

Review: Wallerstein's World Capitalist System: A Theoretical and Historical Critique
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Review Symposium

The Modern World-System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century. By Immanuel Wallerstein. New York and London: Academic Press, 1974. Pp. xiv+410. \$16.50/£7.90.

WALLERSTEIN'S WORLD CAPITALIST SYSTEM: A THEORETICAL AND HISTORICAL CRITIQUE¹

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Immanuel Wallerstein's *The Modern World-System* aims to achieve a clean conceptual break with theories of "modernization" and thus provide a new theoretical paradigm to guide our investigations of the emergence and development of capitalism, industrialism, and national states. This splendid undertaking could hardly be more appropriately timed and aimed. For quite some time, modernization approaches have been subjected to telling critical attacks (e.g., Gusfield 1967; Frank 1966; Bendix 1967; Tipps 1973; Smith 1973; Tilly 1975, chap. 9). They have been called to task for reifying the nation-state as the sole unit of analysis, for assuming that all countries can potentially follow a single path (or parallel and converging paths) of evolutionary development from "tradition" to "modernity," and, concomitantly, for disregarding the world-historical development of transnational structures that constrain and prompt national or local developments along diverse as well as parallel paths. Moreover, modernization theorists have been criticized for the method of explanation they frequently employ: ahistorical ideal types of "tradition" versus "modernity" are elaborated and then applied to national cases; if the evidence seems to fit, one assumes that a particular historical instance is adequately explained; if not, one looks for the "chance" factors that account for its deviation.

In the opening pages of *The Modern World-System*, and in a related essay (also published in 1974) called "The Rise and Future Demise of the World Capitalist System," Wallerstein unequivocally defines his approach in direct opposition to these features of modernization theory. Thus in his book he will concentrate on explaining the structure and functioning of

¹ I could not possibly have undertaken the challenging task of writing this review essay without the benefit of intellectual stimulation and thoughtful critical advice from many friends, students, and colleagues, including especially Michael Burawoy, Mounira Charrad, Daniel Chirot, Linda Frankel, Harriet Friedmann, Wally Goldfrank, Peter Gourevitch, Patrice Higonnet, George Homans, David Karen, Victor Perez-Diaz, Bill Skocpol, Dave Slaney, David Stark, Charles Stephen, Charles Tilly, Kay Trimberger, and Jonathan Zeitlin. However, none of these people is responsible for what I have finally decided to say here.

capitalism as a world economic system, viewing sovereign states as but "one kind of organizational structure among others within this single social system" (p. 7). Equally important, he intends to avoid the "intellectual dead-end of ahistorical model-building" (1974, p. 388) by grounding his theorizing in an analysis of the historically specific emergence and development of capitalism since the sixteenth century. He hopes thereby to demonstrate "that to be historically specific is not to fail to be analytically universal," that "the only road to nomothetic propositions is through the historically concrete" (1974, p. 391).

Given these very appealing and appropriate intentions of Wallerstein's theoretical program, not to mention the impressive scope of his reading in the works of historians, it is hardly surprising that *The Modern World-System* has met with an uncritically laudatory response from many sociologists. For example, Michael Hechter (1975) in his review of the book for *Contemporary Sociology* suggests that it provides a thoroughly plausible and internally consistent theoretical argument that needs only to be specified and operationalized to provide an adequate guide for fruitful research on development issues. But this assessment is too hasty and superficial. *The Modern World-System* is a theoretically ambitious work that deserves to be critically analyzed as such. And, as I shall attempt to show, Wallerstein's arguments are too misleading theoretically and historically to be accepted at face value. Because *The Modern World-System* does suffer from inadequacies of reasoning and evidence, there may be hypercritical reviews that will use the book's weaknesses as an excuse for dismissing out of hand any such world-historical or Marxist-oriented approach. With such an evaluation I have no sympathy. Like many other important pioneering works, Wallerstein's *Modern World-System* overreaches itself and falls short of its aims. It is therefore incumbent especially upon those of us who are sympathetic to its aims to subject this work to rigorous critical scrutiny. For the true contribution of *The Modern World-System* will lie, not in the proliferation of empirical research based uncritically upon it, but in the theoretical controversies and advances it can spark among its friends. In this spirit, let me begin the necessary process of critique in this review essay.

