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AMY AUSTIN-HOLMES, STEFAN SCHMALZ
From Africa to Asia: The Intellectual Trajectory of
Giovanni Arrighi¹

As chance would have it, this introduction is being written during the Arab Spring of 2011. The revolutionary uprisings which are currently shaking the Middle East and North Africa may be the single most momentous events in the region since what Samir Amin refers to in this volume as “the glorious time of the liberation movements.” As Giovanni Arrighi spent the better part of the 1960s in Tanzania and the former Rhodesia, he lived through and – sympathized with – the anti-colonial struggles in Africa and other parts of the global South. It is a shame that he is not alive today to witness the uprisings that, within a matter of weeks, have toppled decades-long-entrenched and US-supported dictators in Tunisia and Egypt. The outcome of the ongoing upheaval is uncertain, and yet it is clear that the sound of millions of voices chanting “al-sha‘b/ya-rîd/is-qât/al-ni-zâm” (“the people demand the downfall of the regime”) has resonated far beyond Cairo and Tunis: It is again a glorious moment of liberation.

In this editorial we provide a brief overview of Giovanni Arrighi’s life work, while also introducing the articles to this volume, each of which represents original contributions by the authors, but also way stations along Arrighi’s intellectual trajectory. We begin in Africa. Giovanni Arrighi accepted a position at the University College of Rhodesia and Nyasaland (UCRN) in 1963, after having finished his PhD in economics at the University of Milan. He described his experience there as a “true intellectual rebirth” which triggered a “long march from neo-classical economics to comparative-historical sociology” (Arrighi 2009: 22). In one of his earliest publications, *The Political Economy of Rhodesia* published in 1966, Arrighi challenged the dominant modernization paradigm head-on: rather than seeing the transformation of peasants into wage laborers as necessary for capitalist development,

Arrighi argued that the full proletarianization of the Rhodesian peasantry in fact created problems for capital accumulation (Arrighi 1966: 39ff). As long as the subsistence-based peasant economy survived, it could subsidize capitalist development by allowing workers to be paid less than a “living wage.” Once they became fully proletarianized, it became more difficult to exploit labor.

Together with nine other lecturers at UCRN, Giovanni was arrested for political activities and deported in July of 1966. From Rhodesia he then went to Dar es Salaam, where he met intellectuals such as Samir Amin, Immanuel Wallerstein, John Saul, and Luisa Passerini, as well as activists from the Black Power movement in the United States. In Dar es Salaam he continued to work on the problem of African development.

In his contribution, Samir Amin gives a broad overview of the academic and political concerns that he shared with Arrighi. Of all the contributors to this journal, Samir Amin knew Giovanni Arrighi the longest: their scholarly exchange, based on mutual friendship and respect, spanned almost four decades. Perhaps most fundamentally, both Amin and Arrighi agreed that the so-called ‘underdevelopment’ of some countries and the development of others was based on interdependence. As Amin underlines in his article: “Instead of the current theory of development economics what is needed is a theory of accumulation on a world scale.” This was why, as Giovanni Arrighi would later articulate, the industrialization of a number of peripheral and semi-peripheral countries did not result in their “catching up” in terms of income (Arrighi et al. 2003b).

After almost six years in Africa, Arrighi returned to Italy in 1969, during the height of the student and labor movements. Together with Romano Madera and Luisa Passerini, Arrighi founded the Gruppo Gramsci and began developing the idea of *autonomia operaia* – the intellectual autonomy of the working class, which which was picked up on and taken in a different direction by Antonio Negri. The intention was not to replace the unions or political parties, but rather as students and intellectuals to support the development of workers’ autonomy. In his interview with David Harvey, Arrighi’s explanation of how he engaged with both the national liberation struggles in Africa as well as the working-class struggles in Italy was characteristic of his humility: “The two experiences had in common the fact that, in both, I had very good relations with the broader movements. They wanted to know on what basis I was participating in their struggle. My position was: ‘I’m not

going to tell you what to do, because you know your situation much better than I ever will. But I am better placed to understand the wider context in which it develops” (Arrighi 2009: 67). Specifically, the workers in Italy were being told that they should give up their struggle due to the economic crisis of the early 1970s. This prompted his article “Towards a Theory of Capitalist Crisis” (ibid.: 67, 1978b).

In Italy he also collaborated with Fortunata Piselli, who contributed the second article in the volume. His research in Italy was innovative for several reasons. First, rather than applying European models to the periphery as many development scholars were inclined to do at the time, he investigated to what extent his research in Rhodesia was applicable to Italy. Second, Arrighi and Piselli found three different relations of production in the same peripheral region of southern Italy. Instead of a linear progression from one to the other, they existed simultaneously. Furthermore, of these three relations of production, the path of development where labor was fully proletarianized (the Crotonese) was also the least stable. Due to the extreme polarization of the class structure, the Crotonese was shaken by an explosion of labor unrest after the end of World War Two which had no parallel in other parts of Calabria. As Piselli concludes: “To retain their viability, capitalist relations of production in a peripheral context must either develop a symbiotic relation with subsistence activities, or supplement the invisible hand of the market with the visible hands of the repressive apparatus, or both.”

In their paper Çağlar Keyder and Zafer Yenal, a colleague and graduate student of Arrighi’s from Binghamton, also analyze the issue of labor supplies and agrarian transformation. They find that semi-proletarianization rather than full proletarianization was the norm in Turkey, and persisted throughout the postwar period despite various developmentalist projects. The authors distinguish between three patterns of proletarianization: semi-proletarianization by informal means, part-lifetime proletarianization under globalization, and dispossession by force, which applies in particular to the Kurdish population after the 1980s. In other words, most urban households maintained ties to the countryside, with the dispossessed and deruralized Kurdish population being an exception.

In 1979, Arrighi moved to the United States. There he joined the Fernand Braudel Center at the State University of New York at Binghamton, a center that would become synonymous with world-systems analysis. During his

period at Binghamton, Arrighi collaborated with scholars such as Immanuel Wallerstein, Terence Hopkins, and Beverly Silver. His research focused on different theoretical problems related to world systems analysis. One of his major areas of concern was the remaining income gap between core, semi-periphery, and periphery (Arrighi/Drangel 1986; Arrighi 1990; Arrighi et al. 2003b). For instance, in an article in *Review*, coauthored with Jessica Drangel (1986), he focused on the stratification of the capitalist world economy in core, semiperipheral, and peripheral zones. By empirically comparing the position of the most important states in the world economy, the authors identified that 95% of these states “were in 1975/83 still on or within the boundaries of the zone in which they were in 1938/50” (ibid.: 44). Accordingly, the global income distribution remained unchanged even after half a century of developmentalist projects. Moreover, the catch-up processes of several nations such as the East Asian states during that time did not “significantly affect the differentials in economic command that separate the different tiers of the world economy” (ibid.: 59). Arrighi and Drangel also challenged Wallerstein’s notion of semiperiphery and criticized it as too ambiguous, because it refers to both an intermediate position in the division of labor as well as in the interstate system (ibid.: 15ff). They introduced instead an alternative concept of semiperiphery which exclusively refers to economic activities: arguing that semiperipheral states enclose within their territory a mix of core-peripheral economic activities (ibid.: 23). Even though some of them manage to upgrade the technological and industrial structure, the single states are embedded in an overall zero-sum game-structure that implies a downgrading of other semiperipheral states. As a result, a system-wide rise of semiperipheral states to the core zone seems to be impossible.

In his contribution, Thomas Reifer, a former student of Arrighi, refers to this “developmentalist illusion” (Arrighi 1990) when he looks at the recent growing divide of world income equality. He argues that the debt crisis in the early 1980s followed by the breakdown of Soviet socialism led to a bifurcation in the world system. While in particular the East Asian region significantly benefitted from the change in the system, in other regions such as Latin America, Sub-Saharan Africa, and Eastern Europe, the share of the average global GDP per capita fell dramatically. From this perspective, East Asia’s rise tends to be the exception from the rule derived from Arrighi’s notion of semiperiphery and worldwide income distribution. Due to this

singularity, the East Asian experience became one of Arrighi's major research interests throughout the last twenty years of his life (Arrighi 2009: 78f).

In the late eighties, Arrighi began to work on a book to trace the trajectory of American hegemony. His aim was to illustrate its development from America's rise in the late 19th century until its current decline. He hereby could build on his earlier works on the nature of capitalist crises and imperialism (Arrighi 1978a, 1982). However, Arrighi began to widen the temporal scope of his research, mainly due to his observation of recurrent patterns in capitalist development that go all the way back to the 14th century (Arrighi 2009: 73ff). The result was his opus *The Long Twentieth Century*, which was published in 1994. Arrighi himself considers *The Long Twentieth Century* as the first part of an unintended trilogy which eventually also comprised his more recent works *Chaos and Governance* (co-authored with Beverly Silver in 1999a) and *Adam Smith in Beijing* (2007). On a theoretical level, Arrighi challenges the notion of capitalist development developed by both Immanuel Wallerstein and classical Marxists such as Robert Brenner. Instead, he follows Braudel's conceptualization of capitalism as being primarily defined by finance capital, and as having historically developed from the city state system as the incubator for the emergence of the system of nation states. As a result, he develops a separate variant of world systems analysis, which completely differs from Wallerstein's or Gunder Frank's approach.

Arrighi's theory is characterized by at least three central features. Firstly, one of Arrighi's main theses is that historical capitalism is defined by a recurrent pattern of systemic cycles of accumulation that follows Marx' general formula of capital (MCM'): "The central aspect of this pattern is the alternation of epochs of material expansion (MC phases of capital accumulation) with phases of financial rebirth and expansion (CM' phases). In phases of material expansion money capital 'sets in motion' an increasing mass of commodities [...] and in phases of financial expansion an increasing mass of money capital 'sets itself free' from its commodity form, and accumulation proceeds through financial deals" (Arrighi 1994: 6). In other words, phases dominated by the expansion of productive capital are superseded by periods of capitalist accumulation structured by mobile finance capital and vice versa. Historically, four such cycles can be identified: a Genoese-Iberian cycle, from the 15th until the early 16th century; a Dutch cycle, from the late 16th through most of the 18th century; a British cycle, from

the second half of the 18th century until the early 20th century; and, finally, a US cycle which began in the late 19th century and is now in its financial phase. Accordingly, the different cycles overlap at their beginnings and ends: what appears as a starting point in one place (Holland, England, the United States) is at the same time the result of long periods of capital accumulation in previously established centers. Hence, during financial expansion a fundamental spatial reorganization of the capitalist world system takes place. Also, financialization is not a new phenomenon of the late 20th century, as some Marxist scholars have argued, but a recurrent feature in the historical development of capitalism. In fact, it is a “sign of autumn” (Braudel 1984: 246) of the predominant systemic regime of accumulation.

