. The first, from circa 1960 to the late 1970s, was a period of state-led developmentalism enabled by the long postwar boom in the world economy and the embedded liberalism of the Bretton Woods system. A second period from circa 1980 to the turn of the new century was conditioned by the long downturn in the world-economy and a neo-liberal regime of accumulation that sought to re-structure and re-integrate Africa into a deregulated world market. The turn of the new millennium constitutes a new period in which neither the deep structural springs of the long downturn nor the neo-liberal project as such have been overcome; but their impact on Africa has been relativized by the emergence of East Asia as the new center of accumulation in the world economy. The resulting de-synchronization of the long-wave rhythms of the world economy has permitted a modest economic expansion in Africa within a largely extractive regime of accumulation and a wave of new enclosures that are profoundly reconstituting the social universe of Africa’s primary producers.

Keywords: post-colonial Africa, capitalist world economy, long-waves, uneven development

The fiftieth anniversary of the “Year of Africa,” marking the beginning of the end of European colonial rule in the continent, was commemorated in 2010 with a euphoria and exuberance reminiscent of the formative years of decolonization in the early sixties. Coming on the crest of a commodities boom that has seen average growth rates at an all time high, the commemorations were accompanied by a widespread sense of an African renaissance, and Africa’s statesmen used the occasion to project a redemptive narrative of seamless progress. These self-congratulatory pronouncements came a mere decade after the Western media had contemptuously dismissed Africa as a “hopeless continent” whose very name was synonymous with primordial backwardness, recurrent ethnic wars, and self-inflicted inexplicable sufferings.¹ While the

¹ “Hopeless Africa” was the infamous heading emblazoned on the cover page of the May 2000 issue of *The Economist*. Such discourses are of course not simply the unwitting biases of the Western media. They form part of a

reports of the institutions of global governance generally shun such crudeness, their analytic conventions remain framed by a no less false antinomy between “Africa” and the “world” in which all that ails Africa is ascribed to the continent’s own political or cultural failings. These seemingly contrasting positions share the implicit assumption that the condition of post-colonial Africa can be analyzed within terms exclusively internal to the continent itself. To suggest that the processes that constitute this condition have to be situated in relation to the historically constituted transnational arrangement of geo-political and economic relations that causally impinge on their specific forms and dynamics, is to risk scorn for presumably offering a defensive apologia or simply refusing to confront hard, if inconvenient, facts.

In contrast to these essentialist or reductionist accounts, the anniversary celebrations provide the occasion for a dispassionate analysis of the overarching trends in the political economy of post-colonial Africa set within the relational context of an evolving international capitalist order. Since at least the end of the nineteenth century, Africa has been the site of successive attempts by forces within and beyond the continent to remake its social ecologies in relation to the material and cultural underpinnings of a colonial and capitalist modernity. The range and density of these relational processes have varied over time, but no consideration of the political economy of the continent can be plausible without taking this world-historical relationship into account. Given the enormous scale and heterogeneity of the continent, these processes have of course never been uniform and Africa’s constituent societies have not moved in complete synchrony with the oscillations of the world economy or the geopolitical shifts in the international order. But rather than a series of enigmatic anomalies, these disjunctures can be understood as intelligible variations within a common unevenly combined relational field of world capitalist development.

From the vantage point of this analytic framework, the half-century since decolonization can be roughly periodized into three distinct periods, each articulated with specific configurations of power and plenty in the world system. The first phase, from circa 1960 to 1980, was dominated by processes of state formation and national development in the context of the long postwar boom in the world economy and the embedded liberalism of the Keynesian consensus. During this period, African societies registered a steady if modest economic growth and the expansion of health and education services that are particularly notable when compared with the record of the preceding eighty years of colonial rule. A second phase, from the turn of the 1980s to the beginning of the new millennium, was shaped by the prolonged downturn in the world-economy and the imposition by the IMF of neoliberal structural adjustment programs designed to reintegrate a restructured Africa into a deregulated world economy. The upshot was nothing short of a “great depression” that arrested or reversed many of the social and economic gains of the first period. Each of these phases was shaped by different configurations of Pax Americana. As Alice Amsden (2007:1) tersely puts it, while the American Empire between 1945-1980 “lifted all boats” (albeit unevenly), the second merely “lifted all yachts” thereby accelerating inequality both within and between nations. The turn of the current century arguably constitutes a new period in which neoliberalism and the structural springs of the long downturn have not been overcome, but their impact on Africa has been relativized by the emergence of East Asia as a center of global accumulation. The consequent spatial disarticulation and temporal de-synchronization of the long-wave rhythms of the world-economy, has permitted a modest

meta-discourse about Africa that has been instrumental for the constitution of the West’s own self-identity. See here (Mudimbe 1988).

economic expansion together with a concerted drive to remake the continent through a renewed process of accumulation by dispossession.

While this rough periodization is generally uncontroversial, the conceptual framework suggested here – emphasizing the unevenly combined interactive dynamics of post-colonial Africa’s political economy and the long-wave rhythms of the world economy – is arguably distinct. It uses a specific world-historical method to examine global processes through a regional lens, giving specificity to such processes and accounting for why the international order is a space of “uneven and combined development.”² Such a conceptualization makes possible a more relational analysis of Africa’s political economy, and fundamentally recasts the conventional framing of the post-colonial epoch in terms of a series of linear transitions from a colonial to a national and then to a global mode of regulation. The first part of this article briefly expands on this conceptual framework through reflections on the long-term interactive dialectics of Africa and the world economy. Subsequent sections analyze the structural legacies of colonialism and each of the phases outlined above before a brief concluding note resumes the central argument. Some cautionary remarks are nonetheless necessary before proceeding. The dialectic of Africa and the world economy has to be understood as politically mediated and mutually conditioning. Given the asymmetries of power that underpin them, however, there can be little doubt which side has exercised the more decisive causal force.³ Secondly, there is obviously no one-to-one correspondence between political and economic processes, and the mediated relationship between them is typically characterized by an arrhythmic discordance. Lastly, it should be clear that this article makes no claims to comprehensiveness and is offered here as an empirically informed suggestive conceptual framework for analyzing the trajectory of post-colonial Africa in relation to the evolving structures of the world economy. As such, it constitutes no more than a set of preliminary reflections for more finely grained and differentiated studies of the unevenly combined patterns of social change in the continent.

Africa and the World Economy

The categories “Africa” and the “world-economy” are not self-evident units of analysis and each poses its own set of conceptual problems. As a cartographic expression, Africa has existed since Roman times, initially as a designation for North Africa, and by the first century of the C.E. for the continent as a whole. For most of the intervening period, this geographic designation was not accompanied by a common subjective sensibility. It was only within the relational space of the late nineteenth century Black Atlantic that the idea of “Africa” first acquired meaning as a shared structure of feeling.⁴ From the turn of the twentieth century, a series of Pan-African congresses crystallized this emergent continental consciousness as a means of expressing and mobilizing a transnational anti-colonialism. The idea of Africa then came to constitute a kind of “geoculture”

² For methodological reflections along the lines suggested here, see McMichael (2000) and Tomich (2004). For an extended elaboration of the idea of “uneven and combined development” as used here, see Makki (forthcoming 2015) and Rosenberg (2006; 2010). For one attempt to apply the idea of uneven and combined development to the political economy of Africa, see Bond (2006).

³ To give just one illustration of this asymmetry: the turnover of capital in just five of the largest multi-national corporations, \$526.1 billion, is about double sub-Saharan Africa’s total of \$269.9 (Toussaint 1999: 26-27).

⁴ Kwame Anthony Appiah suggests that, “Alexander Crummell and Edward Blyden began the intellectual articulation of a Pan-Africanist ideology, but it was W.E.B. Dubois who laid both the intellectual and the practical foundations of the Pan-African movement” (Appiah 1992: 28).

in which the elements of a common history could override existing social, political and cultural differences.⁵ With decolonization, this conception became institutionalized in the Organization of African Unity without necessarily eliciting more than a semblance of the kind of imaginative attachment commonly associated with membership in the nation. “Africa” is therefore best understood as an idea whose substantive meanings have changed over time and whose history has more to do with interaction across world regions than with the eternal repetition of some essentialized cultural or social form.

Contemporary Africa is divided into fifty-four culturally heterogeneous and politically differentiated states that are moreover distinct in terms of their pattern of capital accumulation, their degree of industrialization and commercialization, and their rates of literacy and urbanization. Fifty percent of the continent’s GNP is generated by only three states – South Africa, Egypt, and Nigeria – and half its population of more than a billion is concentrated in just seven countries. But for all this variation and unevenness, certain broad socio-ecological features whose *longue durée* significance become apparent when set against those of Eurasia, have critically shaped the general dynamics of change in Africa. Jared Diamond has for instance argued that Africa’s north-south succession of ecological zones - desert, savannah, tropical rainforest, and veldt - greatly impeded the diffusion of domesticated plants and animals, whereas Eurasia’s lateral spread of similar habitats facilitated it (Diamond 1999: 177-191). Jack Goody has in turn pointed out that the relative ratio of people to land in Africa, characterized by scarcity of people and abundance of land, sharply contrasts with the predominant pattern in Eurasia and accounts for why power was typically exercised directly over people rather than through the mediation of land. A common socio-political imperative under these conditions was the recurrent search for coercive or cultural means to arrest geographic mobility and fix people in place (Goody 1971; cf. Iliffe 2007). The importance of extended kin relations and various forms of coerced labor can in part be attributed to this socio-ecological determinant, just as much as collective desertion to uncharted terrain beyond was a common form of resistance: lateral movement providing an exit from vertical subordination. Modern state formation has consequently been crucially handicapped by this socio-spatial pattern of small pockets of settlements separated by wide expanses of sparsely populated territory, making the construction of effective territory-wide infrastructures of power comparatively more difficult (Herbst 2000).

All these works provide important insights into the long-term dynamics of social change in Africa even if they sometimes miss vital aspects of the differentiated texture of socio-ecological relations within the continent. But for all the specificities and commonalities of Africa’s social and cultural formations, their asymmetrical insertion into the world market over the past few centuries overdetermined their developmental trajectories in crucial ways. Each phase in this process of incorporation represented a critical moment in the making of the modern world-system itself. The trans-Atlantic slave ships that carried an estimated twelve million Africans to the Americas – the largest forced migration in human history – were part of the original moment of primitive accumulation, when the colonial expropriation of Native Americans was conjoined with the enslavement of captive Africans to meet the labor imperatives of an emergent capitalist world (Rodney 1974). The late nineteenth century conjuncture of high

⁵ This “geoculture” has taken various forms, including the idea of “Negritude” famously articulated by Aimé Césaire and Léopold Sédar Senghor, whose anti-colonial political commitment was to non-national paths out of empire that could radically reconfigure and transcend the metropole-colony divide. See here the remarkable study by Gary Wilder (2015), a work of critical recuperation that sheds an entirely new light on the political ideas of Césaire and Senghor.

imperialism represented the moment of the territorial-extractive imperative, when Africa's resources – such as rubber, copper, iron and bauxite – proved essential for the so-called second industrial revolution in the West (Mazrui 1999; Wallerstein 1986: 101-138). European state's late nineteenth-century drive to conquer new territories and extract resources was partly conditioned by these geopolitical considerations and was facilitated by the opening of the Suez Canal, the development of the steam ship, and the spread of telegraph and railway networks that together establish the late-nineteenth century as a global conjuncture of pronounced time-space compression.⁶

These successive phases of Africa's integration into the world market did not necessarily inaugurate a stadial and unilinear process of transformation from "traditional" to "modern" societies as modernization theorists once imagined. Nor did it imply that African societies had become capitalist by virtue of the exchange relations that henceforth tied them to the workings of the world market, as some dependency theorists had assumed.⁷ Over the past few centuries, African societies have certainly come into contact with the material and cultural underpinnings of a colonial and capitalist modernity, and this has had a decisive causal impact on their historical evolution. But they were not thereby drawn into a universal process of capitalist development driven by the rationalizing logics of modernity or the restless engine of the world market. Rather than radiating from some metropolitan center to remake all societies in its own image, historical capitalism has unfolded in distinct unevenly combined forms. The ways in which a given region interacts with the world economy is consequently a historical as much as a structural relationship. And the social formations that crystallized within this interactive process necessarily took varied forms that require concrete analysis rather than formulaic categorization.

Moreover, just as world capitalist development is patterned in complex ways across space, it is also differentiated by time, waxing and waning in a disjunctive temporality of cycles and waves. Two such temporal rhythms are often recognized: business cycles with a five to seven year duration that are in turn embedded in a second rhythm of long-waves of forty to fifty year duration. While there is no consensus on the precise mechanisms of these long-waves – changes in the average rate of profit, the formation of world prices, the renewal of fixed capital, the application of new technologies, and cycles of social struggles have all been suggested – the temporal rhythm itself seems to be there, forming the regulative heartbeat of the world market (Mandel 1995; Kleinknecht, Mandel and Wallerstein 1992; Schumpeter 1961). These alternating patterns profoundly shape the relative amplitude of the normal business cycles so that in the expansive long-wave upturns tend to be long and deep while downturns are typically short and shallow. Precisely the reverse pattern obtains in the long-wave with a depressionary tendency. These long-waves thus condition the overall ebb and flow of investments, growth, employment and income in distinctive ways. As Ernest Mandel has argued, since the mid-nineteenth century we have had rapid expansion in the world economy from 1849-1875; slow expansion from 1875-1900; a new period of rapid expansion from 1900-1920 and near stagnation from 1920-40 (or 1945); and again a period of unprecedented expansion from 1940-45 to 1970-75 followed by a prolonged downturn thereafter. Mandel rightly emphasizes that these temporal rhythms are not

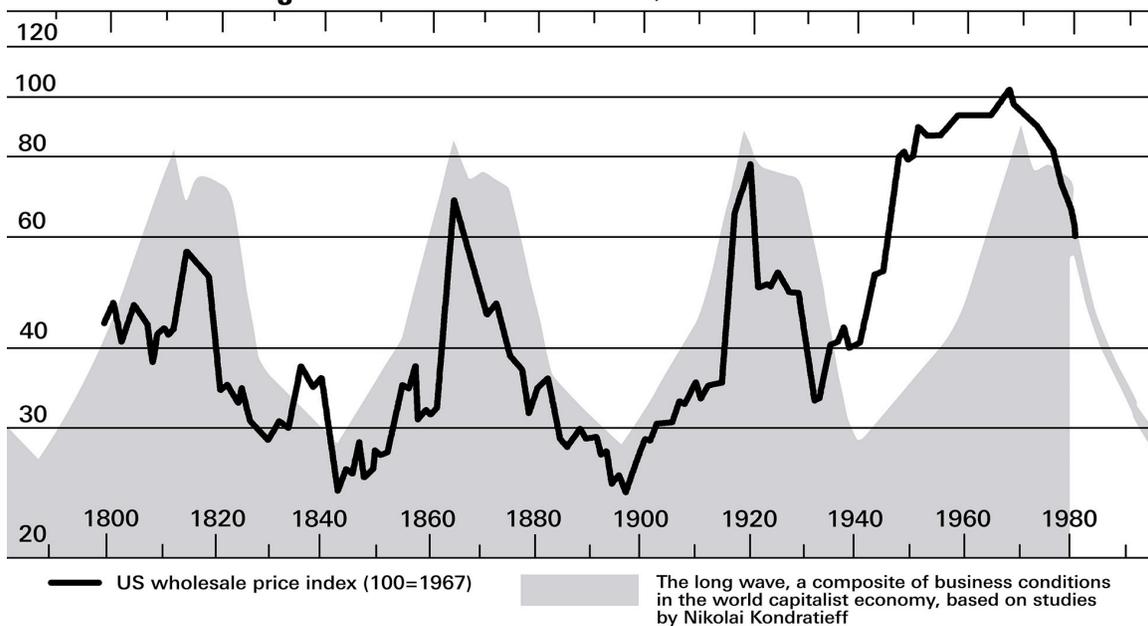
⁶ The second industrial revolution generated its own movements of the laboring poor, this time into rather than out of Africa, as indentured Indian laborers were brought in to work the sugar plantations of Mauritius, the mines of South Africa, and the railway projects in East Africa; while urban retail markets became accessible to new immigrant merchant communities: Lebanese and Syrian in West Africa, Indian in East Africa, and Yemeni or Armenian in northeast Africa (Potts 1990).

⁷ For a review of these competing theoretical approaches in relation to Africa, see Cooper (1993: 84-201).

mechanically alternating phases of expansion and contraction driven by some ingenious clock-like mechanism. While the shift from an expansionary to a depressionary wave can be plausibly explained by the developmental tendencies of capitalism, the onset of a new expansive phase is conditioned by exogenous socio-political developments (Mandel 1995).

While explaining the temporal discontinuities characteristic of capitalist development, these long wave rhythms do not in themselves illuminate the spatially differentiated and contradictory quality of the particular phases themselves. A degree of homogeneity can be implied that subsumes regional unevenness within a diachronic succession of temporal phases. It is only through a more differentiated conception of the spatio-temporality of capitalist development, in which processes of capital accumulation are not just discontinuous but internally heterogeneous as well, that it becomes possible to appreciate the uneven and interwoven forms of socio-economic transformations. From this perspective, the world economy can be understood as a relational whole whose contradictory dynamics generate reciprocally determining social and political forms. As a global formation, it can be looked at structurally and synchronically in any given epoch, but its historical pattern of expansion and reproduction is necessarily shaped by the concrete unevenly combined conditions of its existence in different place-times. Viewed from this vantage point, it is evident that processes of commodification have proven remarkably adaptable to different social and institutional settings, and it may very well be that the core regulative rules of capitalism might be those governing the conversion of use value into exchange value, rather than the wage contract as such. It would of course be difficult to imagine the generalization of exchange value without the commodification of labor power, and it is precisely this contradictory unity of concentrated spasms of accumulation by dispossession and sustained if contested processes of commodification that together constitute the *explanandum* and the *explanan* of modern Africa's distinctive historical trajectory.

Figure 1. Kondratieff's Long Wave, Annual Averages, Ratio Scale



Source: Adapted from Knox and Agnew, *The Geography of the World Economy*, p. 114.

Colonial Capitalism and the Gate-Keeper State

The Africa the Europeans colonized was not a flat space they could simply remake *ex nihilo*, and the transformations they introduced were shaped by the continent's complex social terrain as much as by the specificities of the colonizing powers. The particular social and political characteristics of the imperial metropolises from which colonial projects were launched conditioned the specific forms of state and economy that emerged across the continent. Unlike Britain and France, Portugal and Italy, for instance, were states based on pre-industrial infrastructures heavily dependent on agriculture, and they practiced a mode of colonial exploitation that differed markedly from the practice of the capitalist colonizers. While the industrial bourgeois empires exploited colonial possessions for raw materials and as markets for consumer goods, the former simply seized control of land or productive assets and enforced an advantageous exchange of primary commodities. But almost everywhere in the continent, the transition from an extractive predatory regime to a transformative imperialism was only partially realized, as Africans devised various strategies to assert their autonomy within the confines of uneven power relations.

With limited institutional capacity to penetrate local societies, and determined to "make the colonies pay for themselves," colonial states were largely restricted to holding the upper levers of power within the newly demarcated territorial units. This apparatus of power was most directly felt at certain strategic nodes – the areas of raw material production and the points of connection with the world market, which typically became the administrative centers of the colony. Linear railway lines connected the sources of agricultural or raw material production to the ports, and most revenue was collected there in the form of import and export duties. Colonial states were in this sense "gatekeeper states" situated astride the junction of the world market and the colonial territory and primarily engaged in *rentier* activities and control over the movement of people and goods in and out of the colony (Cooper 2002: 156).⁸ Beyond these administrative and extractive enclaves, states exerted limited control over the vast social spaces of the hinterland, where the exercise of authority was relegated to "traditional" intermediaries. Colonial leviathan was consequently a variant of an impersonal bureaucratic apparatus articulated with locally embedded relations of personal dependence and ultimately reliant on the coercive reserve of metropolitan power. This hybrid structure proved generally serviceable for projects of colonial exploitation and the forced mobilization of labor.⁹

Variations of this modular form of colonial power were implanted on a wide range of agrarian and agropastoral communities. But over time, as Samir Amin has suggested, three distinctive regional patterns crystallized across the continent: the Africa of the labor reserves, where migrant labor was enlisted in the gold, copper, and diamond mines of southern Africa, or the coffee, tea and sisal estates of East Africa; the Africa of the colonial trade economy in parts of West and North Africa, characterized by the production of agricultural commodities for

⁸ The term "gatekeepers" comes from General Obasanjo, military head of state of Nigeria from 1976 to 1979, who used it in reference to "the class of Nigerians who in effect hold state office for the sake of charging a toll on foreign enterprise seeking to do business in Nigeria" (1998: 211).

⁹ The degree of violence that attended colonial conquest in Africa is sometimes forgotten. In German East Africa, for instance, the suppression of the Maji-Maji revolt witnessed the massacre of 200,000 to 300,000 Africans. The resistance of the Herero and San peoples in present-day Namibia was met with a genocidal extermination policy that virtually annihilated these populations (Steinmetz 2007: 135-242). In Libya, to take another example, colonial conquest "may have killed one-third of its people" (Iliffe 2007: 215).

metropolitan industries; and the Africa of the concession companies in central and equatorial Africa where chartered companies used forced labor in quasi-plantation like systems (Amin 1972: 503-24; cf. Wallerstein 1986: 13-37). In nearly all these zones, the physical and social costs of reproducing labor power were underwritten by village subsistence production, allowing companies to pay exploitative “bachelor” wages (Wolpe 1995: 60-90). The hinterland also served as vast labor catchment areas for colonial road and railway construction, for the colonial mines, and for service as conscripts in the colonial army. But given the limited penetration of the money economy and wage relations, together with the existence of the open frontier, colonial states had great difficulty subjecting Africans to the rigors of capitalist discipline. The resort to forced labor and predatory plunder, especially in the first decades after imperial conquest, was partly conditioned by this reality. The most horrific instance of such a regime of colonial plunder was the Belgian Congo, where rubber tapped from the forest vines fetched super-profits at a time when demand in the world market had grown astronomically, but commercial rubber plantations had not yet matured to supply it. The brutal labor regime resulted in the catastrophic reduction of the Congolese population by almost half. But this was by no means an isolated instance of imperial barbarism. Leopold’s Congo became a workable model for Portuguese Angola, the German Cameroons, the French Congo and parts of French Equatorial Africa, which all adapted “exactly the same system - including women hostages, male forced labor and the *chicotte* - with equally high death rates” (Marchal 2008: xvii).¹⁰

The partial shift from this extreme form of predatory accumulation to a routinization of colonial exploitation came in the aftermath of the First World War and the Great Depression, which led metropolitan states to initiate a big push for the development of the colonial economy. As imperial powers urged colonial administrators to expand commodity production and tie output and trade more directly to metropolitan needs, large investments were made commensurate with the extension of the economic role of the state. Some of these colonial development projects, like the groundnut scheme in British-ruled Tanzania or the cotton scheme in French controlled Mali, ended up as signal failures; while others, particularly those of cocoa, coffee, tobacco and small-scale cotton production proved profitable for colonial enterprises. Scale was not always the determining factor of success. The Gezira irrigation scheme extending over 400,000 hectares along the Nile south of Khartoum and cultivated by tenant farmers and migrant laborers from West Africa, was producing as much as one-third of the world’s long-staple cotton by the mid-1950s (Ilfie 2007: 222). The interwar years also saw the establishment by the Firestone Company in Liberia of the world’s largest rubber plantation.

Overall, however, late-colonial developmentalism proved politically and economically contradictory, and its lasting economic effect was the construction of a mercantilist or extractive economy based on the export of a narrow range of commodities. Politically, it generated conflicts imperial rulers could not readily control and gave anticolonial movements a powerful impetus to take up the mantle of development as a project that only sovereign societies could accomplish. The British attempt to placate anticolonial activists through limited representation in colonial councils, or the selective granting of citizenship status to *évolués* in French Africa, only served to underscore the limits of the colonial framework for promoting material progress or civic rights (Cooper 1996). These late colonial contradictions fostered growing resistance across the continent, and by the late 1950s European imperial powers were beginning to retreat,

¹⁰ For a powerful account of the Belgian system of forced labor, see also Hochschild (1999).

convinced they could transfer power without seriously disrupting the deeply embedded structural relations and hierarchies established over the previous sixty to eighty years.¹¹

The Post-War Boom: From Colonial to National Development

The newly independent states of Africa inherited both the extraverted economy and the gatekeeper functions of the colonial state. Nationalist leaders were initially hopeful they could use their newly acquired state power to remake these colonial inheritances and reorder them to meet the needs of their citizens. Almost invariably however, they came up against the limits of national sovereignty in a world structured by a colonial division of labor and a hierarchically organized interstate system. And despite the desire for equidistance from the superpowers enunciated at Bandung in 1955 and the non-aligned movement in 1962, they were handicapped by the limited capital, technology, and skills at their disposal and had great difficulty navigating the conflicting pressures of the Cold War moment. After the late colonial period in which contrasting imaginaries of a post-imperial future and different notions of sovereignty had vied against each other, the post-colonial state converged on the international norm of the nation-state. The consequent attempt to institute a unitary state and an integral nationalism against the plural colonial society typically led to the establishment of one party authoritarian states that became vehicles for asserting a statist commonality.

Decolonization had mostly transpired in the context of a long-wave expansion of the world-economy – albeit the tail end of it – and a postwar settlement of embedded liberalism institutionalized in the Bretton Woods system. This international order was underpinned by the United States, which had emerged as the global hegemon through the demonstration of its military might in the Second World War and an industrial capacity that had virtually doubled during the war years (Davis 1986: 190). With the demise of colonial empires, the postwar global order was reconstituted into an interlocking system of nationally managed economies under the sovereignty of the dollar. The abstraction of the market that had served as the normative construct of pre-Keynesian economics was replaced by the notion of economic systems whose spatial limits coincided with the territorial boundaries of nation-states. This gave states considerable latitude to determine domestic interest rates and fix the exchange rates of their currencies in accordance with their development strategies. Motivated by the geopolitical goal of containing communism, the United States signaled to the emerging Third World a new post-colonial orientation of “democratic fair dealing” supported by development aid that however essentially served to facilitate their deeper integration into the world market.

This postwar institutional framework enabled an unparalleled expansion of the world economy through the reconstruction of fixed capital and the generalization of neo-Fordism. GDP and labor productivity grew almost twice as fast as in any period since 1820, and there was a rapid acceleration in the rate of growth of the capital stock. The volume of trade grew eight times faster than in the period 1913-50 and was twice as large as in the century from 1820. Output of

¹¹ Decolonization was not everywhere a peaceful transfer of power. At the height of the colonial war in Algeria, some 400,000 French troops were deployed resulting in as many Algerian casualties and the displacement of a further two million people. In Kenya, where the British settler population exceeded 20,000, the repression of the so-called Mau Mau movement witnessed the internment and torture of tens of thousands of Kenyans. The late decolonizing Portuguese Empire and the white settler colonies of southern Rhodesia, Namibia and South Africa were all scarred by protracted violence.

manufactures more than quadrupled between the early 1950s and 1970s, and world trade in manufactures grew eight-fold (Glyn, Hughes, Lipietz, Sing 1991: 41-42). In Africa, the first two decades after 1960 witnessed a significant if uneven economic expansion and a relatively enlarged, if still limited, provision of education and health services. States subsumed foreign trade to national priorities and sponsored import-substitution industrialization (ISI) through the production of consumer goods for the domestic market. Fiscal and monetary policies, tariff barriers, and preferential taxation were used to get foreign investors to manufacture products domestically, and where they could – as in Algeria and Nkrumah’s Ghana – they established state-owned heavy industry. Between 1965 and 1973 the industrial sector as a whole expanded twice as fast as GDP, and although much of this expansion was in the mining sector, manufacturing in food processing and textiles also grew at an annual rate of seven percent between 1960 and 1980 (Cooper 2002: 99-103).

But over the long run, import substitution didn’t advance as African states had hoped. The primary phase of import substitution was relatively brief, lasting barely a decade before the mid-seventies crisis in the world-economy short-circuited its conditions of possibility. Limited institutional capacity, small domestic markets, shortages of skilled labor, and weak or non-existent infrastructure inhibited ISI initiatives and failed to stimulate backward, forward, or lateral linkages, or to attract foreign capital outside the extractive enclaves. Productivity differentials in the world market, and the steady decline in the terms-of-trade for primary products, further restricted access to capital necessary for the importation of capital goods and technology. ISI policies also tended to insulate domestic industries from competition, subsidizing the production of more expensive or inferior goods than that available on the world market. These structural limits were exacerbated by the veritable corruption of state elites who used ISI policies to extend their patron-client networks rather than enhance production (Leys 1996: 107-134). But it was ultimately the onset of the long depressionary wave that effectively stifled economic growth, and by 1980 Africa was deindustrializing as excess manufacturing capacity in the world economy, and the development of new synthetic alternatives for some of Africa’s primary products, blocked industrial advance.

In the extensive rural hinterland that was the social universe of African peasantries, colonial policies were primarily concerned with the promotion of commodity production, the expropriation of land for settlers, and the delimitation of customary land and communal forms of tenure. As science and technological know-how became the new “measure of man,” late-colonial states also deployed new conservation discourses to displace African producers (Adas 1989). The post-colonial period saw a continuation of this developmentalist techno-science emphasizing questions of environmental degradation and “scientific management” to reconstitute tenure relations (Berry 2002). But the prevailing communal or smallholder systems, and the limited institutional capacities of states, frustrated the various projects intended to remake the moral economy of African peasantries. The latter were by no means homogeneous or undifferentiated, and their social and cultural forms were shaped by the particular nature of their ties to states and markets, their specific gender regimes and household structures, and the status and extent of migrant labor in the agrarian economy. State taxation policies and peasant responses to it were also crucial in determining social configurations in particular locales (Isaacman 1993). In general, however, the specific form of peasant differentiation was determined by two contrasting modes of accumulation: accumulation *from below*, which generated gradual differentiation in relation to market imperatives or opportunities; and accumulation *from above* that required “an element of state extra-economic coercion” (Mamdani 1986: 42-43). While the latter form

became increasingly prevalent over time, it stopped short of the kind of large-scale enclosures and mass eviction of peasant households that characterized the settler colonial projects of Southern Africa. Africans “used mobility, kinship networks, and the ability to move between modes of economic activity to avoid too much dependence on white employers in mines or cities or would-be African capitalists in the countryside. It was mainly in South Africa that a racialized version of Marx’s primitive accumulation took shape” (Cooper 2014: 21).

While peasant production was unevenly integrated into market networks, the conditions and instruments of production remained largely uncommodified, limiting the capacity of states or capital to impose new production regimes or work rhythms. African peasantries, as Göran Hayden once put it, remained largely “un-captured” (Hayden 1980). The major factors determining agrarian futures under these conditions was the local agricultural cycle, which while not autonomous from market cycles, was conditioned mostly by changing rainfall patterns, extent of land degradation, and growing demographic pressures on plot sizes. Erratic rainfall patterns exposed farmers to periodic harvest crises that burgeoned into mass famines in regions where changing tenure relations and the substitution of commercial for subsistence crops had altered the adaptive social mechanisms of reciprocity and redistribution (Bernstein, Crow, Mackintosh 1990: 13-31; 54-68; 149-62). In Mali, for instance, production of foodstuffs dropped from 60,000 tons in 1967 to 15,000 tons in 1975 as a result of the expansion of cash crops such as cotton and peanuts, although the revenue these generated could not cover the costs of expanded food imports (George 1976: 38-39). Global climate change and desertification likewise saw the Sahara expand by sixty miles over forty years, provoking the southward movement of nomadic groups and catalyzing social and resource conflicts along the desert frontier. The Darfur crisis is perhaps the most widely publicized instance of such a crisis, which was exploited by the Sudanese regime for its own narrow political ends, catapulting what was a crisis over resources into a major social catastrophe (Mamdani 2009).

In both the industrial and agrarian sectors during the first two decades after independence, the state was unquestionably the central agency of development; but virtually nowhere was it institutionally capable of sustained structural intervention. The reasons for this vary from one state to another, with the most common explanatory approaches emphasizing the handicaps associated with colonial origins and the problematic inheritance of arbitrary boundaries that have made projects of state formation exceptionally difficult.¹² Others, such as Jean-Francois Bayart (1993), have highlighted the historicity of African states and the active presence of *longue-durée* patronage networks in their organizational and political cultures. The majority of post-colonial African states arguably represent particular articulations of these two dimensions, institutional amalgams that have proven to be exceptionally vulnerable to periodic convulsions as tragically exemplified at its most extreme by the Rwandan genocide. Given their structural dependence on the narrow social and revenue base of enclave economies, almost all these states have also been highly susceptible to the repeated knockout actions of organized militaries (Murray 1966: 35-59). In the forty years before the turn of the new millennium, some two hundred aborted or successful coups had occurred across the divided political landscape of the continent (Ben Barka and Ncube 2013). Cold War geopolitics and covert action have certainly played a critical role in these *coups d'état*, a fact retrospectively confirmed by the relative retreat of the praetorian guards and the partial democratic openings – minimally conceived as a set of norms and discourses - that attended the end of the Cold War.

¹² See here the illustrative exchange between Basil Davidson and Mahmood Mamdani (1993) over the former’s controversial study, the *Black Man’s Burden: Africa and the Curse of the Nation-State*.

Placed in a longer perspective, it is possible to argue that the first two decades after decolonization registered discernable if modest gains that the uniformly negative and undifferentiated portrayal of post-colonial Africa conveniently elides, projecting back into this era the reversal of fortunes associated with the neoliberal reaction of the 1980s. Through the end of the 1970s, projects of national development were not without tangible benefits and Africa as a whole achieved regular if unspectacular growth rates, averaging 2.4 percent between 1950 and 1975. In the twenty-three years between 1960 and 1983, African states quadrupled the meager primary school enrollment rates they had inherited from eighty years of colonial rule. Secondary school enrollment multiplied six-fold and the number of university students increased twenty-fold (Ilfie 2007: 293-94). Parallel gains in health care saw infant mortality rates cut by half and average life expectancy increase from forty to fifty-two years before AIDS-induced declines reversed the trend. Agriculturally, it is often forgotten that state subsidies helped to increase production levels and Africa had become a net food exporter by the turn of the 1970s (FAO 2011: 49-51). With all the limitations of national political sovereignty, the relatively favorable international climate of the period enabled many African states to initiate projects of social transformation and to redirect their national resources to meet the needs of their citizens.

