

strata internal to each semiperipheral country, including such strata in the socialist semiperipheral states.

It can be predicted that the period of world-economic downturn will be a period of 'low profile' for the multinationals. They will be on their best behavior, particularly *vis-à-vis* the governments of semiperipheral states. They will act in a sophisticated manner and make many concessions. They will even minimize, to the extent possible, their political links with core states, particularly the US. They will offer the equivalent of a world welfare state for the world's 'middle' strata, provided that they can continue to function and make *real* profits, whatever the channel. They will only be countered by equally sophisticated tactics on the part of socialist forces who remember three points: (1) the internal class struggle continues unabated in the socialist as well as the 'non-socialist' semiperiphery; (2) the professional strata of the stronger semiperipheral states will tend to be Trojan horses and can only be effectively neutralized by strong workers' organizations that give due place to the poorest sector of semiproletarianized workers; (3) it will take considerable effort and sacrifice by semiperipheral states to maintain an alliance with peripheral states, *especially* in an era of world-economic downturn.

We are not at Armageddon. But we are at an important turning point in the historical life of the capitalist world-economy. The next twenty-five years will probably determine the modalities and the speed of the ongoing transition to a socialist world government. We could emerge with a real strengthening of world socialist forces. But there could as well be a setback. One of the critical political arenas is precisely the semiperiphery.

The rural economy in modern world society

The period after the Second World War was one of steady expansion of the world-economy within a framework of US worldemony at all levels – economic, political, military, and cultural. During this period that such ideas as the 'dual economy' and 'economic development' took root, presumably as concepts with which one could formulate a policy that would bring the 'Third World' (another concept of this era) into a more equitable share of the expanding world pie. These concepts were not merely economic tools; they represented political programs, and popular ideas at that. But since about 1967, there have been a series of highly interconnected events – the oil crisis, the food crisis, the Vietnam war of the United States in southeast Asia, Watergate, international monetary fluctuations, and world-economic downturn – all of which have been enough to raise great doubts about the 'development theory'. In particular, one of the key questions is: Are there indeed entities suitable for development 'in the Third World'?

I would phrase the intellectual questions of our time – which include the moral questions of our time – as follows: (1) Why is there poverty amidst plenty, and poverty amidst prosperity? (2) Why do not the many who are afflicted rise up against the few who are privileged, and smite them? You may note that I have affected the language of the King James edition of the Bible. I have done so to signal two things. At one level our problems are biblical in nature, that is eternal ones, ones that confront all of human history. At a second level, they take on a specifically modern form, of

originally delivered as the keynote address for Conference on Food and the Rural Economy: Rural Populations in the Industrial Food System, held at Harvard University on 2-3 May 1975, and sponsored by The Center for Ethics and Society, Lutheran Church in America.

a world whose origins in the sixteenth century are heralded precisely by this King James version – a new language for a new era. It is this modern world and its structure we must examine in order to find the causes and the remedies of our present dilemmas.

What was this 'new world'? It was the emergence in the sixteenth century of a capitalist world-economy, whose geographic bounds were initially largely in Europe but which has since come to cover the entire globe. While this world-system is quite different from any of the various systems that existed prior to this time, one of my main themes will be that, despite internal growth of the structures and productive forces of this capitalist world-economy, and despite the fact that this system has been effectively challenged for the first time in the twentieth century, none of its fundamental characteristics has yet changed, and that it will mislead us grievously if we start our search by looking for what is new today rather than for what are the long-term, continuing features of this system.

What distinguishes capitalism from prior systems is the orientation of production to capital accumulation via profit realized on a market – this market is, and has been from the beginning, a world market. This makes capitalism into a form of social organization whose prime object is its own perpetuation in an ever-expanding form (the true Promethean myth). The major weapons in this process are increased efficiency of production and the denial of the desires of most people in terms of immediate consumption. Efficiency is translated into plenty and prosperity. Denial is translated into hunger and poverty. The mechanisms by which such a system works and maintains itself in existence as a system are elaborate, subtle, and devious.