Secondly, Arrighi (1994: 33f) distinguishes between a territorial and a capitalist logic of global capitalism. The logic of “capitalism” as the accumulation of capital, and of “territorialism” as the accumulation of power are intertwined. However, from Arrighi’s (2007: 229) point of view, they do not refer to the “accumulation of power and capital *within states*, but to the accumulation of power and capital in an evolving *system of states*. Global capitalism expands in the system of states and thereby follows the formula MTM’ (money – territory – more money).” Consequently, for capitalists, territory is a means to accumulate additional capital: “Capitalist rulers tend to increase their power by piling up wealth within a smaller container and increase the size of the container only if it is justified by the requirements of the accumulation of capital” (Arrighi 1994: 33). However, on a systemic level, the capitalist world system expands continuously and, therefore, depends on spatial fixes of ever increasing scope and scale. Reflecting on this need, Arrighi follows Anthony Giddens’ (1987) definition of the state as a “container of power” that houses the “headquarters of capital” (Arrighi 2007: 235). Each systemic cycle of accumulation is controlled by larger state-business-complexes. Thus, there is a historical “progression from a city-state and a cosmopolitan business diaspora (the Genoese); to a proto-national state (United Provinces) and its joint-stock chartered companies; to a multinational state (United Kingdom) and its globe-encircling tributary empire; to a continent-sized national state (United States) and its world-encompassing system of transnational corporations, military bases, and institutions of world governance” (ibid.: 235).

Finally, Arrighi has a specific notion of capitalist crises. In an early debate with Amin, Frank, and Wallerstein, he emphasized (1982: 71f) the

relation between the economic crisis of the early 1970s and the decline of US hegemony. More recently, Arrighi inserted the crisis of the 1970s into his theoretical framework and re-interpreted it, together with the Vietnam War, as the “signal crisis” of US hegemony (Arrighi 2007: 178). According to Arrighi, the MC-phase of a systemic cycle of accumulation ends through such a breakdown and the CM’ phase starts due to a system-wide aggressive competition for liquid capital. Through this, the hegemonic power is able to accumulate new power resources in the financial sector. However, in the long run, the growth of the financial sector and the neglect of the industrial base go along with the emergence of new production centers in other regions. The structure of the world market is eventually shattered by an even bigger financial crisis and the hegemonic power is further weakened. It is the “terminal crisis” of a structural cycle of hegemony and the starting point of a new cycle of accumulation. Consequently, today’s financial crisis might be interpreted as the “the terminal crisis of US financial centrality and hegemony” (Arrighi 2009: 90).

Predicting US decline, Arrighi spent the last years of his life working on the current hegemonic transition. As early as the first half of the 1990s, he had begun to analyze East Asia’s rise in the world system and the possibility of the region replacing the US as a new center of global capital accumulation. In *Chaos and Governance*, Giovanni Arrighi and Beverly Silver (1999c: 35) focused on a comparison of the present hegemonic transition with earlier transitions. The chapters of the book analyzed different aspects of these transformations such as the social origins of world hegemonies or the relation between business and governmental organizations of hegemonic powers. One of the most important results of the book was the insight that one of the true novelties of the current situation is a “bifurcation of military and financial capabilities” that “decreases the likelihood of an outbreak of war among the system’s most powerful units” (Arrighi/Silver 1999b: 275). In previous transitions, the hegemon was challenged by a rising power which possessed both a more robust military and economic capacity. Today, there is no military challenger of the United States. In fact, the US remains the dominant military power, but at the same time, it has become the largest debtor nation in world history and is highly dependent on East Asian creditors. These findings raised further questions that had to be addressed. For instance, for the first time in global capitalism, the West is being challenged

by non-Western states. Thus, Arrighi was interested in the East Asian development model as well as in the historical framework of Asian ascent (Arrighi et al. 2003a; Arrighi 2007: 309ff).

Finally, Arrighi identified China as the major driver and the potential winner of the current hegemonic transition (ibid.: 277-308). Reinterpreting Adam Smith and Kaoru Sugihara, Arrighi put forward the thesis that China as well as most of East Asia went through an ‘industrious revolution’ “as a market-based development that had no inherent tendency to generate the capital- and energy-intensive developmental path opened up by Britain” (ibid.: 33). Instead, China followed a highly labor-intensive and inward-oriented growth model that finally merged with the Western growth model. The result is a model which is very close to a Smithian market-based economy. Constant over-accumulation, cut-throat competition among Chinese capitalists resulting in downward pressures on the rate of profit, the specific role of collectively-owned Town and Village Enterprises and a high level of state control, all led to a situation where rapid economic development has been achieved (ibid.: 359ff). From Arrighi’s point of view, China did not only significantly gain from the wane of US power during the Iraq war, but, today, also offers a viable alternative in global political economy to the US. Due to its foreign policy of non-interference and South-South cooperation, China’s rise might lead to a “Beijing Consensus” that results in “the formation of a new and more effective Bandung – i.e., a new version of the Third World alliance of the 1950s and 1960s better suited than the old at countering the economic and political subordination of Southern to Northern states in an age of unprecedented global economic integration” (Arrighi/Zhang 2010). Furthermore, Arrighi considers China’s rise to be much more subversive of the global hierarchy of wealth “than all previous East Asian economic ‘miracles’ put together.” Whereas the rise of the so-called East Asian tigers represented cases of upward mobility within an otherwise stable hierarchy, the rise of a country representing one-fifth of the world’s population could fundamentally change the pyramidal structure of global inequality (Arrighi 2010).

In his paper, Walden Bello discusses the thesis regarding Chinese ascent and the state of China’s economic performance. Bello challenges Arrighi’s position, since he concludes that China’s economic success has been built on low wages and the marginalization of the countryside in favor of a strong export orientation. In addition, even after the huge stimulus package to

counter the global economic crisis of 2008, the export-led growth model forms an obstacle for further growth that has yet to be overcome. To make matters worse, the retreat to export-led growth in several world regions might even lead to a global deflationary process caused by higher competition among the world's largest economies.

The guest editors of this journal knew Giovanni during the later part of his life. Stefan spent the fall 2008 semester at the Sociology Department of Johns Hopkins as a postdoc and Amy studied under Arrighi and Silver from 2002–2008, who both served as her PhD advisers. In August 2008 Giovanni was diagnosed with cancer. On June 18, 2009 he passed away at the age of 71. He lived a full life and inspired many people. The contributors to this volume have described him as a comrade, a dear friend, an invaluable mentor, and “like a father.” In her tribute to him after his death, Amy described what *The Long Twentieth Century* meant to her: “I never told Giovanni this, but for me reading the book was like gazing upon a Breughelian painting: you could see the passage of time, the structural changes, the hands of the laborers and the jewels of the king, every minutiae of every detail could absorb one for hours, and with a theory to explain it all. It was dazzling” (Holmes 2009). It is with admiration and gratitude that we dedicate this journal to his legacy.

1 We thank Beverly Silver for her comments on the first draft of this editorial.

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A Tribute to Giovanni Arrighi

1. Giovanni Arrighi: a preeminent analyst of contemporary globalization

Born in Italy, died on June 18, 2009 at the age of 71, Giovanni Arrighi was one of the most eminent critical analysts of the contemporary world system. Faced with arrest due to his support of the liberation movement in colonial Rhodesia, Giovanni went on to deepen his analysis of Africa's dependency during his stay in Tanzania. He continued his work on the contemporary world system at the Fernand Braudel Center of SUNY-Binghamton in the United States, which was directed at that time by Immanuel Wallerstein, and then later at John Hopkins University in Baltimore.

At the end of 1970, Giovanni Arrighi – along with André Gunder Frank, Immanuel Wallerstein and myself – believed that capitalism had entered a phase of systemic crisis, marked by the fall in growth rates in its dominant cores (with, as a result, the system never again returning to its former rates). The early assumption that capital would react by undertaking massive relocations was confirmed shortly thereafter. Giovanni associated this crisis with the decline of US hegemony. His perspectives on these issues were published in two collective works (Amin et al. 1982, 1990). Analyzing the social movements associated with the reorganization of the global system, Giovanni focused on the upheavals of the labour movements, which were perhaps the social movements most implicated in the crisis.

Giovanni widened the breadth of his analyses in his two most recent works (Arrighi 1994, 2007). Giovanni, who did not confuse capitalism with the 'market economy', knew how to integrate the 'longue durée' in his concept of historical capitalism. Thus, he analyzed historical capitalism (of 'European origin') as being the product of a series of capitalist waves that

originated in China and finally arrived in Europe through the commercial towns of Renaissance Italy.

2. Some personal notes

I met Giovanni frequently in the early 1970s in Dar Es Salaam, Tanzania, which I visited often in that glorious time of the liberation movements, and where I organized a number of seminars (all of them enthusiastically attended by Giovanni) on what I described as ‘the awakening (or the revival) of the South’ (Bandung’s era for Asia and Africa). My views – which Giovanni shared – were that the major changes in the World (capitalist) system had been initiated by the peripheries, which no longer accepted their ‘fate’. Indeed, irrespective of the limits of the social and political systems of Asia and Africa, the peripheries were playing a decisive role in shaping the future. During the last few years of Giovanni’s life, I fortunately had the opportunity to discuss these issues with him again. We were not at all convinced by the dominant discourse of capitalism – that it symbolizes the end of history. In fact, we laughed at this idea and expected its breakdown.¹ After the period in Dar Es Salaam, I often met Giovanni in Italy during the time of the Cultural Revolution (CR).

Giovanni Arrighi (as well as Andre Gunder Frank and Immanuel Wallerstein) had the advantage of being able to read in languages other than English. As a result, Giovanni was aware of my earlier writings.² He knew – we discussed it at large – my views on *Accumulation on a World Scale*, written in 1955 (even if only published in English in the 1970s!) and he knew the *Summary* I wrote (in French) as a pamphlet for the events of 1968 (Amin 1974). The following is a translation of this *Summary*: “*Accumulation on a World Scale* offers a critique of the current theories of development. The author denies that the present ‘underdeveloped countries’ are similar to what the developed countries were at an earlier stage. The ‘underdevelopment’ of some and the development of others are intimately interconnected through their integration in the world system, which produces asymmetric relations between the dominating cores and the dominated peripheries. Instead of the current theory of development economics what is needed is a theory of accumulation on a world scale that relates the mech-

anisms of accumulation in the cores with that of the peripheries” (Amin 1968; translation S.A.)

What Giovanni very powerfully described as ‘accumulation by dispossession’, was at that time expressed as ‘continuous primitive accumulation’. I considered the possibility that this pattern was not only obvious in Southern Africa, but also in other parts of the continent in other forms (this was included in my thesis on the three patterns of capitalist expansion in Africa, presented in the early 1970s in Dar Es Salaam). The awakening of the South is based precisely on the rejection of this continuous ‘dispossession’. Giovanni and I had started discussing the probable outcomes of China’s revival and of the possibility of a new Southern front against imperialist globalisation. I am deeply saddened that this debate has come to an end.