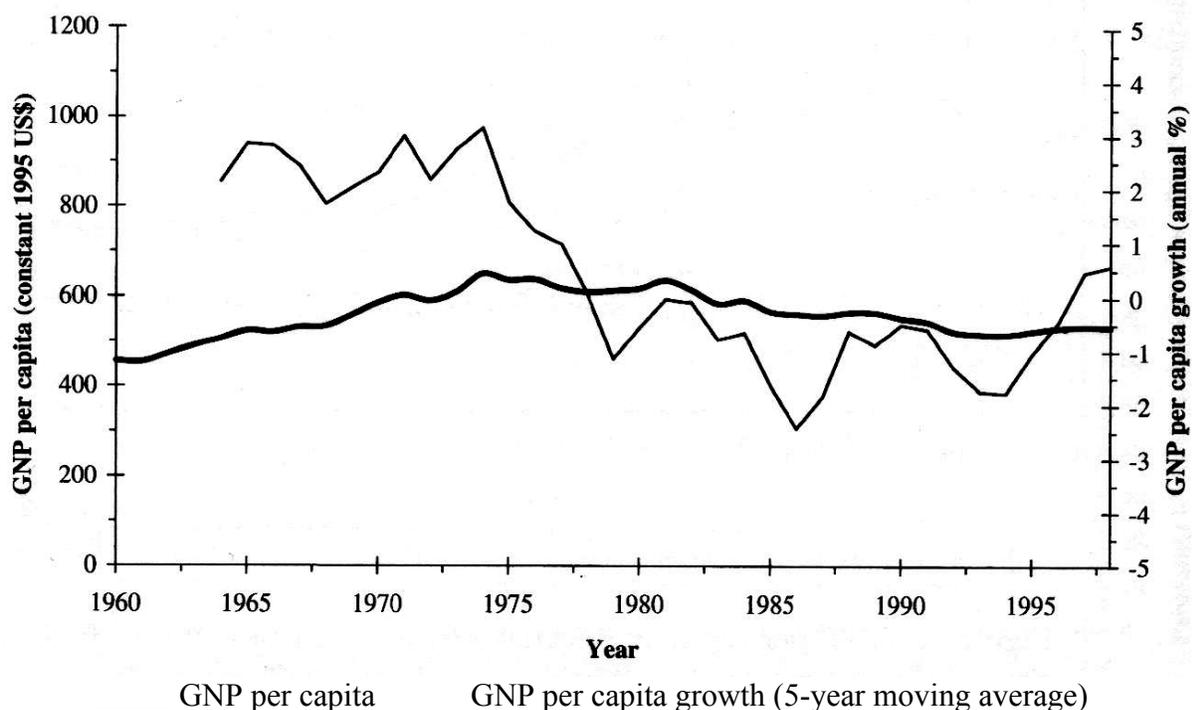
The Long Downturn and Neo-liberal Globalization

By the late 1960s, the long postwar boom in the world economy was beginning to show signs of exhaustion, culminating with a synchronized recession in 1975 that signaled the onset of a long depressionary downswing. The remorseless increase of overcapacity in the manufacturing industries saw overall rates of profit, investments, and growth decline, and US economic supremacy came under challenge from German and Japanese competitors that had made a remarkable recovery during the boom years (Brenner 2006). In the context of this intensified competition and the budgetary pressures induced by the Vietnam War, the US turned to borrowing from abroad to meet its international obligations. As it moved from being the world's largest creditor to its largest debtor, it was obliged to give up the gold standard in 1971, and two years later the international system of fixed exchange rates and control over capital movements were abandoned. This unleashed a speculative boom that fostered extreme instability in currency markets, and as stagflation set in, the price of primary commodities plummeted, ruining producers and states in Africa that were heavily dependent on raw material exports. The one major commodity that was shielded from the price recession was crude oil and the petrodollar windfall generated by the first oil shock of 1973 was re-circulated by the international commercial banks as loans to Third World states. This lending spree drove up total international debt to previously unimaginable levels (Strange 1987).

Most African states used the loans to finance import bills for industrial technology, equipment goods, and food, temporarily staving-off the worst effects of the structural crisis in the world-economy. As the second Brandt Report (1983: 25) pointed out, "the developing countries' imports from the North, partly financed by their commercial borrowing, helped to prevent the recession in the industrial countries from getting worse, sustaining production and employment ... Today that effect is reversed ... as major countries in Africa and Latin America run short of foreign exchange". The non-reciprocal trade protocols of the Lome Convention likewise allowed African states to retain access to European markets without foregoing their protectionist ISI policies and their subsidies to local farmers. But in the context of deepening global recession,

demand for their products continued to decline, and the slashing of the money supply by the US Federal Reserve in 1979 raised the prime interest rate almost overnight. The resulting “redirection of capital flows to the United States turned the flood of capital that Southern countries had experienced in the 1970s into the sudden ‘drought’ of the 1980s ... probably the single most important factor in shifting competitive pressures from North to South and in provoking a major bifurcation in the fortunes of Southern regions in the 1980s and 1990s” (Arrighi 2007: 147).

Figure 2. GNP per capita and GNP per capita growth in Sub-Saharan Africa, 1960-1998



Source: Frederick Cooper, *Africa since 1940*, p. 93.

Faced with the collapse of commodity prices and declining per capita incomes, African states increased their borrowing abroad until servicing the debt led to severe balance of payment difficulties that forced them to turn to the IMF. As a condition of further support, the IMF imposed structural adjustment conditionalities that subjected African states to a neoliberal tributary regime and financial serfdom that effectively crippled social programs once viewed as emblematic of development. As deregulation became the order of the day and the debt service burden more than doubled from 11.8 percent to 24.5 percent (Bienefeld 1991: 13), Africa’s per capita income declined by thirty percent (Arrighi 2012: 36); its share of world exports fell from six percent in 1980 to two percent in 2002, and its share of world imports declined from 4.6 to 2.1 percent (UNCTAD 2003: 1). Even in the so-called “miracle” economies of the structural adjustment era, such as Kenya, GDP per capita fell to 0.4 percent from its average of three percent between 1965 and 1980; while debt servicing absorbed one-third of export earnings. In Côte d’Ivoire, the corresponding “success” story in Francophone Africa, GDP declined by an

average 3.2 percent in the 1980s as the “Ivorian miracle became a mirage” (Ilfie 2007: 263). Moreover, outside of South Africa, foreign direct investment, which was a key rationale for promoting structural adjustment, declined sharply and after 1980 African countries as a whole were less integrated into global markets than they were in the era of “national development”.

Over the debris of international Keynesianism and state managed national economies, neoliberal globalization emerged as the reigning orthodoxy. This political ideal of a world in which all states shared a common normative commitment to a single global market provided a convenient alibi for states embracing the neoliberal agenda that became codified in the Washington Consensus. This signaled a major reversal in the analysis of development from a global to a purely national frame of reference, and from historical-structural explanatory frameworks to a focus on a-historical performance assessments (Gore 2000). African states were powerless in the face of this radically disempowering creed and unrestricted capital flows and the dismantling of national regulatory frameworks undermined what little economic sovereignty they had previously exercised.¹³ Comparatively, sub-Saharan African countries were the hardest hit especially because of their greater dependence on primary commodities whose value relative to that of manufactured imports was halved after 1980. Between 1986 and 1989, the fall in the terms of trade meant a loss of income for Africa of \$55.9 billion (Toussaint 1999: 97), and African countries reacted to this decline by increasing the volume of their exports by fifty percent between 1985 and 1992. But since the prices they could fetch for their products were steadily dropping, they faced a growing balance of payments crisis and a sharp reduction in their share of global purchasing power (Toussaint 1999: 196).

The case of Nigeria, where the oil enclave had limited linkages to the rest of the economy, exemplified this structural crisis. The oil price hikes of 1973 and 1979 overvalued Nigeria’s currency to the point that “cash-crop exports collapsed while cheap manufactured imports undercut local industry. Then the international depression and a decline in oil prices in 1983 almost halved public revenue, created a foreign exchange crisis, boosted public borrowing and inflation, reduced industrial capacity utilization below forty percent, and threw the economy into disorder that still reigned a decade later” (Ilfie 2007: 263). Socially, structural adjustment programs undermined public health and education systems across the continent (see Table 1). In Ghana, an IMF poster state of the 1980s, child mortality actually increased during this period and 50,000 cases of yaws – “a disease of poverty supposedly eradicated before independence” – had been reported (Ilfie 2007: 294). Tuberculosis, cholera, and yellow fever all became more prevalent as grinding poverty and deep cuts in public health programs made access to medicines evermore contingent on income at a time when the rate of decline in the per capita income of the poorest twenty percent was twice that of the population as a whole (UNCTAD 2001: 53). In Zambia, once considered a “middle-income” country with a booming industrial zone along its cooper belt, average GNP declined by 3.1 percent in the 1980s, and by 1995 Zambia’s external debt reached \$650 per capita, almost double its GNP per capita of \$370 (Ferguson 1999: 9).

Neoliberal globalization and growing inequality were also at the source of the massive increase in the brain drain from Africa. In the face of a sustained *laissez-faire* onslaught on social

¹³ This shift was immediately apparent in the competing policy perspectives of the OAU’s *Lagos Plan of Action* and the World Bank’s *Berg Report*, both issued in 1980. While the former was informed by the earlier UN call for a New International Economic Order; the latter was emblematic of the new neoliberal orientation (see the discussion in Arrighi 2002; Ferguson 2006: 69-88). Following the IMF administered shock treatment “development” was transfigured by the World Bank into a systematic program for instituting the enabling conditions for capital accumulation. See here the crucial study by Paul Cammack (2004: 189-211).

programs and the unraveling of the development project, emigration reached new levels as political instability, huge wage differentials, and a narrowing social horizon led to a phenomenal brain drain from the continent. The impact of this was most directly felt in the smaller African countries where in 2010 the proportion of those with higher education that were emigrating was forty-three percent for Zimbabwe, forty-one percent for Mauritius, and thirty-six percent for the Republic of Congo. For several other countries, including Burundi, Lesotho, Malawi, Mozambique, Namibia, Niger, and Tanzania the proportion of the highly educated was more than twenty times that of any other social group; while for Cameroon, Ghana, Kenya, Morocco and Senegal it was about fifteen times higher. All in all, in 2010-11 there were some three million Africans with tertiary education in the European Union (OECD-UNDESA 2013: 3).

Table 1. Education: Gross enrollment rates in Sub-Saharan Africa, 1960-1997 (percent)

Year	Primary			Secondary			Tertiary		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1960	54.4	32.0	43.2	4.2	2.0	3.1	0.4	0.1	0.2
1980	88.7	70.2	79.5	22.2	12.8	17.5	2.7	0.7	1.7
1997	84.1	69.4	76.8	29.1	23.3	26.2	5.1	2.8	3.9

Source: Adapted from World Bank, *Can Africa Claim the 21st Century?* (Washington, DC: World Bank, 2000), p. 106

The perversity of this logic in which the poorest countries of the world were losing their educated few to the richest zones of the world is particularly evident in the health sector. An OECD (2007: 173) study of the “medical brain drain” revealed that there were some 49,000 African doctors and 69,700 nurses working in the OECD countries in 2000, with crippling implications for the health sectors of African countries. In some states, fantasies of emigration have become so widespread that they have essentially eclipsed imaginaries of national development, as migration across the frontier of global inequality displaces prospects of social advance within them. According to Charles Piot, “It would not be exaggerating too much to say that everyone in Togo is trying to leave - by playing the lottery, by trying to get into European or American universities, by arranging fictitious marriages with foreigners, by joining churches that might take them abroad, by hoping to be signed by a European soccer team, by joining the fan club that accompanies the national soccer team overseas” (Piot 2010: 4).

These high rates of emigration have been accompanied by a significant increase in the inflow of remittances, amounting to \$60.4 billion in 2012 and constituting the largest source of external finance to Africa (Ncube 2013).¹⁴ But while these remittances are an important source of disposable income for millions who depend on them for their everyday needs, including essential health and schooling expenses – two areas particularly affected by structural adjustment programs - they have had little cumulative impact on productive capacity as such. The increased inflow is moreover compensated for by massive capital flight from the continent. According to the Chief Economist of the African Development Bank, “close to \$1.4 trillion were drained out of Africa” in the period from 1980 to 2009, far in excess of the total inflow of foreign aid,

¹⁴ Nigeria and Egypt together received 64 percent of the total remittances to Africa, \$21 and \$18 billion respectively (African Economic Outlook, 2014).

investments, and remittances (Ncube 2013; cf. UNCTAD 2000: 19, Table 4). Concurrent with capital flight and the brain drain, there has been a phenomenal expansion of NGOs in Africa, absorbing a good portion of international aid and in some instances effectively setting the development agenda. Although the great diversity of NGOs makes generalization somewhat difficult, there is no mistaking that their exponential growth since the turn of the 1980s has been closely correlated with the rolling-back of the state's economic role. Their substantive function has been to serve as surrogates for states marginalized by neoliberal policies, sometimes even augmenting this by posing as elements of African civil societies. By the early 1990s, an estimated 100,000 expatriates were working in the proliferating network of NGOs in Africa (Mkandawire and Soludo 1999: 37).

China, the Commodities Boom, and the New Enclosures

The neoliberal landslide in the 1980s was certainly not uniform. The international mechanisms of uneven and combined development promoted some regions and demoted others (see Table 2). While the exceptional performance of East Asia has generated ongoing debate about the reasons for this divergence and the consequent disarticulation of the long wave rhythms of the world market, both the Cold War on whose frontlines they were situated, and transformations initiated by Japanese colonialism and sustained by the *dirigiste* policies of the post-colonial states, will necessarily have their place in any balanced account. Deliberate policies aimed at fostering pragmatic distortions of the market, and the imposition of high but flexible tariffs, make it clear however that their exceptional growth rates had little to do with neoliberal prescriptions for a night watchman state and for getting "prices right" (Wade 1996: 3-37; Arrighi 2007).

Table 2. GNP per capita for region as % of core's GNP per capita*

Region	1960	1980	1999
Sub-Saharan Africa	5	4	2
Latin America	20	18	12
West Asia and North Africa	9	9	7
South Asia	2	1	2
East Asia (w/o China and Japan)	6	8	13
China	1	1	3
South	5	4	3
North America	124	100	101
Western Europe	111	104	101
Southern Europe	52	60	60
Australia and NZ	95	75	73
Japan	79	134	145
North (=core)	100	100	100

* Based on World Bank data at current exchange rates
 Source: Arrighi, Silver, and Brewer (2003)

China's high-speed growth since the eighties shares certain salient features with the wider regional pattern in East Asia, including an agrarian reform that did away with traditional landlordism; an abundant flow of cheap yet literate labor; a high rate of household savings; a strongly dirigiste state intervening in factor markets; and a prodigious export drive (Anderson 2010; Arrighi 2007).¹⁵ The rise of China as the workshop of the world, together with the global crisis triggered by the financial collapse on Wall Street in 2008, has set-off a new scramble for Africa's resources – both mineral and farmland. With “42 percent of the world's bauxite, 38 percent of its uranium, 42 percent of its gold, 73 percent of its platinum, 88 percent of its diamonds, and around 10 percent of its oil” (Carmody 2011: 2), foreign direct investment has been steadily increasing, with net inflows estimated at eighty billion for 2014, up from forty-three billion in 2013 (AfDB 2014). Much of this investment is in the extractive sectors, primarily the new offshore oil reserves along the West African coast, which has been fueling Africa's GDP growth rates over the past decade, averaging 6.5 percent prior to 2008 and 5 percent thereafter (IMF 2013:3). While Chinese and Indian investments are expanding considerably, measured in value terms, they are largely concentrated in manufacturing and services rather than raw material extraction, which constitutes only a quarter of East Asia's total investments in Africa. For all the heightened rhetoric about the Chinese and Asian takeover of Africa, the Asian share of foreign direct investment was only twenty four percent of the 2010 total, as compared to forty one percent for the European Union, and twenty three percent for North America (UNCTAD 2013: 6). And although China has now become Africa's largest trading partner and an estimated one million Chinese reside in the continent, as of 2004 the leading Asian investors in Africa were Singapore (\$3.5 billion), India (\$1.9 billion) and Malaysia (\$1.9 billion), followed by China, Korea and Taiwan. In the crucial oil sector, where African oil is estimated to make up twenty-five percent of North American imports by 2015, it is still EU and American capital that are dominant.¹⁶

Investors from the emerging BRICS (Brazil, Russia, India, China and South Africa) are of course no more enlightened than those from the West. They are all without exception pursuing their national strategic or private economic interests, and the Chinese projection of “soft power” is largely designed to facilitate political alliances with an eye to preferential terms for trade and investment (Pádraig 2011: 65-94; Lee 2014).¹⁷ The “barter system” through which some Chinese contracts are arranged, however, require careful consideration insofar as they entail construction of infrastructure – from roads and railways to dams and power plants – and as such constitute a form of remuneration for African resources that cannot be readily siphoned-off by kleptocratic elites. This is particularly important given that the countries that have attracted the bulk of recent foreign investments have been those with “the most violent and corrupt states” (Ferguson 2006, p. 196). Politically, this new scramble for resources has unleashed a profound reconfiguration of state sovereignty and territoriality. The emerging “low overhead model,” as James Ferguson calls

¹⁵ De-synchronization does not mean disconnection. If anything, the export-oriented industrial dynamism of East Asia is crucially dependent on the large US and Eurozone markets, which still command the bulk of effective purchasing power in the world market.

¹⁶ With the recent discovery of oil deposits in Ghana, Kenya and Uganda, there are now a total of thirteen oil-exporting countries in Africa, and the continued attempts by the US, unsuccessful thus far, to establish an “Africa Command” on the continent is tied to this growing dependence on African oil and the perceived threat to Western interests posed by China.

¹⁷ For an analysis of the complexity of Africa-China relations and its counter-hegemonic potential, set within a sharp critique of neoliberalism, see Quan (2012: 115-152).

it, has recomposed some national states into virtual company states dependent on extractive enclaves secured by foreign mercenary outfits. Angola, which in many ways typifies this trend, receives over eight billion dollars annually from oil, but it was eleven billion dollars in debt in 2005, and unable to secure IMF backing for further loans, turned to commercial banks for oil-backed credit at higher rates of interest, effectively ceding not only “the looting of revenue from current production, but the mortgaging of future revenues for years into the future” (Ferguson 2006: 199). This scandal is by no means an isolated instance of a particularly rapacious predatory state. A UN report notes that “Nigeria has exported over seven hundred billion dollars in oil between 1980 and 2010 - and yet the country’s per capita income is barely above the average for Africa. And despite having one of the highest GDP per capita, Equatorial Guinea is still only ranked 136 in the United Nations Human Development Index” (United Nations 2013: 2).

Clearly, not all African states have descended into such ruthless machineries of plunder. In countries like Kenya, Ghana, South Africa, Ethiopia, and Botswana, capital accumulation is embedded in a dense social network and institutional order. But even here there are reasons to be skeptical of any cumulative advance in the direction of social investments and economic diversification. The share of manufacturing in Africa’s GDP has actually declined from 15.3 percent in 1990 to 10.5 percent in 2008, while its share of global manufacturing value added diminished to a mere 1.1 percent (UNIDO 2011: 14). A staggering 50 percent of Africa’s exports are processed externally and the prospects for reversing this concentration on low value added primary extraction appear limited. As a UN report observes, the “international economic environment has changed significantly since the Newly Industrializing Economies of South-East Asia embarked on their industrialization programs. African countries now have to operate within the framework of WTO disciplines (backed by a rigorous enforcement mechanism), which limit the use of instruments deployed by the NIEs, the special and differential treatment measures notwithstanding” (UNCTAD 2003: 61-62). The new commodity boom is thus essentially reinforcing Africa’s position in the international division of labor established during the colonial era, although even here African states have been losing their competitive advantage in key commodities such as cocoa, tea and coffee to producers in Asia and Latin America (Southall and Melber 2009). Similarly, the viability of smallholder cash crop production has been undermined by the structure of agricultural subsidies in the global north. African cotton growers have for instance been effectively marginalized in the world market by heavily subsidized US production, despite the fact that the cost of producing a pound of cotton in a country like Burkina Faso is less than a third of that in the United States (twenty-one as opposed to seventy-three US cents). The social effects of this widespread ruin of primary producers is emblematically illustrated by Mali, where some three million cotton growers in 160,000 farms generate as much as thirty-eight percent of the country’s total export revenue (Fair Trade 2010).

The current world economic, food and energy crises has also unleashed a new wave of land grabbing as agribusinesses and states acquire land to expand production for external markets or, more perniciously, for purely speculative purposes in the futures market. Africa is the prime target of this large-scale scramble for farmland, which has seen the appropriation of an estimated thirty-four million hectares of land across the continent (Anseeuw et al 2011:4). The gatekeeper states and the institutions of global governance have been at the forefront of this great enclosure of the African commons, suggesting that large-scale mechanized agriculture provides the only means of closing the “yield gap” essential for food security and generating the capital needed for socio-economic development. But almost invariably, this new wave of industrial agriculture is oriented to the export market, and a large segment of it is devoted to the production

of agrofuels. Africa's small subsistence producers are consequently being marginalized or evicted from their lands as an archipelago of large-scale commercial farms reconstitutes the rural socio-ecological landscape. The result has been the growing asymmetrical integration of Africa's farms into a global corporate agro-food complex that is further accentuating global climate change and the loss of biodiversity. Socially, this represents a profound transformation of agrarian social relations in the continent from the pre-existing pattern of "exploitation without dispossession" (Berry 1993) to one of "accumulation by dispossession" (Harvey 2003).

This concerted drive to commodify land and labor constitutes a monumental assault on Africa's independent producers and village communities. With little industry to absorb the displaced peasants, a vast rural reserve army of labor is emerging that has generated a steady exodus to urban centers already plagued by decaying infrastructure, growing social polarization, and informal sectors where an estimated seventy percent of Africa's laborers try to eke out a precarious existence. Unconnected with any real economic revolution comparable to the industrial revolution of the 19th century, this form of urbanization exhibits all the characteristics of cities in enclave economies. As Mike Davis observes, "urbanization has been more radically decoupled from industrialization, even from development per se, and in sub-Saharan Africa, from that supposed *sine qua non* of urbanization, rising agricultural productivity. The size of a city's economy, as a result, often bears surprisingly little relationship to its population size, and vice versa" (Davis 2006: 13).¹⁸ Far from being the motor of economic growth, the hypertrophy of Africa's cities reflects their status as the last refuge of the disinherited. In the meantime, rural discontent grows and the city itself generates new layers of the wretched of the earth that will undoubtedly form the social combustion of popular upheavals to come.

Conclusion

Africa is today in the throes of a profound social and economic transformation shaped by growing resource extraction, creeping peasant dispossession, and heightened levels of social polarization and ecological degradation that in some respects recall the late-nineteenth century era of high imperialism. But the record of decolonization has not been one of unrelieved decline, as so many of its current detractors imply. The first two decades after decolonization witnessed perceptible if modest social gains within the framework of the postwar boom in the world-economy and an international order of embedded liberalism. With the onset of the long downturn in the mid-1970s, a new pattern of neoliberal primitive accumulation emerged that effectively strangled Africa's weak economies. The shift in the global center of accumulation to East Asia has partially altered this context and generated growing demand for Africa's resources that has catalyzed a modest if uneven economic expansion. But if this restructuring is to be converted into an enduring social gain for Africa's citizens, the neoliberal reification of the market and the consequent downplaying of human agency, and the anaesthetizing effect this has had on critical thought, will all have to be overcome. The condition of Africa today is an outcome of its asymmetrical integration into the world system, and any credible alternatives beyond it will require a concerted effort to transform the relational structures of power that have continued to reproduce it.

¹⁸ Some estimates suggest that by 2015, sub-Saharan Africa will have "332 million slum-dwellers," which constitutes about a third of the continent's population (Davis 2006, p. 19).

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REVIEW SYMPOSIUM ON ANDRE GUNDER FRANK'S *REORIENTING THE 19TH CENTURY: GLOBAL ECONOMY IN THE CONTINUING ASIAN AGE*

World-System Theory After Andre Gunder Frank

Albert J. Bergesen

University of Arizona

albert@email.arizona.edu

“It is time at least to work on, if perhaps not yet to achieve, a grand theory to replace the inadequate received ones.”

-Andre Gunder Frank, *ReOrienting the 19th Century*

World-System Theory's (WST) basic assumptions have remained largely unchanged since their initial formulation in the mid-1970s (Wallerstein 1974). The world-economy is based upon the capitalist mode of production, whose operation yielded a division of labor between wealthier core countries and poorer peripheral ones, such that the advancement of the core is at the expense of the periphery. A middle zone is also added, the semi-periphery, theorized to be a blended mix of core and peripheral activities. The core-periphery relation is the key structural feature initially theorized to have emerged in the 16th century out of a crisis in feudal European agriculture, which then expanded over the centuries to incorporate the rest of the world into its three-tiered structure. By the mid-19th century, with the incorporation of East Asia, the system became truly global. This set of assumptions has in turn given rise to two research traditions: one seeking earlier historical origins of core-periphery inter-societal structures and the other utilizing multivariate statistical models to study dependency effects.

There have also been critiques of WST theory, including those by A.G. Frank, whom I would like to focus upon, not just because he identifies limits, contradictions, and shortcomings of the standard WST model, but because he also provides rudiments of an alternative model of how the world economy produces inequality in the wealth of nations. The focus here, therefore, will be upon theoretical implications derived from Frank's last manuscript, assembled after his death by Bob Denmark¹ as the book, *ReOrienting the 19th Century: Global Economy in the Continuing Asian Age* (2014).

¹ Frank had left some 5,000 computer files with about 50 of them as iterations of draft chapters. Out of this, Bob Denmark performed the herculean task of reading, re-reading, sorting, cleaning, and finding references, to assemble the book length manuscript, *ReOrienting the 19th Century*. For that very hard and painstaking work Bob deserves the thanks of all concerned with understanding the world system within which we live and seek to better.

What Makes a World Economy World?

It has been said that a scientific problem is never solved at the level at which it was initially formulated; that, in effect, a new theory also involves a new conception of the object for which the older theory was trying to account. To begin to rethink World-System/PEWS Theory, therefore, requires going back to the most fundamental properties of the object to be explained: the global, or world, economy. With this in mind, consider the geographical substrate of the earth upon which, in accord with, and existing intertwined with, our object of explanation exists: the global/world economy. It is 70 percent water and 30 percent land, with the world's population dispersed in varying concentrations across the land/continents, upon which arise population centers, societies, polities, cultures, and economies. For any such land-based economic system to be considered part of a distinctly world economic system, there has to be relations amongst these concentrations of population, societies, economies, and for that there has to be economic relations that span large bodies of water and connect people on different continents.

If relations spanning bodies of water are what make a world economy, this is not what makes the concept of the "modern world-system," for that is defined by a core-periphery division of labor which would include any inter-regional, inter-societal, or even inter-city division of labor with a dominant center and a dependent edge, e.g. with a core and periphery. When we are dealing with the "world-economy" in these terms we are dealing with, really, a core-periphery set of relations, whether these are international, trans-oceanic, or in any way closely approximating the idea of "world." The political economy of the modern world-system based on the capitalist mode of production, then, is, in reality, the political economy of core-periphery relations, however and wherever these are found.

The problem here is that the object to be explained is fused with its theoretical explanation, such that PEWS thinking doesn't start out with an independent definition of a world economy, and then proceed to formulate a separate model to explain its essential features; rather, it starts with a model—that of the the world-system/world-economy (with hyphens) of core-periphery relations as the very definition of the object it is to explain—the world economy (without hyphen). Here world-economy as theory and world economy as object, is the same, making world economic reality irrelevant as historical or empirical evidence of things that might not fit the theoretical logic of the world-economy. If historical evidence from a particular region doesn't fit the world-economy theory, it can be called an external or unincorporated area outside the world-economy. World economy versus world-economy has always seemed a very esoteric distinction, except when you think of it as the object to be explained (world economy) and the theory proposed to explain it (world-economy). The problem is that the two get confused such that the world economy's objective features are thought to be the theoretical constructs of world-economy theory. The result is that one begins with the core-periphery distinction as the factual starting point and proceeds to theorize from there, when one should begin with the world economy instead as economic relations that span large bodies of water, and then go on to see what kind of theoretical model fits best—it may be the PEWS model, it may not, but it's an empirical question to be answered by fit of data. That's the point. Research about the world economy from a WST perspective, then, is something like selecting on the dependent theoretical variable, for what is to be studied (world economy, reality, out there, etc.) is already selected as the very definition of the situation, the world economy as the core-periphery structured world-economy.

What has happened is that WST, fixed, theoretically, as the core-periphery hierarchy, has been by-passed by non-WST scholars inclined towards more flexible frameworks. One can already see the slowing interest in the PEWS model in competition with globalization theories and in the growing popularity of neo-geopolitical analysis. We should, then, consider a new starting point, beginning with an objective, non-theoretically constructed, facts-defined world, an existing global economy, to which can then be applied and evaluated the PEWS or any other model, such as the one suggested by A.G. Frank.

To do this, begin with a sense of the world economy as economic relations between continents, which means relations over large bodies of water, which have been, and are today, achieved by shipping: 90 percent of all international/world economic activity transpires through shipping today. And, if such intercontinental economic activity is what is meant by world economic activity, then there is no way to seriously consider oceanic transport of finished manufactures and raw materials without considering trade relations. And, if considering the geographical properties of the earth's surface leads us to a new understanding of the role of intercontinental trade as the essential relation of the world economy, what do we make of the hypothesis that we are dealing with a "500-year 'modern world-system' based on the capitalist mode of production" (Wallerstein 2006)? This brings us to the theoretical challenge of Frank: If the world economy has to be between continents, which by definition is more about trade than production, and if world trade relations historically preexist the emergence of the capitalist mode of production, does this suggest that the modern world-system is not, in fact, based upon the capitalist mode of production, but is part and parcel of a much larger and historically longer world economic system of multilateral trade relations? Since Marx the mantra has been first production, then trade/exchange. In effect, you have to produce it before you can exchange it. Frank challenges this: trade precedes and makes possible production. To say Frank turns Marx on his head is a little strong, agreed, but the suspicions he plants point in that direction.

Is the World-Economy Based on the Capitalist Mode of Production?

Let's now seriously consider the proposition that the modern world-system, and with that the world-economy, is, in fact, "based on the capitalist mode of production." Minimally, this would mean that there is a set of deductive linkages between the defining property of a mode of production and that of the world-economy. There is a part/whole issue here. Essences at one level act as wholes, but when a larger surrounding structure is identified they become parts, and essence shifts a level upward. Individual essences are seen when arguing that individuals buying and selling make capitalism. Social essences are seen when arguing that capitalism makes individuals buy and sell. This was the sociological revolution: identifying context, structure, group, institution, class, and society as social forms that determine the actions of individuals within them. World-system theorists are, by and large, professional sociologists and they know context; the world-system was their new context. From Parson to Wallerstein, the essential unit of analysis shifted from society to the society of societies; the world-system of social systems. Yesterday's totality, society, was now but a part in the new essentialist whole, the modern world-system based on the capitalist mode of production. No longer did theory describe societal economies internally evolving on their own by Marxian class struggle or Weberian work ethic; instead, it centered systematic relations between societies, famously put by Frank as the development of underdevelopment, and then later by others as the core-periphery structure based on the capitalist mode of production.

But there is a misstep in this transition from societally-based sociology to world-system-based globology (Bergesen 1980)—capitalism, as mode of production, is not defined by international relations that follow from exchanges *between* high-wage manufactures produced in one part of the world with low-wage, low-technology raw materials from another part of the world, but rather by relations between social classes *within* these parts of the world. And the resultant unequal distribution of wealth within capitalist societies is not because of unequal exchanges of raw materials and manufactures, but because of one class owning the means of production. Mode of production and world-economy, then, are two different economic systems, and there is no way to move theoretically from relations between whole zones of the world to relations between classes within a zone. Further, capitalist economic relations have to be within a national formation, for it is the state that validates and enforces the ownership right to the means of production. Police, courts, judges, jails, prisons, laws and even Althusserian ISAs, enforce, and thereby make possible and reproduce, ownership and control of the means of production by one social class at the expense of another. And as we know from Weber, states are territorial, meaning their authority stops at their borders, such that politically enforced ownership of the means of production halts at the border of each state. Therefore, in the absence of a world state, there can be no world capitalism. “World capitalism” can be used as a vague descriptor of business done by capitalists from one country in another. But capitalism, as a mode of production, remains a societal/national entity.

This, though, has not kept theorists from trying to tie the dynamics of the national/societal to that of the global. Hobson and Lenin represent perhaps the best-known efforts at trying to somehow stretch the societal to the global. They acknowledged that, yes, the capitalist mode of production has its own internal logic, while also asserting that its very logic can generate overseas expansion, as when saturated domestic markets and the need for more raw materials lead the mode to expand beyond its natural bounds, thus ushering in an era of capitalist imperialism, which they saw in the later 19th century. A somewhat similar effort was made by Wallerstein but with another mode of production—feudal agriculture—and another time period—the 16th century. Crisis in feudal European agriculture prompts, and results in, the formation of the initial core-periphery structure between Eastern and Western Europe. Said crisis in one mode became linked up with the rise of another mode, smoothed together via the concept of “capitalist agriculture,” and this was hypothesized to be the birthplace of the modern world-system (MWS) based on the capitalist mode of production.