I

Despite his avowed desire to avoid "abstract model building," Wallerstein in fact deals with historical evidence primarily in terms of a preconceived model of the capitalist world economy. I shall, therefore, start by describing and discussing this model, before proceeding to consider its adequacy for explaining historical developments in early modern Europe.²

Wallerstein insists that any theory of social change must refer to a "social system"—that is, a "largely self-contained" entity whose develop-

² This essay does not pretend to present an adequate overview of *The Modern World-System*. A good sense of the scope and richness of the work is conveyed in the reviews by Hechter (1975), Lenzer (1974), and Thomas (1975).

mental dynamics are “largely internal” (p. 347). For self-containment to obtain, he reasons, the entity in question must be based upon a complete economic division of labor. Leaving aside small-scale, isolated subsistence societies, there have been, he says, only two kinds of large-scale social systems: (1) empires, in which a functional economic division of labor, occupationally not geographically based, is subsumed under an overarching, tribute-collecting imperial state, and (2) world economies, in which there are multiple political sovereignties, no one of which can subsume and control the entire economic system. A world economy should be, in Wallerstein’s view, more able than a world empire to experience sustained economic development precisely because economic actors have more freedom to maneuver and to appropriate and reinvest surpluses.

Such a world economy—of which capitalism from the sixteenth century to the present has been (according to Wallerstein) the only long-lasting historical instance—is based upon a geographically differentiated division of labor, featuring three main zones—core, semiperiphery, and periphery—tied together by world market trade in bulk commodities that are necessities for everyday consumption. Each major zone of the world economy has an economic structure based upon its particular mixture of economic activities (e.g., industry plus differentiated agriculture in the core; monoculture in the periphery) and its characteristic form of “labor control” (e.g., skilled wage labor and tenantry in the core; sharecropping in the semiperiphery; and slavery or “coerced cash-crop labor” in the periphery). The different zones are differentially rewarded by the world economy, with surplus flowing disproportionately to the core areas. Moreover, the economic structure of each zone supports a given sort of dominant class oriented toward the world market, as well as states of a certain strength (strongest in the core and weakest in the periphery) that operate in the interests of that class. Finally, according to Wallerstein, the differential strength of the multiple states within the world capitalist economy is crucial for maintaining the system as a whole, for the strong states reinforce and increase the differential flow of surplus to the core zone. This happens because strong states can provide “extra-economic” assistance to allow their capitalist classes to manipulate and enforce terms of trade in their favor on the world market.

II

Let us reflect for a moment upon this model as a whole. Historically, one of the most striking things about capitalism has been its inherent dynamism. From a world-historical perspective, we need to understand how and why capitalism emerged, has developed, and might one day pass from the scene. Wallerstein clearly appreciates the importance of these issues—yet he does not offer very many insights about them, either in *MWS* or in his “Rise and Demise” article (where he sketches an overview of four stages of world capitalist development from the sixteenth century to the present).

For one thing, Wallerstein's theory does not put him in a good position to explain the transition from feudalism to capitalism in Europe. The most obvious difficulty is the lack of any theoretical conception of the dynamics of feudalism, which is neither a "world empire" nor a "world economy" in Wallerstein's terms. To explain what he holds to be the demise of feudalism around 1450, Wallerstein (chap. 1) employs, first, an amalgam of historians' arguments about reasons for the crisis of feudalism (1300–1450) and, then, a series of teleological arguments about how the crisis "had to be solved" if "Europe" or "the system" were to survive. The emergence of the capitalist world system is presented as the solution. Thus in this one instance where Wallerstein actually discusses a supposed transition from one mode of production to another, he uses the language of system survival, even though such language is quite incongruous.

As for how world capitalism develops once it is established, although Wallerstein does assert repeatedly that the system is dynamic, he provides us with no theoretical explanation of why developmental breakthroughs occur. In the "Rise and Demise" article (1974), the momentous consequences of the technological innovations achieved in the Industrial Revolution are much discussed, but not a word is said about the causes of the Industrial Revolution. The only definite dynamics of Wallerstein's world capitalist system are market processes: commercial growth, worldwide recessions, and the spread of trade in necessities to new regions of the globe. Apparently the final demise of the system will come after the market has spread to cover the entire globe and transform all workers into wage laborers. But even the all-important dynamic of global expansion itself depends upon the occurrence of technological innovations—themselves unexplained.

In sharp contrast to his awkwardness and sketchiness in explaining dynamics, Wallerstein is very forceful on the subject of the stability of the world capitalist system. In theory, as we have seen, once the system is established, everything reinforces everything else. And Wallerstein consistently employs not only system-maintenance arguments but also direct analogies between the structure of the world capitalist system and the typical structure of political empires (e.g., pp. 349–50) to convey a sense of the massive stability of the whole. For he believes that his model points to the essential structures of world capitalism—to patterns of division of labor and of relationships among states in different economic positions that have endured since the sixteenth century even though the system as a whole has expanded geographically and particular countries have changed positions within the system.