3. Marxian economics or historical materialism?

The so-called ‘second Brenner debate’ offered a good opportunity to clarify the following fundamental question: does Marxian economics allow for an understanding of the development of actually existing capitalism? In this respect I am in total agreement with Giovanni’s comments on Brenner’s *Global Turbulence* and *The Boom and the Bubble* (Arrighi 2007; Brenner 2003, 2006). Had Brenner made clear that he was exclusively studying competition between the United States’, Japan’s and Germany’s manufacturing industries, and that this inter-capitalist competition represents only *one* of the elements constitutive of the history of post-World War II economic expansion, and had he briefly indicated the other elements (which are no less important) which he did not integrate in his study, I would have had no reservation with respect to his rich contribution. However, that is not the case, since Brenner intended to offer a full explanation of the global system’s move from expansion to crisis by focusing only on inter-capitalist competition, which he considered to be the major shaper of history.

I share Giovanni’s view that this is not the case. Inter-capitalist competition operates in a wider context that includes class struggles (not only in the three countries considered but everywhere) and North-South (core-periphery) as well as East-West conflicts. I believe that these factors have

been far more important in shaping the world economy than inter-capitalist competition; in fact, to a large extent they have defined the conditions under which inter-capitalist competition takes place. I do not need to repeat here Giovanni's strong and clearly developed arguments, which can be found elsewhere. Instead, I wish to go beyond Giovanni's conclusion and suggest that the frame of analysis needs to be widened even further in order to explain the past and present. Perhaps even more importantly, it needs to be widened in order to identify the system's contradictions and to find plausible political strategies that could 'change the world'. In light of this, Giovanni suggests:

"There are no credible aggressive new powers that can provoke the breakdown of the US-centred world system, but the US has even greater capabilities than Britain did a century ago to convert its declining hegemony into exploitative domination. If the system eventually breaks down, it will be primarily because of US resistance to adjustment and accommodation." (Arrighi/Silver 2001: 279)

I fully share Giovanni's identification of the real challenge. I arrived at the same conclusion, as did quite a number of others, at least two decades ago. My reading of the *political strategy* chosen by the US ruling class in the 1980s (when the decline of Soviet power clearly appeared irreversible) was that it had *decided* to turn the world system into an exploitative system of domination (plunder, in fact) to its almost exclusive benefit (i.e. there was minimal sharing with the partners of the triad). Thus, the US chose not to 'adjust and accommodate'; rather, it *chose* to militarize globalisation. This choice compels us to move out of the restricted analytical domain of 'the political economy of the system' into one that includes plain politics. In taking this perspective of the 'commanding heights' of the state, I qualified the 'new' global system as the 'empire of chaos' (Amin 1992), which, as it implies, is necessarily produced by the strategy of permanent war.

My point here is that we ought not to restrict 'historical materialism' to a mere 'political economy'. Moreover, I propose the concept of 'under-determination' (as opposed to overdetermination (Amin 1998: chapter 3), whereby the internal logics of the economic basis, the political culture, and the ideological vision do not necessarily support one another; indeed, they might be conflicting and, therefore, make the future 'unpredictable', even if, a posteriori, history can always be explained. Hitler had made, *mutatis*

mutandis, a similar choice: compensate the economic deficiencies and limits of Germany by enforcing exploitation through the use of war. Yet Hitler's choice cannot merely be explained by the tools of 'political economy' (inter-imperialist competition in this case). The political-cultural-ideological dimensions of pre-WWII Germany were also decisive. The same can be said in regards to the choices that have been made by the US ruling class over the past three decades: one cannot explain the policy choices of the 1980s up to the present without fully integrating what I call 'American ideology' into the analysis. The discourses of the US establishment show that the US ruling class has understood perfectly well that the political dimension is now dominant; it is on this ground that the successful pursuing of the criminal policy of imperialist globalization is endangered.

The choice of the US elite to militarize globalisation operates in the context of a global imperialist system which, I suggest, is qualitatively different from what it has been in the previous stages of its long history. Today, imperialist powers (the triad) constitute an integrated 'collective imperialism'. I have offered some hypotheses which can explain this change, focussing on the qualitative shift in capital's level of centralisation. If that assumption is not total nonsense, then the *economic* dimension of inter-capitalist competition has lost much of its vigour (but it surely never disappears altogether) and the main dimension of 'international' conflicts is now located elsewhere.³

I also suggest that the advantages ('monopolies') from which the core(s) benefit no longer stem from their monopoly of industry. Instead, monopolies have been transferred into other areas, or what I call the 'five monopolies': (1) reinforcing technological monopolies; (2) the plunder of the planet's natural resources; (3) the control of global finance; (4) the control of communications, and, (5) the monopoly of weapons of mass destruction. That explains what Giovanni very correctly noted: namely that, while a number of peripheries are industrializing at high speed, they do not 'catch up' in terms of income. This is also related to the question of 'the financialization of the system', which I analyse as a symptom of the crisis and not as a new possibly stable phase. My views on this problem, sharing to a large extent those expressed earlier by Giovanni, but with some reservations, have been expressed elsewhere in detail (Amin 1996). As a result of the logic of accumulation, I have always considered capitalist global expan-

sion, at any stage of its development, to be polarizing. I have argued that during its previous stage the global system was governed by the industrial ‘monopoly’ of the core. Since the peripheries have started to industrialize, the core’s monopoly has gradually been replaced by the ‘five new monopolies’, which effectively means that the industrialisation undertaken by the periphery does not allow them to ‘catch up’. My argument is based on the concept of the ‘globalized law of value’, which I derive but distinguish from the law of value ‘in general’, i.e. at its highest level of abstraction. This argument has been developed in *Capitalism in the age of globalization* (Amin 1997). My argument completes Giovanni’s.

4. The globalized law of value

The subtitle of *Capital* – “A Critique of Political Economy” – does not mean a critique of a ‘bad’ (Ricardian) political economy, with a view to replacing it with a ‘good’ (Marxist) one. Rather, it is a critique of so-called economic science. It is an exposure of its true nature (as that the bourgeoisie has to say about its own practice), and so a critique of its epistemological status. It is an exposure of its limitations and an invitation to realize that this alleged science, which is claimed independent from historical materialism, cannot possess such independence. Political economy is the outward form assumed by historical materialism (the class struggle) under capitalism. Logically, historical materialism is prior to economics, but class struggle under capitalism does not take place in a vacuum; rather, it operates on an economic basis and shapes laws that appear economic in character.

My thesis is: (a) that historical materialism constitutes the essence of Marxism and, therefore, (b) that the epistemological status of the economic laws of capitalism is such that they are subordinate to the laws of historical materialism; (c) that under the capitalist mode of production economic laws possess a theoretical status different from that which they possess under pre-capitalist modes, and even (d) that, strictly speaking, economic laws are to be found only under the capitalist mode; (e) that the economic laws of capitalism do indeed exist objectively; and, finally, (f) that these laws are governed, in the last analysis, by the law of value. Thus, in my view,

the class struggle under capitalism in general, and in the imperialist world system in particular, operates on a definite economic basis and, in its turn, changes that basis.

My readings in Marx certainly brought considerable intellectual fulfilment and convinced me of the power of his thought. Still, I was left unsatisfied, for I was questioning the ‘underdevelopment’ of contemporary Asian and African societies and I found no answer for this in Marx. Far from abandoning Marx and dismissing him as outdated, I came to the conclusion that his opus remained incomplete. Marx had not finished what he had set out to complete, and that included not integrating the global dimension of capitalism into his analysis. So I have tried to do so. The central axis of the conclusions reached by my efforts is defined by the formulation of a ‘law of globalized value’, coherent, on the one hand, with the basis of the law of value as discovered by Marx and, on the other, with the realities of unequal globalized development.

My major contribution concerns the *passage from the law of value to the law of globalized value*, based on the hierarchical structuring – itself globalized – of the prices given to labour-power’s value. Linked to management practices governing access to natural resources, this globalization of value constitutes the basis for *imperialist rent*. This, I claim, orders the unfolding of capitalism/imperialism’s contradictions and the conflicts linked to them, so that classes and nations are linked in their struggles and clashes, in all their complex, specific and concrete, articulations. I claim that our reading of the twentieth and twenty-first centuries can be nothing other than that of the emergence – or the reawakening – of peoples and nations at the periphery of the globalized capitalist/imperialist system.

My theoretical analysis of the globalized capitalist system starts from the law of value formulated by Marx in Book I of *Capital*. There is no other possible point of departure, because without the concept of value there is no meaning to the accumulation of capital and so we cannot skip over ‘value’ in favour of a direct grasp of reality – which is implied by a positivist/empiricist methodology, as achieved through observing prices.

The analysis that I am putting forward looks at the three stages in the transformation of value: (1) into ‘prices of production’; (2) into ‘market prices’ (oligopolistic prices, in contemporary capitalism); and, (3) into ‘globalized prices’ (in the globalized imperialist system). The first of these

transformations, taken up in the first chapters of Volume III of *Capital*, is indispensable to grasping the meaning of market alienation that governs economic and social life under capitalism and to giving the laws ruling its systemic reproduction their true stature.

The second of these transformations, that of prices of production into 'market prices', was partially treated by Marx, also in Volume III of *Capital*, in the passage, among others, when he came to consider the distribution of surplus-value in regard to agrarian landownership. We have next to consider the deformations of the price system linked to the emergence of oligopolies/monopolies and, above all, to fully take into account the gigantic transformation of the system of expanded equilibrium resulting, after the First, but above all after the Second World War, from the accelerated expansion of a third department – that of the absorption of surplus-value. With their concept of surplus, Baran and Sweezy (1966) replied to the challenge and unhesitatingly extended and enriched Marxist theory. I claim that those Marxists who still refuse to recognize the central importance of Baran and Sweezy's contribution lack the means to put forth an effective critique of contemporary capitalism. Their Marxism thus remains confined to mere exegeses of Marx's texts.

The central object of my reflections has been the third transformation, which allows us to go from the law of value, taken at its highest level of abstraction (the capitalist mode of production), to what I have called the law of globalized value, which is operative on the scale of the extant and polarizing system of capitalism/imperialism. It is this transformation alone that allows us to take measure of imperialist rent, which is at the origin of the polarization that is deepened and reproduced by the unfolding of global capitalism.

It is impossible to understand today's globalized capitalism without including these transformations of value into the analysis. Equally, a feasible strategy for changing the world can only be based on these analytical foundations. The positivist/empiricist method of vulgar economics allows us neither to understand the world, and grasp the nature of the challenges confronting workers and peoples, nor, *a fortiori*, does it allow for changes. Furthermore, it does not seek to go beyond capitalism, which it sees as the end of history; it seeks only to legitimize the basic principles of capitalism and to show how it can be managed. The current crisis

revolves around different possible developments of the social and international relationships that govern the law of value, under the combined effects of popular struggles in the central and peripheral societies of contemporary capitalism and of struggles between dominant imperialist societies and those of the dominated periphery. These struggles call into question the continued dominance of what I call ‘the late capitalism of the generalized, financialized, and globalized oligopolies’ (Amin 2011).