But there is a slip up here too. In the Hobson/Lenin formulation it is a mode’s internal crisis that leads to extra-mode relations for that initial mode (capitalism). Yet the origin of the MWS, according to WST, was an internal crisis in another mode (agriculture) that led to the succeeding mode (capitalism), which is assumed to be inherently expansionary in its operation. Why? It has been argued that the “capitalist world-economy... is governed by the drive for the endless accumulation of capital” (Wallerstein 1999). But accumulating and expanding overseas are two different dynamics. For Hobson/Lenin, it was only at a certain point that capitalism extends abroad. And perhaps an endless drive to accumulate would lead to this eventuality. If this is the case, it would imply that the “world” part of capitalism is confined to only certain times and places, as during the later 19th century for Hobson/Lenin. Yet WST has this world dimension as a regular feature of the MWS from its very inception.

Bilateral or Multilateral World Trade System?

For the sake of argument, we will drop the “based on the capitalist mode of production” part, and focus instead upon the workings of the core-periphery division of labor. Here we observe other theoretical problems. Frank felt this bilateral relation of core and periphery was a simplification of the actually existing trade/exchange relations that comprise the world economy, arguing, “...calculations...that the ‘North’...did benefit...from their colonial, imperialist, or neocolonial...relations with...the ‘South’.... [are] about bilateral relations [that] are irrelevant for...determining the balance sheet of gains and losses. For these can be determined, if at all, only by examining the entire system of *multilateral* im/balances of trade and payments at any one time and also historically instead of simply examining bilateral or even trilateral relations” (2014: 64).

Putting the issue somewhat differently, multilateral trade and payment structures are facts of the world that cannot be adequately accounted for with the bilateral theory of core-periphery trade exchanges (Bergesen 2011). For example, the Britain-Africa-Americas triangular slave trade was in full swing by the 17th century, reaching its peak in the 18th century. It was a huge part of the Atlantic economy, thereby the world-economy, and therefore something that should be easily understood in core-periphery terms. Britain exports manufactures (textiles, trinkets, beads, guns, ammunition, rum) to western Africa in exchange for slaves, seemingly meeting the bilateral criteria: core manufactures exchanged for the periphery’s raw materials (here, cheap labor). British manufactures should be exchanged for African slaves. But as everyone knows, this doesn’t happen. Manufactures do go to Africa but slaves don’t come back; instead they are exchanged/traded to other peripheral locations, like the West Indies and North America. What should be a core-to-periphery and back-to-core exchange is, in fact, a core-to-periphery and then periphery-to-periphery relation. It is not a direct exchange of manufactures for raw materials. Formalizing it more clearly to grasp what world economy exchanges look like, we can consider a bilateral exchange as being between two hypothesized geo-economic entities, core (C) and periphery (P) where $C \leftrightarrow P$ represents their bilateral trade relation. For Britain and Africa this would be represented as: $C_{\text{British manufactures}} \leftrightarrow P_{\text{African slaves}}$, but the actual trade looks like this: $C_{\text{British manufactures}} \rightarrow P_{\text{African slaves}} \rightarrow P_{\text{West Indian/North America}}$, or $C \rightarrow P \rightarrow P$. When we add the cotton and molasses sold to Britain from the Americas, which when manufactured into textiles is exchanged again for more African slaves, we have a $C \rightarrow P \rightarrow P \rightarrow C$. In a very real sense this isn’t an exchange at all, at least in the direct sense, of, say A’s manufactures for B’s raw materials, for B in turn exchanges them with C, who then exchanges with A. There is no A-B exchange of commodities at all.

This complexity, though, is not represented in our empirical models of core-periphery relations. World-system research models have been estimating “bilateral flows of capital...along one or another leg of some triangle...at the expense of estimating the effects of the other legs, because mapping the entire worldwide network of these linkages at any one time and calculating the corresponding gains and losses from trade, let alone their cumulative effects has never been attempted” (Frank 2014: 125,130). And it’s not that we are only getting part of the picture, but rather that the part that we do study is what it is because of the other legs of the triangle we haven’t included in our models. For example, in the 19th century what Britain extracted from India in a seemingly bilateral relationship came in good part from China, as Chinese silver and cash were exchanged for Indian-exported opium. Like the multilateral complexity of the slave trade, the trade circuit of capital here isn’t bilaterally India to Britain, but rather China to India to

Britain. And the complexity doesn't end here, for Britain also ran a trade deficit with China because it couldn't pay for Chinese tea and silk, and so money acquired from India (indirectly acquired from China) was then shipped to China to pay Chinese creditors. Modeling such world economic relations and trade circuits of capital/money is essential to grasping the working dynamics of the world economy. It is a task hopefully taken up by cross-national scholars doing world-system research.

External/Unincorporated Areas

Consider again the China-India-Britain triangle, where India sold opium to China, which paid India for it with silver/cash, which was used to pay Britain for textile exports to India, which Britain then used to pay China for tea and silk imported from China. World-system theory doesn't have East Asia incorporated into the modern world-economy until the mid-19th century, however (Wallerstein 1999), even though as early as 1637 Britain had opened trade relations in Canton on behalf of the East India Company, and by 1672 the Company had a trading post in Taiwan that was engaged in trade relations with China, which, by the turn of the century, was transferred to Canton (British Library 2014). Here we see a state that is clearly part of the functioning world-economy, Britain, having systematic economic relations with an unincorporated area by the middle of the 17th century, some 200 years before it was supposed to even be a part of the world-economy. Not only that, but by the 18th century the British were trading Indian-grown opium to China, resulting in a full blown trade triangle—again, way before the ostensible incorporation of East Asia into the world-economy.

Obviously there is a problem here. If “the world-system came into existence in the course of the sixteenth century, and its original division of labor included in its bounds much of Europe... and parts of the Americas...” (Wallerstein 1999), what then are Britain's systematic, ongoing, trading relations with China? One reply could be, yes, there were trade relations involving Britain and China within the world economy, but world-system theory is only concerned with the core-periphery relations of the world-economy (with hyphen) and these relations are outside the parameters of the core-periphery relationship. Fine; this would mean that the world economy, as it exists out there, in reality, isn't the world-economy of the more limited core-periphery structure. But not only is there something systematic going on between a world-economy entity (Britain) and an unincorporated area (China) that needs accounting for; but more generally there is a whole lot of world economic activity that isn't included in this world-system model that purports to be a satisfactory representation of world economic activity. Upon a moment's reflection it soon becomes clear that we have signed on to a model of world economic life which excludes huge swaths of the world's actually existing trading and exchanging world economy in favor of a European-originated model of much more limited scope that, over time, is hypothesized to have grown, expanded, and incorporated the rest of the actual, international, world economy.

In sum, there are in fact a number of theoretical problems with standard world-system theory:

- The capitalist mode of production has little to do with the technical definition of a core-periphery structure, such that speaking of a world-system based upon the capitalist mode of production makes little sense.

- World-System theory seems more and more like the transposition of the Hobson/Lenin model back to the 16th century, with Lenin's 19th century capitalist imperialism re-labeled as the modern world-system.
- China, as an area purportedly external to the world-economy, is in fact involved in a robust trade with Britain way before it is supposed to even be in the world-economy.
- The bilateral core-periphery exchange relation is so narrow that it misses the great complexity of the world economy's multilateral trade.

Trade Triangles

While such critiques of world-system theory are important, paradigm shifts occur less from critique per se than from the appearance of a new model that better accounts for the data than the established model. In this case, the heart of WST has been to provide the best possible account of the differential wealth of nations, and how some areas become advantaged at the expense of others. A paradigm shift from the present core-periphery to a multilateral model needs to show that it can provide a better way to explain such global inequality. And with that challenge in mind we can turn directly to the heart of Frank's theory of how multilateral trade/payment structures generate global inequities.

This multilateral (along the sides) or multi-angular (at the angles) structure of the global economy permits those at angular systemic locations of privilege to exact tribute or rent from the system as a whole and in particular from those in the underprivileged positions. For the role of the latter is to produce and transfer wealth and income to the privileged ones through the structure and operation of this multilateral/angular system. In the nineteenth century, Great Britain came to occupy this position of privilege; and that is what made it "great" much more so than any qualities or capacities of its own. Since then, the United States replaced Britain in this position of greatest privilege; and that, rather than its productive capacity, accounts for most of its wealth and income (Frank 2014: 89).

If this represents the model's general outlines, the specifics are contained in Frank's discussion of key elements of the China-India-Britain trade/payment triangle:

Britain imported merchandise from China but was unable or unwilling to pay for it. On the other hand, first also the same British EIC [East India Company], and then British subjects and interests in India in general, sought a way to transfer home to Britain their earnings and secondarily from elsewhere in Asia. The solution to both problems was one and the same: if China could be persuaded or forced to import opium from India (in excess of the value of British exports to India), then China would send bullion to India to settle the balance between Chinese "imports from" India over its "exports to" India. And the British (more than the Indians) could then use these Chinese funds both to remit their own profits from India to England and to pay the Chinese for Britain's own excess of "imports from" over their "exports to" China. And India could complement its domestically generated merchandise exports, primarily of raw cotton and "home

charges” that Britain exacted from India for its “administration,” with India’s own receipt of payments from abroad, principally from China (118).

Britain gains less from any bilateral leg of trade with “other producers and consumers” than from the “global network of world trade and its complicated system of im/balances, from which Britain drew its and the world’s greatest benefit” (Frank 2014: 166).

If “trade imbalances on one leg of each triangle were compensated by trade and payments or surpluses on the other two legs of the triangle” (Frank 2014: 125), how is it that Britain’s angle does better than the others? Hints can be found in another seemingly self-balancing exchange model—that of wages for labor. The distortion here is not that cash for work is an inherently unequal exchange, but rather that political power is introduced into the wage/labor exchange model in the form of ownership of the means of production. Politically legitimated and enforced ownership, not exchange, is what constrains the model to generate low wages and allow the appropriation of profit by the owning class. Ownership is supported with intra-state power (police, courts, laws, jails, prisons, and so forth), but these are not what operate on the inter-state level, where power takes the form of navies, expeditionary forces, colonial outposts and their administrators, and so on and so forth. These, and other, manifestations of the global-political, make possible the “multilateral system of...trade and related payments” which allowed wealth from some to be “derived at the expense of others” (10). These arrangements were clearly appreciated by contemporaries, as seen in a memorandum from the India Office in 1907:

The aggregate exports from India to Asiatic and African ports, including the Crown Colonies of Ceylon, the Straits Settlements, and Mauritius, exceed in value her export trade with the continent of Europe. The balance of trade in both cases is largely in India’s favor, and represents the sources from which she satisfies the heavy balance against her on her trading, debt, and administrative accounts with [the] United Kingdom (quoted in Frank 2014: 248).

And so, “between 1858 and 1898, almost half of India’s exports were used to settle its foreign debts: 20 percent went for the infamous Home Charges, 30 percent covered payments to the private sector as interest and profits as their investments and other services to India” (248). Britain, then, gained its wealth from its political/naval/colony-holding apex position within the world economy’s major triangle trading structures. India exported more than it imported, yet there was no rise in India’s foreign exchange reserves; there was no growing positive balance of payments. Why not? “The key to the puzzle lies in the invisible items in her balance of payments and the unilateral transfer of funds that she had to make to Britain as part of the political charges debited to her external account. Thus payment of political [and economic!] tribute was the genesis of the famous theory of a ‘drain of wealth’ from India” (Chaudhuri 1983 quoted in Frank 2014: 119). These “invisibles” constitute the global-political as deployed by Britain across its trade relations. Just as there isn’t any natural inequality in the exchange of wages for labor, so there is no natural inequality in the exchange of manufactures for raw materials. It is power plus exchange, then, which creates the inequity of wealth extraction, whether that be of wages and profit, or of terms of trade, taxes, insurances, shipping costs and other fees and appropriations extracted from world trade. Capital appropriation mechanisms differ at different levels of analysis; the capital/labor relation has its own dynamic and manner of appropriation, as do triangular trade relations.

Britain's Wealth: Capitalism or Triangle?

If 19th century Britain was the centerpiece for theories of capitalist production, so it is now grounds for considering Frank's argument that Britain must be "seen in the context of the multilaterality of the world economy that allowed Britain to maintain herself as she did" (124). Put another way: Frank asks if Britain's wealth was due to her status as capitalist workshop of the world² or her apex position within a multilateral world trade structure?

We start with the implications of Britain's trade deficit for her role as capitalism's workshop of the world. "Britain ran a merchandise trade deficit, that is it imported more than it exported throughout the entire 19th century" (117), such that, "there seems to be no escape, therefore, from the conclusion that Britain's new industrial system did not create export surpluses" (Imlah 1958 quoted in Frank 2014: 117). In effect, "Britain did not so much cease to dominate through manufactures as that it never did so" (66). If, then, Britain's "accumulation of overseas credits" were not from the "time honored assumption that machine-made exports supplied the credits," then another source is required, and it has been suggested that "the earnings of the merchant marine, the commercial commissions, the savings of her experts and technicians and colonial officials abroad, and income from her foreign investments—made up the deficit on her visible trade and supplied whatever new capital was invested overseas" (Imlah 1958 quoted in Frank 2014: 117).³ "Britain temporarily maintained her balance of payments by achieving an abnormal share of the world's shipping insurance, and other commercial services," which "developed so considerably that a large surplus was still left to finance a growing export of capital, the accumulated stores of which themselves provided Britain with an ever growing income from interest and dividends" (Lewis 1949 quoted in Frank 2014: 66). "There seems no escape, therefore, from the conclusions that Britain's new industrial system did not create export surpluses...it is un-mistakenly clear that, on balance, Britain was an importing country throughout this half century" (Imlah 1958 quoted in Frank 2014: 209). Indeed as Frank notes, "...if you import and consume 30 percent to 60 percent more than you produce, and export, as Britain did how can you save anything internally...let alone have enough to invest so much abroad?" This, in turn, raises the question, "so where and how then did Britain raise this investable capital, which for instance, built the railroads in the United States?" (210).

These facts suggest that it was Britain's position in the world, and not so much Britain's exports to the world, that generated her wealth and supplied capital for further export investments. In effect, British machine-made, factory-assembled, capitalistically organized, and industrially-produced commodities, were not selling well enough abroad to sustain a positive balance of payments. For all the workshop of the world hype, 19th century Britain imported more than it exported. Frank's point here is that the costs and benefits that multilateral trade generates derive less from the "intrinsic characteristics or qualities of any of the particular parts" and more from "the structural and functional location of the part within the whole" (174). In other words, British capital accumulation was less the function of the operation of said capitalist mode of production and more the result of capital appropriated through Britain's apex world trade position. Similarly, Frank notes that "Britain was a much wealthier country in 1900 in

² British yarn and textiles constituted 62% of British exports in 1850 and still 55% in 1870, while iron, steel, and machinery vehicles went from 13% of exports in 1850 to only 17% in 1870.

³ Frank also suggests Britain's famed "free trade" policy wasn't because of the competitive advantage of her exports but because it allowed Britain to settle her balance of payment problems in a multilateral fashion.

terms of income and wealth per capita [than the United States]. The reason must be sought beyond what people in Britain and the United States actually produced. A substantial portion of British income must have been derived from abroad through interest, profits, and rent, or in a word from its privileged LOCATION in the world economy from which Britain derived an important share of its income, and its ability to invest abroad and derive further income from that” (293).

That apex position had other effects as well. As Britain’s influence in exports waned after the 1880s, India was forced to “absorb Britain’s surplus of increasingly obsolete and non-competitive industrial exports” (241). Consequently, Britain didn’t have to restructure its domestic industry but could continue to invest in other countries. India was compelled to import and pay for non-competitive British goods, such that older, less capable industries were not forced out of business but maintained by the captured Indian market. Without knowing this and just looking at export figures alone, one could assume that British industry was still competitive on the eve of the 19th century. Again, understanding the trade context is essential to understanding intra-societal capitalist dynamics.

Britain’s apex trade triangle position, like that of capital in social formations, is politically underwritten. What is truly meant by the political in “the political economy of the world-system” is the global-political, and it takes many forms. For example, India’s financial flows to Britain were not just based on trading textiles for cotton as inherently “unequal” exchanges; they also consisted in the global-political, which for India “...consisted importantly of Indian payments for the British-commanded but Indian-manned army of occupation and the civil service administration of India as well as payment of pensions to and remittance of profits by the British in India” (123). And earnings in services “ran about 50 percent more than trade deficits...[and] interest and dividends earned were by themselves half of the trade deficits” (167). When these are added up, earnings from such “invisibles” were about “two times higher than the trade deficit” (168). Britain, the hegemonic capitalist power of the 19th century, the workshop of the world flooding the developing world with her manufactures, got more, much more in fact, from “services” on trading and other international economic activities than from the profits that her “industrial revolution” produced through its purportedly powerful, unique, historically new, and revolutionary mode of production called “capitalism.” Similarly, the export of capital wasn’t the Hobson/Lenin model of capitalism’s crisis, as it was often capital from peripheral areas themselves.

In this year (1913) the United Kingdom exported merchandises valued at £635 million and had imports totaling £769 million. In addition, it imported gold worth £24 million and thus had an import surplus of £158 million in the movement of merchandise and gold. To offset this deficit, the British had items totaling £129 million (from earnings of the merchant marine £94, earnings of traders’ commission £25, other earnings £10 million). The British thus would have had a deficit of £29 million except for interest and dividends from their investments abroad, which amounted to £210 million. Addition of this item to other “invisible” exports reversed the balance of payments in favor of the United Kingdom, giving it a net surplus of £181 million. Theoretically, the British could take this balance in increased imports of merchandise and still have the balance of payments in equilibrium. Actually they left the whole net balance abroad as new investment. In fact, in 1913 London advanced to colonial and foreign concerns long-term

loans for £198 million—almost exactly the amount of the current profits from former investments abroad (Woytinsky and Woytinsky 1955 quoted in Frank 2014: 227).

There are, then, two versions of “foreign investment.” There is foreign investment¹, the traditional understanding of capital raised within the capitalist mode of production by the exploitation of domestic British workers that is then sent abroad as overseas capitalist investment. But there is also foreign investment², capital raised overseas to start with that is either just left there as “foreign investment” by the foreigners in the peripheral area, or capital raised for “foreign” investment locally, which is then transferred out, such that it appears to be obtained from the external investing country. But again, like money from China to India to Britain, we see investment capital raised overseas, transferred to the metropole and then invested from there back to some, or the same, overseas location. This dynamic has also been noted about the Dutch in Java as well as the Chinese during the 19th century: “Chinese investments in Malaysia were not the result of any out-payment from China, but were derived from the Straits Settlements and the Malay Peninsula (Gordon 2004 quoted in Frank 2014: 235).

Certainly the colonial relation of Britain/India is an important instance of the global-political component of any political economy of the world-system, but British naval might backed its domination of global shipping as well. For when we speak of imports and exports, it involves, “mostly ocean transport of all this merchandise” and in the 19th century “the Europeans owned about two-thirds of the shipping and thereby earned that share of those transport charges, which the underdeveloping countries had to pay on top of the cost of the imported merchandise itself. Moreover, transport charges on goods exported [from the South] were about twice as high as those exported by the North to the South...The implication is...that transport charges were discriminatory against the South’s exports and in favor of the exports from the North, which owned the shipping and ‘earned’ the revenue from it” (Frank 2013: 227, 228). Shipping charges were a huge source of British income. They “ran at about 50 percent more than trade deficits on merchandise accounts. Interest and dividends...were by themselves about half of the trade deficit. Adding these interest and dividend earnings to those of services, we get a total of all earnings from invisibles, which is about two times higher than the total trade deficit” (168).

If it makes sense to think about something like the ownership of the means of trade through concentrated ownership of shipping, then the “ownership and registry of world shipping was highly concentrated in Britain throughout the 19th century...[and] transport charges accounted for about one-half of all ‘invisible’ earnings from services, which themselves were a most essential element in the British balance of payments” (228). The British merchant fleet accounted for between 32 percent and 45 percent of world shipping tonnage in the 19th century. By 1900 world shipping tonnage was 30 million tons; 13m British, 2.5m American, 2.5m German, 1.6m Norwegian, 1.3m French, and 3.7m other European, which left only about 8 million tons shared by the rest of the world. Again “invisible” service payments that the South was “obliged to make to the North” involved “transport charges [that] were about half, and port user fees, insurance, interest payments and remittance or reinvestment of profits, etc. were the other half” (228, 229). If one really wants to talk about a political economy of the world-system then one needs to talk about shipping and what Alfred T. Mahan (1980) called armed shipping, or naval power. From this perspective, control and power is liberated from only being theorized to constrain land-bound economic relations (as between classes) and can also be seen in sea-bound relations (trade) as well.

Shipping, oceans, trade; it all seems far from production, class, labor, factory, and “capitalism,” but it’s not as far as you might imagine. Think of the standard list of capitalist hegemonies of the modern world-system: Spain, Netherlands, Britain, and the United States. All of them are not only maritime states, but sea powers as well, and the hegemonic sea power of their time. If the world-system is truly based upon the capitalist mode of production then why haven’t any non-maritime, but clearly capitalist, states ever been hegemonic (Bergesen 2012, 2014)? Is it just an accident that no Germany, no Russian Federation, no France, or for that matter no capitalist state that is not at the same time a sea power, has ever led/dominated the capitalist world-economy? Perhaps. But perhaps the hegemonies of the seas and the hegemonies of world capitalism are intricately linked because what we are dealing with is, in fact, the political (sea power) economy (trade) of the world-system. Perhaps our world-system is based not on a mode of capitalist production but on a mode of multilateral trade.

Multilateral Trade Hierarchies

Multilateral trade hierarchies appear to possess combinatorial properties, often of a quite simple manner seen in combining, or intersecting, triangles. “Britain was the one that was at an angle of each of the following ‘regional’ triangles: the infamous opium-based China-India-Britain triangle, the variously already interlinked Atlantic ‘triangular trade’ ones, the Britain-Continental Europe-Americas ones, the incipient US-China-Britain one, etc.” (Frank 2014: 62). They also appear to operate in a more complex fashion as discrete combinatorial systems (Abler 1989, 1997; Bergesen 2005, 2004, 2000), meaning they are comprised of a finite set of primitive elements with a set of rules that enable them to be combined in a virtually infinite number of combinations. While we don’t fully understand how all this operates, as a working model we can suggest that elemental constituents, like an A to B bilateral trade relation, can be combined in a rule bound way with other AB bilateral relations to construct another structure whose properties lie above and beyond their constituent bilateral A to B components. They are not just a set of three unordered A to B bilateral relations, but they are in a combinatorial form, such as the A to B to C and then back to A trade triangle. That entity is capable of combining with other triangles to constitute even more complex multilateral structures, and the totality of said structures represents the world trading system that Frank postulated constituted the unique world economic whole that should be the starting point for research on the world-system.

Second, these structures appear to be highly conserved historical forms, meaning that their basic structure and operational logic persists independent of the properties of the countries which occupy their role positions. That is, the trade triangle isn’t just a creation of Britain and the East India Company. The Dutch probably operated within it as well, as did the Spanish Empire of the 16th century, and for that matter ancient Rome and 5th century BCE Athens, and looking toward the future, there is no doubt that China and other parts of Asia will also be/are already participants, performing role duties and benefiting from role advantages, derived from these same highly conserved trade structures. In effect, if we find trade triangles throughout history, and if their operational logic seems identical, what we are looking at is a deeply conserved set of political/economic relations, whose properties are independent of the types of domestic economies they link. The essence of human hierarchy may not be the sequenced modes of production—hunter-gatherer, agriculture, slavery, capitalism, and so forth; for these, obviously, are historically contingent forms, and as such, there will always be a new mode of production, followed by another, and another, forever. If, as hinted by Frank, the context of a

world-system of multilateral trade relations minimally impact and maximally shape and even create such modes, then research needs to be turned towards the essential operational logic of the world-trade-economy and away from the historically contingent, and always changing, world-economy based upon the capitalist mode of production. For that too, even at the world level of analysis, is historically contingent; given the rise of China within the world-economy (Bergesen 2013) is it not appropriate now to argue that it is a “post-modern world-system based upon “authoritarian capitalism” or upon “Beijing Consensus Capitalism” or to claim that the 19th century was really the age of “Classic Capitalism,” or that it was based still earlier upon “Capitalist Agriculture,” and on, and on. Each turn of a dog chasing its tail is somewhat different from the previous one, and research effort can either be spent noting the unique properties of each turn, or identifying the finite properties of the dog and the tail that generate these endless turns. Researching historically conserved trade structures represents a radical departure from present efforts to map properties of the historical moment, or moments past, or speculate upon moments to come.

While the multilateral process may be capable of generating a virtually unlimited number of different trade structures, constraints from other domains (economics, geopolitics, sociology or psychology) seem to have yielded a particular trade structure sequence. There is an observable degree of complexity moving from bilateral to triangular to multilateral, and these seem ordered over time. Britain starts out with bilateral trade with China then adds on India to yield a trilateral system, and then in the late 19th and early 20th centuries, this gives way to a full-blown multilateral trade system with linkages to a variety of other trade triangles. We also know that this was followed by the collapse of such fully flared multilateralism (the so-called first wave of globalization, 1870s-1913) with dramatic declines in world trade, rising tariff barriers, and a generalized balkanization of international economic affairs during the 1930s Great Depression. Some states existed in an almost non-trade autarkic condition, like Nazi Germany and Soviet Russia. Then, after 1945 we see the post-war expansion and a growing multilateralization of trade until the early 21st century, where we appear to be again regressing back to bilateral trade.

[Today] about half the exports of the top 30 exporters go to preferential trade partners. And between 1990 and 2010, the number of preferential trade arrangements rose from 70 to 300. But now the US is proposing “mega-regional” agreements: the transpacific and transatlantic partnerships. The logic is that this is a way to achieve deeper integration among like-minded countries. But these plans are also designed to exclude the rising trade superpower, China. This is risky: it could end up fragmenting the trading system (Wolf 2013).

How and why all this operates is not fully understood, but the discrete combinatorial nature of the multilateral system facilitates a fairly quick response to shifting conditions. The capacity to combine, re-combine, and de-combine appears to be an essential property of the world trade system, one that deserves research.

A final observation: The rapidity of change in both trade structure and position occupancy is quite striking. Frank argues it was “after 1870 that the world economic system of multilateral trade and payments im/balances took its final shape and became dominant. It was the ultimate placement of Asia, Africa, and Latin America in structural positions of disadvantage, nay of systematic exploitation and often oppression that generated the development of underdevelopment with a vengeance. It was from their absolute and relative favorable position in

the same system that the now developed West derived its income, finally applied science to promote technological (but not necessarily other) development, and was able to dissipate the entropy that was generated to what then became the third world” (2014: 73). But this “ultimate placement of Asia”—which obviously would include China—didn’t last long, as China is on course to pass the United States as the largest economy. Perhaps Pomeranz’s (2000) “Great Divergence” is actually describing a shifting of places within the historically conserved multilateral trade system in which China, Europe, and the United States have, and continue to, operate.

Conclusion

The question lingering behind all of this is, how important for world-system theory is a trade focus? In some sense WST is already there, for when you think about it, core-periphery relations are in fact trade/exchange relations between different regions of the world. The next question becomes, what is the best way to understand them? It seems reasonable to conclude that the category of core, and capitalist core at that, is too general. There were capitalist states that never became hegemonies of the capitalist world-economy, but there never seems to have been a hegemonic sea power that in its time wasn’t also the hegemon of the capitalist world-system. Accident? Maybe, but maybe too we need a more openly explicit recognition of the trade foundation of the modern, and for that matter any, world-system. Similarly a reliance upon unequal exchange puts too much emphasis upon commodity content and composition (labor input) and too little upon the global-political structure which in fact distorts core-periphery exchange and facilitates the accumulation of capital in apex trade triangle positions. In effect, any model that wants to claim to be an accurate representation of the distinctly “political” economy of the world-system needs to have an explicit political/military component. And not just as a consequence of economic position but as facilitator, underwriter, and creator of said position in the first place. To more seriously consider all of this there is no better place to begin than reading Frank’s *ReOrienting the 19th Century*.

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Bergesen's Way Forward For World-System Theory After Gunder Frank

Sing C. Chew
Helmholtz Centre for Environmental Research-UFZ
Leipzig, Germany
sing.chew@ufz.de

Gunder Frank's *ReOrienting the 19th Century*, published posthumously, was based on a long-term project of an evolving five-thousand year old world system undertaken in partnership with Barry Gills in the early 1990s (Frank 1990, 1991, 1994; Frank and Gills 1992, 1993). This endeavor of Frank and Gills also produced a theoretically infused world system history of the making of the "modern" world. Frank's *ReOrient: Global Economy in the Asian Age (RGEA)*¹ was the first monograph of this theoretically informed world system history, and *ReOrienting the 19th Century (R19C)* was the continuation volume. The latter, the topic of this symposium, despite being unfinished, resumes the argument of *ReOrient: Global Economy in the Asian Age*.

ReOrient: Global Economy in the Asian Age questioned (theoretically and historically) the manner we have interpreted long-term social change, and especially, our common understanding of the timing of the rise of the European domination of the world economy/system (the 1500 divide), and therefore, the specific region that was the dominant power of the world system at the particular historical conjuncture. *ReOrienting the 19th Century* further buttressed this line of argument that the *periodization* of European dominance, as has been commonly accepted, needed even further revisions.

With these two volumes, Frank not only challenged the contemporary understanding (theoretically and historically) of the making of the "modern" world, but as well, the writings of his colleagues (such as Wallerstein, Arrighi, Amin, etc.) in world-systems analysis, and even his own contributions to world-systems analysis prior to the early 1990s. Following Frank's typical critical iconoclastic stance, even Fernand Braudel was not spared (Frank 1994; Chew and Lauderdale 2010). Despite Gunder's numerous pleas, not too many in world-systems analysis pursued his demand for reorientation theoretically and historically in the rethinking of world history. In spite of this silence, in 1995, a core group of scholars from various disciplines, including Frank, convened in Lund (Sweden) to discuss the evolution of the world system/world-systems (Denemark et al. 2000). The product of the discussions was to engage and write world system history along a trans-disciplinary approach. It is best summed up by the title of the first volume of the group's collective research: *World System History: The Social Science of Long-Term Change*. Following this, numerous other world system history accounts of the making of the "modern" world were published (see, for example, Chase-Dunn and Hall 1997; Modelski and Thompson 1996; Chew 2001, 2007, 2008; Chase-Dunn and Anderson 2005; Gills and Thompson 2006; Modelski 2003; Modelski, Devezas, and

¹ For a critical review of *RGEA*, see the contributions of Arrighi, Amin, and Wallerstein in *Review* vol. 22, no.3, 1999.

Thompson 2007). In this regard, Gunder Frank's monographs (*RGEA* and *R19C*) can be viewed as products of the World System History Group, and these two volumes should be considered as his last and lasting contributions to world system history.

Bergesen's Way Forward: Forget History, Long Live Empiricism!

Bergesen's article for consideration in this symposium, *World-System Theory After Andre Gunder Frank*, proposes to use some of the deliberations of Frank and Gills' conceptualization of the five thousand year-old world system as the way forward for world-system theory. His starting point, ontologically and epistemologically, is that we accept an "objective, non-theoretically constructed, facts-defined world, or global economy, to which can then be applied and evaluated the PEWS or any other model... rather than trying to explain the object (world-economy)" that "is fused with its theoretical explanation" (Bergesen 2015). Some might find this dictum welcoming, while others might not. I suspect even Gunder Frank might have difficulty making this shift, for in *R19C* he wrote: "Not surprisingly, the further back we go through history, the scarcer and less reliable become the hard and especially quantitative data. Beyond these "natural" or "scientific" limitations, we run into essentially ideological ones. The selection of data to research and publish, and especially of those *not* to examine, is largely a function of the interests of the chronicler or researcher" (2014: 75). For those of us who are trying to re-think world history, it has always been an exercise of utilizing a history infused theory and a theory infused history to explain world development, hence the phrase, world system history. Notwithstanding this minor objection, let's proceed to consider the other elements of Bergesen's proposals.

Bergesen's First Proposal

Bergesen's going forward plan recommends dropping the concept of capitalism as a mode of production underlining the world-economy when dealing with the post-1500s global changes, and to realize the theoretical utility of his "world-system based globology approach." He joins Gunder Frank (1991) in dismissing the utility of the capitalist mode of production framework in understanding and explaining long-term change. Bergesen's argument, based on an ontological understanding of what is capitalism by definition, is rather straightforward. Because world-systems theory's level of analysis is the world-economy or world economy, and the capitalist mode of production theoretically belongs to the national level defined by worker-owner social relations guaranteed by a national state, "capitalism, as a mode of production, remains a societal/national entity"; he suggests that there is an issue in terms of translation—utilizing a concept that is based at the national level and employing it at the global level, though as he has correctly suggests, it has not prevented Lenin and Hobson from doing so. This "theoretical error" of Lenin and Hobson that starts from national accumulation, and then leads to the export of capital for further accumulation (exemplified by imperialism as the final stage of capitalism) on the world scale has to be dropped, according to Bergesen, if we intend to undertake a *world-system* level analysis. What Bergesen has done is accept the position taken by Lenin as *the* only theory on the circuit of capital accumulation. The work of the

late Rosa Luxemburg (1968), a contemporary of Lenin and Trotsky, offers us a much different formulation of the nature of the capitalist mode of production. Her theoretical edifice starts from the position that the circuit of capital accumulation involves different geographic zones/groups (that are capitalist, non-capitalist, protocapitalist, etc.), which capital absorbs/includes in its accumulation process. Hence, for Luxemburg capital accumulation has been a world-scale process since its inception, and not necessarily one starting from national accumulation and then the export of capital (globally) in the form of imperialism for global accumulation.²

Whereas Bergesen utilizes ontological and epistemological assertions to dismiss the world-system as having a capitalist mode of production in the post-1500 era, Frank's (1991) dismissal of using capitalism as a mode of production to understand the evolution of the world system is based mostly on his fervent insistence that the only "correct" route to understand long-term change or system transition is a *world systemic* analysis based on history and theory. In Frank's case, his declaration that feudalism, capitalism, and socialism are *transitional ideological* modes that has put blinders on our eyes, and thus has prevented us from really understanding and explaining the course of world history, is based on an examination of the *historical* processes of global history, and whether the characteristics of capitalism existed prior to 1500—hence, his 'continuity thesis.' Frank's rejection was historically based, and not derived from ontological and epistemological shifts of the sort Bergesen has proposed for world-system theory after Frank. Is Frank successful in convincing us to discount the need to use, in his terms, these ideological modes and myths that have imprisoned our world-system/world system analyses? *RGEA* and *R19C* are supposed to provide the historical information-theoretical reformulations to substantiate his claims.