III

Taking our cue from his emphases, then, let us take a close critical look at the ideas about determinants of socioeconomic and political structures that are built into Wallerstein's model of the world capitalist system. We can most readily pinpoint the problematic points, I suggest, if we see that the model is based on a two-step reduction: first, a reduction of socio-

economic structure to determination by world market opportunities and technological production possibilities; and second, a reduction of state structures and policies to determination by dominant class interests.

The ways in which Wallerstein tries to make sense of the differences of economic structure among his three major zones of core, semiperiphery, and periphery lead him to make the first reduction. The crux of the differences is the “mode of labor control” “adopted” in each zone by the dominant classes oriented to the world market. In his theoretical passages addressed to this issue (see esp. chap. 2, pp. 87–116), Wallerstein repeatedly implies that the dominant classes choose freely among alternative strategies of labor control by assessing rationally the best means for maximizing profits, given the geographical, demographic, technological, and labor-skill conditions in which they find themselves, and given the profitable possibilities they face for selling particular kinds of products on the world market. Now the curious thing here is that, despite the fact that Wallerstein seems to be placing a great deal of stress on the class structures of the major zones of world capitalism, actually (as far as I can see) he is explaining the fundamental economic dynamics of the system in terms of exactly the variables usually stressed by liberal economists, while ignoring the basic Marxist insight that the social relations of production and surplus appropriation are the sociological key to the functioning and development of any economic system. For this Marxist idea demands that one pay attention to institutionalized *relationships* between producing and surplus-appropriating classes and allow for the ever-present potential of collective resistance from below. Instead, Wallerstein treats “labor control” primarily as a market-optimizing strategy of the dominant class alone.

One major theoretical effect of his reliance on liberal economics is a nonexploitative picture of the process of income distribution within the world system. To be sure, he argues that the forces of the marketplace tend to maintain established differences of “occupational” structure among regions (p. 350). But notice the reason offered: “a capitalist world-economy essentially rewards accumulated capital, including human capital, at a higher rate than ‘raw’ labor power . . .” (p. 350). Would a liberal economist say anything different, since all that is being argued here is that regions with the scarcer factors of production are differentially rewarded by the market?

Yet, of course, Wallerstein does argue theoretically that the structure and functioning of the world capitalist economy are inherently exploitative. He does so by assigning the international hierarchy of dominating and dominated states (especially core vs. periphery) a crucial mediating role in exacerbating and sustaining overall inequalities in the system as a whole. Thus he writes, “Once we get a difference in the strength of the state-machineries, we get the operation of ‘unequal exchange’ which is enforced by strong states on weak ones, by core states on peripheral areas. Thus capitalism involves not only appropriation of surplus-value by an owner from a laborer, but an appropriation of surplus of the whole world-economy by core areas” (1974, p. 401).

But, then, how are degrees of state strength and kinds of state economic policies to be explained? Here we arrive at the second reduction built into Wallerstein's model. For in his theory, differences of state strength and policies among states located in different major zones of the world system are explained as the result of differences in regional rates of surplus appropriation and, above all, as the expressions of the different world market interests of the dominant classes within the national political arenas that happen to be located in each major zone (chap. 3, *passim*). Thus the core area ends up with strong states primarily because there are more plentiful surpluses to tax and because the dominant capitalist classes want state protection for industry and their control of international trade; on the other hand, the periphery ends up with weak or nonexistent states because it reaps less from world trade and because its dominant capitalist classes are interested in profiting from direct dealings with merchants from the core areas. In short, to explain differences in state strength, Wallerstein relies upon arguments about economic conditions and world market interests, largely ignoring other potentially important variables such as historically preexisting institutional patterns, threats of rebellion from below, and geopolitical pressures and constraints.

Given that the economic structure and functioning of the world system have (logically speaking) already been explained in market-technological rather than class terms, Wallerstein *must* make this second reduction, of politics to world market-oriented class interest, in order to be able to assert that the system will be exploitative, and stably so over the long run. For as he points out, if states were equally strong (or potentially equally strong across the major regions), "they would be in the position of blocking the effective operation of transnational economic entities whose locus [*sic*] were in another state. It would then follow that the world division of labor would be impeded, the world-economy decline, and eventually the world-system fall apart" (p. 355). Without a hierarchy of dominating and dominated states corresponding to the existing pattern of economic differentiation, there is no worldwide "unequal exchange" in this theory. Ironically, then, Wallerstein has managed to create a model that simultaneously gives a decisive role to international political domination (curiously enough for a theory that set out to deemphasize the nation-state!) and deprives politics of any independent efficacy, reducing it to the vulgar expression of market-class interests.