- 1 I wrote in 2004 that financialization was the Achilles’ heel of globalisation and that a financial breakdown would occur ‘within the next ten years’, an opinion which Giovanni and I discussed.
- 2 I am six years older than him, and while age differences lose meaning the older we get, earlier on it ‘counts’.
- 3 I suggest that it is located in the domain of political culture – not ‘culture’ as the term commonly suggests, but rather one which includes perspectives of class struggles.

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Abstracts

The article offers an overview of Arrighi's opus and describes the author's personal friendship and professional collaboration with him, as well as Arrighi's important contribution to the understanding of contemporary capitalism. It is argued that it is worthwhile to further develop Arrighi's analysis of capitalism by reflecting on core-periphery conflicts and class struggles. To explain the enduring dominance of the core states, the concept of the 'five new monopolies' is proposed, which replaces the old industrial monopoly of the core. Moreover, the article introduces the 'law of globalized value' as a completion of the (incomplete) Marxist laws of the transformation of value: In the globalized capitalist system, imperialist rent may be measured by globalized prices. This further transformation has to be taken into account in order to achieve a more sophisticated analysis as well as feasible political perspectives.

Der Artikel gibt einen Überblick über Arrighis Lebenswerk und beschreibt die persönliche und fachliche Beziehung des Autors zu ihm sowie seinen bedeutenden Beitrag zum Verständnis des gegenwärtigen Kapitalismus. Amin spricht sich dafür aus, Arrighis Kapitalismusanalyse fortzusetzen, die insbesondere auf die Konflikte zwischen Zentrum und Peripherie sowie Klassenkämpfe fokussiert. Um die andauernde Dominanz des Zentrums zu erklären, wird das Konzept der „fünf neuen Monopole“ eingeführt, die das alte industrielle Monopol der Zentrumsstaaten ersetzen. Überdies wird das „Gesetz des globalisierten Wertes“ als Vervollständigung der (unvollständigen) Marx'schen Werttheorie vorgestellt: Im globalisierten kapitalistischen System kann die „imperialistische Rente“

durch globalisierte Preise gemessen werden. Diese weitere Transformation muss berücksichtigt werden, um zu analytisch befriedigenderen Analysen sowie realisierbaren politischen Perspektiven zu gelangen.

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FORTUNATA PISELLI

**Reflections on Calabria: A Critique of the Concept of
'Primitive Accumulation'**

One of the most significant theoretical contributions of Giovanni Arrighi's work has been the critical reassessment of some assumptions concerning the concept of 'primitive accumulation'; in particular, the widespread assumption in the scholarly literature that the dispossession of agricultural producers from the land is a necessary condition of successful capitalist development. Arrighi criticized those scholars who mechanically and dogmatically applied Marx's concept of 'primitive accumulation', thus partially misinterpreting it.

Arrighi borrowed from David Harvey (2003: 142-144ff) the concept of *accumulation by dispossession*, more suitable than the concept of 'primitive accumulation' to describe the continuous role and persistence, in different forms, of predatory practices within the long historical geography of capital accumulation (Arrighi 2007: 224). Using this concept, Arrighi convincingly showed that the dispossession of agricultural producers from the land, far from leading to successful capitalist development, has in fact become the source of major developmental handicaps for many countries of the global South (Arrighi et al. 2010)¹. Conversely, he also showed that the developmental success of China and its competitiveness on the global market was built on a tradition of accumulation without dispossession and of decentralized industrialization (Arrighi 2007; Arrighi et al. 2010)².

This essay aims at reflecting upon the historical experience of Calabria in order to carry out, in a different context and from a different perspective, a similar revision of the assumptions about the 'primitive accumulation' through which the dispossession of the peasantry from the land is seen as a natural condition of capitalist development³.

This essay will be structured as follows. Firstly, and for a better understanding of my argument, I will briefly illustrate the three different social formations which emerged in Calabria in the mid-nineteenth century, following the disappearance of the *latifondo contadino* (peasant latifundium). Secondly, I will focus on the relationship between proletarianization and capitalist development in order to critically reassess the assumption of full proletarianization as a feature of a core position. Thirdly, I will focus on one of the three social formations (the Crotonese), where the eviction of the peasantry (i.e., the so-called ‘primitive accumulation’) took its classical form, in order to point out the contradictions and the limits of capitalist development based on full proletarianization. Fourthly, I will examine migration processes in order to critically reassess the close relationship, still widespread in the scholarly Marxist literature, between migration and proletarianization. Finally, a brief concluding section will sum up the main results of the analysis and point out its theoretical implications.

1. Three paths of agrarian transformation

Calabria is one of the poorest regions of Southern Italy. In the first half of the nineteenth century, a system of land tenure known as the *latifondo contadino* (peasant latifundium) had come to predominate throughout the region. In the second half of the nineteenth century, the *latifondo contadino* began to disappear, giving rise not to one but to three distinct social formations. This differentiation became evident in the particular conjuncture of the 1860s, which was characterized by a boom of agricultural prices on the world-market and by the incorporation of Calabria into the newly formed Italian state.

In the first micro-region, the Crotonese, the peasant latifundium was transformed in a way that resembled Lenin’s (1936) ‘Junker or Prussian road’: the landed estates were transformed into large capitalist enterprises (known in the literature on Calabria as *latifondi capitalistici*) run by the landlords (directly or through one of their employees), who employed wage labour, produced for the market, and aimed at a maximum profit. The tenants were evicted and either left the estates for good or continued to reside on them as wage workers.

In contrast, in the contiguous micro-region, the Plain of Gioia Tauro, the peasant latifundium evolved in a way that resembled Lenin's 'farmer or American road': the peasants became farmers producing for the market, some becoming small capitalists who employed wage labour to supplement family labour, and others turning into semiproletarians who hired out part of the family's labour to supplement the incomes derived from the sale of produce. In this instance, the landlords generally sold part of their land to the more well-to-do peasant farmers, continued to collect rent on another part, and became medium-sized capitalist entrepreneurs on yet another part.

In another contiguous micro-region, the Cosentino, the peasant latifundium evolved in neither of the above two directions. Here, it evolved into a system of peasant holdings that employed family labour, produced predominantly for direct consumption, and sold in the market both their surplus produce and, above all, their surplus labour (labour power that could not be effectively used within the technical and institutional arrangements of subsistence production). The key characteristic of this transformation was that a good part of the income, derived from the sale of labour power in distant labour markets, was saved and eventually invested in the purchase of land and other means of production. As a result of this tendency, the landlords were progressively eliminated from the social and economic scene, and the viability of subsistence production was reproduced or even enhanced. This transformation was labelled the 'migrant-peasant or Swiss road'⁴.

All three transformations were associated with the further development of a wage-labour force. In the Crotonese, the sale of labour power was the expression of the *full proletarianization* of the formerly peasant households. In the Plain of Gioia, the sale of labour power for a wage was the expression of *semiproletarianization*; this designated the condition of petty producers, who could eke out a subsistence only by supplementing the sale of produce with the sale of labour power. Finally, in the Cosentino, the sale of household labour power was the expression of a process of *petty accumulation*, in the form of an initial fund with which to establish a new household and, occasionally, in the form of an increase in the productive and unproductive wealth of established households.

2. Proletarianization and capitalist development

The idea that capitalist development necessarily relies on full proletarianization is widespread in the scholarly literature. According to this assumption, there exists one particular relationship between a position in the core-periphery structure and the relations of production. One can arrive at this conclusion from two different theoretical perspectives. According to Wallerstein (1983), whose explanation of divergent paths of development is based on geography and ecology, the relations of production are determined by their position in a core-periphery structure. According to Brenner (1977), whose explanation is based on history and sociology, the relations of production determine the position in the core-periphery structure. For both of them, full proletarianization defines the core position.

The research on Calabria showed that is not the case. Firstly, there, within the same peripheral location, we found three different paths developing simultaneously and mutually reinforcing each other, mainly because of the important economic role performed by seasonal migrations from the Cosentino and the Plain of Gioia to the Crotonese.

Secondly, all three paths of agrarian transformation, which elsewhere were associated with a position in the core, were found in Calabria in the periphery. In fact, in all three microregions the outcome was the absence of that kind of diffuse development which had been achieved in the core through the Prussian, the American, or the Swiss roads.

The forms of peripheralization were different in the three cases. In the Crotonese, taxation and investments in financial markets were the main instruments through which the surplus accumulated in the hands of landowners was transferred to the national government and to industrial capitalists and banks in northern Italy, with little positive feedback for the local economy. In the Plain of Gioia, the surplus extracted was not sufficient to diversify investments so as to compete with industries closer to the main centres of capitalist accumulation. In the Cosentino, higher wages in core countries allowed migrants to save what they needed in order to buy land and become independent producers, but most of the surplus produced was directly appropriated by entrepreneurs in the locales of immigration (mainly the United States). In other words, the transfer of surplus (through the mobility of capital) was the specific form taken by peripheralization

in the Crotonese, unequal exchange (through the mobility of goods) the specific form in the Plain of Gioia, while direct surplus extraction (through the mobility of labour) was the specific form in the Cosentino (Arrighi/Piselli 1987: 687ff).

Obviously, the inner dynamics of the three roads, and the differences in the social structures of the three microregions (which affected the different mechanisms of peripheralization), had important implications for the welfare of the people involved.

In the Crotonese, the extreme polarization of the social structure was associated with an equally extreme impoverishment of the majority of the population and with an endemic state of class struggle over cultivation and property rights between the landed bourgeoisie and the landless proletariat. In the Plain of Gioia, a stratified but less polarized social structure was associated with less widespread poverty and more diffuse wealth than in the Crotonese, but also with endemic struggles among rival patronage groups, which were absent in the Crotonese. Finally, in the Cosentino, long-distance/long-term migration contributed to the formation and consolidation of relatively prosperous rural communities, in which social conflict tended to decline both horizontally (i.e., among kinship groups) and vertically (i.e., between landlords and peasants).

This proves that peripheralization took on very different forms, depending on the existing social and institutional context. Although *per capita* income in these three microregions was far below the national average, people in the lower strata in the Cosentino were more well-off than those in the Plain of Gioia and in the Crotonese.

In conclusion, none of the three systems of production (subsistence production, small-scale commodity production, and large-scale commodity production) can be construed as successive stages in the development of capitalism; neither can any of them be construed as a feature of core or peripheral positions.