Bergesen's Second Proposal

Frank's *RGEA* and *R19C* propose that we consider seriously analyzing the trading patterns and networks in terms of volumes of trade flows at the world system level in order to understand the course of world development, and to distinguish the economic and financial trends according to the different regions of the world economy. Because of his demand that everything has to be considered at the world level, bilateral trading flows do not capture the socioeconomic historical reality of what really happened in world history. A historical multilateral trading pattern analysis would be more precise in determining the relative dominance of the world system, and therefore, in socioeconomic and political terms, the real hegemonic region of the world system that is not ideologically derived and mythically reinforced. Frank's new 'mode of analysis' continues to mirror his previous mode of analysis, pre- and post- early 1990s, by focusing still on the "exchange" moment of the circulation of capital instead of directing his gaze more on the "production" and the "consumption" moments of the capital accumulation

² See Wallerstein (1980) for a theoretical-historical twist of Lenin's accumulation thesis within the perspective of world-systems analysis.

circuit that world-systems analysis *à la* Wallerstein has done much to explain.³ This is very clear in *RGEA* and *R19C*, and especially in *RGEA*.

Bergesen, following Frank, suggests that world-system theory drop the core-periphery relational economic form of analysis and shift to a multilateral structural model of trade triangles based on positional placements (location) in the matrix. Added to this change should be a political economic dimension so that control and power can then be brought into the picture. This will better serve us to understand the relationship between the dominant region/power and the dominated in terms of economic resources that are derived by the dominant. According to Bergesen, this is how Frank in *R19C* has been able to explain Britain's position in Frank's revised dating of British hegemony in the late 19th century. In both *RGEA* and *R19C*, Frank's argument was to deny it was Britain's indigenous assets and forces that led to Europe's domination of the world economy—a widely-accepted position that Frank sought to dismiss.⁴ To do this, it is understandable that Frank has to rely on external factors and the world system level model to dismiss what he has deemed a Eurocentric explanation for European domination of the world economy. A theory-sensitized search for the historical information was mounted, collected, and marshaled quite convincingly for this dismissal in *R19C*. I am sure there are, and will be, critiques on the periodization, the data, and other historical information that have been presented by Frank, besides his lack of sensitivity to the role of indigenous ideas and knowledge that precipitated Britain's and Europe's rise to global dominance.

Notwithstanding these critiques, which one can either treat as minor or even dismiss, the important contribution of Frank is that he is trying to offer an alternate explanation of past historical moments in world development and the historical processes that have produced such a course of world history. Bergesen (2015), however, proposes the opposite: that we should just research multilateral trade structures, and that we should take a “radical departure from present efforts to map properties of the historical moment, or moments past, or speculate upon moments to come”—all of which he considers no longer very helpful for our world-systems enterprise. He characterizes current world-systems practioners' efforts to explain the dynamics of the world economy as similar to a dog chasing its tail; “each turn of a dog chasing its tail is somewhat different from the previous one, and research effort can either be spent noting the unique properties of each turn, or identifying the finite properties of the dog and the tail that generate these endless turns.” He proposes doing the latter. His proposal, therefore, underscores the “continuity thesis” (see Chapter 3 of *R19C* for a historical application of this) that Frank and Gills have been arguing for since the early 1990s (see, for example, Gills 1996; Frank 1998): there is more continuity in terms of socioeconomic patterns and structures, especially the latter, than disruptions or dissipations of structures. In this sense, for example, there has been no break starting from 1500 onwards.

Bergesen's proposal, notwithstanding his disavowal of the need to consider historical moments and historically informed theory, presents us with the same concerns I have raised in the past with Frank's continuity argument (Chew 2002). Historical

³ See the critique of Brenner (1977) of early world-systems analysis of Frank and Wallerstein. Whereas Wallerstein's later works looking at production commodity chains, households, and antisystemic movements have addressed Brenner's various criticisms, Frank has never fully responded to them, other than in his joint work with his late wife, Marta Fuentes on anti-systemic movements.

⁴ See for ex., the works of Goldstone (2002), Mann (1986), Jones (1981), etc.

moments of ruptures and dissipations no longer are considered important to explain the course of world history, or for that matter, world system history. By declaring the theoretical irrelevance of the mode of production to explain the development pattern and the nature of change, Gunder Frank had diminished any *specific contingent* factors or processes that underline system transformation (and the change that follows) which the mode of production form of analysis had been able to furnish and distinguish. In other words, for Gunder Frank world development is distinguished by the economic cycles of expansion and contraction, center-periphery relations, hegemonic rivalry, etc. There is no specificity of a transformation for a particular historical epoch: “the rules of the game are not much altered so much as the position of the players” (1996: 44). Frank again repeated this in a draft version⁵ of *ReOrienting the 19th Century*, where he stated:

The argument herein as it was in ReOrient is that only a GLOBAL framework of analysis is necessary, not only of course to do a—or a political economic—history of the WORLD, but to have any hope of seeing where any of its regional, sectoral, or processual PARTS fit into the general scheme of things. Secondly IF we do that, we will discover that historical CONTINUITY has been far more important than any and all its dis-continuities. The perception of a major new departure in 1500, and even of one in 1800 which allegedly spell a discontinuous break in world history, is substantially [mis] informed by a Eurocentric vantage point. Once we abandon this Eurocentrism and adopt a more globally holistic world or even pan Eurasian perspective, dis-continuity is replaced by far more continuity Or the other way around? Once we look upon the whole world more holistically, historical continuity looms much larger, especially in Asia. Indeed, the very “Rise of the West” itself appears derived from this global historical continuity (2005:59)

There is therefore a *tendency to stress* the continuity of the evolution of the world system instead of looking for or being aware of break points in world history whereby contingent factors and circumstances conduced system transformations. Even though I believe that the mode of production form of analysis is analytically fruitless, Gunder’s proposed solution characterizes world history as an endless cycle of repetitions of political, economic, and social processes, and does not distinguish the significance of historical epochs and the specificity of the systems transformation that preceded them. In other words, world history is devoid of critical ruptures and specificities. His proposed theoretical framework has the tendency to lead us down this path.

Beyond Bergesen: Theoretical Issues with ReOrienting the 19th Century

By stressing the continuity of the structures and processes of the world system and the irrelevance of the mode of production analysis to explain development pattern and the

⁵ This citation, derived from the draft manuscript that was unfinished, in my opinion provides us with a more virulent defense of the continuity thesis cited above than what was published in the final version. The equivalent citation appears in the published volume on page 43.

direction of social change, Frank has *flattened* world history and made it devoid of critical ruptures and specificities, as I have stated previously. For Gunder Frank, long-term social change over world history is depicted by long economic cycles of expansion and contraction (that he has not elaborated on why they occur), core-periphery relations, and hegemonic rivalry. There is no specificity of a transformation for a particular historical epoch as he has put it, just different players at the table (Frank 1996: 44).

Can additional theoretical scaffolding be erected to overcome this issue (and it is not a return to the mode of production form of analysis that I also find analytically fruitless as world history has revealed), and additional alterations be added to firm up the foundation of his five-thousand-year world system history approach? What should be included? More than two decades ago, I had made a remark to Gunder that in spite of his attempt to write a world history that is humanocentric, which is to be applauded, there was a major dimension that was missing in his overall framework. It was ecology, for at that time I was writing an ecological world system history (Chew 2001). He had agreed then that it was a missing dimension, and one that is extremely important. In *ReOrient the 19th Century*, he does try to address this issue of ecology by writing about ecological entropy that is created by the core in its ceaseless accumulation, and generating and dissipating the entropy to the periphery by its extraction and consumption of global natural resources.

With this entropy dissipation model placed within the multilateral trade system, Frank again sticks to his old “dependency” model whereby the core generates the problems globally, and it is the periphery that absorbs and suffers, though in this case, he shrouds it under the model of energy flows. Rather than seeing global system crisis as a result of a set of relations between global culture (characterized by a degree of hierarchical consumption) and Nature leading to critical conditions, Frank wants to place all the blame on the core for its excessive consumption with no responsibility placed on the rest of the world. In short, it is an anthropocentric form of analysis instead of an ecocentric one whereby it is the human community—of course with core and periphery having different degrees of responsibility—that generates the crisis. For Frank with his call for a humanocentric approach towards understanding world development and world history, he cannot move towards a position of the sort that I have called for (Chew 1997). Egalitarianism is not exclusively for the human species, but has to be for all species (Devall 1988; Naess 1984).

Furthermore, by emphasizing a humanocentric approach and utilizing an entropy dissipation model (to replace unequal exchange in core-periphery relations), Frank continues to account for all system crises as coming from the realm of social, political, and economic activities, thus underscoring ‘the economy in command’ dictum that he had so often depicted in his writings. He does not give leeway to the fact that there might be other independent/dependent factors such as ecological ruptures, surprising natural events, extreme weather shifts etc., that can affect the socio-technical-economic system and generate system crises. Perhaps, after all, it is “ecology in command” that has the final say in global crises (Dark Ages) and transformation (Chew 1997, 2007, 2008).

Crisis

Given the above, for Frank, world development is a perpetual cycle of economic expansion and contraction. That is how he explained the final demise of Asia and the rise of Europe in the 19th century. A “B-phase” of economic contraction was occurring in the world system and the economies of China, India, and Southeast Asia were experiencing economic distress, and Europe (like the newly industrialized economies of Asia in the late 20th century) maximized economically on this period of economic contraction. Thus Asia’s demise preceded Europe’s rise.

If we are to understand the trajectory of world development and world history, such a flattened view of world history does not illuminate much. Frank, in his attempt to overcome certain breakpoints in world history, which he believed have been established as a result of the centric-ness (such as the 1500 break, as a result of Eurocentrism) of some analyses, does not address the issue of system crisis and transformation. As we know, all systems eventually will reach crisis conditions, and the effort is to maintain system equilibrium, which we know is especially difficult in systems that are organized on a hierarchical order with inequality as one of its basic features. The numerous theoretical and empirical works of Immanuel Wallerstein (1988, 1996, 1998, 2004) on the systemic crisis of a historical world system have addressed this issue precisely. Frank’s model does not deal with system crisis and transformation; it is an endless cycle of system reproduction and perpetuation.

Economic Stagnation and Crisis

Social (world) system crisis means that the continued evolution of the world system faces obstacles, and that necessary structural changes/adjustments have to be made for systems reproduction to continue. These crisis phases become the key periods for our understanding of the dynamics of world system evolution and transition (long-term social change). Over world history, these crisis moments are rare. When they do occur, these phases are extremely impactful in terms of geographic coverage, and they extend over a long period in terms of socioeconomic and ecological recovery.

Conceptually, the factors and processes that trigger crises over the last five thousand years have not been worked out or well understood. That however has not prevented the identification of these economic stagnations or B-phases. With the plethora of positions on world system/s development, crises or B-phases have been proposed to cover different duration, and have different meanings for those working in this area. In addition to the Gills and Frank’s model I have outlined in the previous pages, Modelski and Thompson (1996) and Wallerstein (1974, 1980) also comes to mind. According to each model, the duration of these downturn phases varies. Different durations ranging from 50 years to one thousand years in length have been suggested.

Leaving this difference in duration aside for the moment, there are also different views of what a B-phase is in relation to world system/s reproduction. For Gills and Frank (1993), B-phases represent the cyclical tendency or rhythms that a world system goes through as it expands. In other words, a B-phase is a cyclical downturn of the world system within its rhythm of expansion and contraction, a structural process of the world system (Gills and Frank 2002: 159-160). They are recurrences of economic downturns.

Along this reasoning, there is no notable difference between one B-phase and another. They are all economic downturns with no distinguishing characteristics depicting a specific era (conjuncture) of the world system, other than sharing similar tendencies such as hegemonic rivalries. Therefore, historical contingent circumstances/factors are not given much weight nor proffered to explain the genesis or resolution of the crisis.

Another view of a B-phase is quite different. For Wallerstein (1974, 1979, 1980) for example, a specific B-phase is not only signifying an economic crisis period (price fluctuations, etc.), it also demarcates specific characteristics of system reorganization and consolidation, depending on the particular B-phase in question. In his explication of the origin and evolution of the *modern* world-system, the B-phase between AD1300-AD1450 has been analyzed as a reorganization of the social structure ("the crisis of feudalism") in order to overcome the crisis conditions (Wallerstein 1980:25); In contrast, the B-phase between AD1600-AD1750 is considered not as a "crisis in the system" but as "a period of consolidation" of social relations and structures with its respective specificities (Wallerstein 1980: 31). Thus, a specific B-phase crisis has certain triggers that trip the crisis. In the case of the B-phase between AD1300-AD1450, the particular triggers for the "crisis of feudalism" were a conjuncture of secular trends, immediate cyclical crisis, and climatological decline.

The apparent differences in just Frank and Gills' and Wallerstein's positions have implications for our understanding of the factors conditioning system crisis. If we consider a Wallersteinian B-phase, we need to note that it has some commonalities such as cyclical economic contraction trends (price changes, production losses, etc.) with other recurrent B-phases. In this case, Wallerstein's interpretation is similar to Gills and Frank's understanding of a B-phase. However, for Wallerstein, a specific B-phase might also be different from other B-phases, for it also has certain *contingent* particular characteristics (e.g., breakdown of feudal social relations, climate changes) of the epoch in question that condition the system crisis. Hence, the specific *conjuncture* and its contingent socioeconomic and political characteristics are included in an understanding of the precipitation and determination of the crisis or contraction. Given this direction, for Wallerstein the identification of common elements that condition crises recurring over world history needs to be combined with the conjunctural elements in order to understand the crisis. The attempt, therefore, is to straddle nomothetic and idiographic methodologies for an explanation of system crisis and transition.

Between these two viewpoints of B-phases, there are those that are closer or further away from the above two positions. Modelski and Thompson (1996, 2003) have suggested the recurrent nature of crisis and transitions over long cycles in the historical evolution of the world system. Agreeing with Gills and Frank on the dynamics of the world system since 3000BC, according to them, the recurring crisis phases have been characterized by learning (technological, writing, information, etc.) innovations, political hegemonic struggles, population, urbanization, migrations, climate, and warfare.⁶ Unlike Frank (1992), Modelski and Thompson have identified both particular elements (technological innovation, information, writing, etc.) that underline a specific crisis phase, and common elements such as deurbanization, migration, population decreases, which permeate every system crisis phase. Beyond the widely agreed element of negative

⁶ The identification of climate as an element in the crisis phase rests on the work of Thompson (2000, 2001).

economic trends defining a B-phase, what we have are additional delineation of elements such as those that are specific (information, technological innovations, and writing), and other common elements (deurbanization, migration, climate, and population decreases) that all form the matrix circumscribing system crisis and transition. For Modelski and Thompson, system crises, therefore, are transition points of system adaptation and evolution.

In view of the state of discourse on long-term change over world history, we should also be aware of long-term structural crises—beyond a B-phase of contraction—that a historical world system experiences; what Modelski (2006) has called ‘ages of reorganization’ or what I have identified as Dark Ages (Chew 2007). Wallerstein’s (1998, 2004; Hopkins and Wallerstein 1996) more recent works have also addressed this in terms of system maturation and transformation. These crises have also occurred in the past, and prior to the modern era have not been fully noted or understood. We do have some indications from historical accounts of social, political, and economic long-term downturn periods, and preliminary identification of the characteristic processes depicting these phases. Besides the above preliminary attempts to decipher recurrent patterns of social, economic, and political characteristics underlying the systemic crisis phases, there are very few idiographic efforts made to identify and explain the contingent factors, agents, and conditions that might have also played a part in engendering each *specific* system crisis phases.⁷ The latter task is even more challenging, especially in light of the available archaeological evidence for the premodern period.

Given the above, can we buttress the five-thousand year world system model of Frank and Gills further to overcome the lacunae I have identified in the previous section? I propose that we first accept the ontological statement that “Theory Is History”—a view that Gunder (1978:13) also shares—as we go about filling the lacunae. If this is the case, can we find specific periods in world history when there is a world system crisis from which we can derive generalized concepts, and at the same time, outline specific contingent factors and processes that lead to system transformation from these specific occasions? Indeed, these are the periods known as the *Dark Ages* in world history that I have described, though they are quite rare in world system history; in fact, about three such periods have occurred in the past five thousand years (Chew 2007). In view of this, system transformations whereby structural changes occur come quite *infrequently* (maybe Gunder is right on this; things do not change that often) and, perhaps, they are not cyclical in nature. These are the moments of structural ruptures and reconfiguration that the current world system may be experiencing (Chew 2008).

Our task therefore is to sketch out a *theoretically generalized history* of system crisis or Dark Ages, and within the limits of available historical information, identify contingent factors and agents that could have engendered each *specific* system crisis phase or Dark Age from the Bronze Age to the Iron Age of world history (Chew 2007, 2008). The end point would be a social science history of long-term change—i.e., a history of the evolution of the world system.

⁷ For example, see Drews (1993) for the crisis of the Bronze Age of 1200 B.C. The more recent work of Eric Cline (2014) also covers this system crisis.

Conclusion

Clearly, Andre Gunder Frank's view of world development and world history is quite refreshing, especially in light of current global transformations, and especially for those outside the core zones who are looking for alternate views of world development and world history. In an era of critical cultural and social debates on global issues that are often determined knowingly and unknowingly by dominant ideological frameworks such as Eurocentrism, nationalism, socialism, etc., Gunder Frank's type of scholarship will be sorely missed, in spite of some of the inadequacies that I identified. He was, I believe, a harbinger of truth as to what happened in the past and what could very likely occur in the future, not only in terms of world development, but as well in the world of academic scholarship. I conclude with the following, as he frequently did: *A Luta Continua!*

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Reorienting the Critique of the Capitalist World System beyond the Dichotomy between Trade vs. Production Relations

Hae-Yung Song

University of London

haeyoungsong@hotmail.com

“... the expansion of foreign trade, although the basis of the capitalist mode of production in its infancy, has become its own product, however, with the further progress of the capitalist mode of production, through the innate necessity of this mode of production, its need for an ever-expanding market.”

-Karl Marx, *Capital, Vol. III*

The question of ‘capitalist transition’ has been one of the central themes of Marxist scholarship including world-system analysis,¹ and much effort has been made to identify how the capitalist mode of production came into being at a particular time in a particular location, and what historical conditions gave rise to it. The debate between Andre Gunder Frank and more broadly world-system analysis and Robert Brenner in the 1970s constitutes one of the key instances of this debate. Since Brenner called world-system analysis ‘neo-Smithian’ and criticized it for confusing the generic concept of market economy with capitalism (namely, capitalist social relations), the debate over capitalist transition has often been described as a contention over whether trade or production should be given primacy in explaining the emergence of capitalism: has the expansion of the market through intensifying *trade* linkages, or the establishment of social relations of *production* caused the rise of capitalism (see Bergesen 1984)? Furthermore, as Bergesen points out in his essay, the debate between Frank (and Immanuel Wallerstein) and Brenner also reflects their different views on the concept of ‘capitalist society,’ particularly in terms of its boundary. While the former takes the totality of the world-economy as the unit of analysis and brings to the fore questions of *global* inequality and the unequal distribution of wealth, the so-called core-periphery relations, Brenner emphasises ‘internal’ social relations of production and class struggle, thereby projecting the notion that society in the capitalist mode of production is a nationally contained entity. Bergesen (2015) detects an irreconcilable tension between world-system analysis and more traditional Marxists such as Brenner, stating that “[m]ode of production and world-economy, then, are two different economic systems, and there is no way to move theoretically from relations between whole zones of the world to relations between classes within a zone.”

The apparent irreconcilability between world-system analysis and Marxist analyses that are implicitly based on a form of methodological nationalism seems obvious enough. Brenner and his followers emphasize, time and again, the historical specificity of capitalism as distinct from previous modes of production in relation to class relations based on wage labour and the ways in which the dominated get access to the means of subsistence. It is implied in this approach that capitalist transition is assessed by the degree to which “forced

¹ While Bergesen discusses Wallerstein’s work and approach as ‘World-System Theory’, in this paper, I refer to it as ‘World-System Analysis.’ Wallerstein has recently re-emphasized his original intention in coining the term to put forward “neither a theory nor a new paradigm, but a call for a debate about the paradigm” (see Wallerstein 2011: xxx).

labour” such as serfdom has been transformed to “free” or wage labour by way of proletarianization, within a given (national) society. On the other hand, world-system analysis tends to define capitalist transition rather loosely, namely as the initial transformation of feudal Europe into a capitalist world-economy, and the subsequent incorporations of extra-European, non-capitalist systems into the expanding capitalist world-economy. To the extent that capitalist transition is defined in this way, world-system analysis is more susceptible to seeing continuities between different modes of production, especially in the composition of the ruling class and the persistence of what it regards as features of non-capitalist modes of production, such as slavery and serfdom in the capitalist world-system.

The seemingly irreconcilable difference between these two positions appears to have been widened further with the publication of *ReOrient: Global Economy in the Asian Age* (1998) and Frank’s subsequent book *ReOrienting the 19th Century* (2014).² While capitalism, according to Brenner, is so distinct from other non-capitalist epochs that seeing the continuities between different modes of production will de-historicize it, capitalism according to Frank does not constitute a significant departure from the single world-system whose structure has remained unchanged for the last 5,000 years. In search of what Bergesen (2015) describes as “the essential operational logic of the world-trade-economy away from the historically contingent, and always changing, world-economy based upon the capitalist mode of production,” Frank finds in multilateral trade linkages the constant aspects of the political economy of the world-system.

Bergesen’s article on Frank’s new approach thus seems to open up again an important yet unresolved debate in assessing the origins and evolution of capitalism, particularly concerning the relations between trade and production on the one hand, and the relations between “the national” and “the global” on the other hand. In what follows, I will critically assess Brenner’s critique of world-system analysis and Frank’s *ReOrient* as exemplars of the two main poles of scholarship that place the primacy either on production and disjuncture or trade and continuity in explaining the origins and evolution of capitalism. I argue that Brenner’s and Frank’s positions both fail to conceptualize the mutual constitution of trade and production relations in capitalism.³ Furthermore, both propose affirmative visions of capitalism: Brenner idealizes industrial capitalism as the driving force of progress juxtaposed to stagnant and backward non-capitalist modes of production, while Frank, by replacing his critique of core-periphery relations generated by the capitalist mode of production with the notion of an eternal (Sinocentric) world system, effectively eliminates any elements of a critique of the *capitalist* world-system. I argue that both Frank and Brenner arrive at a non-critical theory of capitalism because they fail to conceptualize capitalism both in terms of its *historically specific* mode of production and exploitation and at the same time in terms of its civilizational *continuities*. I will discuss an alternative theoretical framework for the relations between trade and production, and continuity and discontinuities of the capitalist mode of

² There seems a consensus that Frank has an intellectual break to the extent that his intellectual trajectory can be categorised into the two phases, namely Frank I and Frank II (see Kay 2011).

³ A problem common to Brenner’s version of Marxism and world-system analysis in general is the lack of a concept of the capitalist state as political form of capitalist social relations and social domination. Both see the state as a mere instrument for class rule, implying that it can be utilized for the purposes of whichever class enjoys possession of the state. Against this functionalist perspective, I would hold that the existence of the state *itself* is indicative of class domination and exploitation. As a result, world-system analysts seem to think the socialist transcendence of capitalism entails the creation of a world state that corresponds to the world-economy as opposed to the multiple nation-state system. For Brenner socialism means minimising uncoordinated competition between economic and national actors, implicitly endorsing central state planning (see Postone 2007). For a critique of the form of the capitalist state see Song (2011, 2013a).

production with reference to Marx and von Braunmühl (1978), and will point to possible conclusions in relation to what a critique of the capitalist world-system should entail.

Brenner: From Historicising to Idealising Capitalism

One of the key propositions that Brenner famously makes against world-system analysis (Frank and Wallerstein) is that it confuses markets/trade/commercial/circulation relations with the social relations of capitalist production. Brenner argues against the view that the global division of labour through the expansion of the world market determined the rise of capitalism and development/underdevelopment on a global scale, and maintains instead that particular class relations that emerge out of class struggles explain the rise of capitalism and the course of economic development. According to Brenner, by prioritizing the global division of labour by “market/trade relations,” world-system analysis fails to understand the distinctive class relations in capitalism, that is the existence of “free labour” (in the double sense of free to enter into contracts and freed from ownership of any means of production) as opposed to “forced labour” such as in serfdom and slavery.

... the rise of trade is not as the *origin* of a dynamic development because trade cannot determine the transformation of class relations of production. Indeed, precisely because it does not do so, the historical problem of the origins of capitalist economic development in Europe comes down to that of the process of ‘self-trans-formation’ of class relations from serfdom to free wage labour – that is, of course, the class struggles by which this transformation took place (Brenner 1977: 38, emphasis in the original).

An important implication resulting from Brenner’s assertion of class relations as a key reference in assessing the capitalist mode of production is to emphasise the historically unique dynamics that it unleashes: the existence of “free labour” or the commodification of labour power separates the capitalist dynamic from previous epochs by compelling the enhancement of labour productivity through relative rather than absolute surplus extraction.

That is, under capitalism, surplus is systematically achieved for the first time through increases of labour productivity, leading to the cheapening of goods and a greater total output from a given labour force. This makes it possible for the capitalist class to increase its surplus, without necessarily having to resort to methods of increasing absolute surplus labour which dominate pre-capitalist modes – i.e. the extension of the working day, the intensification of work, and the decrease in the standard of living of the labour force (Brenner 1977: 30).

Being unable to grasp this historically distinctive characteristic of capitalism, world-system analysis is based on “an ahistorical, non-class concept of the division of labour, which fails to notice that the very development of the trade-based division of labour can only be product, not the source, of the development of the productive forces (the productivity of labour)” (ibid: 56).

Brenner’s critique of world-system analysis was followed by a debate amongst scholars from various intellectual traditions (for instance, Bergesen 1984; Laclau 1977; Skocpol 1977), within which Brenner’s critique was unquestioningly seen to represent the Marxist account. Brenner’s emphasis on concepts such as “class struggle” and “class relations of production,” and his copious use of quotations from Marx seemed to justify this

reception. However, I would like to argue that the “historical materialism” that underpins his position not only renders his critique of world-system analysis ineffectual, but also in important ways fails to differ from a liberal framework.

Brenner’s critique of world-system analysis for being “ahistorical” is based on his schematic demarcation between the different modes of relative surplus and absolute surplus extraction, each of which corresponds to capitalist and pre-capitalist modes of production, respectively. However, Wallerstein’s introduction of the term “historical capitalism” (1996) precisely refers to the fact that the capitalist mode of production that is analyzed by Marx in *Capital* in terms of abstractions based on observations made in the 19th century needs to be examined on a richly concrete historical level. Instead of attempting to propose an alternative theory of capitalism (hence world-system *analysis*, not world-system *theory*), Frank and Wallerstein trace the historical unfolding of global capitalism in order to highlight how much and to what extent features of capitalism that many Marxists describe as “regular” and “dominant” are neither regular nor necessarily dominant, particularly in the context of the periphery. This is the starting point of world-system analysis, at least as practiced by Wallerstein (and Amin 1978, 2013): to shed light on the actual historical evolution of global capitalism that seems to deviate from the ways in which the “pure” capitalist system is supposed to operate.

Furthermore, Brenner’s emphasis on the social relations of production as determined by nationally contained internal class struggle leads him to deny that class relations themselves are inseparable from what he understands to be “external” and “trade” relations. In other words, within Brenner’s framework, questions concerning hierarchies and differences between the developed and the developing countries do not arise other than as interactions between “national societies” assumed to be separate entities, each of whose development prospects and outcomes is supposed to be *equally* determined by internal class struggles. There are numerous examples that point to structural and perpetual *unequal* patterns of the global division of labour and to poor development prospects of developing countries which cannot be explained solely by “internal” class struggle. For instance, as of 2011, in garments, footwear and toys, 90% of contract manufacturing is located in developing countries (including Less Developed Countries). It is also historically observable that the so-called successful “catch-up” economies, e.g. South Korea and Taiwan, industrialised through specializing in the low end of value-added manufacturing products in the world market, particularly by receiving declining industrial facilities from developed countries (Japan), which in turn to a great extent set the conditions in which particular class relations are formed and transformed (Song 2013b).

It is still a contentious issue whether “the development of underdevelopment” of a social formation in the periphery is the outcome of its integration into the capitalist world-economy, as scholars of world-system analysis (notably early Frank and Amin) suggest. However, one of the important insights that world-system analysis offers is a relational view on the developed (core) and the developing (periphery) countries—the rapid industrialization in one part of the global economy can be caused by de-industrialization in another part. Further, they allow us to be attentive to the structural features of capitalism that limit development prospects of social formations that are “late” in world time, which to some extent determines the location at which and the manner in which a social formation is integrated into the capitalist world-economy, which in turn sets the conditions for the “internal” class relations to be formed. In this respect, the point at which Brenner *arrives* is the point from which Wallerstein and other scholars of world-system analysis *depart*.

Brenner’s ill-placed critique of world-system analysis based on his exclusive emphasis on the historically specific aspects of capitalism manifests itself, ironically, as an ahistorical and idealist account of capitalism in two ways. First, his definition of “capitalist

transition” measured by the degree to which labour force is converted to “free labour” or proletarianized within a single social formation is idealistic to the extent that, if his definition is applied, no social formation that exists today has ever “completed” its transition to capitalism. A form of labour such as “forced” or “non-wage labour” that Brenner posits as antithetical to capitalist “free labour” is persistent not only in the so-called periphery, but within core capitalist countries, e.g. women’s domestic labour. In short, the more Brenner addresses the historical disjuncture of the capitalist mode of production one-sidedly, the more he presents an idealist account of capitalism: capitalism that accords with his “pure” form does not and arguably cannot exist in reality.

Second, in contrast to Brenner’s argument that capitalism is characterized by its relentless drive to enhance labour productivity through relative surplus extraction, the ultimate drive of capital is surplus value, which does not necessarily result in revolutionizing production techniques and productivity enhancement. In other words, as long as absolute surplus extraction is more profitable on an immediate basis, there is every reason for capital to stick to old techniques and reproduce traditional social relations. Capitalism has historically shown a tendency to destroy and transform old social relations, and at the same time a tendency to maintain and reproduce old forms of labour such as family farming, semi-servitude and semi-proletariats, which might partially account for what Frank famously described as “the development of underdevelopment.” These contradictory dynamics of the movement of capital are captured by Marx when he suggests that capital’s sole interest in value production at the expense of everything else (e.g. natural wealth, the environment) in fact undermines its own reproduction and retards productivity growth: “The *real barrier* of capitalist production is *capital itself*” (Marx 1984: 250, emphasis in the original). By characterizing capital one-sidedly as a productive and revolutionizing force, Brenner proposes an idealized vision of capitalism that is not fundamentally different from a bourgeois vision of capitalism as productive, dynamic and progressive, as opposed to unproductive, static and stagnant pre-capitalist modes of production.

Frank: From Eternalizing the World-System to Abandoning a Critique of Capitalism

If Brenner’s position represents an approach that one-sidedly emphasises the primacy of production over trade relations in explaining the origins of capitalism, Frank’s *ReOrient* and *ReOrienting the 19th Century* represent the opposite end of the spectrum by placing the primacy on trade in analyzing the dynamics of the world-system.

Frank criticizes his own previous conceptualization of *bilateral* core-periphery relations for being too simplistic to grasp the North’s colonial, imperialist or neo-colonial relations with the South. He then proposes *multilateral* trade relations or series of combinatorial/intersecting triangular trade relations as a central explanatory aspect of the evolution of North-South relations and the world-system. Bergesen derives three main merits in Frank’s new approach. Firstly, Frank challenges a ‘production-centred’ vision of the world-system by bringing to the fore the trade base of British dominance in the 19th century or the trade foundation of the world-system in general. He argues that the dominance of Britain in the global economy in the 19th century cannot be explained by its industrial revolution and its exporting “machine-made, factory-assembled, capitalistically-organized, and industrially-produced commodities but by its advantageous trade position through the global network of world trade and its complicated system of im/balances, through which it derived from abroad interest, profits and rent.” Secondly, Frank gives due importance to what Bergesen calls the “global-political” aspects of the political economy of the world-system. The fact that the dominance of Britain did not accrue from its industrial power but from

various “invisible services” (e.g. colonial administration charges and disproportionately high shipping charges) imposed on and paid by colonies, notably India, points to the importance of *political and military* components of the world-system that created and sustained Britain’s position as the apex of the trade triangle. Thirdly, to the extent that complex multilateral structures have been operating since time immemorial independent of the varying modes of production, Frank concludes that the world system originated 5,000 years ago. Further, the world-system has always been Sinocentric, except in the 19th century and the early 20th century when Europe accidentally and momentarily rose due to Asia’s decline. It is thus envisioned that the multilateral trade structures will continue to operate and that the recent rise of China indicates the return to the “normality” of the Sinocentric world-system. From this, Bergesen (2015) argues that Frank’s new approach “represents a radical departure from present efforts to map properties of the historical moment, or moments past, or speculate upon moments to come,” and call for a shift in our focus to the continuous and persistent aspects of the world-system.

It should be recognised that Frank’s new approach has important merits in his attempt to challenge “production-centred,” “economic-deterministic,” and “Eurocentric” visions of the world-system. Moreover, as Bergesen rightly points out, Frank’s new framework is better able to analyze the dynamics around the rise and fall of the sea-power based hegemons of the capitalist world-system, and grasp the geopolitical dimensions in creating and maintaining them. Particularly his emphasis on the structural continuities of the world-system can counter a production-biased Marxist analysis of capitalism as seen above with reference to Brenner’s critique.