Efficiency of production and denial of consumption are a beautiful example of a contradictory symbiosis. In one sense, they work hand in hand; in another, they go in opposite directions. The history of the modern world-system is the history of how this contradiction has been held in check, harnessed to the perpetuation of the system, kept from rending its fabric. This will not be possible forever, but it has been possible for a long time, and it will not disappear in one fell swoop for a while yet. Describing how this contradiction works will give us the answer to our second question.

First let us examine the contrary pushes. On the one hand, both more efficient production and the denial of consumption create a larger unconsumed surplus which, if reinvested in capital goods, will expand total production still further. And if part of this surplus is expended on technological invention, the long-term surplus will be magnified still further. Whereupon, if the margin of consumption goes down, remains steady, or even expands more slowly than the rate of production, still more capital is accumulated. And so it goes.

There is one small problem. To accumulate capital, one must realize profit. To realize profit, commodities must be sold on a market. To buy commodities, someone must have money, and once the commodities are bought they are consumed. So it happens that too much denial of consumption interferes with the system every bit as much as too little denial.

The alternation between too much and too little is reflected in the periodic cycles, or crises, of the system, these so-called crises being mechanisms of adjustment. I do not think one can reasonably call them mechanisms of equilibrium because disequilibrium is in fact the true axis of the system. There may still be a few persons surviving who honestly believe there is an unseen hand regulating and harmonizing the system, but magical beliefs need occasional confirmation to renew themselves, and world disharmony has been so giddily obvious for so long that all the imprecations of Milton Friedmann cannot persuade even the most stalwart conservative politicians actually to stand back and let what happens happen.

Not only is the capitalist system not properly described as a system of free enterprise today, but there never was a moment in history when this was a reasonable descriptive label. The capitalist system is and always has been one of state interference with the 'freedom' of the market in the interests of some and against those of others. What has sometimes kept us from seeing this as clearly as we might is that we failed to be very clear about the unit we should analyze.

The scope of an economy is defined by the area within which an effective division of labor exists. And since the beginning of the system, the boundaries of the real division of labor have always been larger than that of any particular sovereign entity. Hence

Wallerstein
views capital
accumulation
the driving
force behind
capitalist
economics
NOT
consumption
Who's right?
another
interpretation
bias

while within a few states, for very brief moments of historical time, it seemed as if the state did not involve itself in the workings of the internal market, the true market has always been the world market, within which some states were always acting to affect the terms under which transactions were made.

Thus we come to the fundamental structural feature of the modern world-system, an economic arena larger than any political unit, within which regions might be classified as performing the roles of core or peripheral areas (and of semiperipheral ones as well). It was this structure that permitted the privileged few to navigate between the shoals of achieving 'too much' versus 'too little' consumption, thereby continually afflicting the many. But the many who were afflicted were not continually the same ones, or at least the degree of affliction varied between afflicted groups over time, which is one of the reasons why the many have not smitten the few.

Not only have different goods been produced in different sectors of the world-economy but the workers who produced these different goods have been paid differential wages, which has been at one and the same time a means of transferring surplus from one area to another (so-called unequal exchange) and a means of becalming social protest in the politically key core areas of the world-economy. We may only have discovered this reality recently, but as a social phenomenon it dates back to the sixteenth century.

While the inequality of the exchange has remained constant, the degree of inequality has varied, in response to the cycles of overall expansion and contraction the world-economy has experienced continually. This variance is what we mean by shifting terms of trade, which is an economist's mode of summarizing in an index world-wide shifts in investment emphases, the response to the permanent disequilibrium of supply and demand in a market economy. Another way to say this is that 'too much' consumption of one good is always 'too little' of another.

Along with the cycles there is a secular trend. The major solution to the contradiction of more efficient production and constraint on consumption is to expand both production and consumption extensively - to 'expand the pie' quite apart from improving the technology. One would think there are limits to such extensive expansion which is a geographic expansion, and

indeed there are. But we have not yet reached them! The 'world' has been expanding geographically since the sixteenth century and it is still doing so. What makes us fail to see this sometimes is that the world-economy has long since touched the outer limits of the globe, but it has done so by skipping over interior areas.