Well, so what? Do these theoretical peculiarities matter? Certainly some quite implausible assumptions have to be made to make the model internally consistent. Since everything is directly or indirectly an expression of capitalist class interests (under given technical conditions), we are forced to assume that these classes always get what they want, reshaping institutions and their relations to producing classes to suit their current world market opportunities. At the same time, we must assume that, although all of the variously situated dominant capitalist classes want and are able to maximize their world market trading advantages, nevertheless *only* the

core-area capitalists want, need, and get the extra-economic assistance of strong states, while peripheral capitalists do not.

Still, the peculiarities and implausibilities would not matter very much if the model itself were genuinely useful for analyzing and explaining actual historical developments. But I believe that each of the two reductions in Wallerstein's model deprives him of crucial explanatory resources for understanding the patterns of history. Let me argue my case by examining in turn two major early modern European developments that Wallerstein himself stresses in *The Modern World-System*: (1) the resolution of the "crises of feudalism" into opposite socioeconomic structures in Eastern versus Western Europe; and (2) the emergence of monarchical absolutisms. Afterwards I shall draw some tentative conclusions about the overall validity of Wallerstein's model and about a possible alternative approach.

IV

One of the most striking developments in Europe during the "long sixteenth century" (1450–1640) was the divergence of economic patterns between northwestern Europe and Eastern Europe (including, e.g., Poland, Hungary, Livonia, and Germany east of the Elbe River). While in the West serfdom was virtually gone by 1600, and thereafter the commercialization of the social relations of agrarian production and the growth of industries were important trends, in the East the peasants had by 1600 become tied to the land so that labor and dues could be forcibly extracted from them by the landlords, and this so-called second serfdom was accompanied by the decline of towns and indigenous industries under bourgeois control. Moreover during the same general period East and West became more intensively linked through the Baltic trade, in which primary bulk goods, including especially grain, were exported from the East, which in turn imported manufactures, primarily from England and the Netherlands.

Clearly this pattern corresponds very nicely to Wallerstein's model of relations between core and periphery in the emergent capitalist world economy. This in itself is not really surprising, though, since Wallerstein's model, as he fully acknowledges, was originally inspired in part by the work of Marian Malowist, a historian who stresses the importance of the Baltic trade as a contributing cause of the Eastern versus Western divergence. Yet what was for the historian one contributing cause becomes for Wallerstein, given the dictates of his world capitalist system model, *the* theoretically significant explanation. Thus he argues, "The reason why these opposite reactions . . . occurred was because . . . the two areas became complementary parts of a more complex single system, the European world-economy, in which eastern Europe played the role of raw-materials producer for the industrializing west . . ." (p. 95). "The crucial considerations in the form of labor control adopted in eastern Europe were the opportunity of large profit if production were increased (because of the existence of a world market), plus the combination of a relative shortage of labor and a large amount of unused land" (p. 99).

To be really convincing, Wallerstein's explanation should meet two conditions. First, it should be validated (or at any rate not invalidated) by the timing, or sequence, of events; that is, if world trade opportunities really were the decisive cause of the "second serfdom," their availability should precede, or at least fully coincide with, the trends toward enserfment. But actually the process of enserfment was under way in virtually all areas by 1400 (Blum 1957, p. 820), and by "the end of the fifteenth century [i.e., 1500] . . . , from the Elbe to the Volga, most of the peasantry were well on the way to becoming serfs" (Blum 1957, p. 821; see also Carsten 1954, chap. 8; Slicher Van Bath 1963, pp. 156–57), whereas Eastern grain exports to the West began expanding significantly around 1500 and achieved their most sudden and sizable growth only between 1550 and 1600 (Malowist 1958, pp. 27–29), *after* the foundations of the coerced labor system were fully established.

Second, and more important, Wallerstein's emphasis on trade opportunities (as well as technical production possibilities) ought to be able to stand critical scrutiny in the light of comparative historical evidence. However, an important article by Robert Brenner (1976) entitled "Agrarian Class Structure and Economic Development in Pre-industrial Europe" strongly suggests that Wallerstein is misguided. Brenner shows that markets cannot solely or primarily explain social-structural transformations or economic developments because, depending upon the preexisting institutional patterns of class relations, different classes may be in the best position to take advantage of available trade opportunities and thereby have their particular positions strengthened. Thus Brenner points out (1976, p. 53) that in parts of northwestern Germany in the 16th century peasants (rather than enserfing lords) took advantage of the new export opportunities—"and they appear to have done so after a prolonged period of anti-landlord resistance." As for the Eastern lords, Brenner concludes (1976, p. 53), "No doubt, in this instance, the income from grain produced by serf-based agriculture and sold by export . . . enhanced the class power of the Eastern lords, helping them to sustain their seigneurial offensive. But the control of grain production (and thus the grain trade) secured through their successful enserfment of the peasantry was by no means assured by the mere fact of the emergence of the grain markets themselves." Rather, as even Malowist (Wallerstein's historical source) says (1958, p. 38), "trade developed in a form determined by locally prevalent social and economic circumstances and affected these in turn."