Calabria therefore provides a good illustration of the fact that peripheralization may occur under the most diverse relations of production, and that the same kind of relations of production may be associated in one place with peripheralization and in another with ascent to core position. This conclusion should not surprise us, since peripheralization and its obverse are macroprocesses of the world-economy, which have only indirect and

largely indeterminate connections with the microstructures of production and reproduction. As a macroprocess, peripheralization is determined primarily by the relations in time and space among microstructures and only secondarily by the nature of the microstructures themselves. In other words, the chance that a given relation of production will experience peripheralization is not primarily determined by the nature of the relation itself but by the regional, national, and world-regional context in which it is located. Microstructures of production and reproduction do determine the *forms* of peripheralization. Nevertheless, peripheralization itself is the outcome of the interrelationships among microstructures that constitute the world-economy (Arrighi/Piselli 1987: 694f).

3. Accumulation by dispossession and its limits in the Crotonese

I will focus on the Crotonese experience as a paradigmatic case of accumulation by dispossession. My aim is to show that such dispossession has in fact become the source of major contradictions and (has) led to the final demise of the capitalist latifundium, and the cause of its greater instability as compared to the other two social formations. For this purpose, the most important aspect of the strategy of *latifondisti*, as well as of large-scale commodity production, can be found in the sphere of labour relations.

The static nature of the production function and the strategy of keeping the use of land as flexible as possible to swiftly adapt to changing market conditions (switching back and forth between arable and pasturage according to the prices of grain versus those of wool and cheese) called forth, as a necessary complement, a strategy aimed at keeping wages low (because of the labour intensity of grain production) and, simultaneously, at preventing human settlement on the lands of the latifundium. In part, this double objective had been attained through the original eviction of tenants, the process that at the outset transformed the *latifondo contadino* into the *latifondo capitalistico*. The expropriation, through the unilateral elimination of long-term leases, cleared the land of most peasant settlements and transformed the inhabitants of those that remained into rural proletarians who could not piece together even the most meagre of subsistences without selling their labour power to the estates on an ongoing basis.

This full proletarianization, however, had broad negative effects as far as the development of the estates and capitalist enterprises was concerned. Firstly, the depeasantization of the latifundium induced a large wave of once-and-for-all *permanent* emigration, which depopulated the countryside and produced a structural deficiency of labour in the whole area. Secondly, it ‘flattened’ the local supply of labour, stripping it of the seasonal and skilled components necessary for cereal crops. Thirdly, the local supply of labour was also curtailed by the high death rates associated with the impoverishment which accompanied proletarianization. Finally, full proletarianization fostered an antagonism between labour force and landowners which was difficult to keep under control (Arrighi/Piselli 1987: 66iff).

These contradictions of full proletarianization were never resolved. They were, however, kept in check, from the point of view of capital, by two related strategies. One was the transfer of seasonal labour – neither proletarianized and nor semi-proletarianized – from the neighbouring territories such as the Cosentino and the Plain of Gioia. The *latifondisti* of the Crotonese could therefore fill the local deficiency of seasonal and skilled labour by drawing from the labour surplus of the other areas. As a matter of fact, they developed the practice of recruiting more labour than was strictly necessary to fill the local deficiency so as to keep up the pressure of competition on the local proletariat. As a consequence of this intense competitive pressure, the local rural proletariat was forced to sell its labour power at wages below the level necessary for it to even afford the foodstuffs needed for subsistence⁶.

The other strategy was the development of an internal repressive apparatus, which made the latifundia assume the twofold character of capitalist enterprises and quasi-military organizations. Many of the wage workers employed on a stable basis (*salarinati fissi*) became armed guards who performed the double role of private police and supervisors of the labour process. They imposed the orders of their masters on the labourers who were employed on a daily, weekly, or, at most, monthly basis. They threatened (and when necessary executed) harsh sanctions against transgressors, and they assured the security of persons and property on the estates. The reproduction of the landowners’ monopoly over the use of land resources thus went hand in hand with the enforcement of a territorial monopoly on the use of violence.

This double monopoly could of course only be exercised with the connivance and ultimate backing of agencies of the state. Conscious of this dependence, the landowners pursued an active policy of monopolization of local administrative and judicial power either directly or through kin and clients. Normally, this repressive apparatus (complemented by the intense competitive pressures discussed above) managed to keep the antagonism of the rural proletariat under control. When state power was disorganized, however, or the organic links that connected agrarian capital to the state were disrupted, which was true at the end of the First World War and again at the end of the Second World War, the Crotonese was shaken by sudden explosions of class struggles that had no parallel in other parts of Calabria.

On these occasions, occupations of land were accompanied by street demonstrations, seizures of public buildings, and violent clashes with both the private police of the landowners and the state's military and police forces. These struggles, which after the First World War had been brutally repressed by the Fascist regime, resumed with greater intensity and wider spread during and after the Second World War, until the national government (the Christian Democratic party and its allies) was forced to yield to the pressures for land reform. The implementation of the reform began in 1950, and within a few years the redistribution of land broke up the latifundium, which disappeared very rapidly and left little trace of its once powerful organizational structures (Arrighi/Piselli 1987: 697ff).

The other two systems of production disintegrated quite differently during the great post-war transformation. There was no immediate crisis of small-scale commodity production or of subsistence production to match the crisis and disappearance of the capitalist latifundium. On the contrary, in the immediate postwar years small-scale commodity production enjoyed a short period of prosperity as the acute shortages of agricultural supplies on the national markets greatly inflated the prices of some of the Plain's products. The crisis of small-scale commodity production came later when the reactivation of national and international transport, the liberalization of trade, the expansion of supply, and the emergence of new competitors with lower costs of production increased competitive pressures and squeezed many producers out of the market. The crisis of subsistence production in the Cosentino came even later. The intensification of competition in the markets for agricultural commodities did not affect producers, who sold

very little on those markets, and the reopening of the channels of long-distance migration, which had been closed or narrowly restricted during the war and the interwar years, injected new vitality into the structures of subsistence production, which were able to reproduce themselves, as a system, until the 1960s.

Two conclusions can be drawn. Firstly, the experience of the Crotonese highlighted the limits and contradictions of a capitalist development based on full proletarianization of the peasantry. On the one hand, it increased the latifondisti's dependence on external labour supplies; on the other, by keeping the rural proletariat below the level of physiological subsistence, not only did it tend to degrade and further deplete the latifundium's internal labour supplies, but it also sharpened class antagonisms, which at a favorable conjuncture would easily detonate. Thus, the class struggles, during and after the Second World War, in conjunction with a neoliberal turn of the national economic policy, were at the roots of the crisis and dissolution of the capitalist latifundium and thus eventually precipitated its demise.

Secondly, we can confirm, from a different angle, that the three different regional economic systems which emerged from the disappearance of the peasant latifundium cannot be construed as successive stages in the development of capitalism: in other words, they cannot be ordered on an evolutionary ladder in which the present of one system shows the other its own future. Large-scale commodity production in the Crotonese, with its full proletarianization of labour, did not reveal the future to the small-scale commodity production of the Plain of Gioia; the latter, in turn, with its full commodification of social production, did not show it to the subsistence production of the Cosentino. On the contrary, as is proved by the evolution of the three sub-regional systems during the great post-war transformation, large-scale commodity production was the most unstable system and subsistence production the most stable one.

4. Proletarianization and migration

The postulation of a tight relationship between migration and proletarianization is commonplace in the existing literature, especially that of a Marxist orientation. Proletarianization is viewed as the outcome of the

complete separation of the labourers from their means of production, and, in turn, is considered as a vehicle for the deepening of such separation. The historical experience of Calabria shows the limits of this assumption. As a matter of fact, if we look at long-distance migration, which prevailed since the 1880s until the 1950s, this correlation is questionable or even simply untrue.

First of all, as we have seen, long term/long-distant overseas emigration was the most important feature for the development of the migrant-peasant road: it was based in a micro-region (Cosentino) where no dispossession took place, but where migration was a powerful factor in the continuity and expansion of subsistence production. This was related to the customary norms that regulated inheritance and marriage. Various forms of primogeniture (whereby only the eldest son inherited the land) prevented the fragmentation of productive units, and, combined with norms that restricted the right to marry, these generated an abundant supply of subordinate domestic labour over and above the requirements of the household. This surplus of labour was traditionally unproductively absorbed by the Church or the state, but in the period under consideration it came to be productively mobilized through a process of long-distance migration (Arrighi/Piselli 1987: 656ff).

Being long-term, this kind of migration involved long periods of absence from the community (10–20 years) and, being long distance, it involved costs and risks that made it a real ‘enterprise’. As a consequence, only those who belonged to cohesive and extended kin-groups, and accepted the rules and obligations that regulated such groups, could mobilize the material and moral resources necessary to undertake the enterprise; namely, to pay the expenses of the journey, to ensure the survival/adjustment of the migrant in the locales of immigration, and to ensure the survival of the migrant’s nuclear family which, as a rule, was left behind for a good part, or for the entire period, of absence.

This migration had two relevant consequences. Firstly, it strengthened social networks of kinship and neighborhood in the locales of emigration, and, secondly, it projected such networks into the locales of immigration, thereby facilitating further rounds of migration. In the longer run, if and when the migrants actually returned with enough savings to set themselves up as independent householders (as many did), the structures of inde-

pendent subsistence production were further consolidated and expanded through the purchase of land from absentee landowners and investment in land improvements and better means of production (Piselli/Arrighi 1985: 379ff).

In the Plain of Gioia as well, long-distance migration (which remained well below the levels attained in the Cosentino), was undertaken by individuals of the middle and upper-middle classes. In periods of crisis or unfavourable conditions for the activities in which they were involved, they sold land and other assets in order to finance emigration. If and when the migrants actually returned, they invested their savings in small-to-medium sized capitalist enterprises, so widening the base of small-scale commodity production.

The evolution of long-distance migration in the Crotonese was quite different. At the turn of the century, the Crotonese had almost as much experience in long-distance emigration as the Cosentino. Migratory flows largely originated in the interior, where the expanding capitalist latifundium clashed with the structures of subsistence peasant production.

Particularly significant were the differences in the immediate causes and temporal patterns of migration originating in the two areas. In the Crotonese, the push to emigrate did not come so much from the customary norms that restricted rights to inherit and marry as from the growing difficulties of preserving one's productive and reproductive capabilities in the face of the landlords' centralizing tendencies. As a consequence, the long-distance migration tended to be *permanent*, rather than long-term. As soon as the process of proletarianization was completed, long-distant migration fell sharply. The rural proletariat of the Crotonese did not command the individual and collective resources necessary to undertake the costs and risks of this type of migration. As a matter of fact, the moral and material impoverishment of the rural proletariat were such that even its ability to compete effectively in the regional labour markets was undermined. And, as the scope of 'exit' narrowed, 'voice' became the only option open to the rural proletariat to escape the exploitation and oppression of the landed bourgeoisie and its repressive apparatus (Arrighi/Piselli 1987: 668f).

In short, as for the first stage, migration cannot be conceived as a messy form of escape for the poor and as a consequence of the process of proletarianization. Those who actually migrated could rely on a strong family

network and material resources, so that migration was an investment as part of a complex strategy.