Of course, we have not failed to notice this. But the major form of taking notice of this phenomenon has been the theory of the dual economy, that is, the argument that there are some areas included and some not included in the world-economy. The fact is that both areas are included in this world-economy, but in different ways. Furthermore, this dual mode of involvement is neither capricious nor a sign of failure of the system, but is precisely its cornerstone. The slowly developing, slowly eroding, marginal, largely subsistence sector of the world-economy, within which live the largest part of the world's rural populations who are presumably our concern here, do not pose a problem to the capitalist world-economy. These areas are and have been from the beginning one of its major solutions.

Let us see how this 'solution' works. In the sixteenth century, at a moment of overall expansion of the European world-economy, there were two major peripheral areas - eastern Europe, which produced primarily wheat and wood, and Iberian America which produced primarily bullion, but also sugar, indigo, and some other raw materials. As the world-economy expanded, a greater quantity of production of these goods was required. It was obtained by one variant or another of the 'plantation system', using the term loosely and not technically. I mean here by 'plantation system' any form of social organization that grouped relatively large areas of land together with a work force whose legal ability to choose employment was constrained.

Such forms of social organization were low cost, in that the low real wages compensated for the costs of supervision and lack of skill of the work force. They also minimized interruptions of production. The exact social forms varied: the so-called second serfdom in eastern Europe, the encomienda system in Hispanic America, slavery, etc. With such a system, the entrepreneur (usually a landowner) could control the total quantity of production, responding (however imperfectly) to the world market. In particular, if further expansion were called for, it was relatively

easy to involve a larger land area, as there tended to be a land surplus. Workers in the periphery were in shorter supply and sometimes employers had to go further afield to obtain them.

When world-wide contraction occurred in the middle of the seventeenth century, what happened to these areas of coerced cash-crop production? Since the world market had a lowered demand, it was not rational for the landowners to produce at the same rate, or for some of them to produce at all. We then saw occur what has sometimes been called 'inversion'. Cultivated areas were left untended. The workers were permitted, nay encouraged, to take up a plot of land and feed themselves off it. Trade with the rest of the world diminished. Handicrafts, which had previously died out, were revived. The commercial estate seemed to be reverting to the status of a self-sufficient manor once again. The *encomienda* was transformed into the *hacienda*. The landlord himself moved from the city to the rural area, to partake at least partially in the isolated subsistence economy.

From the point of view of the world-economy, overall production was being brought in line with overall demand. In some cases, new peripheral areas were being opened up, on fresh soil, or under different political control, precisely as old areas were 'inverting'. From the point of view of the landlord of an old area, he eliminated most of his overhead cost of maintenance by 'permitting' subsistence farming. And, which is key, he kept intact a legal title and a work force which made it easier fifty or one hundred years later for his descendants, once the prospects of the world-economy had turned upward, to lay claim once again to re-establishing the plantation system. This is what happened in eastern Europe and the Americas after 1750.

But something else happened. There was extensive (geographic) expansion as well, and also intensive expansion (the industrial revolution). Not only were the 'old' areas and the old work force which had been temporarily withdrawn from the world-economy reinvolved, but additional areas and new work forces were included as well. If then one thinks of inversion therefore not as withdrawal of individuals from a system, but rather a mode of reducing recurrent costs at a moment of slowdown in the system, it is hard not to perceive how important this is to the maintenance of the system and how relatively deliberate is the

Plantation
system
small % of
substance
of the
economy
the largest
of the
populace

policy. Nor is this the only way in which those persons seemingly outside the system are in fact inside it. As we move forward in the history of the world-system the overt coercion of coerced cash-crop labor steadily diminished. Slavery was abolished; so was serfdom; so even was peonage. There were several reasons for this.

First, elimination of geographic zones outside the capitalist world-economy (from which slaves, for example were taken) raised the real economic cost of such social forms and made them less plausible. Second, the process of maintaining relative social peace in the core areas required the elaboration of various ideological schemes of 'freedom', which had the inconvenience that the concept spread to realms for which it was not intended. Hence the world 'cultural' ambience took on characteristics that made the more overt forms of coercion more politically costly as well. Third, structural substitutes were evolved which gave virtually the same results. In part the coercion was more hidden. In part, the 'higher' wages of the less coerced labor turned out not to be higher wages.