Brenner's carefully crafted comparative historical investigations suggest that to explain the divergences of socioeconomic developments in East versus West we must attend especially³ to the "*historically specific* pat-

³ Differences of political history and of the relative strength of towns have also to be taken into consideration in order to explain the socioeconomic divergences of East and West. Wallerstein mentions these matters briefly (pp. 97–98); they are discussed at much greater length in Blum (1957). But Brenner (1976, pp. 54–56) raises some important caveats about the influence of towns on the course of agrarian class struggles.

terns of development of the contending agrarian classes and their relative strength in the different European societies: their relative levels of internal solidarity, their self-consciousness and organization, and their general political resources . . ." (1976, p. 52). Thus Brenner makes a case that Eastern peasants were more easily and thoroughly dominated by their landlords because, for various specific historical reasons, they enjoyed much less village community solidarity and local political autonomy than did Western European peasants. The Eastern peasants found it more difficult, especially over the long run, to resist the lords collectively. Consequently, when the Eastern lords attempted to impose coercive controls, initially under conditions of economic crisis and labor scarcity, they succeeded, whereas lords in the West had failed in the same attempt under similar conditions during the 1300s (see Hilton 1969).

Moreover, Brenner goes on to apply his explanatory approach to another issue relevant for Wallerstein's theory: the problem of why English feudal agriculture was transformed in early modern times into an agriculture based primarily on contract rents and wage labor, while French, as well as Eastern European, agriculture was not so transformed. The detailed argument (which I shall not reproduce here) suggests that Wallerstein's theoretical neglect of the independent significance of institutionalized patterns of class relationships deprives him of an important tool for actually explaining, rather than merely asserting, both the "rise of the gentry" and the occurrence of capitalist economic-technological breakthroughs in English agriculture. For, as Brenner argues (1976, p. 37), "[E]conomic development can only be fully understood as the outcome of the emergence of new class relations more favourable to new organizations of production, technical innovations, and increasing levels of productive investment. These new class relations were themselves the result of previous, relatively autonomous processes of class conflict."

V

If Wallerstein's world-market theory prevents him from adequately explaining patterns of economic development in early modern Europe, it leaves him even less able to make sense of the patterns of state development. This was, of course, the era of the initial emergence of absolute monarchies—kingly governments that tried, with varying degrees of success, to impose protobureaucratic administrative controls and coercive monopolies over large populations and territories. Wallerstein recounts the phenomena of absolutism (chap. 3) and tries to subsume them within his theory by invoking the category of the "strong state." According to the theory, let us recall, strong states necessarily grow up in the core zone of the world capitalist economy. Thus Wallerstein asserts, "In the sixteenth century, some monarchs achieved great strength. . . . Others failed. This

His observations suggest that noting the relative strength of towns is no substitute for direct analysis of agrarian class relations.

is closely related . . . to the role of the area in the division of labor within the world-economy. The different roles led to different class structures which led to different politics" (p. 157). "In the core states there evolved relatively strong State systems, with an absolute monarch and a patrimonial State bureaucracy working primarily for this monarch. The venality of office and the development of standing armies based on mercenaries were the critical elements in the establishment of such a bureaucracy" (1972, p. 96). However, Wallerstein's attempt to equate the strong core state and absolute monarchy does not work. The historical evidence simply does not fit the overall pattern implied by the theory, for there were more and stronger absolutisms outside the core than in it.

Economically speaking, both the Netherlands and England were, according to Wallerstein's analysis, core countries. Were they also strong states? The "strong state" is defined theoretically by Wallerstein (p. 355) as strong "vis-à-vis other states within the world-economy including other core states, and strong vis-à-vis local political units within the boundaries of the state . . . also . . . strong vis-à-vis any particular social group within the state." Since the Dutch government was simply a federation of merchant oligarchies, Wallerstein does not even try to convince us that the Netherlands really was a strong state; instead he stresses the economic interdependence of England and the Netherlands and the transitional functions of Dutch economic primacy for the emerging world capitalist system (chap. 4, pp. 199 ff.). But he clearly wants us to believe that the English Tudor state was a strong core state (pp. 231–33)—even though (as he himself admits, pp. 234–35) the English monarchs had no large standing armies and no bureaucratic administration that penetrated the localities. In fact, the English monarchs could rule only through cooperation with locally powerful notables, the county-Parliamentary gentry and the London merchant oligarchy.