It was only since the late 1950s, with the following migratory waves, that proletarianization, both past and present, started to fuel migration in a prevalent way. In all three territories migration took on the same intensity and, along with urbanization and schooling, contributed significantly to the convergence of the three paths toward a common pattern.

With the changes in labour force demand and in forms of capitalist integration in the national and European industrial centres, the spatial and temporal patterns of migration changed as well. Short-middle distance and short-medium term migration towards Northern Italy (especially the cities forming the so-called 'industrial triangle': Milan, Turin and Genoa) and Western European countries became predominant. Moreover, intrastate migration (that is, migration from Calabria to other Italian regions) came to account for a large and growing share of intra-European migration. Labour force migration towards Northern Italy, already significant since the early 1960s, intensified from the mid 1960s. With the economic upturn in 1966, the competitive position of the Southern labour force turned into a new migratory wave, meeting the growing demand for unskilled and semiskilled jobs in Northern Italy. Migration became permanent and, for the first time, extraregional migration became a mass phenomenon dominated by the lower social strata. Due to lower costs and risks if compared to the previous trans-oceanic phenomenon, migration was then open to everybody: proletarians as well as smallholders, sons as well as fathers. In fact, given the features of migrant labour force demand in the industrial centres, at that stage migration mostly attracted younger generations and more proletarianized members of the labour force.

Two qualifying statements are needed in order to account for the complex and contradictory nature of the migratory process and the ambiguities of the associated term 'proletarianization'. First of all, in the locales of emigration, migrants' revenues allowed for a large diffusion of consumer durables (cars, electrical household appliances, and so on) and a strong tendency towards the education of the younger generations. Thus, proletarianization did not imply that material (and moral) impoverishment usually associated with it.

Secondly, in the locales of immigration, the proletarian condition of migrants from Calabria and other peripheral regions assumed different meanings over time. Therefore, it cannot be said that the circumstances in the locales of immigration determine the conditions and wages the migrants are willing to work for.

During the first migratory wave from about the late 1950s to the early 1960s, migrants from Southern Italy perceived their jobs as temporary, and this attitude endowed them with a strong competitive advantage vis-à-vis indigenous workers, since they did not expect employment in core regions to provide them with lifelong work and subsistence. The reason was that their costs of reproduction were largely or partly covered by subsistence-oriented activities.

Once migrants perceived their condition as permanent, and cut the bonds with their communities of origin, this competitive advantage disappeared. When this happened, migrants perceived themselves as deriving the bulk of their subsistence from wage employment and were therefore ready to engage themselves in working-class struggles. This accounts for the transformation of Southern migrants, which occurred in the industrial centers in the 1960s, from 'scabs' into class-struggle vanguards (Arrighi/Piselli 1987: 713ff).

Summing up, the historical experience of Calabria points at a theoretical model of migration which, on the one hand, contradicts, and, on the other, qualifies the prevailing models.

5. Conclusions

The Calabrian case provides compelling evidence in support of the need to critically rethink the assumptions about 'primitive accumulation' by means of which the dispossession of the peasantry is seen as a natural condition of successful capitalist development. In short: In the first place, systems of production that are often construed as successive stages in the development of capitalism (subsistence-production, small-scale commodity production, and large-scale commodity production) developed in Calabria next to each other and at about the same time.

In the second place, if none of the three roads to wage labour can be construed as representing successive stages of capitalist development, neither can any of them be construed as a feature of core positions or of peripheral positions. The very labels that were used to designate them (Prussian, American, Swiss) underscore the fact that elsewhere these paths have been associated with economic development/ascent to core position. Yet, in Calabria they were *all* associated with economic underdevelopment/peripheralization. As we have seen, the forms of peripheralization were different in the three instances, but in all instances social and economic actors were increasingly confined to the performance of subordinate roles in the competitive struggles of the world-economy.

In the third place, the experience of the Crotonese shows the contradictions of a capitalist development based on the extreme dispossession of the peasantry. These contradictions sharpened under the impact of the Second World War, when the organic links between the state and agrarian capital weakened. The explosion of social conflict in the immediate aftermath of the Second World War, along with the neoliberal turn in the national economic policy, finally broke the equilibrium on which the economic system of the capitalist latifundium was based. The subsequent land reform caused its eventual dissolution. The neoliberal turn also fostered the crisis of small-scale commodity production, whose pace, however, was much slower. More stable was the subsistence production system, which remained untouched by external influences and, thanks to the reopening of long-distance migration flows, was able to reproduce itself until the mid-1960s. In conclusion, in the world political and economic context determined by the outcome of the Second World War, when our three roads to wage labour began to converge towards a common pattern, the path of development that proved to be the least stable in the new situation was the Junker road followed by the Crotonese.

In the fourth place, the analysis of migratory flows shows, from a different perspective, that capitalist development does not necessarily rely on full proletarianization. Long-distance labour migration was prevalent in the Cosentino, where no dispossession took place, and where return migrants invested their savings in the purchase of land from absentee landowners to form new viable units of subsistence production. Long-term migration was in fact a process of *petty accumulation* through which small

independent property strengthened and expanded. Conversely, in the Crotonese, where labour was fully proletarianized, labourers had neither the means nor the incentives to cope with and organize long-distance migration. At this stage, then, the correlation between migration and proletarianization is negative: only those with resources and connections were able to migrate, and not the very poor people.

It is only with the second wave of migration, beginning in the late 1950s, that, as most of the literature maintains, migration actually fostered widespread proletarianization, which, in turn, generated new impulses to migrate. Migration thus became a mass phenomenon open to all social strata. However, the wages and conditions Southern migrants were willing to work for changed over time. As long as they perceived their jobs as temporary and kept the bonds with their communities of origin alive, they had a strong competitive advantage vis-à-vis indigenous workers. Nevertheless, when they perceived their condition as permanent and cut off the bonds with their communities of origin, this competitive advantage disappeared. They became conscious of being fully proletarianized and struggled for higher wages and better working conditions.

We can draw two general conclusions from the historical experience of Calabria. Firstly, it shows that, in a peripheral context, subsistence-oriented production has better chances of survival than small-scale commodity production, and far better chances than large-scale commodity production. This is hardly surprising, since within peripheralized activities there is little room for surplus appropriation, particularly in the form of profit. If by any chance micro-level capitalist relations of production actually develop in a peripheral context – as they did in Calabria and as they do all the time in other peripheral locales – they are subject to extreme competitive and/or subversive pressures that undermine their viability. It is not the absence of micro-level capitalist relations of production that produces peripherality; it is peripherality that problematises the development of such capitalist relations of production. To retain their viability, capitalist relations of production in a peripheral context must either develop a symbiotic relation with subsistence activities, or supplement the invisible hand of the market with the visible hands of the repressive apparatus – or both (Arrighi/Piselli 1987: 702f).

Secondly, different ways of organizing economic life (such as subsistence-production, small-scale commodity production, and large-scale commodity production) have no necessary relation to economic progress (through which the absolute and relative command of the residents of that territory over economic resources, that is, their 'wealth', is increased). They are neither stages leading to greater economic command nor attributes of lesser/greater command. Rather, they are alternative forms of social life and social change within an evolving world-economy. Even though elsewhere these forms, or paths, have all been associated with economic progress, in Calabria they have all been associated with economic regress, comparatively at least. The path of social change followed by a territory does not therefore determine the command of that territory over economic resources. It does, however, determine the distribution of such command *within* the territory, and therefore the welfare of its population. Thus, in Calabria, economic regress for the bulk of the population was least along the path of subsistence production entered by the Cosentino, and greatest along the path of large-scale commodity production entered by the Crotonese (Arrighi/Piselli 1987: 735ff).

In conclusion, the historical experience of Calabria contradicts, in many respects, the notion that the dispossession of the peasantry is a necessary condition of successful capitalist development. The extreme dispossession of the Junker road (Crotonese) underlay the abrupt and complete end of the capitalist latifundium. On the contrary, the *petty accumulation* without dispossession of the peasant-migrant road (Cosentino) proved to be more stable and capable of ensuring better living conditions for its population.

- 1 Arrighi combined the complementary insights of three different analyses (Arrighi 1970; Legassick 1975; Wolpe 1972) which, since the 1970s, had emphasized the contradictions generated for influencing accumulation in Southern African countries by extreme peasant dispossession and thus proletarianization. He outlined a single model of accumulation by dispossession that highlights not just the reasons for the initial successes of settler capitalism in Southern Africa but also its contradictions and eventual demise. He then revised this model through the analysis of the historical experience of South Africa, which represents an extreme case of 'forcible' dispossession of the peasantry from the land and control of the proletarianized labor force through the apartheid regime (Arrighi et al. 2010).
- 2 Arrighi mentioned on several occasions (2007: 365, Arrighi et al. 2010: 417) Hart's call "to revisit classical political economy debates, and revise the teleological assumptions

about ‘primitive accumulation’ through which dispossession is seen as a natural concomitant of capitalist development” (Hart 2002: 201).

- 3 The analysis relies primarily on Arrighi/Piselli 1987, but also on Arrighi 2009; Piselli 1981; Piselli/Arrighi 1985.
- 4 The idea of designating this path as the ‘Swiss road’ arose from a reading of Casparis (1982).
- 5 On the process of formation of the capitalist latifundium in the Crotonese, see the important case study analyzed by Petruszewicz (1996).
- 6 The miserable living conditions of the labouring population of the Crotonese had a devastating effect on their physical health. This was evident above all in comparison with the more robust and healthy population of the Cosentino, who had at least the means to produce their physical subsistence (see Arlacchi 1983: 177ff).

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Abstracts

This essay, through the historical experience of Calabria, argues for a critical revision of the concept of primitive accumulation, through which dispossession of peasantry from the land is seen as a necessary condition of capitalist development. It focuses on the relationship between proletarianization and capitalist development and it shows that systems of production that are often construed as successive stages in the development of capitalism (subsistence-oriented production, small-scale commodity production, large-scale commodity production) developed in Calabria next to each other and at about the same time. Moreover, it shows that in a peripheral context subsistence-oriented production based on accumulation without dispossession has better chances of survival than small-scale commodity production, and far better chances than large-scale commodity production based on full proletarianization.

In diesem Artikel wird anhand der historischen Erfahrungen Kalabriens eine kritische Revision des Konzepts der ursprünglichen Akkumulation gefordert, das die Enteignung der Bauernschaft als notwendige Voraussetzung für kapitalistische Entwicklung betrachtet. Dabei wird die Beziehung zwischen Proletarisierung und kapitalistischer Entwicklung in den Mittelpunkt gestellt und gezeigt, dass Produktionssysteme, die oft als einzelne Phasen in der Entwicklung des Kapitalismus (Subsistenz-

wirtschaft, Warenherstellung durch Kleinproduzenten, Warenherstellung durch Großproduzenten) angesehen werden, sich in Kalabrien nebeneinander und zur gleichen Zeit entwickelten. Darüber hinaus zeigt sich, dass subsistenz-orientierte Produktion, die auf Akkumulation ohne Enteignung aufbaut, in einem peripheren Kontext mittelfristig bessere Überlebenschancen hat als Warenherstellung durch Kleinproduzenten und weitaus bessere Aussichten als Warenproduktion durch Großproduzenten, die auf einer vollständigen Proletarisierung aufbaut.