It is this last point that must be elaborated, for it is crucial. If one reads economic history of the Middle Ages, one finds that carpenters' wages were computed by the day. As the modern factory system emerged in the nineteenth century, we find that workers tended to get a weekly pay envelope. As a mark of status, white-collar workers were and often are paid bimonthly or even monthly. Professionals receive contracts defined in terms of annual salaries. This time variance has something to do with the fact that the lower the true income, the lower the liquidity of the individual, and the more essential it is to have frequent payments. This variation is also a form of mysticism, conferring prestige and even privilege - for the larger the time period of single payment, the greater the possibility for the individual recipient to opt among alternative consumption patterns.

These explanations are from the point of view of the worker + his needs, his preferences. What of the employer? The employer is primarily concerned with the size of the overall wage bill over a long period of time as partly determining his 'costs of production'. The major way an employer can reduce this wage bill is if he can arrange it so that the wages of the employee are not

Wages
increasingly
determined by
teleology
(Reminiscence of
history vis-
vis change
of the
hierarchy)
Conspicuous
and
conscious

the only source of real income. To the extent that this is so, whoever provides additional sources of real income to the employee (for other than additional productive work) is paying part of the overall wage bill.

The only meaningful way to calculate real income for a worker is real lifetime income – from birth to death. Take a typical wage worker in the contemporary United States. Let us assume, to simplify the matter, that he is married, that he has a non-working wife and non-adult children, that he is steadily employed from entry into the labor market until retirement, and that he did not inherit any money from his parents. His real life income is made up of two parts: his wages, and various government benefits (social security, etc.): The latter in turn are in part merely a disguised savings program, in part employers' contributions, and in some part a redistribution via taxation of someone else's wages. Out of his real life income, he is supposed to sustain himself from entry into the work force until death, sustain his wife from marriage to her death (via life insurance, if she dies after him, etc.), and sustain his children from birth until their entry into the work force. The money he expends on his children may be seen macrocosmically as replacement for the money spent on him and his wife during their childhood by their parents. Therefore it can be said a worker pays for his own childhood costs. What he will consider an absolutely minimum wage must be a wage that will at some bare level cover the above costs for the whole of the periods indicated. His interpretation of a minimum wage must be accepted by the employer if there is not to be acute political conflict. Normally, the employer accepts it.

Let us take a typical wage worker in the peripheral areas of the world. He may be a factory worker in town or in a mine, or more frequently a wage laborer on a cash-crop plantation. If the latter, he will be performing the economic function of the Polish serf or the Indian *encomendado* of the sixteenth century, but now as a 'free man' receiving wages. There will be one key difference between this peripheral wage worker and the one in the United States. He will be far more likely to be a migratory worker. I do not refer to the minor variety of migratory worker who moves domicile seasonally. I mean the one who spends part or even all of his adult working life in cash employment but who spends

childhood and probably 'old age' (which may in practice be the period after thirty years of age) in his rural 'subsistence' community.

Let us analyze this man's real income and his expenditures. In childhood, he (and his wife) are sustained by their parents who quite possibly were not wage employees, in which case, his expenditures on his children are not substitutable for his parents on him. During his adult cash-work life, he sustains himself, but quite possibly his wife and non-adult children are sustained in his home village out of village resources. When he ceases cash work and returns to his village, he is unlikely to receive many government benefits, but will rather live on what can be obtained in the village. His real life income is essentially a composite of what his employer has paid and his income from the so-called subsistence economy. Thus, unlike his counterpart in the United States, this semiproletarianized worker is able to claim as a minimum viable income from his employer not what it takes to sustain him and his wife throughout the life cycle but only what it takes to sustain him (and only possibly also his wife) for the number of years he actually works for the employer. The difference in annual or weekly minimum wage will be considerable if this wage is supposed to be allocated over twenty years instead of sixty, and it is the immediate employer and all those who purchase his product who draw the profit from this reduced minimum wage.

From whom do they draw this profit? From the producers in the rural subsistence economy, presumably totally or largely outside the capitalist world-economy. Somewhere in a remote village at this moment a non-wage worker is producing a surplus in which, via multiple intermediaries, each one of us is partaking, if to different degrees. But this particular transfer of surplus is well hidden from view because its traces are swallowed up, in the obscure facts of the life cycle of the non-wage worker's cousin, the wage worker of the peripheral areas.