What about the true absolute monarchies of Europe, such as the Spanish, the French, and the Swedish? Wallerstein stresses the bureaucratic weight and military aggressiveness of the Spanish state whenever he is trying to account for European domination of the New World and when (chap. 4) he discusses the Hapsburg attempt at empire building within Europe. Then, suddenly, Spain drops out of the picture, even though her monarchy remained thoroughly absolutist and, arguably, just as internationally powerful as the English government throughout the entire historical period under consideration.⁴ (Perhaps the English state was more effective in

⁴ Apparently Wallerstein believes that he need not treat Spain and England as comparable in the same analytic terms. Instead he builds a series of contrasts between Spain as a would-be empire and England as a would-be national state. These arguments are fascinating and ring true in many ways. But they suffer from two difficulties: First, they are usually teleological (and thus credible only if we grant that political rulers were extraordinarily farsighted about the emergence of a world economy, which the Spanish supposedly were trying to subsume and control, while the English supposedly were trying to become a core state). Second, their theoretical status is unclear because Wallerstein has given us no categories for analyzing the politics of

promoting certain protomercantilist policies, but if this alone were used as the index of “state strength,” the entire argument would become circular—and, of course, Wallerstein’s initial focus on “absolutism” would be belied.) As for France, the theoretically induced dilemma that Wallerstein faces is how to explain why this country, situated only partly in the core zone, partly in the semiperiphery, actually developed a much stronger state than did either England or the Netherlands. To cope with this dilemma, an alternative ad hoc (and, of course, teleological) explanation of state strength is introduced: France “had to” develop a centralized, bureaucratic monarchy in order to hold together her differently oriented capitalist classes (chap. 5, pp. 263–69, 283 ff.). Similarly, when another, even more blatantly deviant case comes up—that of Sweden, with probably the most powerful and dynamic absolutism of the era (see Anderson 1974, part 1, chap. 7)—Wallerstein introduces still another ad hoc explanation:

The position of Sweden is worth brief attention, as the evolution of Sweden’s state machinery approached the model of western Europe rather than that of the periphery, although it was economically very underdeveloped at this time. It was strong, not because its commerce and industry was [*sic*] strong . . . ; it was paradoxically rather that its agriculture was weak, and its aristocrats wished to take hold of the profits of other lands for want of being able to create them on their own. . . . As a peripheral state with a weak bourgeoisie, . . . [Sweden] was an arena in which the political power of the aristocracy grew with the economic expansion of the sixteenth century. But the growth of wheat was hindered by the climatic downturn of the time which affected negatively in particular the Scandinavian countries. The nobility hence needed conquest and for that they needed a strong, not a weak, state. Once they had the strong state, they would be able in the seventeenth and eighteenth centuries to use mercantilism as a lever of industrial advance, and hence be spared the fate of Poland. [Pp. 312–13]

But with this final explanatory maneuver, Wallerstein thoroughly contradicts his original assertion that the strongest absolutisms should emerge in the core and certainly not in the periphery. For Sweden demonstrates (as does Prussia, after 1650) that a very strong state can be built on a peripheral agrarian base, and that, once built, it can reshape the economic future of the area in question.

Clearly, neither the differential appearance of absolutist states in early modern Europe nor their effects upon economic development are adequately accounted for by Wallerstein’s world capitalist system theory. Better (though not unambiguous or flawless) treatments of patterns of state development are to be found in Anderson (1974) and Tilly (1975). These works suggest that, although no simple or monocausal explanation of state building is possible, two main sets of variables can go a long way toward accounting for the variations. First, internal class structures were

European feudalism; thus, we do not know (except through ad hoc comments) the basis for the “imperial” aspirations of European aristocracies.

important, not because economically dominant classes got automatically what they wanted, but because different patterns of class relationships and alliances—including relationships and alliances involving agrarian feudal classes—created different possibilities for monarchs to extract resources and encouraged them to use available resources in different ways. Second, transnational structures were important, too—including the networks of trade and economic interdependence to which Wallerstein points. But not only these: for an equally if not more important transnational structure was that constituted by the system of politico-military interactions among emerging European states. This “European states system” set up pressures, constraints, and opportunities, varying according to the specific geopolitical situation of each country, which helped determine the kinds, strengths, and policies (including economically relevant policies) of the states that developed (or did not develop) in various times and places. Here is a kind of “world system” that Wallerstein seems inclined to emphasize when he contrasts feudal Europe with China in chapter 1; moreover, it resonates with his theoretical stress on “multiple sovereignty” as a defining feature of capitalism. But, unfortunately, the independent reality and effects of a system of militarily competing states cannot be comprehended by a theory that reduces politics to the expression of market situation and class interests; so Wallerstein neglects this explanatory resource as well.