However, while Frank’s stress on multilateral trading relations/intersecting triangular trade relations as the characteristic of the world system is empirically illuminating and historically informative, on the theoretical level, it is either redundant or hardly adds anything new to world-system analysis. As Wallerstein succinctly writes, “[i]f there is a division of labour, there must be trade, which will almost necessarily be multilateral” (1999: 356). Furthermore, the “capitalist-world economy” within the framework of world-system analysis is defined as “an economic division of labour, which is overlaid by a multicentric system of states as opposed to a ‘world-empire,’ where economic division of labour is incorporated within a single overarching state apparatus. Scholars of world-system analysis made it explicit that the political system of capitalism is posited not as the state [as a single unit], but as the larger competitive system” (Chase-Dunn 1981: 36). From its inception “the capitalist mode of production has been ‘imperialistic’ in the sense that it constitutes a hierarchical division of labour between core areas and peripheral areas” (ibid: 30; see also Bergesen 1984). In other words, within the concept of the capitalist world-economy it is already implied that the state system, state-building and geopolitics are political dimensions of the same process that is integral to the rise and operation of the capitalist mode of production.

Seen in this way, the fact that Frank extends the basis of the world-system from bilateral to multilateral relations, and the fact that he adds geopolitics as an important component of the world-system in addition to other aspects, e.g. the economic, is no more than restating what is already addressed by world-system analysis. Alternatively, this only amounts to the confession that Frank himself hitherto held an “economistic” perspective that takes as given the apparent dichotomy of geopolitics and economy. The inseparability between politics and economy is a proposition upheld not only by world-system analysis scholars, but one even shared by Otto Hintze, a representative thinker from the Weberian and “political autonomy” school:

All in all, the war years and the decade that has elapsed since offer no evidence of an autonomous economic development of capitalism, wholly

detached from the state and politics. They show rather that the affairs of the state and of capitalism are inextricably interrelated, that they are only two sides, or aspects, of one and the same historical development (Hintze quoted in Wallerstein 2011: xxii).

However, a more serious problem of Frank's new approach seems to stem from his flawed understanding of the relations between trade and production. In the same way Brenner places primacy on production over trade in his analysis of the origins of capitalism, Frank merely reverses the emphasis within the same framework. However, Frank's dichotomy between trade and production is even more extreme to the extent that recognizing the primacy of one means discarding the other. From the existence of multilateral trade relations/structures prior to the capitalist mode of production, the existence of the latter is to be denied altogether. As Bergesen (2015) states:

If the world economy has to be between continents, which by definition is more about trade than production, and if world trade relations historically pre-exist the emergence of the capitalist mode of production, does this suggest that the modern world-system is not, in fact, based upon the capitalist mode of production, but is part and parcel of a much larger and historically longer world economic system of multilateral trade relations?

In other words, the relations between trade and production become zero-sum relations—the mode of production belongs to the realm of the national/the social, while trade belongs to that of the global, and these two systems cannot co-exist analytically. This remarkable conclusion is associated with the fact that within the framework of the “Frankian Triangle,” trade relations exist only externally to production relations, so that there is no communication between the two parallel structures.

While it is perfectly legitimate for an individual to pursue, as a matter of focus, research on the lasting and overarching structural aspects of the world-system as opposed to the changing variables within the structure, this has different theoretical and political implications to arguing that the global and the social, trade and production relations, do not mutually constitute and influence each other. In effect, Frank suggests that the multilateral trade structure has been immune to different modes of production and to any changes in the *content* of trade—e.g. trade patterns, trade volumes and intensity under different modes of production. In other words, what is being traded and how goods and services are produced in the first place, and what drives and shapes a particular pattern of global division of labour move outside the purview of inquiry.

As noted above, the fact that 90% of contract manufacturing in the capitalist world-economy today is located in developing countries points to the hierarchical and unequal structure of the global division of labour. However, this does not amount to a primordial class neutral structure of the world-system, as Frank and Bergesen suggest. Rather it is an outcome of the historically specific dynamics of capital that relentlessly seeks a high rate of profit (a higher rate of exploitation), typically moving away from militant labour as it searches for lower wage costs on the global scale. In other words, the historically specific mode of production based on value production alters the content, purpose and patterns of foreign trade itself, and foreign trade (and colonialism) are expressions of the intrinsic dynamic and contradictions of the capitalist mode of production:

Capitals invested in foreign trade can yield a higher rate of profit, because...there is competition with commodities produced in other countries with inferior production facilities, so that the more advanced country sells its goods above their value even though cheaper than the competing countries. As concerns capitals invested in colonies ... they may yield higher rates of profit for the simple reason that the rate of profit is higher there due to backward development, and likewise the exploitation of labour, because of the use of slaves, coolies, etc. (Marx 1959: 238).

Apart from vulnerabilities on the theoretical level, Frank's one-sided emphasis on the conserved structure of the world-system based on multilateral trade has devastating consequences as a critique of capitalism. By turning his focus to an eternal and unchanging multilateral trading structure, his approach effectively loses any elements of critique against the capitalist mode of production—if there is no such thing as capitalism as a historical system there is nothing to be transcended. Similarly, within this framework—what Amin calls 'flattened history' (Amin 1999: 293)—Frank's critique of eurocentrism is affirmative of capitalism by way of making capitalist norms invisible: his critique, in fact, elevates non-Europe (China) to the level of Europe in terms of how much it has been productive and developed. His critique is emptied of the core content of the concept of eurocentrism, namely the one thing that has made Europe central to the modern world in the first place: *capitalism*.

Re-directing a Critique of the Capitalist World-System

The limits of Brenner's and Frank's positions throw up the question what a critique of the capitalist world-system should mean and entail. While each of these two approaches offer valid accounts of aspects of the capitalist world-system, they both fail to understand the mutual constitution of trade and production in both the origin and the continued operation of capitalism: while intensifying and deepening trade relations makes capital accumulation possible for industrial production, expansive industrial production also presupposes the world market and its expansion. In Marx's words, "the colonies created world trade, and world trade is the condition of large-scale industrial enterprise" (Marx 1977: 167); the "tendency to create the world market is directly given in the concept of capital itself" (Marx 1973: 408).

Brenner's approach with its focus on production and capitalism's historically specific aspects can be complemented by world-system analysis that focuses on the more long-term and persistent aspects of the capitalist world-system. However, the continuing characteristics that permeate different modes of production are not an unchanging trade structure emptied of class content as Frank suggests, but the perpetual reproduction of class societies and domination. Referring to the apparent contraction between the capitalist world-economy and the nationally-organized inter-state system, von Braunmühl offers an alternative vision against the dichotomy of trade and production as to how the current political system based on a plurality of nation-states is "essentially due to the domination which characterises relations within *all previous societies* and *to the specific form* this domination takes under capitalism" (1978: 173, emphasis added):

The capitalist mode of production then comes into being within these pre-existent bounded territories, where authority and competition prevail. In the capitalist mode of production, domination is reproduced in the mechanism of economic functioning itself and yet needs *politically* regulative and repressive safeguarding precisely because as anarchically exercised authority it is incapable of being adequately assured

by the operation of the laws of production (von Braunmühl 1978:173, emphasis in the original).

Analysed from the perspective of von Braunmühl, transcending the limits of Brenner and Frank should be more than merely synthesising the two different emphases. What is ultimately required for the critique of the capitalist world-system is the *simultaneous* recognition of the historical specificity of the capitalist form of social domination rendered by generalised commodity (value) relations and its place in a civilizational continuity of class domination.

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The World System According to Andre Gunder Frank: Hegemony and Domination

Annamarie Oliverio

Arizona State University
annamarie@asu.edu

Pat Lauderdale

Arizona State University
pat.lauderdale@asu.edu

Andre Gunder Frank is still recognized world-wide for his research and activism, including his contributions to dependency theory in the 1970s and world-system debates in the 1980s, as well as for his book *ReOrient: Global Economy in the Asian Age* in the 1990s (Lauderdale and Harris 2008).¹ And now in his latest contribution, Frank further explores the argument that the contemporary world system is part of a continuous five-thousand-year-old history, providing yet more evidence to contest conventional theories that continue to place Europe at the center of economic development. In contrast, Frank contends that the rise of Western societies is a historical blip in an otherwise Asian-centered economy. As Frank's research challenges, for example, the Marxist and Weberian theories on the rise of capitalism as well as Wallerstein's world-systems analyses, there is no doubt that his work, at a minimum, continues to intrigue, provoke and excite scholars in multiple fields. Frank's research also impacts world-systems scholars by suggesting that they examine the world as one world system, rather than the current search for several world-systems, as he is critiquing theories of Eurocentrism and even the concept of capitalism (cf. Wallerstein 1999).

Al Bergesen, in his essay "World-System Theory After Andre Gunder Frank," aptly explains the differences between world-systems/PEWS (WST/PEWS) theory and Frank's perspective of the world economy. Bergesen (2015) notes:

To do this, begin with a sense of the world economy as economic relations between continents, which means relations over large bodies of water, which are achieved by shipping. In the 21st century as in earlier ones, 90 percent of all international/world economic activity transpires through shipping... This brings us to the theoretical challenge of Frank: If the world economy has to be between continents, which by definition is more about trade than production, and if world trade relations historically preexist the emergence of the capitalist mode of production, does this suggest that the modern world-system is not, in fact, based

¹ We appreciate the substantive and editorial comments by Jennifer Bair. We also want to thank Paul Frank for his thoughtful comments on earlier ideas about this paper.

upon the capitalist mode of production, but is part and parcel of a much larger and historically longer world economic system of multilateral trade relations?

To understand this point in the context of *ReOrienting the 19th Century: Global Economy in the Continuing Asian Age*, it is important to note that Frank was interested intensely in examining the essence of coercion and imperialism, and eventually rejected capitalism as a useful concept. Having lived in countries with overt, oppressive state structures, such as Nazi Germany as a child, and later in Chile after Pinochet's brutal takeover, as well as having been "blacklisted" in liberal democratic states such as the United States for many years, Frank personally experienced the impact of coercion and imperialism. Although he managed to eventually escape these oppressive conditions, his analysis of imperialism underscored the driving role of global oppression, rigid status hierarchies, state intimidation and official cruelty. Frank's perspective upon history and political economy is more complex and provocative than understanding the proverbial "chicken or egg" question entangling WST. Thus, the complex, global trade relations Bergesen explicates, including his discussion of multilateral trade hierarchies via Frank's examination of "invisibles," is both important and inspiring. We want here, however, to modify and extend Bergesen's review to emphasize Frank's work on the singular nature of the world system as a historical entity as opposed to the idea that the modern world-system began in 16th century Europe, and the role of hegemony as an important analytical concept that cannot be reduced to domination.

War, Domination, and the Politics of Economy

Frank's analyses reveal the complexities and manifestations of the world economy that enable certain states to dominate successfully and by what processes. In attempting to examine the nature of economic and social oppression, Frank profoundly revealed their connection with war. He points out that war, for example, historically provided many dominating states with profits. Such profitability is likely to continue, therefore war is likely to continue, and the investments by imperialist states to protect their military strength and security have historically buttressed their foreign trade dominance. As colonies could not pay their debts to the empire, they literally paid with their blood. In *ReOrienting the 19th Century*, Frank (2014: 120) examines numerous examples of this non-symbiotic relationship. He explains that the triangular exchange among Britain, China and India was related to the Opium Wars in the 1800s between China and Britain. Such conflict

...was precipitated when, to contain the opium trade, the Chinese government deliberately confiscated and destroyed large shipments in actions analogous to that of the erstwhile Bostonians who dumped British tea into their harbor. In both cases, the main reason for doing so was not any great dislike of tea or opium, neither for consumption, nor morally nor politically, the latter at least not directly so. Instead, the big problem for the Chinese was that they had "traditionally" been the world's largest inward importer of silver, but payment for more and more opium invoked a greater and greater outward re-export of that silver. Since domestic taxes remained payable in silver, lower domestic supplies raised its price relative to copper cash and other commodities, thereby impoverishing many people so that the opium-for-silver trade then posed a political problem. Nonetheless, foreigners still had to work within and not outside of or against the

Chinese “Canton System.” So, in the First Opium War a small flotilla of British all-metal ships, built especially for river navigation, easily defeated the Chinese and set up the first of the “unequal” treaties.

Frank explored this triangular trade/politics/war dynamic with respect to the contemporary British state’s domination over Northern Ireland; “And what exempts the British state from charges of routine state—and army of occupation—terrorism for twenty-five years in Northern Ireland and in its notorious H block prisons?” (Oliverio 1998: 119). The imperialists’ investment in the military and consequent ability to mobilize the military to defend, oppress or suppress other societies attempting to compete politically and economically allowed their high-status position to be secured in the system of multilateral trade and payments. These high status locations and their occupants were followed by the rest of the world population who were pushed into permanently residing in the lowest status positions. Frank (1998a: xi) gives us another example of how this typically rigid hierarchical system of multilateral trade was intertwined with military strength and war:

A decade ago, American planes bombed civilians in Libya ‘in retaliation’ for Libya’s alleged sponsorship of a terrorist attack in Berlin. Mrs. Thatcher’s Britain gave permission for (and its press took pride in) America’s use of British air bases to depart on their bombing mission to Libya. However, the planes had to fly the long way around the Atlantic (and one was lost as a result) because the allied governments of France, Spain, and Italy remained unconvinced and refused to allow the American war planes into their airspace. The American military attack on civilians, in which, among others, a child of Qadhafi dies, was defined by the President of the United States, the Prime Minister of the United Kingdom, their governments, and their media as no more than a justified response to the alleged terrorism of others (or the “Other”). Later evidence published by the American press revealed that the responsibility for the events in Berlin did not emerge from Libya at all, but elsewhere.

The complexities of international relations, military strength and security underlie and perhaps extend Bergesen’s (2015) observation that “while the multilateral process may be capable of generating a virtually unlimited number of different trade structures, constraints from other domains (economics, geopolitics, sociology or psychology) seem to have yielded a particular trade structure sequence.” Indeed, politics and war-making provide formidable “constraints” to which Frank became especially perceptive as he uncovered the layers to historical cycles of oppression and rigid hierarchical re-fortification. In *ReOrienting* (2014: 125), he notes:

Most attention has been devoted to bilateral flows of capital to Britain along one of another of the legs of some triangle. But it would be important, perhaps even more so, empirically to investigate and analyze just how these Atlantic and Indian Ocean triangles interacted in Britain, which was at the apex of them all. One obvious way was that an important portion of the textiles that arrived from India was re-exported. Some went to Africa to be exchanged for slaves to ship to the Caribbean, and others went there to clothe the slaves after they arrived. Other

Indian textiles were re-exported to Latin America, where they undermined local textile production. American colonists and then citizens favorably participated in both triangular trades...In particular, since the colonies had a large merchandise import surplus or export deficit with Britain, they had to cover it with money and bills of exchange earned from their participation in the Africa—Caribbean—North American triangle.

Clearly, Frank demonstrates in detail how export oriented solutions to development create detrimental imbalances for some countries more than others, and the creation of “poor” countries, which may be rich in culture, but poor economically.

Moreover, in his examination of the multilateral nature of the world economy, Frank considers the impact of migration, its brutal appropriation of land and its indiscriminate destruction of the people who inhabited these lands, as people also moved from densely populated areas to less populated areas. In both China and Europe, densely populated regions had more workers than available resources. Shipping many of these people either overseas or to another part of the country allowed for slower depletion of natural resources at home as well as slower decline of the land physically, socially and politically. Frank (2014:128) observes that this “out-migration” also served as an important safety valve against political protest and uprising.” In the areas receiving new people, increased labor transformed natural resources into production and income for populations in both new and old areas. The old or “home” areas were able to import more products such as wheat and cattle and at lower prices while not further depleting land needed to produce these products. In the new areas, the use of land and other resources may have been slower in producing physical decline and over time, this process was extended to what is termed “the third world.” Thus, both the Europeans and other settlers to new regions, including their families, benefited from migration in the form of export/import of low-cost products for their ever-growing populations. However, in the “new” countries, the people already living there, who were not “discovered,” the indigenous populations, were coerced and suffered extreme social living conditions and depletion of natural resources and land.

With respect to socio-political strife, Frank examines the use of informal and formal military structures. He notes that Britain as well as other European powers reserved their heavy military arsenal for when it was needed within Europe and simply created military troops “outside” of Europe to control “outside” areas (Frank 2014:18):

Britain fought fifty wars in the colonial nineteenth century and seventy-two military campaigns in Asia and Africa after 1837 when India had already been conquered. Nevertheless, political excursion and intervention by European powers outside Europe never involved the use of major military force. That was reserved for use against each other in the Crimean War and between the North and the South in the American Civil War. Nor was military power used especially to promote European industrial exports and trade, whose amount to Asia, Africa and Latin America was never all that much...Instead, Europeans used relatively small shows of military force, and anyway much more they did not even have available outside of Europe itself. Moreover, in the nineteenth century the British military was manned largely by Indians—130,000 Indians and 66,000 British troops in 1880—and they still maintained a Gurka regiment through the twentieth century.

Britain obliged the Indians themselves to pay for the troops and their own occupation with the “Home Charges.”

Thus, coercion need not be displayed in terms of quantity of arsenal. The illusion of military might often is sufficient. The rest can be achieved through “divide and conquer” strategies. In understanding the essence of the world economy, Frank also was able to enlighten us about the successful systemic use of divide and conquer strategies, violence, rigid status hierarchies, coercion and war (Lauderdale and Harris 2008).

Exposing Historical and World-Systems Myths

As Bergesen (2015) remarks, “World-System Theory’s (WST) basic assumptions have remained largely unchanged since their initial formulation in the mid-1970s (Wallerstein 1974).” While Frank contributed to world-systems theory in some of his earlier famous research, he considered employing Marx’s linear, historical stages of development and economic analyses to be suspect, if not a conundrum. However, from the 1990s forward, Frank explicates the idea that a nation’s economic strength and global power is often impacted by historical circumstances such as geography, and he avidly attempts to debunk several theories hanging on to ideas of the primacy of the West and Western development. Bergesen (2015: 17) aptly quotes Frank, “A substantial portion of British income must have been derived from abroad through interest, profits, and rent, or in a word from its privileged LOCATION (location, location, location via Frank) in the world economy from which Britain derived an important share of its income and its ability to invest abroad and derive further income from that.” Frank examines the implications of geographical location with regard to the economic dominance of China as well as other empires, such as Persia and the Ottoman. Location is one of the key factors influencing the expansion of the multilateral world system, wealth and poverty of nations as well as the dissipation of entropy among and within nations (Frank 2010: 267). Unlike the majority of Western scholars, Frank views British dominance and preeminence in the world as a mere blip over a couple of generations. The fact that scholars still research Britain’s rise to power in the 19th century proves to Frank how asking the wrong questions certainly perpetuates the wrong answers. For example, Frank (2014: 3) writes:

Our (mis)understanding of the nineteenth century is replete with dozens of myths and encased in a whole mythology about *The Rise of the West* that centers on an alleged early “industrial revolution” in Britain spurred by mechanizing the cotton textile industry already in the late eighteenth century, and then carried by coal and steam in the first half of the nineteenth century. By that time, it is alleged that Pax Britannia already “ruled the sea,” was “the workshop of the world,” and had its highest income. So for the past century and a half and still in the above-cited conference, the almost exclusive question has been “how Britain did it.” But as long as we ask the wrong question, we are certain to get the wrong answer. ...no one has yet turned the question around to ask either *why* the West did not remain like the rest, nor even less *when* and *what* happened and *how* and *why* the world political economy turned upside-down to make East and West change places during the nineteenth century.

Unfortunately, many of these myths about the preeminence of the West via Britain in the nineteenth century still proliferate and are further perpetuated by most world-systems theory, which to Frank made little sense any longer. His suggestion that there is one World System that formed at least five thousand years ago challenges notions of numerous “world-systems.” Bergesen (2015) emphasizes Frank’s central point regarding the misguided nature of world-systems theory by contextualizing its development, and suggesting that it serves as part of a larger whole—the larger whole now being Frank’s World System and the parts being the numerous world-systems a la Wallerstein:

Essences at one level act as wholes, but when a larger surrounding structure is identified they become parts, and essence shifts a level upward. Individual essences are seen when arguing that individuals buying and selling make capitalism. Social essences are seen when arguing that capitalism makes individuals buy and sell...Yesterday’s totality, society was now but a part in the new essentialist whole, the modern world-system based on the capitalist mode of production. No longer did theory describe societal economies internally evolving on their own by Marxian class struggle or Weberian work ethics.

Yet, the problem with “hanging” on to the world-systems part of Frank’s reformulated World System is its premise that capitalism gave rise to a world-system sometime in the 16th century Europe, feeding the entire Eurocentric myth Frank discredits in *Reorienting*:

The period 1850 to 1873 is often said to be the time of maximum British domination. Yet it certainly did not dominate North America, where in the 1860s Canada became independent, and in the United States Britain’s southern allies lost the Civil War and the northern winners imposed protectionist policies. Also in Latin America, British influence was still being combated by national interests in almost all the states, and/or Britain was challenged by French occupation of Mexico and by American Monroe doctrine expansion. Africans still exercised independent and successful trading positions and the exercise of British political economic power was limited to small parts of Southern Africa and Egypt. In the Ottoman Empire, Britain eliminated the challenge of Mohammed Ali in Egypt and forced unequal commercial treaties on the Turks; yet their domestic *Tanzimat*, a sort of analogue to the Chinese self-strengthening, was still quite successful. In Russia and Central Asia the British had to fight their biggest foreign war of the century to defend their interests in the Crimea, which was really fought about access to Turkey and India (2014: 29).

Bergesen correctly suggests that Frank’s theory of the World System, “identifies limits, contradictions and shortcomings of the standard WST model, and also provides rudiments of an alternative model of how the world economy produces inequality in the wealth of nations.” Thus, simply adding a “trade focus” to world-systems theory does little to revise its basic premise regarding capitalism, the latter concept also viewed as a myth by Frank in his most recent research (and, incidentally on his web site).

Hegemony and the World System

Following Frank, it is clear that the important concept of hegemony needs to be considered more carefully, especially by scholars of world-systems and world system theorists. Understandably, language is dynamic and concepts can be refined, yet unfortunately in world-systems theory, the concept of hegemony is used as little more than a synonym for “domination” or at best “dominant ideology.” It is similar to referring to economy rather than referring to capitalism. Frank suggests that some “poor” societies might be quite developed if we consider factors other than economic ones, such as culture (1996). He explains how rich, developed countries gained from technologically underdeveloped countries when those “poor” nations remained in the global economic system. He demonstrated the impact of persistent structural economic crises on a global scale, and the ineffectiveness of Keynesian and fiscal tactics, which often led to social movements that demanded change. In other words, Frank is aware of the paradoxes that hegemony produces—for example, the simultaneous existence of economic poverty and cultural wealth. In order to understand hegemony and appreciate its impact on the world system, it is important to explicate factors beyond economy, even when these factors appear to be paradoxical (Lauderdale and Harris 2008; cf. Oliverio 1998; Chew and Lauderdale 2010).

Hegemony is a process that involves the interaction between civil and political society in the production of a dominant ideology that is taken for granted. Thus, it is more than simply an ideology that can be easily labeled and articulated, such as liberal versus conservative or traditional versus modern; hegemony produces a way of life, one that is reinforced and reproduced by civil and political institutions in a society (see for example, Augelli and Murphy’s seminal 1998 work on Gramsci and U.S. imperialism). In *ReOrienting*, Frank (2014:38) indicates that “there is no doubt that the rapid spread of Christianity around the world went along with, indeed often went ahead of, or was part and parcel of, the spread of imperialism. And vice versa, imperialism spread with the alleged word of God, which legitimized the ‘white man’s burden’ of the *mission civilizatrice*.” What Frank says about Christianity and imperialism is very similar to what Gramsci observed and wrote about as part of the production of hegemony with regard to the use of Christianity to reinforce the Fascist state.

Yet, religion is but one institution involved in the process of hegemony. Frank notes how the academy as well as the media produce and reproduce hegemony with regard to terrorism (Oliverio 1998; Oliverio and Lauderdale 2006). He maintains that the concepts and analyses are outmoded, and they parade their own ideology, especially American state interests as ostensible scientific discourse about alleged objective truth (Frank 1998b). Indeed, many of the stories that have proliferated about indigenous cultures, facilitating their destruction or disappearance have been reinforced by “scientific” explanations offered by experts such as those anthropologists who try to define the “Other” (Lauderdale 2008). Implicit within these explanations is the notion of “traditional” as backward and scientific as progressive. Museums of indigenous cultures are replete with expert interpretations about their cultures reinforcing ideas such as “Columbus discovering America,” or descriptions of “noble savage.” Accordingly, Nader expands Frank’s ideas on hegemony and indigenous cultures as she employs Frank’s concept of “hegemonic truncation in the world system” to compare relevant structural aspects of the Mongols and Europeans. She emphasizes that backwards history, as Frank terms it, moves from the present to the past. And, she presents it as a method for understanding Euro-American expansions, challenges, and especially conflicting claims about history (Nader 2008; Lauderdale and Harris 2008).

Cracking the hegemonic façade requires more than simply acknowledging who or what ideas dominate (Lauderdale 1996). It involves understanding the process by which such understandings are reproduced and unconsciously accepted as “truth.” Just as Marx and Weber are very specific in explicating the development of capitalism, Gramsci is also very specific in his explanations of the production of hegemony. Hegemony is a complex concept that allows for a deeper analysis, for example, of the perpetuation of Eurocentric ideals, even though Europe’s political and economic dominance, is but a “myopia of our leading lights,” who are still, in the twenty-first century, looking for their “watch not where it was lost or is to be found, but only where the all-too dim and narrowly focused Euro-American street light is” (Frank 2010: 225). Thus, when we consider the complexity of the term hegemony and its heuristic advantages, what does it mean to be a “hegemonic sea power” or to be the “hegemon of the capitalist world-system” or to be a Dutch, or British or American hegemon? In these examples, the term hegemony is either used to obfuscate or simply refer to “domination.” Frank’s work on the World System challenges hegemonic understandings about capitalism and historical interpretations because they are predominantly Eurocentric and because they perpetuate hegemonic understandings of global political economy. Andre Gunder Frank’s entire work has focused upon cracking the hegemonic façade that reproduces Eurocentric ideas and ways of life as central throughout history (Lauderdale and Harris 2008). By examining and explicating the dominant myths, he is challenging the institutions, experts and the academy to rethink their own hegemonic interpretations.

Conclusion

Frank’s research teaches us that the contemporary world system is part of a continuous five-thousand year-old history. His analytical focus upon coercion and imperialism, rather than the dominant theories on the rise of the west over the past five hundred years, led him to expose the hegemonic façade of Eurocentric, Western ideology. Critically, among all of his new insights, Frank’s latest book also explains more deeply how imperialism and coercion continue to dominate the world system. In extending Bergesen’s important discussion regarding world system versus world-systems in a larger context, we can now comprehend more precisely Frank’s intellectual legacy. And, we can understand more clearly major ideas and controversies in Frank’s prior work, which are important in understanding more fully his final book on the world system, edited posthumously by Robert Denemark.

Gunder Frank’s by-line, “We have met the enemy, and it is US,” is more than irony. Rather than viewing “capitalism” as the defining enemy, he increasingly focused upon coercion and imperialism (Lauderdale and Harris 2008). In his life-long participation in social movements he revealed the internal contradictions of many movements in which “progressive” leaders employed the same coercion and rigid hierarchies at the local level, which, at the global level, they despised and viewed as major sources of injustice (Lauderdale 2006). Frank’s writing and participation in such social movements exhibited his life-long concern with equality before efficiency.

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ReOrienting the World System

Robert A. Denmark
University of Delaware
denmark@udel.edu

Barry K. Gills
University of Helsinki
Barry.Gills@helsinki

We can begin by accepting Bergesen's call for a new model that better represents the "distinctly 'political' economy" of the actual world and the prominent role of the "political/military component" in its overall structure. This is very much in the spirit of Frank's work in *Reorienting the 19th Century*. We also share much agreement with Bergesen's critique of Wallersteinian or "Standard World-System Analysis" (hereafter SW-SA), including several points of criticism Frank and others have made in the past, when developing an alternative world system (without a hyphen) history (Abu-Lughod 1989; Frank and Gills 1993; Denmark et al. 2000). It is unfortunate that Bergesen does not reference this previous research examining centuries and even millennia of what Bergesen calls "historically conserved trade structures" in world system history.

Bergesen also makes a further call, for "a new understanding of the role of inter-continental trade as the essential relation of the world economy." We would amend this by saying that although "trade" on an inter-continental scale is a constant, and in fact, a constituent feature of world system structure (for five millennia), and it is true that trade may be the essential *mechanism* of the world system, it is misleading to call trade the essential *relation*. The essential relation is rather that of "accumulation" of wealth, capital, and power within the world system. The pursuit of this accumulation affects the overall pattern of trade (as a cause to an effect) while also shaping "systemic relations between societies" as Bergesen puts it.

In regard to Bergesen's critique of the role of the "capitalist mode of production" in SW-SA, we would agree that the capitalist mode of production in itself does not adequately account for the origins of the modern world system. We also agree that "capital" pre-dates the modern economy. However, in today's world, the form "capital" and social relations based on the capitalist mode of production have extended and deepened to an historically unprecedented degree.

We must disagree with Bergesen's assertion that "there is no way to move theoretically from relations between whole zones of the world to relations between classes within a zone." World System history (without a hyphen) has from its earliest formulations (e.g. Gills and Frank 1990) indicated that a structure of inter-class relations exists in a world system, based on the "inter-penetrating accumulation" between different zones of the world system. These inter-class structures both extend beyond the borders of any formal political entities and significantly influence the pattern of class relations within political entities. "Accumulating and expanding

overseas” have been linked for millennia in world system history, including previous “waves of expansion” (or “pulsations”), linked to imperialist logics and rivalries, as well as periodic “world system crises,” long before the late 19th century example, or even the long 16th century.

There are four issues Bergesen raises that we wish to engage in greater detail.

A. Capitalism, Trade, and Multilaterality

Bergesen offers Frank’s multilaterality, together with his own concerns regarding the rise and various interactions of trade-based hegemonic states, as a palliative to what he identifies as the now-tired analysis of capitalism, the SW-SA focus on “production for exchange,” and lack of attention to inter-core rivalry and strategic interaction.

As regards Bergesen’s critique of an overemphasis on capitalism and the capitalist mode of production in SW-SA, we recall that Frank generated a firestorm by questioning the primacy of “capitalism.” Frank’s first “ReOrientation” (1998) generated a special issue of *Review* with articles by Wallerstein, Arrighi, and Amin, that mostly aimed at attacking the alleged error of Frank’s abandonment of the concept of “capitalism” as the motive force of the modern world-system. This was ironic. Four decades ago world-systems analysis took its most critical blows from traditional Marxists who argued that in ignoring capitalism as a totalizing mode of production, and treating it incorrectly as merely part of a system of global interaction, world-system scholars had committed the sin of “Smithianism” (Brenner 1977): i.e. allegedly focusing on “the sphere of exchange,” and thus supposedly ignoring class relations. Wallerstein argued (correctly) that “capitalism” could and should be understood as the motive part of a European system that did not however preclude the use, preference, or even creation and codification of “pre-capitalist” forms elsewhere. Capitalists in the core were happy to use, facilitate, or create any social formation that helped accumulate capital (slavery and the feudal relations of the demesne or plantation are prime examples).

Where Wallerstein argued that “non-capitalist” forms could be part of a “capitalist” system, SW-SA analysis now argues that capitalist forms cannot be part of a broader system. Frank’s use of a more inclusive concept of “modes of accumulation” (Gills and Frank 1990) was criticized for lack of fidelity with traditional beliefs in the primacy of the capitalist mode of production. Frank argued that there are overarching modes of accumulation; that “capitalism” may be part of such a mode; that it may exist in some areas and not others; and, that it may play alternatively larger or smaller roles. By starting from a Eurocentric historical perspective we make the error of attributing everything to “capitalism,” and thereby fail to see earlier, different, variegated, and longer-lived systems of accumulation. Frank’s adoption of a focus on 5,000 years of world system history (without a hyphen), his sustained interest in the role of Asia, and his calls for humanocentrism to supersede the intellectual legacy of Eurocentric analyses ought not to fall on deaf ears.

To put the argument about multilateralism in context, we must remember that Frank was trained as an economist at the University of Chicago and fought several battles with former colleagues there and elsewhere about how to understand and interpret trade. His arguments on the methodological importance of a multilateral perspective can be traced back to articles he wrote in the 1970s in the midst of these debates and emerged while he was engaged in an argument about the benefits of imperialism to the imperial countries themselves. Bilateral trade figures did not show that the imperialist powers earned more than they spent in the bargain. Frank thought this was absurd, and set about explaining the multilateral logic of imperialist

processes (Frank 1979). Frank's mature global systemic multilateral perspective, as demonstrated masterfully in *ReOrienting the 19th Century*, is a most profound insight.

Bergesen suggests that Frank's analysis, which he hopes to build upon, must undercut the Wallersteinian argument about "production for exchange" as the key process mediating world-system relations. We do not believe this is the case. Trade, regardless of its "laterality," has never been exclusively about profits. Rather, it has always also been about the form and range of socio-political and economic development that different specializations and production processes, and terms of trade, may generate. Bergesen offers some ideas about the multilateral/angular trade system as a combinatorial system, capable of infinite (re)combinations, and suggests that trade structures and their "triangles" are "highly conserved" historically. This implies that trade triangles are the basic structure of the world-system, that we have always had them, and that they play a similar role and maintain a similar operational logic across historical contexts. If these triangles can be identified in even earlier periods, they may supplant "production for exchange" as a foundation for world system formation, and we might then look at related processes like transport, military control or protection, and commercial services, as was already suggested by Abu Lughod (1989) and others, and pursued by Frank in *ReOrienting*. World-systems studies have included any number of analyses of incorporation, change, commodity chains, rise, and decline within the confines of the world-economy, but have not yet systematically considered trade triangles. Yet such triangles offer a glimpse into the generation of great wealth, and constitute a guide to when and where force is being used (e.g. to depress wages, extort tribute, decrease competition), as well as where cultural forms are being imposed, propped up, or subverted. This is surely an oversight, but not a necessary one.

Bergesen argues that SW-SA ignores the fact that "capitalist hegemons" have all been sea powers because it is insufficiently concerned with inter-core rivalries. However, one of the key cyclical processes of the original formulation of world-systems analysis is specifically "hegemony-rivalry," which fits exactly into the hole that Bergesen suggests exists. World-systems analysis has not ignored geopolitical rivalry and conflict, although the relation of much of this analysis to the narrow "realist" school of traditional U.S.-dominated international relations remains quite highly problematic.