This is a crudely drawn picture. But we must really stop there and contemplate this central economic reality if we are going to speak meaningfully about the contemporary 'food crisis'. How does this perspective aid us to understand the food crisis? For several years now, there has been an acute famine in a semiarid

belt in tropical zones, reaching across Middle America, the Sahelo-Sudanic region of Africa, and south Asia. How do we explain it?

From a short-run perspective we can talk of various minor climatic shifts which reduced output in marginal areas to near zero while reducing total output in the world's lush areas. This has also some short-run self-reinforcing patterns. For example, when a sedentary farmer abandons his land because of drought, he thereby also reduces the following year's production, because he does not sow. This is a very short-run perspective. We could also mention the fact that during the post-Second World War economic expansion, many of the countries now experiencing acute famine were encouraged to expand non-food cash-crop production at the expense of food growing areas, partly by the lure of profit, partly by the world market uncompetitiveness of their food production in relation to mechanized production in the United States, Canada, Australia, etc., and simultaneously by the political distribution of surplus food by these latter countries. When some of the richer countries began to expand meat production as a result of their increased prosperity, they reduced the margin of 'overproduction', so that when drought struck, there was a sudden world-wide penury of grains.

But the long-run causes are as always the most important. Basically, over two hundred years, the so-called subsistence areas of the peripheral countries have been undertaking to produce a larger and larger food surplus on land which has been unimproved by technology, and this process has led to massive erosion on a world scale. If one throws into the balance the fact that the one indirect benefit of modern technology obtained by the people of such areas has been a lowering of the incidence of endemic disease, the increased burden on the land has been greater still.

Add the fact that immediate climatic conjuncture joined a turn in world-economic cycles, and the pattern of the near future becomes clear. Millions will die of quick starvation. Millions more will die of slow starvation. That is, many will be forced off their land, salvaged by humanitarian agencies, drift to bidonvilles in towns, and die over a ten-year period for lack of employment and because their networks of social security have been disrupted.

And then what? Much land will have been cleared of most of its present population. Such land will be regrouped under new

ownership in a plantation form. It will be partially mechanized. The owners will hire wage workers and will sell the commercial products (including food) on a world market. Who will own these plantations? There are several possibilities: the states, cooperatives of small commercial farmers, multinational corporations, or some combination thereof.

On 18 March 1975, *The Wall Street Journal* ran an article whose headline was 'Multinational Firms Help Poorer Nations to Boost Food Output'. The subhead went further: 'By lending their expertise, companies polish image; ultimate motive: profit.' This article describes among other things the role of the Industry Cooperative Program of the Food and Agricultural Organization in bringing together multinationals and the governments of peripheral countries in joint ventures that will be 'mutually profitable': 'Booker McConnell [Ltd, a big British foods company] has a management contract to run a sugar operation in Mumias [Kenya]. "We earn a profit from it," says Mr Bishop, the chairman of Booker McConnell]. He says it's not as big a profit as might be earned from a 100% company-owned plant, but the capital investment is less, and there aren't any risks of capital loss.'

What we shall probably see in the next fifty years is the last great expansion of the world-economy. The ground will be prepared by world-wide agricultural reorganization during the downward cycle and then, in about 1990 or whenever the world-economy expands again, the shift to wage employment, the proletarianization of the work force, may become virtually universal.

When this happens, the contradiction between greater efficiency and denial of consumption will become far more acute, both because it will no longer be soluble by a further expansion, and because the cash nexus, having become universal, will also become extremely visible. The system will not be able to survive the light of day.

In this coming period, rural areas will not 'develop' any more than they have in the past, although of course some selected areas may improve their relative standing in the world pecking order of surplus extraction. But any such gain will be at someone else's expense. There will however be an important change. The world political conflict will surely have developed along lines that are

reason?

visible now and perhaps also along some that are unexpected. The conflict will be essentially between those who will try to hold on to a capitalist world-economy that will have exhausted its ability to expand further the forces of production, incapable any longer of holding the contradictions in check, and those who will seek to construct politically a very different kind of world order, a socialist world government.