In early modern Europe, incessant military competition among monarchies was an important spur to, and arbiter of, strong state building, for the main use of enlarged royal tax or loan revenues was the building up of standing armies and their deployment in wars. Not surprisingly, those monarchies that found it both necessary and possible to extract the resources (by various means) to build the largest land armies were also the ones that developed the strongest and most bureaucratic administrative machineries (needed to tax the peasants and/or control commerce and/or absorb upper-class subjects). But these were not the countries that found themselves during this period at the center of the nascent capitalist commercial economy. The Netherlands, as Wallerstein himself points out, was a small country whose survival depended upon military balances among her powerful neighbors. And England could remain somewhat aloof from the continental military system (given the nature of the military and naval technology of the times) because of her island situation. Because of their prior political histories and relatively sheltered geopolitical circumstances, England and the Netherlands happened during this period to have governments uniquely responsive to commercial-capitalist interests. These were not bureaucratic governments (even by the standards of the time) and for that very reason they were not so strong (esp. the monarchy over against the dominant classes) as to be able to stifle commercial development or protect the lower classes (as the French monarchy did its peasantry) against encroachments upon their position or very existence by capitalist landlords or bourgeoisies.

Indeed, it was probably one necessary condition (as was England’s increasing centrality in world trade) for continuing capitalist development

in early modern Europe that England's would-be absolutisms did not, in the final analysis, consolidate themselves. Because they did not, and because England's geopolitical situation allowed her to get along without a military absolutism, agrarian commercialization—which must itself be explained by reference to developments over time of class structure and conflict (see Brenner 1976)—could proceed unhindered, and eventually facilitate the Industrial Revolution. Then, once capitalist relations of production and accumulation were firmly established in England, the dynamics of the European states system ensured that capitalist relations would spread both across Europe and over the entire globe through state initiatives by competing powers and through military conquests, as well as through market expansion.

Interestingly enough, in his detailed historical discussion of England, Wallerstein himself makes points about her geopolitical situation and state structure similar to the ones I have made here. Indeed, the rich historical chapters of *The Modern World-System* (e.g., chaps. 4 and 5) provide many pointers for someone interested in developing new hypotheses about relationships among various dimensions of state strength and processes of capitalist development. The implicit hypotheses do not, however, square very well with Wallerstein's basic model of the world capitalist system. For, if the strongest states are not always in the core and if, in fact, equally strong or stronger states can grow up in the periphery (not to mention the semiperiphery), then according to Wallerstein's own logic (pp. 354–55) the economic division of labor cannot be presumed likely to hold together over time as a “system” and the differential flow of surpluses to the core is likely to be disrupted. Empirically speaking, these disruptive possibilities seem especially likely in later stages of world capitalist development, when strong, noncore states, perhaps created through revolutions from above or below, may be able to initiate rapid industrialization or other programs of economic development. Perhaps we still sense that Wallerstein's vision of an enduring, exploitative division of labor is correct, but in that case the theoretical reasons why it is correct must be found elsewhere than in the market economics and the economic-reductionist political sociology of Wallerstein's own model of the world capitalist system.

Without pretending to offer a fully worked out alternative paradigm, I suggest that, instead of exclusively pursuing Wallerstein's world system approach, we should investigate the world-historical emergence and development of capitalism in terms of hypotheses about variations in both (1) institutionalized class relations of production and exchange, and (2) patterns of state structures and interstate relationships, without simply reducing the latter to the former. To be sure, markets and patterns of trade are bound to be part of the picture, but it seems unlikely that they can be understood in their origin, functioning, or effects except with reference to changes in class and political structures. The alternative picture of world capitalism that is likely to emerge from historical analyses pursued along these lines will probably pertain to intersecting structures (e.g., class structures, trade networks, state structures, and geopolitical systems) in-

volving varying and autonomous logics and different, though overlapping, historical times, rather than a single, all-encompassing system that comes into being in one stage and then remains constant in its essential patterns until capitalism as a whole meets its demise. But this is only meant to be suggestive, not definitive of a true alternative to Wallerstein. Others may prefer to retain his idea of a worldwide economic division of labor and seek to explicate it theoretically and ground it historically in new ways.