B. Core-Periphery Hierarchy and Emphasis

To point out that the core oppressed the periphery, to suggest that this (more than anything else) defines the hierarchy so emblematic of the modern world-economy, and to trace the mechanisms of that oppression via the logic of capitalism was enlightening and path-breaking 40 years ago. Ideologically and practically, the core-periphery focus was logical in that it spoke to one of the key issues of the day in a way that shed more light than previous, painfully ideological treatments had done. This signaled a move forward. Is it now passé? Has it become a detriment, as Bergesen claims, in an era when powerful forces of ideological control (e.g. politicians, policy-makers, media, and economists), repeat the "big lie" about "*developing* countries," even though it is clear that their analyses of "take-off," "efficiency," "marketization," "adjustment," "free trade," and "globalization" are either fallacious or self-servingly ideological. Even students appear to be losing interest in oppression and solidarity. Colleagues adopting the latest methods do not offer us a theoretical understanding or empirical account of the material-structural sources or foundations of oppression, nor do they appear to wish to do so. Tellingly, the current Pope cannot call for an emphasis on the poor without the political right informing

him that his doctrinal interpretation is essentially Marxist and seeking to vilify him as a result (Odone 2013). Bergesen argues that we should focus our analysis elsewhere.

We offer two retorts. First, we contend that SW-SA does not *need* to be stuck in the rut of post-dicting an oppressive core-periphery hierarchy. While hierarchy is indeed a defining element of the system, various cyclical processes (e.g. hegemony-rivalry; economic expansion-contraction; advantages to capital over labor), its secular trends (e.g. commodification, mechanization, expansion), and the “three legged stool” (i.e. politics/economics/culture) may grant more latitude to scholars than Bergesen suggests. Bergesen may be correct about what is going on in the “traditional” world-systems literature, but there are more options available even within SW-SA.

Second, and more critically, Frank’s position would have us look at the core-periphery hierarchy and the oppression that is embodied in it, and inter-core rivalry and the geostrategic processes that are embodied in it, as part of the same unified global process. We take issue with Bergesen’s argument, which essentially amounts to “kicking the periphery back out” of our analysis. We contend that the rise to great power status is intimately related to the oppression of the periphery. If SW-SA was overly focused on the oppression side of the equation, Bergesen would seem to us to suggest that we overly focus on the other. Neither is optimal. The two processes cannot be separated.

Frank’s formidable empirical analysis emphasizes the hierarchical nature of the structure of the world system as a whole throughout the 19th century (and beyond). One key aspect of this hierarchical global structure resides in the asymmetric relations constructed between states, where the most powerful dominate the vulnerable or less powerful “parts” (states) of the system. He consistently indicates the importance of the pro-active role of certain states and the elite who govern them. He illustrates this state role in the process of industrialization itself, using examples from Japan, the USA, and Germany, as well as numerous state-led attempts at “defensive” or “self-strengthening” measures undertaken by non-Western countries. Here Frank’s analysis shows that the capacity of a state to successfully industrialize and develop depends on its position in the whole system. A weak position creates a lower probability of success in industrialization, while the stronger the position becomes, the more probable the success of industrialization. Frank notes emphatically that “states made nations” and not vice versa, and he seems to imply that states created nations as part of a project of the “national” elite’s pursuit of increased wealth and power, and the quest for a stronger position in the world system (to the same end).

Frank repeatedly stresses the globally pivotal role of the “Home Charges” (basically a form of “tribute”) levied by the British state upon (the peasant masses of) India, and especially stresses its link to the UK’s ability to create and hold the position of apex in the multilateral global system as a whole. He emphasizes again and again the policies of “imperialism” practiced by European states and somewhat later by America. Frank argues that imperialist policies were designed precisely to weaken other targeted states in the world, and in particular their capacity to conduct autonomous economic policies in a robust defense of national economic sovereignty, exercise genuine independence from foreign influence or intervention, or pursue strategies of state-led industrialization and national capital formation. Moreover, he analyzes examples of how some powerful states of the West intervened in the domestic political, class, and ideological contests within other countries, with the intention to obstruct the power of “nationalist” industrializing elites and their preferred policies, while simultaneously supporting and empowering those who favored economic “openness” and “free trade,” and were otherwise

willing to play a comprador role vis-a-vis metropolitan imperial interests. He argues that these interventions often tended to benefit mainly the landed class and their commodity export interests, at the expense of national industrial strategy and economic diversification out of dependence on (primary) commodity exports.

Indeed, Frank's analysis empirically investigates and chronicles the processes by which the "privileged" positions and the "underprivileged positions" were constructed historically in the 19th century. His conclusion recapitulates his insights from Dependency theory—i.e. that the role of the underprivileged positions in the system "is to transfer wealth and income to the privileged ones through the structure and operation of this multilateral/angular system" (Frank 2014: 89). For those at the apex (UK in the 19th century), "this position of greatest privilege... accounts for most of its wealth and income" (ibid). Frank explains that this multilateral/angular global structure "permits those at angular systemic locations of privilege to exact tribute or rent from the system as a whole and in particular from those in under-privileged positions" (ibid; also cited in Bergesen). We can thus concur with Bergesen's statement that "It is power plus exchange, then, which creates the inequity of wealth extraction" and that the apex position is "politically underwritten" in a global shell game of capital accounts and transfers in which the capital of the poor(est) is used to enrich the rich(est) through several mechanisms, including "foreign (sic) investment." Bergesen's final quotation from Frank's *ReOrienting* again recapitulated Dependency theory insights, wherein Frank argues that the systemic consequence of the crisis following 1870 was to consolidate not only the multilateral/angular structure itself, but moreover "the ultimate placement of Asia, Africa, and Latin America in structural positions of disadvantage, nay, of systemic exploitation and often oppression that generated the development of underdevelopment with a vengeance" while simultaneously allowing those in privileged positions to "derive their income" and "to dissipate entropy that was generated to what then became the third world" (Frank 2014: 73). Numerous interventions by powerful imperialist states tended to further "retard" and distort the course of their development and their economic and social structure.

Frank extends his discussion to the colonial state as a special category. He refers to the purposes of globally powerful states to construct colonial and neo-colonial states in the regions under their domination. Frank argues that the real purpose of these colonial states was to bring about the right conditions for the creation of (permanent) export surpluses from the subordinate areas of the global system to the imperial states, and thus to be a mechanism to support the development of the metropolitan centres. Indeed, he argues that it was (and is) this mechanism of the export surplus (from the underdeveloped to the developed) that is the primary way to actuate the systematic transfer of value from the economies of the poor and subordinated to those of the rich and powerful. Frank also stresses the importance of another mechanism, however, which he implies may have been then (as now) the supreme instrument of control over the "Third World." That instrument is debt, which is a device that facilitates the acquisition of foreign control over subordinated economies, as well as a concrete vehicle for the systematic transfer of wealth from the poorest to the richest zones of the world system. "Free trade" policies between the dominant powers and the non-Western world are revealed by Frank to be asymmetrical in both design and effect, being a very useful instrument to promote the interests of the advanced industrialized economies, who benefit hugely from such policies, at the expense of those in subordinate positions in the international division of labor and the multilateral system of trade and payments (im)balances.

The positions (or “LOCATIONS”) created during the 19th century, once established, have proven to be very difficult to alter, but not impossible. The specific roles “assigned” to subordinated areas during the 19th century, in the international division of labour, the specific composition of commodity production, historically conditioned levels of state capacity, and particular class and socio-political characteristics, vary considerably across countries and regions. But none of these elements necessarily permanently precludes the possibility of conducting counter-strategies for self-strengthening or industrialization—i.e. strategies to attempt to change position in the world system and “ascend” within its hierarchical structure. Otherwise, it would not be possible to understand the development of Japan, beginning in the later part of the 19th century, nor the contemporary industrial and economic development of several Northeast Asian states, including China. *ReOrienting the 19th Century* includes extensive analysis of and reference to the “industrious revolution” path to industrialization, formulated by Sugihara, upon whom Frank largely depends for this understanding. Let it suffice to point out that in this schema of an alternative pattern of non-Western industrial development, the role of the pro-active state remains a pivotal aspect to its design and ultimate success. Overall, Frank’s message to us may be that the global political economy of the world system is probably more politically organized than present day conventional understandings tell us—i.e. in reality “politics” is more the “cause,” and “economics” is more the effect than the other way around. It is in this context that we might better understand Frank’s most controversial statement in *ReOrienting the 19th Century*, which emerged in at least three different draft chapters (as he sought for the right place to put it), and bears quoting here:

Without trying by any means morally to justify or politically to support any and all imperialism and colonialism nor any of its consequences, the time has come to review and where appropriate to revise the substantially ideological dogma of Western triumphalism over alleged ‘traditionalism’ elsewhere and simultaneously of much of the nationalist appeal to and ‘defenses’ of ‘traditional’ values and also its exaggeration of the deformation of ‘third world’ economies. To do so in no way negates the critique of ideologically inspired classical, neoclassical, and Keynesian ‘scientific’ analysis and political propaganda by dependence and world-systems theory and their alternative analyses. The reexamination of reality and its still other alternative analysis proposed below may also parallel the denunciation of the received wisdom of both now ‘traditional’ and the new dependence as well as world-systems analysis by their denunciation by recent postmodernist, postcolonial, and subaltern textual ‘analysis’ as far as the latter go, which is not much (41-2).

These were difficult sentiments for Frank to express, but he clearly felt they were necessary. The rise of China, (the possible) rise of India, and several other issues, led Frank to reassess the saturation and historical staying power of oppression. Horrible in every respect, colonialism was nonetheless less pervasive, or perhaps peripheral populations were more resilient, (or both) than Frank believed that he and others had predicted. It was going to be vital to study the dynamics of that process all over again, and to do so carefully so as not to wander into the trap that would be set by apologists who hope to set us toward the conclusion that “colonialism was not that bad.” Unfortunately, Frank knew he would not live to engage in that battle.

In summary, states’ imperialist policies were a central feature of the global politics of inter-core rivalry and the rise to hegemony in the 19th century, in the construction of its particular

global hierarchical structure, and of “the development of underdevelopment.” The “positions” created by those powerful states, and the inferior positions imposed upon the “weak” during the 19th century have had long lasting historical consequences, including in the present. Frank implies the thesis that it was primarily the exercise of state power, by force and manipulation, and not “market forces” operating independently and “freely,” that most determined the course and the historical outcomes of the 19th century world system. The role of the state was pivotal to the whole system’s ultimate shape and character. Perhaps this is as true now as it was in the 19th century. We suspect Frank would probably agree with that assessment.

C. On Bringing the State Back In

Bergesen’s concern with inter-core rivalry resonates with another of the big questions raised by Frank. What explains the fact that Britain ended up at the pinnacle of the triangles that afford such great power and wealth? Bergesen is right in his desire to extend our analysis of the political substructure of core rivalry and hegemony. Frank argued that LOCATION in the world system is not a function of the liberal market or fidelity thereto, nor is it in any way permanently fixed. *ReOrienting the 19th Century* chronicles the long historical ascent of Great Britain to the pinnacle of the system (of which Britain was largely a creator on a global scale). Subsequently, Frank assesses the long relative descent of Great Britain, accompanied by the ascent of competitors, and the miseries of myriad subordinated and colonized peoples around the world as a result. This analysis of ascent and descent extends to the present era. It includes the relative (re)ascent of East Asia and China, and other contemporary “emerging economies.” Frank also gives attention to the prospect of the relative descent of the United States, the inheritor to Britain’s pinnacle position after the end of the Second World War.

Thus, Frank’s repeated mantra of “LOCATION>LOCATION>LOCATION” needs to be interpreted as historically changing. This recognition however, implies the necessity to examine specific strategies and economic policies, the domestic and international composition of forces, and many other factors, that over time account for either a successful historical trajectory of ascent, or one of descent, within the hierarchical structure of the global political economy. This analysis should also include the nature and effects of the “position maintaining strategies” pursued by the already very powerful states, as well as the nature and outcomes of any counter-strategies and counter-alliances that may be formed against the dominant powers’ interests. Let us recall that Frank examines the position-maintaining strategies pursued by a declining Britain in the later 19th and early 20th centuries, explicitly acknowledged by British elites to be designed to maintain Britain’s privileged position in the global system, even at the direct heavy human cost of subordinate peoples, most especially in India.

The 19th century world system culminated in a brutal round of violent colonial expansion and inter-imperialist rivalry on a global scale, with increasing militarism and intensive arms races, and eventually two world wars and a global depression during the first half of the 20th century. Frank traces this modal shift to the systemic effects of the economic crisis that began in 1873. He links this to the final or real “fall of the East” after 1870 (a key argument throughout the book) and the final consolidation of the multilateral trade and payments system of (im)balances and entropy dissipation. During this several decade period, the British state was joined by the U.S., Germany, and France at the apex position in the global political economy, soon to be emulated and joined by Japan.

But all of these machinations beg the question of how England (or any other actor) might first construct such a system. Frank titled his (unwritten) concluding chapter “Bringing the State Back In” and this appears to be what Bergesen wants to do with his emphasis on state action in the context of inter-core rivalry. The state must play a role, and nowhere is this more important than in core states that find themselves at a disadvantage they must overcome, or peripheral states that choose to pursue strategies that are at odds with their continued exploitation. But ought we assume that there was some explicit state-led policy that generates the architecture of hegemony? Frank always argued that policy was never about what it claimed to be about, nor did it tend to have the impact it was expected to have, in any event. In the case of England it appears that a basket of decisions and non-decisions by the state, as well as by explorers, piratical naval captains, chartered companies, and rogue bureaucrats, all played important roles. Such actions cumulated in ways we do not yet fully understand into some global level advantages that were built upon and became positively self-reinforcing. Some of it was likely the fact that other powers were not in positions to impose their wills on England. England made its own way within the sets of incentives and disincentives that the global system offered, and ended up on top. How much of this was foresight, or a confluence of public and private interests, or a freedom from the imposition of the plans of others, or a matter of dumb luck? Perhaps a position at the pinnacle of the system is partly the result of being a wealthy sea power, as Bergesen suggests, and partly the result of being sufficiently brutal enough and/or lucky enough to collect the correct puzzle pieces such that by happy coincidence they fit together in just the right way. Bergesen is correct when he suggests that we need to pay more attention to this dynamic.

We might gain some insight by building on the world system literature on cycles of hegemony and rivalry. William Thompson’s work on innovation and leadership might provide part of the answer. Perhaps part of the answer rests with competitive imperialisms and the tendency for the world-system to engage in systemic war on a fairly regular basis. Building on the hegemony-rivalry literature, Wallerstein (and a number of others both within and outside of world-systems analysis) suggested that there would be a “war peak” (a period when the chance of global war would be highest) between 2030 and 2050 (Pollins 1996; Denmark 1999). This is not nearly as far off as it was when these works were first published, and certainly the dangers of hegemony-rivalry are becoming more apparent once again and should not be underestimated. The interactions of the dynamics of multilateral trade and payments triangles (and the global dissipation of entropy) and their relationship with systemic or global war, as Bergesen argues, is both a very timely and a most important future research focus.

D. Environment and Entropy

Finally we come to the question of the natural environment, which neither Bergesen nor anyone else should ignore. Frank considered this to be one of the most important potential contributions of the book, but sadly it was also the least developed. The quest for resources, from rare earths to shale oil, and in the not-so-distant future the quest for breathable air and drinkable water, will likely generate significant inter-core rivalry. Sensitized by the insightful work of Sing Chew, with whom he interacted regularly (despite his illness, Frank read and commented upon the draft manuscript of Chew’s important study *The Recurring Dark Ages: Ecological Stress, Climate Changes, and System Transformation*, which was published after Frank’s death), Alf Hornborg, and later Mike Davis, Frank came to the conclusion that the infrastructure of all living processes was something we had ignored. His work on this issue

betrayed his fierce desire to dive into an important topic about which he initially knew so little. This relationship includes the absorption of negative entropy by the poorer countries and regions of the world, generated by the development of the industrial countries.

Though he was unable to complete his analysis of the role of entropy, he gives us indications that the deleterious and long term effects of this type of structural violence extends to the export of “disorder” as well as of environmental degradation and pollution. His analysis provokes us to investigate the global uneven distribution of negative entropy, both social and environmental, as an engrained feature of the global system. Its full story in the development of underdevelopment and in the production of global poverty and inequality is yet to be told.

Bergesen’s essay is a vivid admixture of homage, critique, and reformulation. It draws on vital elements of Frank’s work, and offers us yet more. It challenges traditional world-systems analysis to broaden itself, it challenges Frank’s colleagues, who were part of the intellectual traditional that led to his *ReOrienting*, to sharpen their focus, and it challenges all of us to craft better and more complete responses to better questions. It suggests that, with or without the hyphen, the world system project remains vibrant.

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Periodizing the Thought of Andre Gunder Frank: From Underdevelopment to the 19th Century Asian Age

Christopher Chase-Dunn

University of California-Riverside

christopher.chase-dunn@ucr.edu

Andre Gunder Frank's legacy is wide and deep. He was one of the founders of dependency theory and the world-systems perspective. He took the idea of whole historical systems very seriously and his rereading of Adam Smith inspired Giovanni Arrighi's (2007) reevaluation of the comparison of, and relations between, China and the West. This paper reviews Frank's contributions to our understanding of the modern world-system, the long-term evolution of world-systems and some of the issues raised in his posthumous book about the Global Nineteenth Century (Frank 2014). I divide Frank's thought into three periods (early, middle and late) in order to explicate his ideas and to compare them with one another and with those of other scholars.

All intellectuals change their thinking as time passes. Some elaborate on their earlier ideas or pursue directions that had occurred to them in earlier projects. Some make radical changes that require retraining. Andre Gunder Frank was unusual in the extent to which he sought to correct mistakes in his own earlier work and was willing to rethink basic assumptions. There are continuities in his work to be sure. He was passionate about grand ideas as new ways of looking at the world. He had a strong commitment in favor of the underdogs. He was never afraid of confronting his own earlier ideas and he enjoyed challenging taken-for-granted assumptions and myths. His detractors called him a gadfly and said he "painted with broad strokes." Broad strokes are often a good start down paths that are hard to think.

The Early Frank

Gunder was an early adopter and important diffuser of the dependency perspective that emerged from Latin American social scientists in the 1950s. His 1966 article "The Development of Underdevelopment" (published in *Monthly Review*) was an important element in the Third Worldism that became an important element of Western independent socialism after the Cuban Revolution. Marxist economists Paul Baran and Paul Sweezy were significant contributors to this trend. The basic idea, which Frank held to the end, is that the nature of social institutions and class relations in poor and powerless countries are not primarily due to traditional local power structures; rather, these institutions and class structures have been shaped by hundreds of years of exposure to the powers of "the metropole" (Gunder's original term for the powerful core countries). Colonialism and neo-colonialism have left what we now call the Global South in a state of dependent underdevelopment. So the modernity/traditionalism contrast was seen as a global socially constructed and reproduced stratified power hierarchy.

Gunder soon came into contact with other Third Worldists and, along with Samir Amin, Immanuel Wallerstein and Giovanni Arrighi (all Africanists) he helped to formulate the emerging world-system perspective. Frank's research (Frank 1967, 1969, 1979b) showed that Latin American societies were heavily shaped by colonialism and neo-colonialism and argued that these dependent social formations should be understood, not as feudalism, but as peripheral capitalism because they were a necessary part of the larger capitalist world-system. The conceptualization of capitalism as mode of accumulation that contained both wage labor (in the core) and coerced labor (in the non-core) was elaborated by Frank and by the other founders of the world-system perspective. Wallerstein (1974) realized that serfdom had played a somewhat similar part in the peripheralization of Poland. Frank helped to formulate the idea that the capitalist world-system was a single integrated whole and that it was a systemically stratified system in which global inequality was reproduced and the role of the non-core was an important and necessary part of the system. This was a challenge to Marx's definition of capitalism as necessarily requiring wage labor, and more orthodox Marxists accused Frank and the others of "circulationism" because they seemed to focus on the importance of trade between the core and the periphery rather than class relations within each country. But the world-systems formulators explicitly examined the global class structure as well as considering carefully the class structures within countries (e.g. Amin 1980b).¹

Frank's (1978) examination of world history from 1492 to 1789 provided an insightful account of the whole system and contributed to the reformulation of the study of systemic modes of production by recasting them as *modes of accumulation*, which included production, distribution and the different institutional ways in which wealth and power were appropriated.

The Middle Frank: Ancient Hyperglobalism

Gunder began to develop an interest in questions concerning the continuities and discontinuities between the modern system of the last five centuries and earlier periods. Other scholars were also doing this. Janet Abu-Lughod's (1989) influential study examined a multicore Eurasian system in the thirteenth century CE. Chase-Dunn and Hall published a collection entitled *Core/Periphery Relations in the Precapitalist Worlds* in 1991. Gunder began reading world historians such as Philip Curtin and William H. McNeill. He developed an important working partnership with Barry Gills in this period and together they published the collection entitled *The World System: Five Hundred Years or Five Thousand?* in 1993. Gills and Frank argued, following Kasja Ekholm and

¹ Albert Bergesen's (2015) essay in this review symposium suggests that modes of production must necessarily be based on class relations within national societies. He says, "Capitalist economic formations have to be within a social formation..." by which he apparently means within national societies, and so "there can be no world capitalism." This is similar to the charges made by the orthodox Marxists who attacked the world-systems perspective as being "circulationist" and ignoring class relations. Both Frank and the other founders exerted much effort to reconceptualize global class relations for the purpose of being able to comprehend how capitalism works in the system as a whole. This does not mean that Bergesen's focus on multilateral international trade is irrelevant, but rather that it should be understood in terms of its relevance for global class analysis. The most convincing recent work on this topic is that by William Robinson (2004, 2015) though he tends to assume that global class relations emerged in the last decades of the 20th century.

Jonathan Friedman (1982), that a “capital-imperialist” mode of accumulation had emerged during the Bronze Age, and that this system went through phases in which state power was more important interspersed by phases in which markets and private accumulation by wealthy families were more important. This mode of accumulation had been continuous since the Bronze Age and so there was no transition to capitalism in Europe. Already Gunder had staked out this position in his 1989 *Review* article “Transitions and modes: in imaginary Eurocentric Feudalism, Capitalism and Socialism, and the Real World System History.” So capital imperialism had been continuous since the Bronze Age emergence of cities and states. The emergence of capital imperialism was never analyzed because it occurred before the emergence of cities and states in Mesopotamia, which was the beginning of the Frank-Gills study of capital imperialism. Frank and Gills also argued that there had been a single Afroeurasian world system since the Bronze Age because neighboring societies share surpluses through trade and tribute and so are systemically linked with one another, and if all indirect links are counted there would be a single network of interaction. This was a Afroeurasian network until 1492 CE, when it became a global network including the Americas.

Frank also implied that there will be no future transition to socialism.² The capital-imperialist system is a great wheel that has gone around since the Bronze Age and will continue into the future indefinitely.

Many of Frank’s friends on the Left were very unhappy with this new analysis, but Gunder stuck to his guns, while continuing to critique neo-colonialism and exploitation of the downtrodden. The new emphasis was on the important continuities in the system. Frank also developed a fascination with Central Asia in this period because of its long importance as a link between the East and the West and the hybrid and innovative social formations that emerged from there. In this he was a progenitor of a new (or renewed) Central-Asia-Centrism that flourished after Frank’s affections moved on to East Asia.

Janet Lippman Abu-Lughod’s important 1989 study of the multicentric Eurasian world-systems of the 13th century CE was a very valuable and inspiring contribution. Abu-Lughod helped to clear the way forward in world-systems analysis by rejecting the idea of the ancient hyperglobalists that there has always been either a single global (Earth-wide) system (Modelski 2003 and Lenski 2005) or a single Afroeurasian system since the early Bronze Age (Frank and Gills 1993). Abu-Lughod agreed with Wallerstein (1974) that as we go back in time there were *multiple regional whole systems that should be studied separately and compared*.³ Things would be much simpler if it made sense to

² Barry Gills’s (Gills 2001; Gills and Thompson 2006) subsequent studies of resistance to neoliberalism portray a possible future based on a cosmopolitan evolution of human consciousness towards greater self awareness of our unity as a species and our common history and common future-- and the tendency (projected into the future) to organize ourselves as a coherent global community.

³ Albert Bergesen’s (2015) essay in this review symposium also defines “worlds” as necessarily involving interaction across large bodies of water. Large and small are relative in anthropological perspective. The largest settlements in precontact California were homes to around 1500 people (Chase-Dunn and Mann 1998). These were major centers in the “world” in which indigenous Californians lived, but would be seen as small towns in contemporary California. Frank’s Afroeurasian system before 1492 CE did not involve much interaction across large bodies of water. Bergesen’s oceanic definition of “world” excludes comparisons of large intercontinental world-systems with smaller regional interpolity systems. This makes invisible many (or most) of the qualitative transformations that constitute the evolution of complexity and

use the whole Earth as the unit of analysis far back in time. The ancient hyperglobalists are correct that there has been a either a single global network (or an Afroeurasian and American network) for millennia because all human groups interact with their neighbors and so they are indirectly connected with all others (though connections across the Bering Sea were probably non-existent for a period after the humans migrated from Central Asia to the Americas). David Christian (2004: 213) contends that there have been four “world zones” of information interaction (Afroeurasia, America, Australia/Papua New Guinea and the Pacific) over the past 4000 years. But all these claims about ancient macro-region interaction systems ignore the issue of the *fall-off of interaction effects* (Renfrew 1975). Information and surplus transfers are subject to the tyranny of distance, especially when transportation and communications occur in down-the-line exchanges (from group to group to group). The idea of systemness implies more than just indirect connection. It implies that something that happens here has consequences for what happens there. The notion that events in South Africa had important consequences for people in East Asia in the Bronze Age is not very plausible.⁴

The Late Frank: Sinocentrism

Gunder’s (1998) provocative study of the global economy from 1400 to 1800 CE contended that China had been the center of the global system since the Iron Age. Marx, Weber and most other social scientist were hopelessly Eurocentric and this fatally distorted their concepts and explanations of what had happened in world history. The idea that capitalism arose in Europe is a myth. Capital imperialism had been the dominant mode of accumulation since the early Bronze Age. Gunder contended that the rise of European hegemony was a sudden and conjunctural development caused by the late emergence in China of a “high level equilibrium trap” and the success of Europeans in using bullion extracted from the Americas to buy their way into Chinese technological, financial and production networks. Frank contended that European hegemony was fragile from the start and will be short-lived with a predicted new rise of Chinese predominance in the near future. He also argued that the scholarly ignorance of the importance of China invalidates all the social science theories that have mistakenly construed the rise of the West and the differences between the East and the West. As I have said above, in Frank’s view there never was a transition from feudalism to capitalism that distinguished Europe from other regions of the world. He argued that the basic dynamics of development were similar in the Afroeurasian system for 5000 years (Frank and Gills 1993).

In *ReOrient* Gunder forcefully argued that it is fundamental and necessary to study *the whole system* in order to look for continuities and transformations. He contended that the most important way to do this is to look at multilateral trade, investment and money flows. He argues correctly that very little quantitative research has been done on the whole global system. When he reviews what has been done he finds that the Rise of the West occurred much later than most thought and that it was due

hierarchy in human affairs – class formation, state formation and the emergence of core/periphery hierarchies.

⁴ Chase-Dunn and Hall (1997) have proposed a place-centric method for spatially bounding world-systems that uses the notion of fall-off of interaction effects (see Chase-Dunn and Jorgenson 2003).

mostly to the ability of the European states to extract resources from their colonies. In the Global 19th Century the gap that emerged between China and the West was smaller and shorter than most observers knew. He contends that the rise of the West was short and insubstantial and the global system is now returning to the China-centered structure that it has had for most of the history of the world system.

Gunder's model of development emphasizes a combination of state expansion and financial accumulation, although in *Reorient* he focused almost exclusively on financial centrality as the major important element. His study of global flows of specie, especially silver, importantly extends the work of Flynn (1996) and others to expand our understanding of what happened between 1400 and 1800 CE. Frank also used demographic weight, and especially population growth and the growth of cities, as indicators of relative importance and developmental success (see also Morris 2010, 2013).

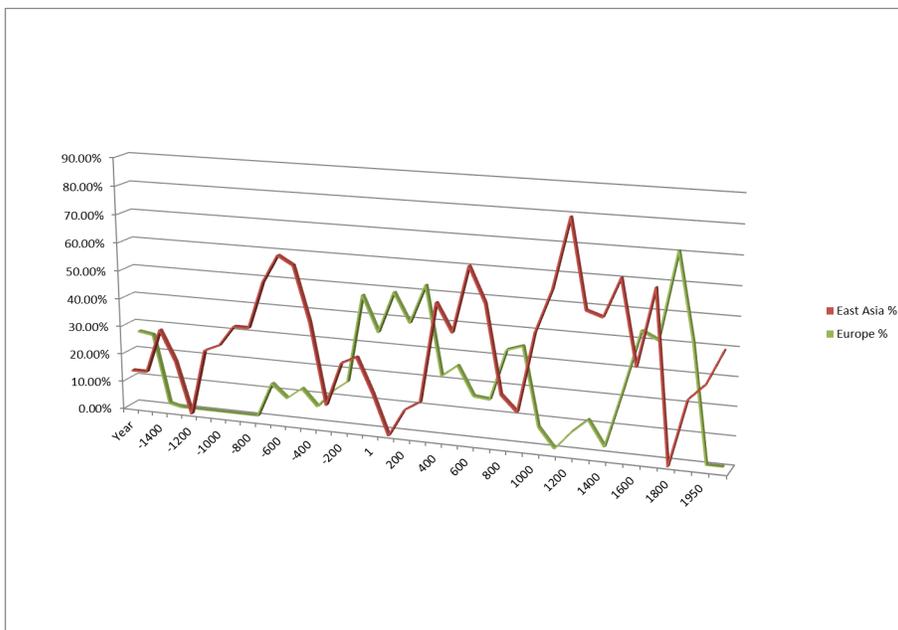
Table 1: World Largest cities in 1400 CE

World Region	City	Population in thousands
East Asia	Nanjing	1000
South Asia	Vijayanagara	400
West Asia-Africa	Cairo	360
Europe	Paris	280
East Asia	Hangzhou	235
America	Tenochtitlán	200

Table 1 shows the sizes of the six largest cities on Earth in 1400 CE. Two of the six (Nanjing and Hangzhou) were in China and Nanjing was the largest and much larger than the second largest, which was Vijayanagara, the capital of a large empire that emerged in the southern part of South Asia to resist Moslem incursions. So, based on city sizes, Gunder is right that China was the center at the beginning of the period studied in *ReOrient*.

Figure 1 shows the percentage of the total population in the world's six largest cities held by cities in Europe and East Asia since 1500 BCE. Both regions rise and fall but the waves are not synchronous. Rather there is the sea-saw pattern noted by Morris and other observers. Europe had a rise that began during the late 3rd millennium and then crashed in the late 2nd millennium. East Asia had a rise that began in the late 2nd millennium BCE, crashed and then recovered and peaked in 500 BCE. East Asia has another rise in the middle of first millennium CE, a decline and then another rise during the first part of the 2nd millennium CE, a decline that ends in 1800 CE and then a recovery. Europe has a small recovery during the last centuries of the first millennium CE, a crash, and then a rise to a level higher than that of East Asia that peaks in 1850 and then a decline that is due to the rise of American cities as well as the recovery of cities in East Asia. Figure 1 indicates that in 1200CE Europe had no cities among the world's six largest but then it began a long rise. It passed East Asia between 1800 and 1900, and then underwent a rapid decline in importance as indicated by the relative size of its largest cities.

Figure 1: East Asian and European Urban Population as a % of the total population in the World's 6 Largest Cities, 1500 BCE to CE 2010



In Figure 1, we see for East Asia a rise to the highest peak of all (80%) in 1300 CE. Not until 1900 was East Asia bested by the European cities after a rapid decline after 1800. The European cities were bested again by the East Asian cities between 1950 and 2000 during the rapid decline of the European cities in terms of their size-importance among the world's largest cities. This most recent rise of the East Asian cities is a consequence of the upward mobility of Japan, China and the East Asian NICs in the global political economy.

The trajectory of Europe displayed in Figure 1 supports part of Gunder Frank's (1998) analysis, but contradicts another part. The small cities of Europe in the early period indicate its peripheral status vis a vis the core regions of West Asia/North Africa, South Asia and East Asia. As Frank argues in *ReOrient*, Europe did not best East Asia (as indicated by city sizes) until the beginning of the 19th century. But the long European rise, beginning in the thirteenth century, contradicts Frank's depiction of a sudden and conjunctural emergence of European hegemony. Based on relative city sizes it appears that the rise of Europe occurred over a period of 600 years. And Frank's contention that the European peak was relatively shallow is somewhat contradicted by the height of the peak in 1900, at which time European cities had 70% of the population of the world's six largest cities.

Frank's depiction in *ReOrient* of a sudden and radical decline of China that began in 1800 CE is supported in Figure 1. His analysis in *ReOrient*, which focuses on the period from 1400 to 1800 CE, does not examine the relative decline of East Asian predominance that began in 1300 CE.

This examination of the problem of the relative importance of regions relies exclusively on the population sizes of cities, a less than ideal indicator of power and relative centrality.⁵ Nevertheless, these results suggest some possible problems with Andre Gunder Frank's (1998) characterization of the relationship between Europe and China before and during the rise of European hegemony. Frank's contention that Europe was primarily a peripheral region relative to the core regions of the Afroeurasian world-system is supported by the city data, with some qualifications. Europe was, for millennia, a periphery of the large cities and powerful empires of ancient Western Asian and North Africa. The Greek and Roman cores were instances of semiperipheral marcher states that conquered important parts of the older West Asian/North African core. After the decline of the Western Roman Empire, the core shifted back toward the East and Europe was once again a peripheral region relative to the Middle Eastern core.