I shall end on the note of an ethical question: how can we view our own situation in light of this world-system? Suppose I am a strong swimmer swimming at an ocean beach and the sea is choppy. Suppose some motorboats engaged in a race come closer to shore than they should and cause already high waves to become suddenly higher. Suppose a weak swimmer nearby begins to drown.

In analyzing the causes of the dilemma, I could point to the short-term fact that the weak swimmer had failed to get in shape in prior weeks and had thus become exhausted easily. Or I could offer a middle-term explanation that the motorboats recklessly caused already high waves to become even higher. Or I could look at the long-term social roots. The community, though warned, had failed to build breakers to reduce the waves. Or the community had failed to ban motorboat races, or at least police them so that they were less dangerous.

The drowning man would prefer I save his life than analyze the roots of his dilemma. It is thus that the food crisis is often presented to us. There is drought in Ethiopia or earthquake in Brazil: send food, or medicine, or tents, and send them instantly. Who dares say no? Suppose I change the 'givens' slightly. Perhaps I am not in the water myself but on the beach and hence the drowning man is further away. Suppose not one man is drowning but one thousand, but for all the same reasons. Then my ethical dilemma might conceivably be posed as a choice between four courses of action:

- (1) I could swim out to save people. I could probably save one or several. What would happen to the rest is uncertain.
- (2) I could spend a little time locating a nearby lifeline and toss it into the water. This might save fifty. But the one I might have saved in plan (1) will probably drown in the meantime. What happens to the other 950 is in doubt.

(1) I could do something to stop the speedboats. This might take even more time than locating the lifeline. I probably could save 950, but perhaps the 50 that would have been saved by plan (2) might have drowned in the meantime.

(2) I could seek to change the laws and/or attitudes of the community. Powerful groups would oppose me. I would have to prepare for an organized struggle. Nonetheless, this might save all future swimmers. Meanwhile however, it is conceivable that the present thousand might go under.

It is not easy to decide what to do. You will want more details. You will prefer to do all simultaneously, which is not possible.

You may get angry and deny the dilemma, saying no one will drown if they will only swim. Or you may find the moral choice too difficult for mere humans, and leave it to the will of God.

My own penchant is to do (3) in the immediate and then move on to (4). I can understand how others might choose differently.

I can respect these other choices, if made with clarity of vision and understanding of the consequences and of who it is that will benefit from each of the various solutions to the dilemma. The basic problem is one concerning the structure of inequality of the present world-system. As long as it persists, swimmers will drown. But it is not inevitable that swimmers drown.

Scholars are in the business of doubt. Truth is the objective but one that is never realized, one that is at best momentarily approximated. Churches are in the business of faith. But faith in things sacred implies doubt about things secular. So scholars and churches, and indeed the rest of us, which is most of us, can come together as doubters. For we not only have the right to doubt about the efficacy and the virtue of what is, but we have the moral duty to do so, and to act against what is doubtful. In this fashion, doubt is the beginning of hope and therefore of faith.

Reason?
Limits
Time
Bound

7 ♣ Modernization: requiescat in pace

When a concept has died, some try to revive it by invoking it as ritual incantation, some regret its passing wistfully, some pretend it never existed, and some are impatient with any reference to it. But only the American Sociological Association holds a funeral service.

De mortuis nil nisi bonum? A good slogan perhaps for personal matters, but not very helpful in intellectual or political ones. It should like therefore very briefly to review how world social science ever got into this cul-de-sac known as modernization theory and, now that some of us are out of it, what lies on the horizon ahead.

I hesitate to review the history of this idea since it seems to me that this has been done already on a number of occasions. But memorials involve familiar memories. Until 1945 it still seemed reasonable to assume that Europe was the center of the world. Even anti-imperialist movements outside of Europe and against Europe often tended to assume it. But the world moved inexorably on. And everyone's geographical horizons expanded. To cope with this changing world, western scholars invented development, invented the Third World, invented modernization.

Let us start by citing the merits of these inventions. The new terms replaced older, distasteful ones. Backward nations were only underdeveloped. The Yellow Horde became instead the Third World. And progress no longer involved westernization. Now one could antiseptically modernize.