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Agrarian Transformation, Labour Supplies,
and Proletarianization Processes in Turkey:
A Historical Overview

1. Introduction

One of Giovanni Arrighi's concerns, from the start of his academic work, was the relationship between agrarian transformation and labour supplies in capitalist employment. In his writings on Africa, as well as on Calabria, his work straddles the process of change in the countryside, taking into account land ownership and relations of production, and migration from agriculture to other sectors where peasants become employed as wage earners (Arrighi/Saul 1968; Arrighi/Piselli 1987; Arrighi 1970; Arrighi et al. 2010). Migrants arrive into capitalist relations of production with their past and present entanglements. Often, they maintain a relationship with their place of origin and this relationship becomes an integral element in their mode of survival. Whether they can draw on the economic benefits of the countryside as continuing owners of land or as recipients of transfers from family, or whether they can go back to the village during slack times in the year or when there is a downturn in the capitalist sector, or when they are too old or infirm to work, are determining factors in their level of welfare and have an obvious impact on their disposition toward urban life, labour movements, and their attitude toward state transfers in the form of social welfare.

What we would like to do in this paper is to employ the framework set out in the referenced works by Arrighi in order to sketch the contours of agrarian transformation and labour supplies in Turkey's experience of expanding and deepening capitalism. We will focus on two themes that will highlight the specificity of the experience: one, the regional patterns

of agrarian transformation which brought about a staggered geographical process of de-ruralization; the second, the transition from national development to neo-liberal globalization, a process which not only changed the 'demand' side by transforming the conditions of employment in the mostly urban capitalist economy, but also created new problems and opportunities in the countryside and transformed the conditions within which the decisions on migration and household labour use were made.

In the following, we argue that semi-proletarianization rather than full proletarianization was the norm in Turkey in the post-war period. Both in the developmentalist era and its aftermath during globalization, agrarian transformations have brought about the formation of semi-proletarianized households with significant ties to the rural areas. The nature of the commodity markets (particularly land) in urban areas and the predominance of informal work relations contributed to this outcome. In recent years an exceptional case has emerged, in the form of the experience of the dispossessed and deruralized Kurdish population. This situation was due mainly to state coercion and extra-economic factors but, at this stage in the development of capitalism, full severance of rural ties does not translate into successful proletarianization in the sense of employment income sufficient for reproduction. The chances for the Kurdish population to be able to rely fully on wage income are thus virtually non-existent.

2. Historical development of regional differentiation

Anatolia was one part of the Ottoman Empire which had not been deeply integrated into world markets. When compared with the fertile areas of the Balkans, the share of market-oriented production in agriculture was meager. The yield of the land was not high and most producers operated within the technological constraints of traditional family farming. Small ownership was the rule, although there were some landlords who controlled larger amounts of land that were cultivated on the basis of sharecropping. Estate agriculture was almost non-existent until late in the nineteenth century. One exception to these defining features was the coastal strip along the Aegean sea, which had been part of the coast-island economy for a long time and which was first used for the production of crops such as

raisins, figs and tobacco for export markets in the second half of the nineteenth century¹. Most of the coastal region was lacking in labour supplies at the time, a situation that was rectified through the migration of mostly Greek farmers from the islands and mainland Greece, as well as from the interior of Anatolia. Toward the end of the century, the region also received a Muslim population who was forced out of their ancestral homes in the Balkans as a result of Russian expansion.

The population of the Aegean coastal region that was involved in commercial farming increased steadily during the decades leading to the demise of the Empire at the end of World War One. A similar development could also be seen in Çukurova (Cilicia), which came later to market-oriented agriculture. This region was also undersupplied in terms of labour. It received migration from eastern and interior Anatolia as more land was reclaimed and production intensified. Thus, these two Anatolian regions, the Aegean and Cilicia, which were the most advanced in terms of commercial agriculture, were subject to net inflows of population; there was no labour surplus that they could create.

One region that was different than the two described were the coastal lands of the Black Sea, which also was introduced to export agriculture during the nineteenth century. Especially after the 1880s, the cultivation of tobacco and hazelnuts began to dominate the region, but available land was scarce. Furthermore, there was a tradition of outmigration. Seasonal labour in Istanbul, especially construction workers, had traditionally originated in the Black Sea region. This situation did not change through the final decades of the Empire. During the latter part of the nineteenth century, most of the interior and the Eastern highlands of Anatolia had varying experiences. In these regions, the commodification of agriculture was a much slower process; there were not many roads, and transportation mostly depended on oxen and donkeys. Small farm surpluses were sold in local markets that could be reached by most villagers only in the dry season and after a long march. The population of the interior did not increase in any significant manner, and there was a steady stream of outmigration during the final decades of the century by Greeks and Armenians.

The degree of commercialization and the living standards of the villagers and the nomads of the Eastern highlands remained at a level which was comparable to that at the time of the Ottoman conquest. There

were a number of demographic changes that did occur, due to persistent attempts by Ottoman authorities to sedentarize the nomadic tribes, mostly of Kurdish origin. Some of this newly settled population remained in the mountainous plateaus, engaging in extensive animal husbandry; others were located in the plains in and near Cilicia with the tribal authority structure remaining intact (Eberhard 1953a, 1953b; Yalman 1971). There would be no de-ruralization of this population until late in the twentieth century.

On the eve of the Great War, Anatolia appears as a land about to enter a period of rapid transformation, both in terms of the acceleration of agrarian change – commodification, intensification of production and regional division of labour – and a related shaping of population dynamics to accommodate the labour demand in the regions of expanding production. All these trends, however, came to an abrupt end with the War. War-related deaths may have claimed up to twenty percent of the Muslim population. In addition, there were the massacres and deportation of the Armenians and the exchange (with Greece) of the Christian Orthodox population. Of these non-Muslim *millets* of more than three million before the War, only a few hundred thousand remained in 1924, and almost none in agriculture (cf. McCarthy 1983). Furthermore, Christians had been overrepresented among commercial and especially export-oriented small producers – with Greeks along the Aegean and the Black Sea coasts and Armenians in Cilicia and in the valleys of eastern Anatolia. This meant that the immediate period of reconstruction was one where there was a population deficit, generally in the countryside and specifically in commercial agriculture. It took until the end of World War Two for there to be a surplus population in the countryside to provide for the labour needs of urban industry.

3. Three patterns of wage labour formation

When out-migration or deruralization started after the 1950s, it was, of course, geographically uneven, but basically followed the contours described for the earlier period. There was a relatively small amount of migration from the most developed commercialized regions of western Anatolia and the Mediterranean coastal strip. Migration from the Black Sea continued and increased during the first decades of the post-War era,

but slowed down afterwards. Deruralization of the interior displayed the reverse trajectory: slow at first but steadily accelerating after 1950 and into the 1980s. The eastern and southeastern regions were integrated very gradually into the national economy of labour supplies. Out-migration from these regions was not substantial until the 1980s and became a flood in the 1990s, due to the military campaigns of the Turkish army against Kurdish guerillas.

To generalize from these regional patterns, we suggest that there have been three distinct patterns of proletarianization in the Turkish case:

- (1) Semi-proletarianization by informal means: a pattern that prevailed until the late 1980s and was characterized by gradual urbanization, and in which the links with the village were maintained for a long time – perhaps until the children who were born in the city came of age. During this long period links with the village permitted transfers of savings, first toward those trying to establish themselves in the city, then as remittances back toward the elders in the village. Most of these migrants were in a position to occupy land in some part of the expanding urban area and thus benefit from the spatial expansion of the city by earning property income. Property income became the biggest factor in facilitating this relatively painless phase of proletarianization. Even during economic downturns, the immigrant population could rely on not having to pay rent; besides, going back to the village or at least sending the children back during hard times always remained an option. Since informal housing arrangements contributed heavily to the economic and political incorporation of the newcomers into the city and a considerable part of the labour market was constituted of informal work relations, this pattern of wage labour formation may be termed ‘semi-proletarianization by informal means’.
- (2) Part-lifetime proletarianization under globalization: this second pattern is distinguished from the first in that there is no deruralization but rather part-lifetime proletarianization, particularly in the thoroughly commercialized coastal regions, as has been the case over the last two decades. In other words, primary residences remain in the countryside, but there are frequent, seasonal or longer excursions into wage employment. Parallel to the internationalization and deregulation trends in Turkish agriculture, the price, product, and production structures in

rural areas have become much more complex and responsive to multiple signals, mostly originating in world markets. Moreover, land, traditionally a stable and strong pillar of the village economy, has also undergone a process of commodification, especially in the coastal tourism areas, and has become subject to competing uses. As a result, non-agricultural incomes have become increasingly important for rural households.

- (3) Dispossession by force: The third pattern is the more recent migration and forced displacement of, in particular, the Kurdish population after the 1980s. Having been forced out of their villages either directly by the military or indirectly because there was no security, they have no land or village or household economy to go back to. Because the urban economy has changed, again under the impact of deeper commodification and global demand, Kurdish migrants end up living in rental housing in remote and poor neighbourhoods of the cities they settle in. Thus, their entire reproduction depends on money income; however, there are no jobs, particularly in cities in the East and the Southeast. For their survival in the city they largely rely on meager public transfers such as social assistance, and sporadic wage employment, often in agriculture in other regions. These are fully deruralized but nonetheless only partly proletarianized workers who cannot find capitalists to exploit them. This is why this pattern of proletarianization could be described as dispossession and reluctant semi-proletarianization instigated by force.

In the following we will look at each of these different processes of wage labour formation in detail.

3.1 Semi-proletarianization by informal means

National developmentalism, agrarian change and migration

Out-migration, especially from the villages of the interior, started with the new era of development after the Second World War. This was a period when petty commodity production was consolidated in the countryside, not only with the gradual establishment of a national market, but also because there was an attempt by the government to distribute land to land-deficient households. Although the land reform legislation (namely, The Law to Provide Land to the Farmer, 1945) was enacted in a diluted form, it clearly recognised that new lands which were to be opened up would go

primarily to peasants who held little or no land. Thus, by 1963, the number of owner-occupied holdings had increased by one-third, from 2.3 million in 1950 to 3.1 million. This widely dispersed pattern of ownership made the emergence of landlessness and consequent deruralization highly difficult and contributed to the consolidation of small holdings between 1945 and 1960 (Keyder 1983).