Counter to Frank's contention, however, the rise of European hegemony was not a sudden conjunctural event that was due solely to a late developmental crisis in China. The city population size data indicate that an important renewed core formation process had been emerging within Europe since at least the 13th century. This was partly a consequence of European extraction of resources from its own expanded periphery. But it was also likely due to the unusually virulent forms of capitalist accumulation within Europe, and the effects of this on the nature and actions of states. The development of European capitalism began among the city-states of Italy and the Baltic. It spread to the European interstate system, eventually resulting in the first capitalist nation-state – the Dutch Republic of the seventeenth century as well as the later rise of the hegemony of the United Kingdom of Great Britain in the nineteenth century.

This process of regional core formation and its associated emphasis on capitalist commodity production further spread and institutionalized the logic of capitalist accumulation by defeating the efforts of territorial empires (Hapsburgs, Napoleonic France) to return the expanding European core to a more tributary mode of accumulation. Acknowledging some of the unique qualities of the emerging European hegemony does not require us to ignore the important continuities that also existed as well as the consequential ways in which European developments were linked with processes going on in the rest of the Afroeurasian (and then global) world-system. The recent reemergence of East Asian cities has occurred in a context that has been structurally and developmentally distinct from the multi-core system that still existed in 1800 CE. Now there is only one core because all core states are directly interacting with one another. While the multi-core system prior to the eighteenth century was undoubtedly systemically integrated to some extent by long-distance trade, it was not as interdependent as the global world-system has now become.

An emerging new round of East Asian hegemony is by no means a certainty, as both the United States and German-led Europe and India will be strong contenders in the coming period of hegemonic rivalry (Bornschier and Chase-Dunn 1999; Chase-Dunn et al. 2005). In this competition megacities may be more of a liability than an advantage because the costs of these huge human agglomerations have continued to increase, while the benefits have been somewhat diminished by the falling costs of transportation and communication and the emergence of automated military technologies. Nevertheless

⁵ For more discussion of this and more evidence about the rise of Europe, see Chase-Dunn and Manning (2002).

megacities will continue to be an indicator of predominance because societies that can afford them will have demonstrated the ability to mobilize huge resources.

The Last Frank: the Global 19th Century Asian Age

The posthumous publication of Gunder's last book would have never happened without the Herculean work of Robert A. Denemark in converting a massive corpus of notes and drafts into a coherent whole. The first chapter is a long list of debunked myths in which everything you have ever heard about the 19th century is declared to be bunk and alternative assertions are proclaimed. The bombastic tone is classic Gunder. There are too many issues to address here. Instead I will focus on what I see as the main contributions.

While Frank attacks some of what he himself said in *ReOrient* regarding the timing of the emergence of the gap between China and the West, the main thrust is the same. The rise of the West was more recent and less in magnitude than anyone thought. While there were some amazing technological developments, mainly the invention of the steam engine, the continuities were more important than the transformations. There were no Dutch or British hegemonies and the so-called "industrial revolution" was a minor sideshow that did not much change the structure of the global system. England was never the workshop of the world. The cotton textile industry was a brief blip that rapidly spread abroad. The point at which Britain eclipsed China was either 1850 or 1870.

In Frank and Gills (1993) it was asserted that the structure of the global system stands on a "three legged stool": ecological/economic, sociopolitical and cultural-religious. But, as in *ReOrient*, Frank mainly concerns himself with the structure of international trade. The newly ecological Gunder is more evident in his discussion of the ways in which the reproduction of the core/periphery hierarchy involved the export of social and physical entropy from the core to the periphery. At the same time he contends that the consequences of European imperialism in the 19th century were strongly resisted in many areas of the non-core. He once again affirms that the main cause of the rise of the West was based on its ability to exploit and dominate and derive resources from colonized areas, especially India.

Gunder's review of other scholars who claim to have analyzed the global system in the 19th rightly points out that most of them do not include China—more instances of Eurocentrism. The main exception is the research on multilateral trade by Folke Hilgerdt published in 1942 and 1945. Gunder rightly observes that the structure of the whole system cannot be well represented by focusing on bilateral connections—determining the interactions between two countries—because this leaves out their relations with other countries. This is the same insight that is correctly trumpeted by the advocates of formal network analyses of social structures. Gunder also denigrates the use of variable characteristics that indicate the relationships between a single country and the rest of the world, such as indicators of trade openness that show the ratio of the size of the national GDP to trade with the rest of world. Frank lumps these in with the idea of bilateral connections, but they are different. He is right to point out that a lot of information is lost in these calculations. Instead he prefers what he calls multilateral structures, and in practice he focuses on what he calls *trade triangles* that examine the exchange relations among three countries. This is an important methodological insight for studying the

structure of the world economy, and Frank makes good use of it to support his claims about the lateness and shallowness of the Rise of the West.

The Frank Project is part social science and part commitment to a more egalitarian world society. Several eminent scholars have stepped to the plate to carry the research that Gunder began in new directions. I have already mention Robert A. Denmark's huge effort to produce the last of Gunder's books. Barry Gills, Albert J. Bergesen, Sing Chew, Patrick Manning and now Peter Peregrine and Charles Lekson are taking Gunder's ideas in different important directions. Related work was done by George Modelski and Gerhard Lenski who share(d) Gunder's idea of a global human system extending back to the Bronze Age, and William R. Thompson did research and published with Frank on cycles in the Bronze Age. As for the emancipatory side, as Gunder would have said, *la luta continua* (the struggle continues).

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Book Reviews

Aaron Major. 2014. *Architects of Austerity: International Finance and the Politics of Growth*. Stanford, CA: Stanford University Press. 264 pages, ISBN 978-0804788342 Cloth (\$60.00).

Architects of Austerity is a well-researched, clearly written, and convincingly argued book on the political history of international finance regulation of the post-WWII period. I don't think I exaggerate when I say that, with this book, Aaron Major establishes himself as a leading voice among analysts who, over the past decade or so, have done some serious rethinking of the common wisdom surrounding our understanding of this crucial period.

This common wisdom looks something like this: the end of the Second World War coincides with the emergence of a new international regime broadly governed by a logic of "embedded liberalism." Unlike the gold standard regime and its focus on monetary stability at the expense of all else, under embedded liberalism new economic priorities become dominant, and among those priorities the primacy of growth and full employment over the need for stability takes pride of place. But for reasons having to do with the weak political will of the forces underlying this regime, the tension created by the Cold War and the rise and decline of US hegemony, and the contradictions of the regime itself, embedded liberalism falls apart under the weight of stagflation and international volatility, to be replaced surprisingly by a resurgent liberal doctrine. While neo-liberalism is not free of problems and contradictions, it acquires an uncontested, hegemonic status that to this day sets strict limits on the financial and fiscal autonomy of national governments. Neoliberalism underpins the current politics of austerity.

In what ways is this common wisdom incorrect? Scholars from a variety of fields and approaches have taken issue with its lack of nuance: neoliberalism is surely dominant, but its rise has been uneven to say the least, and understanding the sources of this unevenness yields insight into the political processes that underlie it. Put differently, understanding neoliberalism as a reaction to the economic failure of embedded liberalism hides the institutional foundations of neoliberalism, and the identity and shape of the political constellations that have facilitated its diffusion. But ignoring those institutional foundations means implicitly accepting that neoliberal success is a function of its effectiveness as an economic solution. The search for institutional differences in the intensity, timing, and configuration of neoliberalism, in turn, has unearthed unexpected evidence about the political coalitions where important ideas that neoliberalism later appropriates come from (see in this respect Monica Prasad's book *The Politics of Free Markets*).

Major's book joins this conversation by pointing not to national differences, but to institutional continuity at the international level in order to explain neoliberalism's resurgence. In fact, Major's argument is that classical liberalism never went away; rather, it constituted the ideological terrain of international financial institutions throughout the period of embedded liberalism, and exercised important constraints on national governments even at the height of Keynesianism. *Architects of Austerity* engages in sustained historical research in order to substantiate this argument. The story begins in the 1950s, when the Organisation for Economic Co-operation and Development (OECD) takes a strong position on the perennial question of the trade-off between stability and growth by reasserting the classical liberal orthodoxy in favor of stability. Consistent with this economic orientation, the OECD begins a drawn-out political and ideological battle aimed at preserving the stability of the international balance of payments while delegitimizing the demand for flexibility originating with national policies targeting domestic

economic growth. In a series of detailed chapters on the ramifications of this institutional position, Major goes on to show how the OECD (in particular the Economic Policy Committee, later joined by the Bank of International Settlements) was able to impact the economic policies of Italy, the United Kingdom, and the United States in the 1960s and 1970s by forcing them to submit to the requirements of international monetary stability.

The selection of these three cases is quite strategic: all three countries attempted to embark on a path to sustained economic growth, but, in spite of dramatic differences in terms of domestic politics and international leverage, none of them succeeded because of mounting international pressure on the national currency. Of course, pressure on the currency is precisely what international monetary institutions had been designed to alleviate. When balance of payment problems arose, as a consequence of states pursuing domestic growth objectives, it was the task of international financial institutions to step in, in line with Keynesian theory. But this is the core of Major's argument: international financial institutions were unwilling to fulfill this role, for they privileged long-term financial stability above all else, and followed classical liberal rather than Keynesian principles. Whose interests were these institutions serving by refusing to lessen national short-term adjustment problems, Major asks? He identifies international finance as the major player, though a player that works in the background, so to speak, jockeying for monetary stability so as to set the stage for the free flow of international capital. To simplify a much richer argument, the front stage of international finance are the finance ministers of various national governments (the German, the Dutch and the French appear to be the most active)—through their control over the international institutions of monetary governance, they discipline the national governments that have the nerve to challenge classical liberal orthodoxy.

Major's final contribution to the analysis of neoliberalism is a claim to the effect that the rise of neoliberalism should be understood as a shift in political power away from the government agencies tasked with interacting with society, and towards the government agencies (like Finance Ministries and Central Banks) closely aligned with international finance. While this is not a novel claim, it nicely concludes Major's political history of financial governance in that it illustrates just how far the consequences of classical liberal orthodoxy being kept alive in the sphere of international financial institutions reach into the present.

Like any good book, *Architects of Austerity* raises some questions as well as generating calls for further clarification. Let me begin with the latter. For one, I would have liked to see more systematic evidence of the connection between political actors in the OECD and international finance. Biographical data on key players would help shed further light on the very institutions that Major points to as crucial carriers of classical liberalism. Otherwise, it is easy to lose track of the politics going on within those institutions. Similarly, I would have liked to see more detailed discussion of the evolution of central banks during this period. Is there cross-national variation in terms of how closely linked to international finance central banks are? Do all central banks give in so easily to the demands of international capital?

On a more theoretical level, while I understand that the genre in which this book is written is that of political economy and economic history, I would have liked to see a discussion of the broader implications of this work. Specifically, how does the book speak to debates within economic or political sociology? To be sure, the first part of the book does an excellent job situating the argument in political economy debates about the relationship between domestic and international forces, but the book does not quite return to those debates at the end. Thus, for instance, Major often writes as if interests were fixed and politics were just a matter of some interests prevailing over others, but a more institutionally sensitive perspective would be

attentive to the ways interests change over time as a function of the political contexts in which they develop. Finally, does the analysis have implications for the study of neoliberalism in the particular period under examination, or can it yield insight into capitalism in general? I think sociology has the potential to offer such general accounts, and books such as *Architects of Austerity* will be invaluable building blocks to that end.

Simone Polillo
Department of Sociology
University Of Virginia
sp4ft@virginia.edu

William I. Robinson. 2014. *Global Capitalism and the Crisis of Humanity*. New York: Cambridge University Press. 252 pages, ISBN 978-1107691117 Paper (\$29.99).

In a preface to his highly celebrated book, *Classes in Contemporary Capitalism*, Poulantzas stated that his aim in studying the capitalist class is to provide better conceptual tools for working class organizations in their struggle with the capitalist system. In a similar fashion, William Robinson, a long time scholar of capitalist class, openly embraces Poulantzas' effort not only to understand the changing nature of global capitalism over the last four decades, but also to change it. Robinson is one of the most prominent advocates of a rising approach within the literature on state-capitalist class relations: the Transnational Capitalist Class (TCC) perspective. *Global Capitalism and the Crisis of Humanity* extends his more than 15 years of theoretical and empirical work. In fact, the book can be read as a good introduction to Robinson's theory of contemporary capitalism. For those familiar with his framework and eager to follow up with the recent debates within the TCC perspective, the book nicely reviews and engages with those authors who are critical of his approach. However, Robinson states that the book's main focus is to identify the main causes and responses to the 2008 global financial crisis, utilizing his global capitalism theory. It therefore provides invaluable updated information on the ravaging effects of the recent 2008 global crisis class, making the text appealing for any student of Marxism interested in global inequality and capitalist class dominance.

Robinson spends half of the book introducing his global capitalism theory before discussing his more recent work on the 2008 global crisis and its aftermath. He organizes this first part as a debate with other Marxist schools of thought, especially world system analysis. He argues that the capitalist class does not organize itself nationally as in the pre 1970s period, but rather transnationally. In a similar vein, the nation state does not function for the benefit of its national bourgeoisie. It is structured for the transnational capitalist class. Moreover, today's transnational state (TNS) is a network of global institutions such as the IMF, WB, WTO, UN, and G20, as well as nation states.

The key to the formation of TCC and TNS, Robinson argues, is a qualitative change in productive relations after 1970s. Historically commodity production was organized by capitalists within the confines of national states. However, globalization fractured the production process so that different capitalists in different regions of the world collaborate for the production of a commodity. More and more commodity production is dominated by these transnational relations, making the transnational capitalist class the dominant capitalist fraction in the metropolitan and dependent regions of the world. It is this qualitative change in the nature of commodity

production which radically changes the character of both the bourgeoisie and the capitalist state. Therefore, Robinson rejects those analyses coming mostly from the world system approach, which see globalization as a quantitative change due to the increasing scale and scope of global commercial networks.

In the latter part of the book, Robinson analyzes the 2008 global crisis. He reiterates the theories of underconsumption and globalized financialization as the root of the crisis. In this regard, his analysis differs little from extant Marxist scholarship on the subject. However, where he does depart from the current literature is in his analysis of the response given to the crisis. He argues that the enormous bail-outs provided by the U.S. government in the 2007-8 period were not only for the benefit of U.S. financial institutions, but also for the security of the transnational (finance) capitalist class. Moreover, he sees the huge military campaigns of the U.S. army in Iraq and Afghanistan, and the Obama-era drone wars as part of the conflation of the interests of global finance capital with those of the “military-security-industrial-construction-engineering-petroleum complex” (148). Militarized accumulation and the reassertion of the power of finance capital have been the two responses given to the global financial crisis. Robinson rightly states that this has created massive human insecurity, to which the TNS has responded with more intensified policing.

Robinson claims that neo-imperialist theories that trace their intellectual trajectory to the classical analyses of imperialism developed by Lenin and Luxemburg have little explanatory capacity to make sense of developments since the 1970s. At the core of these analyses is the argument that capitalism is based on a dynamic of uneven accumulation, and that this unevenness is defined through the core-periphery relation; core nation states compete with each other to dominate peripheral regions within the structure of interstate relations. Robinson maintains that uneven development of capitalism has lost its territorial significance; today it expresses itself via the formation of a TCC and a global working class without much reference to regional differences. Worldwide, the conditions of the global working class have become more similar across former core and peripheral regions, as the post-World War II national welfare states have almost vanished.

In my view, Robinson’s interpretation of the neo-imperialism debate has some serious flaws, particularly in terms of understanding the legacy of dependency theory and world systems analysis regarding the character of the uneven development of capitalism. According to Robinson, neo-imperialist theories following the classical texts on imperialism by Lenin, Bukharin and Hilferding argue that national states compete within the inter-state system for the benefit of their national bourgeoisie. Contrary to Robinson’s characterization of the dependency school, prominent dependistas such as Cardoso and Enzo, as well as Poulantzas, stated already in the 1970s that the dependency relation is not imposed from the outside, but rather is instituted through an alliance between the comprador bourgeoisie of the dependent countries and the bourgeoisie of the core countries. It was this alliance that enabled the exploitation of the colonies for the benefit of both the metropolitan and dependent country bourgeoisies. A contemporary contributor to the new imperialism debate, David Harvey (2005), also pointed to this alliance in the formation and the consolidation of neoliberal policies around the world. Rather than pointing to the endless conflict within the interstate system, contemporary theories of new imperialism point to the existence of hegemonic or counter-hegemonic alliances that regulate the conflicts in global accumulation of capital. World systems analysis is especially rich in its focus on the rise and fall of hegemonic cycles. The upshot is that Robinson misrepresents the novelty of his own argument within the imperialism debate.

A more novel part of Robinson's theory of imperialism is his assertion of the territorial independence of the uneven development of contemporary capitalism. However, he also acknowledges that "there remain significant regional differences in relation to global accumulation and particular histories and configurations of social forces that shape distinct experiences under globalization. Moreover these social forces operate through national and regional institutions" (114). Therefore, while he writes that "the fundamental social contradiction in global society is between subordinate and dominant classes" (114), on the very same page he accepts the persistence of the North-South divide (similar to Arrighi's 2001 article published as a critique of Robinson's early work on the TCC). This acknowledgment of the persistence of the North-South divide stands as a tension within his theory of global capitalism that emphasizes the territorial independence of the unevenness of capitalism. These issues, in turn, have implications for Robinson's thesis regarding the global working class. Even a quick look at the social development indices in areas such as housing, health care, education, and food security reveals persistent differences between historically peripheral and core regions of the world. In this regard, I find his conceptualization of the global working class a more effective plea for transnational/international class solidarity than a solid argument about the character of working class existence in the context of contemporary global capitalism.

Another problematic point is Robinson's treatment of clashes within the transnational capitalist class. Although Robinson mentions at various points that such clashes exist, he does not provide any empirical or theoretical discussion of why they arise and how they affect the functioning of global capitalism. He rather emphasizes the high degree of cooperation within the TCC and argues that U.S. military power works for the protection of its interests against those few countries and military groups that try to check its power. Not surprisingly, Robinson views the increasing global alliance of BRICS countries as a manifestation of its quest to reconfigure the power within the TCC rather than a challenge of the global geopolitical power of the U.S. As he does not delve into the cleavages that exist within the TCC, the reader cannot understand the military and economic tensions that are now occurring—for example, those between Russia and the U.S.-EU over Syria and Ukraine, and between China and the U.S.-Japan over the East China Sea and North Korea

In the concluding chapter Robinson proposes a broad strategy of global social movements in order to check the power of the TCC. I find this bold attempt particularly valuable, given the fact that many commentators on the left avoid risking an answer to the question "what is to be done?" Robinson is pessimistic about the usefulness of massive social upheavals without a political body organizing the expression of this opposition. He is mostly critical of "horizontal" approaches geared towards the creation of certain social spaces that are independent from global capitalism. For Robinson, without dealing with the power of the transnational state, there is no way to challenge the power of the TCC. He also criticizes vanguardist tendencies of the "old left" and proposes a strategy of social movement unionism that organizes across the living and working space of the global working class. Although Robinson does not address how to challenge the enormous coercive power of the capitalist class, I still find his attempt to grapple with these issues impressive. Overall, and despite my reservations with elements of his account, I regard Robinson's book a must read for anyone seeking to understand the contemporary manifestations of global capitalism.

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Mehmet Baki Deniz
Department of Sociology
SUNY Binghamton
mehmetbakideniz@gmail.com

David Redmon. 2015. *Beads, Bodies, and Trash: Public Sex, Global Labor, and the Disposability of Mardi Gras*. New York: Routledge. 256 pages, ISBN 978-0415525404 Paper (\$35.95).

David Redmon, in this book, extends the journey begun in his previous documentary *Mardi Gras: Made in China*, following the plastic Mardi Gras beads from the factory in South China where they are produced, to the site of consumption on New Orleans' Bourbon Street, to the landfills where the beads end up, to the environmental organizations seeking to replace them with more sustainable Mardi Gras paraphernalia. Redmon underscores that the common theme undergirding this journey, and the central argument of the book, is that "the senses shape, form, and govern the commodity chain of Mardi Gras beads" (7). To support his argument, Redmon demonstrates the ways in which the bodily experiences of touch, taste, sight, sound, and smell "organize and give shape to social relations," (7) and at the same time, "intertwine with the political economy to produce a commodity chain" (8). Redmon contends that his argument furthers the existing literature on sensuality through illustrating that "a commodity chain is a corporeal association of assembled senses that fuses with the economy as a seemingly reified sensual object that, in turn, governs and reproduces what has recently been labeled a sensual sphere" (8).

Redmon's book aims to combine an objective account of the ways in which the "senses shape the political economy of the objects" and a subjective account of the ways in which people interact with the beads as sensuous objects. In so doing, Redmon theorizes sensualities of human tastes, smells, sights, and touch as a social force that drives the demand for the production of the beads and facilitates their circulation across national borders. In Redmon's words, sensualities "influence the political economy, materiality, and the global division of labor" (9).

This book comprises six chapters. The first chapter lays out the central argument, approaches, and theoretical advances of the book. The second chapter delves into the production site in China where teenage girls constitute the labor force to manufacture the beads. Redmon demonstrates the ways in which workers live in "the relations of sensuality—especially of discipline, placement of the body inside the factory, repetition of movements, embodied governance, and the materiality of experiential aesthetics." Redmon points out that human touch,

perceptions, smells and sounds organize and shape workers' social relations of order and discipline in the factory. He argues that "sensual degradation, sensual discipline, and sensual social control are central ways of organizing workers' movements and ways of creating dullness" (47).

The third chapter examines the use of beads during celebrations of the carnival on Bourbon Street in New Orleans. Redmon illustrates the ways in which human senses generate effervescence through the ritual of bead exchange and create what he calls "a sensual community" during the Mardi Gras. Redmon contends that such sensory experiences shape "social relations of exchange, scripted disorder, and interaction rituals" (85).

The fourth chapter follows the beads to the dump sites where, as Redmon states, the VerdiGras organization feels "displeasurable sensations" from the beads (133). The organization believes that environmental protection warrants the eradication of the plastic beads and their replacement with a sustainable version. To the VerdiGras organization, the beads represent "sensual objects of avoidance" (133), as the beads are perceived as a threat to both bodies and the environment.

The last two chapters are devoted to an audiovisual approach to capture sensory phenomena. Redmon first explores the sociology of sensual relations along commodity chains. He then discusses the meaning and the process of a sensory sphere, and theorizes the gift exchange as a means of social control. In the end he presents a theoretical and practical example of using audiovisual methods as a vehicle for sociologists to produce video ethnography.

Ultimately, this book, as Redmon states, "tells a story of globalization and inequality through merging materialist and sensory frameworks." Redmon is an extremely talented and brilliant film producer, and his films have been widely adopted and celebrated in sociology and anthropology classrooms where students and scholars are made to see with their own eyes and feel with their own bodies the insidious inequality and injustice inherent in global capitalism. Consistent with this mission, Redmon's book offers a wonderful and innovative introduction to, and theorization of, video ethnography for students and scholars whose passion lies in visual sociology and visual anthropology.

Tiantian Zheng
 Department of Anthropology
 State University of New York, Cortland
 Tiantian.Zheng@cortland.edu
<http://facultyweb.cortland.edu/zhengt/>

Wilma A. Dunaway, ed. 2014. *Gendered Commodity Chains: Seeing Women's Work and Households in Global Production*. Stanford, CA: Stanford University Press. 285 pages, 978-0804789080 Paper (\$29.95).

Over the last two decades, scholars have produced a voluminous literature on global commodity chains, value chains and production networks. As readers of this journal are no doubt aware, the thrust of the world-systems formulation of commodity chains – to highlight the extraction and transfer of surplus from periphery to core – has since taken a backseat to firm-centric analyses of competition and, increasingly, 'win-win' cooperation. The present volume highlights just how much has been lost in this transformation. In her thorough introduction, drawing on nearly three

decades of scholarship, the volume's editor, Wilma Dunaway, foregrounds the centrality of households and social reproduction in the world-systems tradition. This focus remains as important today as it was in the late 1970s when Hopkins and Wallerstein theorized the household as a site of surplus generation and extraction in the world-system. The semi-proletarian households that they and Marxist feminist scholars such as Maria Mies, Lourdes Benería and Claudia von Werlhof observed have since become mainstays of contemporary capitalism, especially in the wake of neoliberal restructuring of the 1980s and ongoing austerity today, a case made convincingly for the global North by Dave Broad in the volume. The present collection is thus a timely contribution to a growing body of critical commodity chain and production network studies. This literature places commodity production and exchange within the constellation of social relations that are reproducing uneven geographies of development along existing and new contours. In what follows, we undertake a thematic discussion of the implicit dialogue in the volume between feminist and orthodox world-systems approaches. We conclude by suggesting points for a second dialogue with critical geography.

The challenge of critical commodity chain studies is adeptly addressed by two of the strongest contributions, authored by Jane Collins and Priti Ramamurthy. Both authors offer the reader a conceptualization of the feminist commodity chain as a mode of analysis that grounds studies in local processes at once constitutive of, and constituted by, global connections. The complexity of these processes can be daunting, especially when viewed with an eye to their global dimension. As Ramamurthy has long argued, feminist approaches must eschew a unilinear understanding of commodity chains as composed solely of investments that flow from global North to South and commodities that move in the other direction (44). Indeed, analysts should embrace the “star of lines,” as Collins suggests, that traverses the commodity from social reproduction in its varied dimensions, to the refashioning of gender ideologies, to the conflicts and complicities between workers, communities and management (37). Such an analysis, to quote Collins, has “the potential to bring externalities to the center, to create new measures of value, and to critically engage global processes generating inequality” (ibid.). The challenge for a feminist analysis is to open up the ways in which difference becomes value to capital, and, following Ramamurthy, the ways that difference confounds capital's logics.

Understanding the commodity chain as a mode of analysis stands at odds with several chapters written from a more orthodox world-systems perspective. Dunaway's and Clelland's contributions, which provide a conceptual backdrop for other chapters, remain committed to the project of the commodity chain as a mechanism of surplus extraction from the households of producers and workers at the “bottom” of the chain. This perspective offers important insights because it focuses commodity chain analysis on the household as *the* central locus where hidden value is created through un- or under-paid (often female) household labor, and situates this process within capitalism's broad tendency to rely upon the invisible and devalued labor of semi-proletarian households for accumulation. Indeed, terms such as “housewifization” (Dunaway) and “dark value” (Clelland) aptly highlight how un- and under-paid natural and human resources that are framed as externalities remain unaccounted for in global production, and provide a hidden subsidy to commodity chains. For Clelland, echoing structuralist and *dependentista* formulations, the extraction of this dark value from semi-proletarian households in the periphery and its transfer to the core through cheapening prices re-frames the phenomena under discussion more aptly as “dark-value-extraction chains” (72). Clearly, this speaks to feminist concerns about the role played by households and social differences (*inter alia* gender) in capital accumulation, and the existence of a vast realm of labor and economic exchange mechanisms outside both the

market form and the capitalist firm. Yet, while world-systems theorists conceive these other, alternative economies as a hidden substratum tapped by capital for surplus extraction and accumulation, feminist scholars challenge such functionalist interpretations. Indeed, scholars such as Ramamurthy argue for the appreciation of households and labor marked by difference from a nuanced perspective. The very possibility for surplus value to be extracted across diverse contexts and over time suggests the need to consider alternative systems of valuation and provisioning as defined by far more than their conformity to formal capitalist relations of production.

A second dimension where WST commodity chain studies could benefit from a more thorough engagement with the feminist analysis as outlined in Part 1 is the appreciation of the “constitutive link between production and consumption” (47), both in the sense of the production and consumption of a commodity along a chain, and the production and consumption of commodities at all nodes of a commodity chain. The chapter by Kathleen Pickering Sherman and Andrea Akers achieves precisely this balance. In their discussion of the marketing of indigenous poverty and culture among Lakota people in South Dakota, the authors focus on the household as both a site of production and consumption within commodity webs. The circulation and exchange of these commodities can occur simultaneously through formal and informal markets as well as non-market mechanisms, including subsistence production and inter-household sharing, gifting, barter, and public welfare payments. Nicola Yeats’ chapter summarizing her extensive work on global care chains also gestures to the importance of the modes of proximate and long-distance care and consumption practices of households in the global South that rely upon members working as nurses and caregivers in the global North.

Finally, we would like to conclude by suggesting the potential for constructive dialogue between volumes such as this one and work on commodity chains/production networks in conversation with critical geography (e.g., Bair and Werner 2011; Bair et al. 2013). Let us take Saniye Dedeoglu’s stimulating chapter on Turkish garment production in Istanbul and Turkey’s southeast region as an example. Noting that the two areas of production rely on different kinds of gendered labor – entire households and immigrants in Istanbul and “factory daughters” in the southeast – Dedeoglu’s work is suggestive of the growing importance of sub-national regional competition and uneven development to global production. Particular regional contexts and labor markets – in Turkey, or as we have seen in Mexico and Central America – offer sources for additional surplus and, in turn, are remaking global patterns of inequality. Gendered strategies of households are forged in relation to uneven regional development and commodity chain restructuring, as we can see, for example, with step-wise migration that links intra- and international mobility. The spatial dimension and territoriality of global commodity chains remains a fruitful and largely unexplored area for feminist and world-systems scholars alike to explore the links between social and spatial inequalities that are both the condition for and outcome of global capitalist production.

Johanna Herrigel
Department of Geography
University of Zurich
johanna.herrigel@geo.uzh.ch

Marion Werner
Department of Geography

University at Buffalo
wernerm@buffalo.edu

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Gavin Fridell. 2013. *Alternative Trade: Legacies for the Future*. Winnipeg, Manitoba: Fernwood Publishing. 169 pages, 978-1552665879 Paper (\$24.95).

In the 1990s, neoliberalism flourished. The pursuit of free trade was manifest in the founding of the World Trade Organization; ardent promotion of the Washington Consensus development policies; and promises that a tide of unfettered globalization could rise all boats. Events at the turn of the 21st Century, however, revealed widespread contention and doubt that such an agenda would deliver deeper benefits to a broader global population than the policies that preceded them. The 1999 protests at the WTO ministerial in Seattle highlighted civil society's concern that labor unions, the environment, and economically marginalized groups would bear the brunt of the adjustment costs in the short run, and may not become better off in the long run. Likewise, the 2000 UN Millennium Development Goals and the 2001 WTO Doha Declaration of commitment to development underscored the concern that trade liberalization alone may not improve social wellbeing across the globe.

Two decades later, a burgeoning literature evaluates the successes and failures of the neoliberal project. Yet, surprisingly few authors compare these 'free trade' outcomes to those generated by 'interventionist' or 'protectionist' policies that preceded them. Gavin Fridell makes an invaluable contribution to this conversation. *Alternative Trade: Legacies for the Future* addresses the question: *How do the social outcomes generated by the 1990s neoliberal turn compare to the outcomes generated by the trade interventions that preceded it?* Fridell draws on three case studies—the International Coffee Agreement, the Canadian Wheat Board, and the EU-Caribbean Banana Agreement—to argue that such "alternative" trade interventions were more socially efficient than the free trade agenda that succeeded them. The book is an excellent resource for students and scholars of international trade and development.

The introduction and opening chapter argue that the package of theories, historical narratives, and policies that constitute the widely embraced 'free trade' regime are more fantasy than reality. Contrary to theoretical models, the market cannot be separated from the state. And despite their label, free trade politics are *not* about freely trading but instead about creating new rules and institutions for the governance of trade. Finally, irrespective of the theoretically based narrative that competition generates prosperity, many of the world's dominant economies were built with the aid of protectionist policies. The free trade agenda is not, then, a move away from

government intervention. In fact, ‘the entire capitalist economy consists of rules and regulations...imposed and regulated by the state’ (4). In the neoliberal era, what is new is that those rules and regulations more clearly promote private profits for corporations and the interests of the Global North. The way forward, Fridell argues, is to return to policies that benefit the world’s masses, which largely remain marginalized and vulnerable.

Much of the book focuses on contrasting the intentions and impacts of “free trade” interventions with those of “alternative trade” models. Alternative trade is the use of state power to manage markets for broader social, economic, and developmental ends (4). Several such initiatives, such as price stabilization schemes and international commodity agreements, were developed following WWII, but their legacies expired in recent decades, with the rise of neoliberal thinking. Fridell acknowledges that these alternative schemes, like neoliberalism, promoted capitalist social relations and were often founded on unequal North-South relationships, limiting the ability of participants to challenge historical power inequalities. Yet, they remain distinct from the “free trade fantasy” in that they consciously aimed to improve social wellbeing.

Each of three chapter-long case studies illustrates how pro-poor state interventions in trade can deliver widespread benefits to commodities producers. The first example is the International Coffee Agreement (ICA), which limited exports from coffee-producing countries. From 1962 to 1989, the ICA succeeded in raising and stabilizing the world price for coffee. It collapsed when U.S. priorities shifted away from Cold War-motivated support for developing countries. The second example is the Canadian Wheat Board, which emerged in the 1930s and 1940s to protect Plains farmers from price volatility and to lend support for collective action. Deemed the largest, longest-standing and most successful state trading enterprise, the Wheat Board increased and stabilized world prices by acting as a single desk seller for wheat. In the early 2000s the United States protested Canada’s intervention in the wheat market, and in 2003 the WTO investigated it for non-discriminatory treatment. By 2008 the Wheat Board was the only single desk wheat exporter in the world, and in 2012 it lost favor in Parliament and was dissolved. Fridell’s final illustration of alternative trade is the EU-Caribbean banana agreement, a multilateral quota system that reserved a portion of European Union banana imports for growers in former colonies. The preferential agreement allowed banana producers in the Windward Islands and Jamaica to gain higher income than their Latin American counterparts, while maintaining sustainable and culturally resonant cultivation practices. In 2009 U.S. banana importers and Latin American growers pressured the EU to lower import duties on Latin American bananas, subjecting Caribbean farmers to crippling competition.

In each case Fridell highlights the devastating collective action problems facing commodities producers, illustrates how state trade policies relieved such problems, and describes how the “free trade fantasy”—a change of tide in ideas about the role of states in markets—led to the collapse of alternative trade regimes. While the market is needed to direct economies, the state must limit capitalism’s anti-social outcomes. Today, “the greatest torchbearer for alternative trade” is ALBA (146), the Bolivarian Alliance for the Peoples of Our America. ALBA was launched by Venezuela and Cuba in 2004 and aims to facilitate socially-oriented regional trade that results in wealth redistribution and increases in wellbeing of the citizens of its (now eleven) member states. Alternative trade regimes may have fallen out of favor, but they are not necessarily gone for good.