Above all, the new concepts offered hope. No doubt Africa had never invented the wheel, no doubt Asian religions were fatalist, no doubt Islam preached submission, no doubt Latins combined racial miscegenation with a lack of entrepreneurial thrift; but it

could now be asserted confidently that these failings were not biological, merely cultural. And if, like the Japanese, the underdeveloped were clever enough to invent an indigenous version of Calvinism, or if they could be induced to change the content of their children's readers (the children first being taught to read, of course), or if transistors were placed in remote villages, or if enlightened elites mobilized benighted masses with the aid of rustic outsiders, or if . . . , then the underdeveloped too would cross the river Jordan and come into a land flowing with milk and honey. This was the hope offered up by the modernization theorists.

It was unquestionably a worthy parable for the times. It would be easy to show how this parable was manipulated by the masters of the world. Let us recognize nonetheless that it served to spur neglected and well-intentioned scholarship and liberal social action. At the time has come to put away childish things, and look reality in its face.

We do not live in a modernizing world but in a capitalist world. What makes this world tick is not the need for achievement but the need for profit. The problem for oppressed strata is not how to communicate within this world but how to overthrow it. Neither Great Britain nor the United States nor the Soviet Union is a model for anyone's future. They are state structures of the present, partial (not total) institutions operating within a singular world-system, which however is and always has been an evolving one.

The last thing we need to do is to make comparative measurements of non-comparable and non-autonomous entities when the social system in which we all operate is for the first time in human history a single unit in which the entire game is resumed in the eternal relationships to be found within the capitalist world-economy: of core to periphery, of bourgeois to proletarian, of hegemonic culture to cultures of resistance, of dominant strata with their demand for universalistic individual measurement to institutionally oppressed racial and ethnic strata, of the party of order to the party of movement. These relationships can be measured too, but we have not been measuring them.

The first step we must make if we wish to understand our world is to radically to reject any and all distinction between history and

social science, and to recognize that we are part of a single discipline of study: the study of human societies as they have historically evolved. There are no generalizations that are not historically time bound, because there are no systems and no structures that are unchanging. And there is no set or sequence of social events that is comprehensible without reference to a theoretical construct whose function is to create meaning out of reality.

What was primarily wrong with all the concepts linked to the paradigm of modernization was that they were so ahistorical. After all, the modern world did not come out of nowhere. It involved the transformation of a particular variant of the redistributive mode of production, that found in feudal Europe, into a European world-economy based on a capitalist mode of production. It involved the strengthening of state structures in the core areas of this world-economy and the correlative weakening of them in the periphery.

And once capitalism was consolidated as a system and there was no turnback, the internal logic of its functioning, the search for maximum profit, forced it continuously to expand - extensively to cover the globe, and intensively via the constant (if not steady) accumulation of capital, the pressure to mechanize work in order to make possible still further expansion of production, the tendency to facilitate and optimize rapid response to the permutations of the world market by the proletarianization of labor and the commercialization of land. This is what modernization is about if one wants to use such a contentless word.

But whatever word we use, let us remember that the suffix '-ization' in the English language contains an antinomy. It refers both to the state of something and to the process of becoming that something. The capitalist world-economy has not yet, after four to five hundred years of existence, realized a free market, free labor, unentailed land, unbounded flows of capital. Nor do I believe it ever will do so. For I believe that the essence of the capitalist mode of production is the *partial* freedom of the factors of production. It will in fact only be with a socialist world-system that we will realize true freedom (including the free flow of the factors of production). This is indeed what lies behind Marx's phrase about moving from the 'realm of necessity into the realm of freedom'.

I do not intend here to preach a faith. Those who wish will believe. And those who do not will struggle against it. I wish rather to suggest an agenda of intellectual work for those who are seeking to understand the world-systemic transition from capitalism to socialism in which we are living, and thereby to contribute to it.

I think top priority must go to the original concern of the nineteenth-century fathers of social science, the understanding of the capitalist world-economy in which we live as a gestalt. But how do we do that? I see five major arenas of research, each large in scope.