VI

Finally, aside from this substantive critique of Wallerstein's approach, two methodological criticisms need to be made. The first has to do with the way Wallerstein handles historical evidence in relation to his theory-building enterprise. In many of the arguments cited in this essay, we have witnessed the major method of argumentation to which Wallerstein resorts: the teleological assertion. Repeatedly he argues that things at a certain time and place had to be a certain way in order to bring about later states or developments that accord (or seem to accord) with what his system model of the world capitalist economy requires or predicts. If the actual causal patterns suggested by historical accounts or comparative-historical analyses happen to correspond with the a posteriori reasoning, Wallerstein considers them to be adequately explained in terms of his model, which is, in turn, held to be supported historically. But if obvious pieces of historical evidence or typically asserted causal patterns do not fit, either they are not mentioned, or (more frequently) they are discussed, perhaps at length, only to be explained in ad hoc ways and/or treated as "accidental" in relation to the supposedly more fundamental connections emphasized by the world-system theory.⁵ Frankly, I find this aspect of Wallerstein's approach very disturbing because it has the effect of creating an impenetrable abyss between historical findings and social science theorizing. For, through his a posteriori style of argument, deviant historical cases do not force one to modify or replace one's theory, while even a very inappropriate model can be illustrated historically without being put to the rigorous test of making real sense of actual patterns and causal processes in history. This has been exactly the methodological shortcoming of modernization theories, and it needs badly to be overcome in any new paradigm for development studies!

Which brings me to my second and final methodological point. At the

⁵ Why does Wallerstein resort to this a posteriori style of argument? In his "Introduction" he argues that astronomers use this mode of argument to explain the evolution of the universe—a unique system supposedly like the world capitalist system (pp. 7–8). But, as Friedmann (1976) points out in a brilliant critique of Wallerstein, astronomers do not have historical evidence (not much, anyway) to test their hypotheses, whereas social scientists do. Yet I suggest that the very content of Wallerstein's theory makes it awkward for him to use historical evidence effectively. For historians stress chronologically ordered causal processes, while Wallerstein's world market approach prompts him to stress synchronic interdependencies (see 1974, p. 403) and anticipatory acts on the part of profit-maximizing capitalists and "entrepreneur-like" (p. 60) nation-states.

beginning of this review essay I pointed out that Wallerstein hoped to overcome the worst faults of modernization theories by breaking with their overemphasis on national states and their tendency toward ahistorical model building. Ironically, though, he himself ends up reproducing the old difficulties in new ways. Thus strong states and *international* political domination assume crucial roles in his theory—though, just like the developmentalists, he reduces politics to economic conditions and to the expression of the will of the dominant groups within each national arena! Moreover, as we have just seen, Wallerstein creates an opposition between a formalistic theoretical model of universal reference, on the one hand, and the particularities and “accidents” of history, on the other hand—an opposition that uncannily resembles the relationship between theory and history in the ideal type method of the modernization approach.

How could these things happen, given Wallerstein’s original intentions? The answer, I suggest, is the “mirror image” trap that plagues any attempt to create a new paradigm through direct, polemic opposition to an old one. Social science may, as is often said, grow through polemics. But it can also stagnate through them, if innovators uncritically carry over outmoded theoretical categories (e.g., “system”) and if they define new ones mainly by searching for the seemingly direct opposite of the old ones (e.g., “world system” vs. “national system”). For what seems like a direct opposite may rest on similar assumptions, or may lead one (through the attempt to work with an artificial, too extreme opposition) around full circle to the thing originally opposed. The better way to proceed is to ask what new units of analysis—probably not only one, but several, perhaps changing with historical points of reference—can allow one to cut into the evidence in new ways in order to investigate exactly the problems or relationships that the older approaches have neglected.

This review essay has obviously been a very critical one. In it I have grappled with a monumental and difficult book, trying to pinpoint and critically examine the theoretical essentials of its argument. No one should suppose, however, that I am suggesting that we dismiss or ignore Wallerstein’s on-going study of the world capitalist system (for this is just the first of four projected volumes). On the contrary, I can think of no intellectual project in the social sciences that is of greater interest and importance. Even if Wallerstein has so far given imperfect answers about the historical development of capitalism, still he has had the unparalleled boldness of vision to raise all the important issues. Even the shortcomings of his effort, therefore, can be far more fruitful for the social sciences than many minute successes by others who attempt much less. No book could have been more deserving of the Sorokin Award than *The Modern World-System*—and no book is more worthy of continued attention and debate.

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A SOCIOLOGICAL PERSPECTIVE ON WALLERSTEIN

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Immanuel Wallerstein's book has been hailed by some as a tour de force because of its scope and his aspirations. As such, it deserves critical reviews in addition to those which heralded its publication.

Wallerstein's synthetic monograph, *The Modern World-System*, requires scholarly assessment by economic historians, that is, by those economic historians sympathetic to comparative history that emphasizes social structure. No doubt, in the course of academic events, this study will be judged by such specialists. But Wallerstein also offers his endeavor as a contribution to macrosociology and to comparative societal analysis. Sociol-