Alternative Trade does several things well. First, its defense of pro-poor interventions is an important and welcome contribution to the literature on economic justice in international

trade. By comparing the outcomes of alternative trade and free trade interventions, Fridell makes a strong argument for a return to pro-poor trade policies. He also clarifies that fair trade certification and other non-state initiatives are unable to match the breadth or reach of alternative trade policies. In coffee, for example, the ICA impacted *all* coffee farmers, whereas fair trade certifications currently reach only around three percent.

Second, *Alternative Trade* connects its argument and cases to broader literatures in international political economy. Fridell describes the tenets of neoclassical economics, neoliberalism, and Keynesianism, connecting his story to the canon of influential economists, such as Ricardo, Friedman, Sachs, Stiglitz, and Keynes. He also describes how alternative trade can be approached through global value chain analysis (Bair, Gereffi, Reynolds), using an agro-food perspective (Bello), or through the lens of critical agrarian political economy (Bernstein). This makes the book an excellent point of *entrée* to several key conversations in the field.

Last but certainly not least, *Alternative Trade* is beautifully written. Every chapter is pithy and engaging, each page is a valuable contribution worth reading. Even in the penultimate paragraph of the book, Fridell delivers new historical examples and fresh analysis, leaving the reader both satisfied and curious to learn more. The tone strikes an appealing middle ground between activist outrage and objective analysis. Fridell frequently reminds readers of the “long and tortuous legacies of colonialism and slavery” in Latin America (36) and how indigenous groups were “violently” stripped of their land in Canada (67). Yet, the overall voice is less activist and more analytical.

Alongside the original contributions and engaging writing were a few distracting shortcomings. Some claims could have been developed more thoroughly, using specific figures and additional calculations to bolster a point. In the introduction, for example, Fridell argues that claims about free trade improving wellbeing are wrong. He shows how changes in the definition of “poverty” and the size of the world population have facilitated the incorrect conclusion that poverty has been dramatically slashed through free trade. While this is a move in the right direction, a discussion of how well the 2008 poverty line adjustment reflects inflation and increased costs of living, or a note about how to consider figures differently in light of a rapidly growing population, would have made the point more compelling. Some case study figures lacked citation. It was disappointing that Fridell glossed over the logic of an interesting counterfactual—that coffee prices would have been half as high had the International Coffee Agreement ceased to exist—as such a claim deserves more justification. Finally, the case study chapters would have benefitted from subheadings or a brief introduction to the principal events. As it currently reads, the details of coffee prices in a single year appear almost as important as the founding of the International Coffee Agreement. Readers lacking background knowledge will struggle to see the main events through the less pivotal details. But these limitations were superficial and do not suggest inadequate research or compromised scholarship.

Fridell wants readers to know that trade policies *can explicitly aim to create* a “more cooperative, socially just world order” (9) and that when they *do* take on this mission they *can* deliver widespread, meaningful benefits to the world’s most vulnerable populations, in particular producers of internationally traded commodities. For scholars and students interested in the relationship between economic justice and international trade, *Alternative Trade: Legacies of the Future* is a well-researched, beautifully written, and original, must-read book.

Elizabeth Bennett
Department of International Affairs

Lewis & Clark College
elizabethbennett@lclark.edu
www.ElizabethAnneBennett.com

Christian Fuchs. 2014. *Digital Labour and Karl Marx*. New York and London: Routledge. 403 pages, ISBN 978-0415716161 Paper (\$43.95).

During my seminars in the sociology department at Binghamton University, one of three graduate programs in the United States specializing in world-systems analysis, it was not unusual to hear criticisms of Michael Hardt, Antonio Negri, and the wider idea of “cognitive capitalism.” They were dismissed as “Eurocentric” and chastised for ignoring older debates. They were seen as recapitulating the dominant ideology, dismissed as “a marxified version of Tom Friedman.” Case closed. Move on to more rigorous scholarship.

Unfortunately, the Marxist scholarship on the high technology sectors of contemporary capitalism makes a relatively short reading list: George Caffentzis’ (2013) efforts to expand Marx’s theory of machines (139-203) and his related critique of cognitive capitalism (66-81, 95-126); Nick Dyer-Witthof’s (1999) attempt to take autonomist Marxism in a different direction than Hardt and Negri; critical political economy of media and communications (McChesney 2008; Mosco 2009); and, the socialist feminism of Ursula Huws (2014) and studies of the workplace culture of the so-called “creative class” (Ross 2009; Boltanski & Chiapello 2005). While these works each make important contributions, none of them put forward a systemic theorization of contemporary capitalism that is as broad as that offered by Hardt, Negri, and the larger cognitive capitalism school.

Christian Fuchs steps into this void with *Digital Labour and Karl Marx*. In this ambitious text, Fuchs seeks to affirm Marxist tradition, demonstrate the continuing relevancy of the labor theory of value, and renew the struggle for communism. Despite some problems, *Digital Labour and Karl Marx* is compelling reading for anyone interested in contemporary capitalism.

The book is organized in three sections. The first positions the book in existing literature, providing both theoretical background and a critique of theories of information society. Fuchs presents a non-dogmatic Marxism that incorporates elements of Frankfurt School, autonomist Marxism, the feminism of Maria Mies, Claudia Von Werlhof, and Veronika Bennholdt-Thomsen. While he does not dismiss either theories of information society or cultural studies, he provides a trenchant critique of both bodies of literature, exposing their implicit celebration of neoliberalism and their often-superficial engagement with Marx. Instead, Fuchs calls for “an institutional revolution that buries prejudices against Karl Marx...[W]e are living in a world with multidimensional global inequalities. Interpreting and changing this world requires us to think about class, crisis, critique and capitalism” (73).

As part of this effort to demonstrate the utility of Marxism to the study of contemporary media, Fuchs puts forward his signature theoretical contribution, what he calls “internet prosumer commodification.” Here, he returns to the idea of the “audience commodity,” which Dallas Smythe (1977) first advanced to expand the study of mass media beyond the ideology critique and apprehend the role of media in processes of capital accumulation. Traditional mass media formats, radio and television, produce and sell air time for advertisements. The unpaid labor of media consumption, objectified as the “audience commodity,” is their primary product.

Fuchs expands the concept to apprehend the nature of contemporary unpaid consumption work on the Internet. He appropriates the notion of the “prosumer,” first coined to celebrate the blurring of consumption and production as a form of economic and political self-determination. For Fuchs, prosumption connotes “the outsourcing [of] work to users and consumers, who work without payment...The exchange value of the social media prosumer commodity is the money value that the operators obtain from their clients. Its use value is the multitude of personal data and usage behavior...” (99, 103). The shared use of the accumulation strategy by all Internet firms signals the near-complete real subsumption of social relations by capital. “Social media and the mobile Internet make the audience commodity ubiquitous and the factory not limited to your living and your workplace—the factory is also in all in-between spaces...the entire planet today is a capitalist factory” (111).

Fuchs details this “planetary factory” in the second section of the book, a series of case studies that trace “the international division of digital labour,” detailing the global value chain that makes “internet prosumer commodification” possible. He begins with the mining of the minerals that are essential to the production of information and communications technologies (ICTs). Here, he focuses on the Democratic Republic of Congo and the various forms of unpaid labor—outright slavery, *corvée* labor, and peonage slavery—that characterize this link in the value chain. He moves next to industrial production of ICTs in China’s sprawling factory complexes, discusses Indian software engineers, and then pivots to Silicon Valley, where he details both the hyper-exploitation of largely undocumented workers in the ICT manufacturing industry and “a highly paid and highly stressed labour aristocracy that enjoys relative surplus wages at the expense of transforming its life time into work time for Google” (232).

The final two cases focus more on the circulation of commodities: (1) the call centers which organize the transactions and (2) use of social media. Fuchs defines the former as a “Taylorized and housewifized” form of labor. As Taylorized work, it is deskilled and subject to aggressive surveillance. As housewifized work, it takes on the precarious conditions that characterize housework. It is unprotected, always available, and socially devalued. The final case study reviews and further elaborates the earlier section that theoretically defined “internet prosumer commodification.” Here, Fuchs makes the distinction between digital labor and digital work, as the analysis blurs into the discussion in the final section of the book concerning the nature of contemporary working class struggle.

As a whole, the international division of digital labor represents “the history and articulation of forms of exploitation” (296). Fuchs argues against the staged history shared by Orthodox Marxists and liberals. Instead, he describes an articulating network of distinct modes of production: “The emergence of a new mode of production does not necessarily abolish, but rather sublates (*aufheben*) older modes of production” (164). As a result, “a variety of modes of production and organizations of the productive...are articulated, including slavery in mineral extraction, military forms of Taylorist industrialism in hardware assemblage, an informational organization of the productive forces of capitalism that articulates a highly paid knowledge labour aristocracy, precarious service workers, imperialistically exploited knowledge workers” (295-296). While this framework avoids restricting capitalism to wage labor, it also leads Fuchs to stop short of commenting on the systemic totality of historical capitalism. Fuchs sees slavery in the Democratic Republic of Congo and Google’s labor aristocracy as somehow articulating with each other, but, absent any historical attention to processes of uneven development or core-periphery differentiation, he never asks why.

The lack of historical depth becomes problematic in the final section of the book, where Fuchs reviews the various claims made about ICT and social movements in the context of Occupy Wall Street (OWS). In contrast to “societal holism that ignores media and technology, technological reductionism that ignores society and dualism that ignores causality,” Fuchs advances a dialectical view of social media. He concludes that “social media in a contradictory society...are likely to have contradictory character: they do not necessarily and automatically support/amplify or dampen/limit rebellions but rather pose contradictory potential that stand in contradiction to influences by the state, ideology and capitalism” (331, 333). In short, he offers measured advice that “one should avoid both overstressing and underestimating the role of media technologies in contemporary social movements” (341).

For such an ambitious book, this conclusion is unsatisfying. After advocating return of Marxism, a renewal of the revolutionary spirit, and detailing “the international division of digital labour,” Fuchs’ concluding question is limited to the role of social media in OWS. While Fuchs acknowledges the similarities OWS shares with other contemporary movements and justifies his case selection on the basis of his language skills, his concluding case study does not begin to address the rich questions his text raises. For example, his reflection on OWS does not address the main political problem introduced in the opening sections of the text: the way the commodity form obscures the connections between global workers laboring in different moments of the international division of digital labor.

The asymmetry between the soaring ambitious of the first two sections and the inadequate conclusion speaks to a larger problem. Fuchs puts too many ingredients in the pot. Much is left uncooked. While the broad scope of the study is admirable, the overall effect is limited by poor execution. *Digital Labour and Karl Marx* suffers from inelegant prose and poor editing that suggests hurried writing. Paragraphs run on for pages despite clear shifts in emphasis. Identical blocks reappear throughout the book. Abrupt and unclear transitions limit the overall coherence of the argument. These types of mistakes will limit the appeal of the work and provide an easy out for unsympathetic readers.

More importantly, they impede the flow of the book with unnecessary clutter. Better editing and a tightened argument would have created more space to explore some of the wider ramifications that his study raises. His treatment of ecological issues is particularly wanting. In the concluding section, he acknowledges this shortcoming (295-296). This discussion, however, mentions only e-waste—the disposals of ICTs—and ignores a litany of other issues, such as the limited supply of rare minerals used to make ICTs, pollution caused by their production, and the energy and water used to operate them. Throughout the text, Fuchs asserts that the productivity gains of capitalist development have conquered scarcity and made global communism a material possibility. The world-ecological contradictions of contemporary capitalism—and the dream of digital communism, for that matter—remain unexplored.

Digital Labour and Karl Marx is an important book. It takes on important questions: What is the organization and the class composition of digital labor? Are the current struggles of digital workers revolutionary? Fuchs offers the closest approximation of the axial division of labor as it relates to the high technology sectors of contemporary capitalism. This contribution alone makes the *Digital Labour and Karl Marx* an important work, despite its flaws.

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Brendan McQuade
Department of International Studies
DePaul University
Bmcquad2@depaul.edu

Boaventura de Sousa Santos. 2014. *Epistemologies of the South: Justice Against Epistemicide*. Boulder: Paradigm Publishers. 292 pages, 978-1612055459 Paper (\$32.95).

Many critical theorists have tried to deal with the formidable task of establishing the parameters for a critical theory of the present time that would take into account the historical and analytical limits of marxism. Nevertheless, in the wide terrain of a global academic left, very few scholars have accepted the challenge of proposing the epistemological basis for a global, anti-colonial, anti-capitalist, anti-patriarchal critical theory for the current moment. Boaventura de Sousa Santos, in his *Epistemologies of the South: Justice Against Epistemicide* faces exactly this great task.

In this challenging and inspiring book, Sousa Santos brings together many of the issues that he tackled in his scholarly work, dating back to the late 1980s. Sousa Santos – probably the most important sociologist in the Portuguese speaking world – is a uniquely productive critical thinker, having dealt with issues such as the epistemology of modern sciences, social movements of the Global South, multiculturalism, the production of law in the practices of slum dwellers, and anti-hegemonic forms of knowledge production, among many others. Somehow, all these topics come together in *Epistemologies of the South*. In this book, Sousa Santos presents a long critique of hegemonic western epistemology – including the limits of critical projects that emanated from the western experience and perspective, such as marxism – and provides a few parameters, both analytical and conceptual, for an anti-hegemonic ecology of knowledges that would avoid one of the key consequences of the domination of western epistemology: the extermination of alternative forms of knowing and living.

The book develops three critical insights: there is no global justice without global cognitive justice; the understanding of the world exceeds the western, hegemonic understanding

of the world; and the emancipatory transformation of the world may follow narratives that are not contemplated by the western, critical tradition. It is easy to notice that Sousa Santos aims to provide a synthesis of different post-marxist critical discourses, particularly Postcolonial Theory, Critical Race Theory, and Feminist Theory. But he also wants to establish analytical ground-rules for a diversity of yet un-thought of critical perspectives, as long as they challenge a broadly defined dominant western epistemology – which encompasses neoliberal economics, conventional conceptions of modern science, and a traditional marxism that remains blind to forms of domination other than that defined by class struggle. These are great and critical questions, which are by themselves a sign of the importance of this intellectual project. Nevertheless, Sousa Santos is only partially successful in providing helpful and clear answers; this is partly due to the lack of connection between the empirical cases that inspire the work and the concepts proposed, but also to the unnecessary, confusing, and unproductive conceptual inflations that characterize the book.

From the very beginning of the book, Sousa Santos has to deal with a central contradiction: the work intends to speak from the practices of anti-systemic movements from the global South; these practices would provide the experiential and political basis for a diversity of knowledges that would challenge western¹ epistemic and political projects. Nevertheless, the author acknowledges that due to its language and structure, the primary audience of the book is critical scholars trained in the western tradition. This is thematized – far from reaching a final solution – in the two manifestos that open the book: one for “good living”, the other “for Intellectual-Activists.” I would like to argue that the book has limitations on both fronts alluded to in the manifestos, despite its critical importance for expanding the horizon of our contemporary critical discourses.

First, regarding the connection with the experiences of the global South, it is important to note that Sousa Santos was one of the most important intellectual voices associated with the World Social Forum (see p. 42). For any scholar or activist familiar with the critical discourses that circulated in the Forum, many of Sousa Santos’ themes will sound familiar, particularly his insistence on the dialogue between different forms of knowledge, his search for a non-sectorial critical language, and a serious concern for methods to bridge antagonisms between clashing perspectives and procedures. This is certainly a positive aspect of the book, but it also raises at least two problems. First, the alternative epistemologies that define the political imagination of the book are treated at a very high level of abstraction. There is a shocking lack of attention to the pragmatics of knowledge production and their associated political struggles in the history of real communities and social movements. Sousa Santos is, of course, familiar with many of these stories, and some of his edited works published in Portuguese address these issues. But it is unclear how the plethora of concepts proposed by Sousa Santos in this book connects with those dynamics.

In this sense, the book seems to propose a particular type of standpoint theory – actually, a method for the composition of a diversity of critical standpoints. But each one of those perspectives and voices is slightly swept under the rug of Sousa Santos’ conceptual profusion. Also, it is unclear how the book speaks to the key phenomenon in global contestation in the last five years: the emergence of a global wave of protest and the diversity of movements, politics, philosophies, and pragmatics associated with them. In this sense, the book reads as at least a decade old. Finally, it seems to suffer from an extreme tendency to divide the world between

¹ Or “northern” – the author moves back and forth between the two adjectives, as well as between “southern” and “non-western.”

good (the South, the non-West) and evil (the North within the North, the hegemonic Western epistemology), as well as from a hurry in proposing bridges between antagonistic Southern forms of knowledge and politics, without a more careful analysis of real practices of negotiation.

Regarding the Intellectual-Activist dimension of the book, most readers will notice that Sousa Santos has a very peculiar writing and analytical style. The main trace of such a style is the constant need to coin new concepts, some of which, such as his analytical pair “sociology of emergences” and “sociology of absences,” are of great value. But many of the concepts seem more like unnecessary reaffirmations of the originality and the importance of the project than solutions to intellectual problems (such as the romantic concept of a “baroque ethos” in chapter 1, or the oppressed as the “wagerer” in chapter 3). Others sound like easy metaphorical replacements for truly hard problems (such as the concept of “sfumato” as the basis for a baroque subjectivity). Overall, the book would gain a lot from a clearer dialogue with other contemporary works that have addressed similar questions, particularly because it would probably lead to a more clearly defined quest for conceptual invention.

But the book has clear contributions to a critical theory of the present times, and I would like to argue that most of them are present in the last two chapters. In those chapters, Sousa Santos delineates the parameters for an ecology of knowledges against the risk of epistemicide imposed by dominant western epistemology (or the “monoculture of scientific knowledge,” in Sousa Santos’ expansive vocabulary). This is a pragmatic theory of the possibility of the horizontal coexistence of non-dominant forms of knowledge and life, in which knowledge is evaluated according to its capacity for critical intervention in the world. Sousa Santos acknowledges that the creation of such a world requires mechanisms of translation between different cultural practices and vocabularies – an issue he deals with in chapter 8. This is also the part of the book in which Sousa Santos’ formulations gain some empirical treatment, as in his brief analysis of the clash of “scientific” and “traditional” forms of irrigation in Indonesia. These two chapters prove Sousa Santos treads the center of critical theory today, especially given the breadth of his concerns and his personal and political history of effective interchange with Southern social movements.

José H. Bortoluci
Department of Sociology
University of Michigan
jhbort@umich.edu

Jeb Sprague. 2012. *Paramilitarism and the Assault on Democracy in Haiti*. New York: Monthly Review Press. 400 pages, ISBN 978-1583673003 Paper (\$21.55).

Haiti continues to command attention among international policy makers and scholars. In the latter category is Jeb Sprague, whose book, *Paramilitarism and the Assault on Democracy in Haiti*, examines (paramilitary) violence in Haiti from the Duvalier era (1957-1986) to 2004, with cursory coverage of events thereafter. The main argument of the book is that paramilitarism is the means by which Haiti’s dominant classes have sought to crush the Haitian masses in their struggle for democracy and social justice, which is global in scope but elicits different responses from local elites. As a tactic, paramilitarism—variously defined as the creation and/or toleration of irregular armed groups by state authorities—contrasts sharply with polyarchy, which is

contrived to contain democracy within firm institutional limits that protect established privileges while giving the popular classes a (illusory?) say in governing. Sprague does not deny that violence has been used by all the contending groups in Haiti's fractious politics, but he argues that "...it was the popular classes—and those organizing in their interests—who *have been and continue* to be the primary targets of political violence" (14).

The primary focus of the book is, once again, the period between 1990 and 2004, during which the *Lavalas* (Haitian Kreyòl for flood) movement led by Jean-Bertrand Aristide alternated between moments of triumph and defeat by paramilitary forces and their sponsors, but, according to Sprague, the groundwork for the use of paramilitary violence as a political instrument was laid in the 1960s under François (Papa Doc) Duvalier. Thus, Sprague identifies four phases (or what he calls waves) of paramilitary violence in the recent history of Haiti: 1960s-1986, 1986-1990, 1991-1994, and late 2000-2004. In each of these phases, Haiti's dominant classes, which include large landholders (*grandons*), big business owners and state elites, use a combination of state terror and paramilitary violence to keep the masses in check. They were aided by foreign forces, which, at various times, included the United States, the Dominican Republic, France, even Canada. Sprague examines in exhaustive detail the 2004 ouster of Aristide from power. Using the Freedom of Information Act, Sprague was able to gain access to U.S. government documents that brought him tantalizingly close to uncovering the role of international actors in Haiti's latest political dénouement. Sprague sheds much light on what many Haitian specialists suspected—namely, that the so-called rebels, including Guy Phillippe, Jodel Chamblain, Ravix Rémissanthe and consorts, who helped to topple Aristide in 2004 were, in essence, mercenaries bought and paid for by Haiti's bourgeoisie and narco-traffickers, with Dominican and U.S. officials turning a blind eye to their activities, if not supporting them outright.

One important revelation of *Paramilitarism and the Assault on Democracy in Haiti* is the alleged infiltration of the Haitian National Police by nefarious elements from the defunct Haitian army. U.S. officials encouraged their integration in the name of stability and reconciliation, but, according to Sprague, they turned out to be real fifth columns, who thwarted attempts by the *Lavalas* government to defend itself against its enemies. This would explain the ease with which "rebels" were able to occupy the national palace in Port-au-Prince on December 7, 2001, and just as easily sneak their way out of the capital to sanctuaries in the Central Plateau and the Dominican Republic. Sprague's investigative and conjectural skills are admirably displayed in his analysis of Dany Toussaint and Youri Latortue, two figures emblematic of Haiti's Byzantine politics. Although Sprague never quite accuses Toussaint of the murder of Haiti's most famous journalist (Jean Léopold Dominique), his narrative strongly points in this direction.

Haiti is often painted as the "ugly duckling" of Latin America and the Caribbean, that is to say, outside of the mainstream of regional politics. A real strength of *Paramilitarism and the Assault on Democracy in Haiti* is its framing of Haitian events in a comparative perspective. Sprague demonstrates keen insight when he draws a parallel between paramilitary activity in Haiti and the *contra* campaign in Nicaragua in the 1980s. In both cases the U.S. ran roughshod over democracy by supporting violent paramilitary forces—some possibly with narco-trafficking connections, in clear contravention of U.S. law and long-term American security interests. A more recent example of the U.S. sacrificing democratic principles on the altar of Realpolitik was the 2009 coup against the democratically elected government of Manuel Zelaya in Honduras. Sprague is relentless in his determination to dispel the notion of Haitian particularism through what is essentially a comparative method, even while paying close attention to the details of the case. In so doing, Sprague nicely interweaves the global and the local. Furthermore, one cannot

but be impressed with the risks that Sprague must have been willing to take while collecting data for his book, as some of the personalities who are the objects of his inquiry undoubtedly have blood on their hands. Overall, *Paramilitarism and the Assault on Democracy in Haiti* makes a valuable contribution to Haitian scholarship and global studies.

Still, there is much to be critiqued in *Paramilitarism and the Assault on Democracy in Haiti*. For a book in which paramilitarism is left, front and center, there is little serious discussion of the concept in the text. Instead, Sprague devotes two and a half pages to paramilitarism in the appendix. It would have been far better to have a substantive exposé of paramilitarism as an analytical construct in chapter 1. Sprague fails to draw an important distinction between paramilitarism, which suggests the presence of a *main cachée* (hidden hand) behind military activity aimed at achieving political objectives, and banditry, which is much less well-organized and amorphous in its aims. A strong argument can be made that banditry, rather than paramilitarism, has been a much greater problem in Haiti, and that, in fact, it is the propensity of Haitian society to descend into banditry or disorder that is fodder for paramilitarism. In sum, Sprague may be rightly accused of misconstruing the proverbial tree for the forest. As these lines are being written, a new “paramilitary” group is causing headache to the rightist government of Michel Martelly and the United Nations in the town of Petit-Goâve and the surrounding hills.

Banditry in the Haitian context stems from socio-economic exclusion, which creates a large pool of potential recruits for a variety of causes, some obviously political, others, perhaps most, not. Banditry is also a product of the existential precariousness of even “elite” Haitians, who, for a fistful of *gourdes* (the Haitian currency) or an exit visa, can be pressed into the most sordid of activities. At the height of his popularity between 1991 and 1994, the well-known paramilitary leader Emmanuel (Toto) Constant was a CIA informant, whose monthly emolument was a paltry 300 U.S. dollars, in exchange for which Mr. Constant probably tortured and killed scores of his countrymen. Banditry and its concomitants (paramilitarism and urban gangs) is also a classic sign of state failure, as it entails the erosion of monopolistic control over the means of violence. Evidence of state failure are legion in *Paramilitarism and the Assault on Democracy in Haiti*, as when Sprague, speaking of “rebel” activity in 2002, concedes that “The FLRN campaign was carried out primarily by a few hundred paramilitaries against a resource-starved state reliant on a tiny police force, a segment of which was disloyal and corrupt” (168). If this is not a definition of a failed state, one is at a loss as to what is. Yet, almost nonchalantly and in spite of his obvious familiarity with the literature, which he quotes on page 46 but omits in the notes section, Sprague pulls back and veers in a different (i.e., conspiratorial) direction. Sprague may be unaware of this, but there is not in the Haitian language (Kreyòl) an expression of contrition equivalent to *I am sorry* in English. Haitian culture, not least political culture, lacks readily available mechanisms of conflict resolution. Thus conflicts, no matter how banal at their core, tend to escalate, until peace is imposed either by a strongman or an occupying force. To put it bluntly, Sprague makes too selective an analytical use of institutions, which he confines to class. Similarly, Sprague has a binary and biased view of a Haiti divided between good actors (*Lavalas*) and bad actors (everyone else). He fails to appreciate the role of macro-level institutions—broadly construed to include formal structures, such as the state, and the informal rules and norms embedded in culture—in the Haitian miasma, which the *Lavalas* interregnum aggravated rather than dissipated. (Without substantiation, Sprague estimates the number of people killed by *Lavalas* supporters to be precisely between thirty and forty from 2001 to 2004.)

Paramilitarism is an effect of the debility of Haitian institutions, not a cause of Haiti's misfortune. The failure of democracy in Haiti has structural roots as well, and is not merely the product of elite malfeasance or agency. In the end, an institutional and more ideologically neutral perspective would have served *Paramilitarism and the Assault on Democracy in Haiti* well.

Jean-Germain Gros
 Department of Political Science
 University of Missouri-St. Louis
 jg.gros@umsl.edu

Jocelyn Viterna. 2013. *Women in War: The Micro-Processes of Mobilization in El Salvador*. New York: Oxford University Press. 288 pages, ISBN 978-0199843657 Paper (\$24.95).

Women often feature in the literature on war as either empowered warriors or war's ultimate victims. In this rich and powerful book, Jocelyn Viterna considers guerrilla warfare in El Salvador through women's experiences and contributions and explodes this dichotomy. Her nuanced approach is ideal for research on leftist guerrilla conflicts—quests for liberation that combine exhilaration and empowerment with brutal, heartrending violence. She captures the breadth of experience so effectively in part because the complicated and cross-cutting insights are arrived at through close attention to women's own narrations of life in wartime. Along the way, we gain insight into the daily functioning of a guerrilla army.

Viterna rejects approaches to activism that treat the rank-and-file as a uniform category. Among other problems, such approaches obscure the obvious point that macro-level factors affect only some people, but fail to mobilize others (often the majority); also, for women, some are profoundly empowered by the experience whereas others revert to traditional gender norms postwar. She thus cracks open the homogenous category of woman guerrilla and looks carefully within, finding important and very telling differences. These insights are enhanced by her inclusion of interviews with unmobilized women and mobilized men.

Viterna is generous in the use of absorbing personal narratives to illustrate her findings on the micro-processes of insurrection. Based upon two years in the field, during which she collected over 230 formal interviews along with ethnographic analysis and archival research, this rare book cuts across many literatures in its insights and will be of interest to researchers of social movements, politics, war and insurrection as well as gender and Latin America.

Why do women become guerrillas? What experiences do women have in the guerrilla? And how do these impact women's postwar lives? Working through the paths to mobilization for women who served as camp followers, cooks, medics, radio specialists, and combatants, we learn much along the way, including women's various motivations for participation, their accomplishments, and their tragedies. We also gain new insights into the relation between their roles, experiences, and identities during war and their trajectories in the post-war period.

One key finding is the importance of women's participation to guerrilla success. As she puts it, "Women were... the backbone of the FMLN [Farabundo Martí National Liberation Front], especially in the second half of the war" (145). She relates this to gendered stratification and higher survival rates in the guerrilla, both of which Viterna links to education. Early in the war, the *campesino* (peasant) population from which the FMLN drew most of its recruits was largely illiterate. Women were primarily assigned as cooks and sometimes as combatants. Over the course of the war, women came to be viewed as a relatively scarce resource for commanders,

and a particularly valuable one as they were significantly more likely than men to be literate. Compared to men, many more young women had spent time in a refugee camp, where they had access to education. This skill set was particularly valuable to the FMLN in the second half of the war, as its forces were split into hundreds of smaller and more mobile units. Each squadron needed its own radio operator and medic—both job assignments that required training and literacy, and thus jobs that women were better able to fill. Women also had higher survival rates, and were for therefore a more stable presence in this quickly changing context, contributing in turn to military efficiency in terms of institutional memory and job specific experience.

But someone still had to make the tortillas. Given women's valued contributions in the more skilled assignments, how to ensure that women would still be willing to occupy low-status tasks? Here, Viterna turns to the notion of ability-based assignments, which she finds was broadly accepted in the guerrilla. That is, men and women alike were assigned work based on ability, which meant an internalization of the blame for a job assignment that one did not prefer. This discourse merged into more essentialist notions, as Viterna reports that it was widely believed that women were "made for" the kitchen and men were unable to learn tortilla-making. Notably, while their experiences in the guerrilla encouraged many women to view themselves as capable of many of the things men could do, the guerrilla experience did not encourage women to question the overall gendered division of labor in guerrilla camps and beyond. Those instances in which women did contribute significantly to battle did not reliably prompt them to question gender roles more generally: "In short, the FMLN was remarkably successful at narrating women's new roles in ways that left the broader gender order unchallenged" (150).

Identity-based analysis runs throughout Viterna's study. Among other key findings, Viterna makes an intriguing link between identity, mobilization, and rape. She argues that men and women alike often joined the guerrilla in order to protect identities particularly salient to them. A common thread informing young women's mobilization in the FMLN is that this would protect their sexual purity, which was intricately linked to their identity as good young women (53-4). Rape was a prevalent theme throughout Viterna's interviews (112). The FMLN represented itself as respecting women's bodies, providing an arena of safety in contrast to young women's other options: staying home and facing rape by the Armed Forces or fleeing to a refugee camp and risking (what was perceived to be) certain rape by Honduran forces. She notes: "Understanding that the purpose of participation—even radical participation like guerrilla warfare—may be to *protect* rather than to *challenge* traditional identities will help scholars limit which kinds of identity changes they expect to find through activism" (201).

The 1992 Peace Accords ended twelve years of displacement and conflict, and the guerrilla demobilized, turning in their weapons and receiving resources to start a new life. A startling example of the radical shift this entailed are the numerous anecdotes that Viterna gathered regarding demobilized guerrillas' struggle with money—many were so young when they went into refugees camps and then the guerrilla that they had never seen or used money. One can imagine, in this context, the great challenges involved in acclimating to a market system and learning how to earn a living.

Given such challenges, what happened to these women activists in the postwar period? Viterna finds the record mixed. Some women successfully capitalized on their experiences and capabilities honed in war to remain social activists, challenging gender expectations and transforming their own lives and the lives of others. But many other women did not remain politically engaged and readily settled into traditional gender roles. Remaining with a micro-

level of analysis allows Viterna to shed light on how social movements stratify participants and the consequences of that stratification (173).

Women found ways to move from mobilization in war to activism in peace, and Viterna finds two paths to postwar leadership (185). “Politicized Repopulators” are women guerrilla who demobilized to refugee camps in the early to mid-1980s and then became leaders in the postwar repopulation process. These women typically had been activists pre-war and then moved to guerrilla camps, retaining ties and their status as trustworthy activists in the demobilization process. This background positioned them as effective liaisons between leaders in the FMLN and civil society (189). “Well-Connected Demobilizers” were women transitioning from high-status guerrilla positions who had been stationed close to FMLN command centers. Their proximity to FMLN leaders is crucial, Viterna finds. Being well-connected with the leadership translated into postwar leadership positions.

In contrast, Viterna found that the ex-guerrilla women who were politically inactive in the postwar era had been either in low-prestige guerrilla positions or had been combatants (193). Viterna encapsulates the counter-intuitive nature of her findings through the cases of Rebeca and Roxana. Rebeca actively chose guerrilla life and became a combatant. To stay in the guerrilla, she gave up her two month old baby to be raised elsewhere. Roxana reluctantly mobilized into the guerrilla for lack of alternatives—it was a means of survival in the face of the brutally repressive armed forces in the countryside. In the guerrilla, she took on the feminized job of nurse, and once she gave birth, Roxana transferred to a guerrilla position where she could see her child regularly. Previous scholarship might lead us to expect that Rebeca would be the more likely of the two to emerge from the war as a feminist activist. Yet the opposite was the case, with Roxana becoming the prominent feminist activist and Rebeca accepting highly traditional gender roles in the home.

Viterna readily achieves her two goals in writing this book. First, she brings to life the lived experiences of Salvadoran women in the civil conflict of the 1980s. Second, she convincingly demonstrates the importance of micro-level mobilization processes. Social movements and guerrilla armies alike depend upon their ability to attract and retain members, and understanding this gendered process is key to understanding movement success.

Lorraine Bayard de Volo
Women and Gender Studies
University of Colorado Boulder
LBDV@colorado.edu
<http://wgst.colorado.edu/faculty/bayard-de-volo>