(1) The first arena is the internal functioning of the capitalist world-economy as a system: the institutional ways in which areas get located at the core, the periphery, and the semiperiphery of that system, and how units can and do change their location; the mechanisms of transfers of surplus toward the core; the ways in which classes emerge, consolidate, and disintegrate; the multiple expressions of class struggle; the creation, sustenance, and destruction of all varieties of 'status groups' (ethno-national groups, racial castes, age and sex groups), and the ways these 'status' groupings interweave with class structure; the cultural expressions of conflicting interests; the pattern of interplay between cyclical processes of expansion and contraction and the secular evolutionary processes that undermine the basic stability of the system; the modalities of and resistances to the proletarianization of labor and the commercialization of land; the role of the state in affecting the world market and aiding specific groups within it; the rise of antisystemic revolutionary movements.

This is a long list; but it is only one arena. We must also and simultaneously work in other arenas:

(2) We must reopen the question of how and when the capitalist world-economy was created in the first place; why the transition took place in feudal Europe and not elsewhere; why it took place when it did and not earlier or later; why earlier attempts of transition failed. This is not merely an exercise in archaeological reconstruction; it is rather essential to the full comprehension of the nature of our present system.

(3) Allied with this issue is another on which almost no work has

operating under
basic faith is
REASON:
is one a system
is understood
it can be
rationally
designed and
manipulated
I distrust
this motive

been done. For at least three centuries (the sixteenth to the eighteenth), the capitalist world-economy functioned side by side with non-capitalist social systems outside it. How did it relate to them? And in particular, what were the processes that made it possible for the capitalist world-economy to incorporate them?

(4) In the light of these interests, it will be clear why we must also turn to a comparative study of the various historical forms of social system, the alternative modes of production. I myself believe there have only been three such modes up to now: the reciprocal (lineage) mode found in minisystems; the redistributive (tributary) mode found in world-empires (either full blown or largely disintegrated); the capitalist (market) mode found in world-economies. But this is a contentious formulation. In any case enormous work has to be done simply to identify properly which historical constructs reflected which modes and to make appropriate comparisons primarily within the systems or modes and secondarily among them.

(5) This then brings me to the fourth system based on a socialist mode of production, our future world government. We are living in the transition to it, which will continue for some time to come. But how are we relating to it? As rational militants contributing to it or as clever obstructors of it (whether of the malicious or cynical variety)? In any case, here too we must look afresh at the various 'socialist' experiences seen as regimes that are seeking both to transform the world-system and partially to prefigure the future one, with greater or lesser success. And we must look to the relationship of revolutionary movements in the various political subdivisions of the world-system to each other.

You may ask whether this agenda is not far wider than the narrow field 'modernization' was to cover. Yes, indeed it is. But that is the point. Modernization theory has served to deflect us from the agenda that would be able to speak to the problems with which it was supposedly concerned. This agenda requires redoing our historical narratives, accumulating new world-systemic quantitative data (almost from scratch), and above all reviewing and refining our conceptual baggage.

There are those who will say that such an agenda is a throwback from the scientific advances of modern social science to the

imprecise and ideological musings of the nineteenth century. To such a contention, one can only give the answer of Thomas Kuhn when he discussed the problem of the historical use of measurement in physical science:

Such qualitative research, both empirical and rhetorical, is normally prerequisite to fruitful quantification of a given research field. In the absence of such prior work, the methodological directive, 'Go ye forth and measure', may well prove only an invitation to waste time. . .

The full and intimate quantification of any science is a consummation devoutly to be wished. Nevertheless, it is not a consummation that can effectively be sought by measuring. As in individual development, so in the scientific group, maturity comes most surely to those who know how to wait.¹

We have been impatient for the past thirty years. And the wine has turned sour. Let us go back to where we once were: understanding the reality of our world, which is that of a capitalist world-economy in the early stages of its transition to a socialist world government. The road is hard, intellectually and politically. But it is the road both of scholarly integrity and of scientific promise.

¹ Thomas S. Kuhn, 'The Function of Measurement in Modern Physical Science', in Harry Woolf (ed.), *Quantification* (Indianapolis: Bobbs-Merrill, 1966), pp. 55, 60.