The bringing into production of the extra land slowed down the potential exodus from the countryside of the more than one million men who had been de-mobilized after the end of the War. Nonetheless, the expanding use of tractors and other agricultural implements, as well as the even more rapid introduction of trucks for transporting people and crops, brought about a situation of surplus labour (İçduygu/Sirkeci 1999). Commentators trying to understand the new migration were convinced that 'push' factors were prevalent and that tractors made people redundant. It must, however, be remembered that household incomes now derived from many sources, including urban wage earnings and remittances. Village households had become multi-sited and spatially extensive over the surface of the now-integrating national market, reaching from the village to the city (predominantly Istanbul or Ankara). Migrants thought of themselves as temporary workers in the city; hence, they remained within the household in terms of income pooling and budget planning. In fact, the net flow of funds was often initially in the direction of the cities, in the attempt to set up the migrant who would in the future repay the debt handsomely.

Crucial to the process was, of course, the 'pull' factor of an expanding labour market in the cities. Here we can pursue the argument with the example of Istanbul. After 1960, when its population was still around two million, Istanbul became the predominant location of a new generation of private manufacturing enterprises, encouraged through financial incentives and protected from world competition. Labour demand made migration practical and shanty towns to accommodate the migrants began to develop. The growth of the city led to a huge construction activity, which often provided the starter employment for new immigrants. Even if the number of individuals who actually moved remained small, permanent or temporary migration became an option that households could realistically include in their income-earning strategies.² At the same time, the physical possibility of movement increased, both for people and goods. The road

network received a good deal of public investment. In imitation of the American model, with its emphasis on the automobile rather than railways, the ruling party after 1950 made the rapid social integration of the Anatolian countryside one of its major objectives.

By 1973, under the sway of developmentalist policies, 44 percent of all private manufacturing establishments in Turkey employing more than 10 workers were located in Istanbul, accounting for 51 percent of total employment in the private industrial sector (Özmucur 1976). This growth was accompanied by a much larger number of labour-intensive, small-scale manufacturing and commercial enterprises in and around the city core. Hence, there was an undeniable 'pull' attracting those peasants in search of employment and higher incomes (Danielson/Keleş 1980; Karpas 1976). There was a reasonable chance of finding work, in construction, manufacturing, or in the rapidly growing informal service sector: indeed, by 1980, the city's population had reached 5 million. This was a classic example of relatively successful developmentalism: modernization was supposed to happen in the cities, and policies were deliberately or implicitly biased in favor of urban growth.

There were, of course, problems in absorbing this level of migration into the urban social and economic structure, translating to an annual 4–5 % urban growth rate. During the period of developmentalist optimism, there were models built on the assumption that peasants migrating to the cities would find urban employment and would thus add to the average productivity in the economy. The most famous of such analyses was the Lewis model (Lewis 1954), suggesting that the rural population could leave the countryside without any negative effect on agricultural output, but would contribute positively to non-agricultural output in the city. The 1970s, however, also witnessed an official disillusionment with the prospects of urban employment for former peasants. The 'modern' formal sector could not possibly generate employment at the desired rate; hence, a large informal sector emerged. In what came to be regarded as a decisive departure from the optimism of modernization theory, an ILO report written by the anthropologist Keith Hart (1974) introduced the term 'informal sector' into social science scholarship. The term was quickly taken up by researchers who were, of course, aware that the vast majority of the immigrants went through a stage in their urban life when they were in the

informal economy, semi-employed, preserving their links with the village, and dependent on the kindness of kin and community.

From the perspective of modernization, the informal represented a failure; this is why there had to be an assumption that the informal would be transformed into the formal in due time. In fact, however, the experience of Turkish peasants was as good an outcome as could be desired. Had there been complete deruralization, and no allowance for informality, those without proper wage employment in the big cities would have suffered greatly, especially since social welfare did not exist, even in rudimentary form.³ As it was, most migrants remained in that state of in-betweenness, between the village and the city, the formal and the informal, the extended network of kin with reciprocal obligations and the nuclear family of more modern vintage, thus making 'semi-proletarianization by informal means' a permanent feature of ever-growing urban populations.

The process of modernization was not envisaged as a solely economic phenomenon. Incorporation through the labour market was embedded in the political sphere, both because employment was often found through patronage, and more importantly because networks leading to jobs were often promoted through their success in mobilizing political contacts. Most political discussions within the immigrant communities revolved around local issues, and the organization of the new population exhibited specific features, especially in the form of a shared place of origin, which supplied the cohesive principle. In fact, the dynamics of incorporation depended heavily on the ease with which immigrants could access land and housing. The acquisition of a house was the definition of residence and locality. It provided the potential for the mobilization of networks, which were substantially locally based, and permitted the utilization of patronage mechanisms through a politics conducted primarily at the local level. Thus, directly in the case of politics, and indirectly in the case of economic integration, the spatial dimension had to be brought into the narrative of modernization.

Gecekondu, informality and the spatial dynamics of working class formation

In Turkey, as in most developing countries, rapid urbanization translated to a sprawling growth of shanty towns. Throughout the developmentalist era, migrants took over land and constructed housing on the periphery of existing cities (Tekeli et al. 1976). At first, it was empty spaces within the inhabited city which were filled with illegal squatter (*gecekondu*) housing. More recently, the natural space for expansion became the immediate perimeter of the settled area – land that was primarily public, i.e., de facto ownerless. The urban space and urban ecology of Istanbul were transformed through the expansion of the settled area of the city as ‘illegal’ settlement occurred in places where the least resistance was encountered (Öncü 1988). Public authorities contributed to the chaotic development of the city and to the emergence of the legal-illegal division because they did not proactively adopt a policy of privatizing the land.

Although migrants were implicitly permitted to appropriate the land, the property regime remained ambivalent and full ownership was only rarely ratified. Hence, it was safer to organise land appropriation and informal housing construction as collective affairs – an informal partnership organized by entrepreneurs who received the returns either in terms of monetary reward or political allegiance (Erder 1996). Thus, the entire illegal process of land occupation and allocation, indeed of construction, contributed to the strengthening of networks. Most migration was chain migration, and initial networks depended on a shared reference to a common universe – usually place of origin (Erder 1999). This ‘moral economy of housing’ (cf. Buğra 1998) served as an ersatz institution facilitating both the economic and the social dimensions of incorporating rural immigrants into the urban fabric. It provided the potential for the mobilization of networks which were substantially locality-based and permitted the utilization of patronage mechanisms, for material and intangible rewards alike, through a politics conducted primarily at the local level.

The need for collective action continued after settlement: one form which took centre stage during the process of formalization was the campaign for collective goods, especially municipal services (Castells 1977). In addition, the neighbourhood also served to provide an environment for the perpetuation of a residence-based informal economy. Work could be

exchanged among neighbours, trust deployed for purposes of employment and exchange contracts, and, perhaps most importantly, there was an information exchange intended to promote links with the formal economy (White 1994). This accumulation of social capital within the residential space was the principal resource for the survival of the new immigrants.

Gecekondu settlement and the process of ownership of a house also offered immediate economic returns. Most immigrants managed to acquire a degree of ownership of a house after ‘illegally’ appropriating land and informally building a dwelling. Although migrants were implicitly permitted to appropriate the land, the property regime remained ambivalent until the 1980s, when titles were given to the owners of illegal housing as a result of a great political bargain (Keyder 1999). This was a substantial boon because, as the geographical limits of the city expanded, urban centrality came to be redefined; in other words, as long as the city continued to grow, the earlier buildings would be worth more. This increasing value of the property, accruing more to the earlier migrants who were more likely to have a formal status, was arguably the most important reason why the working class remained appeased during the economic liberalization and declining labour incomes of the early 1980s (Boratav 1995).

More generally, residential dynamics served to substitute and compensate for the lack of more formal mechanisms of social security. In the first world, in cases when the wage relation failed or when it would no longer be operative, as in times of illness or old age, the state was expected to step in to underwrite subsistence by means of a well-developed welfare regime. Such formal and institutionalized mechanisms of social policy were lacking in the case of Turkey. The extent of decommodification was limited, confined to free public education and rudimentary health care. Social insurance mechanisms were weak, and served retired state employees or those who had been fortunate enough to be formally employed. The new migrants who were most likely to suffer poverty and were most vulnerable to risks and who were likely not to have formal employment, were not covered under any scheme of social insurance or formal social assistance. In the absence of formal mechanisms, the welfare regime relied on kinship and neighbourhood reciprocity, working through social networks (Buğra/Keyder 2006). These networks functioned best in the concrete space of residential proximity. Rootedness in place, which could only be accorded to

families who owned their own housing, and were therefore not temporary, was an essential component of belonging. Thus, housing and residence, and belonging in a neighbourhood were also certificates of mutuality and cooperation.

The two mechanisms of social integration, employment and housing, naturally intersected and complemented each other. Incorporation through the labour market was embedded in the political sphere, both because employment was often the product of patronage, and, more importantly, because networks leading to jobs were often improved through their success in mobilizing political contacts. Thus, the migrant world was interpenetrated by patronage and clientelistic networks within which market mechanisms were embedded. These networks were primarily located in neighbourhoods which were also the units of organization of clientelism (Güneş-Ayata 1991). Urban politics was the natural arena in which immigrants engaged; they elected and supported politicians who could credibly promise local returns. Thus, migrants became citizens through their allegiance to the space of residence (Holston 1999), and not through participation in industrial action or working class politics.

3.2 Part-lifetime proletarianization under globalization

The post-war boom came to an end with global economic crises during the 1970s. In core countries a new period of ‘disorganized capitalism’ started when the principal intention of capitalists seemed to be to cut costs by economizing on employment and wages. Globalization of production, in the form of outsourcing to the newly industrializing countries those parts of the production process that did not require particular skills, was a process which started at this time and quickly accelerated. Its domestic counterpart was the casualization of labor, the trend toward the employment of part-timers, at-home workers, short-term contract workers, and the decisive turn away from life-long career paths. The impact of the crisis on peripheral and newly industrializing countries was more direct. Here, formal work was often associated with public enterprise and state-directed import-substitution. The crises of the 1970s delivered these countries onto the hospital beds of banks and the IMF, forcing governments to give up the dream of a ‘modern’ social class of workers. The employment structure became much more fluid and the category of formal more elusive.

With the new economic division of labor and the spread of industrialization worldwide, there began a global surge in wage employment. Peasants were moving to urban areas in the hope of finding stable employment. Most of the new employment available in the urban areas was ‘part-time’, ‘casual’, and ‘incidental’. Stated differently, part-lifetime proletarian households that “derive their income from a combination of wages (whether in cash or kind), subsistence production, petty market operations, rents and transfer payments (including gifts)” prevailed across the world. Hence, we could not talk about ‘full-lifetime proletarianization’; instead “the rise in part-lifetime wage labor and households has come to govern, increasingly and worldwide, the organization of labor and production processes” (Tabak 1996: 87).

In Turkey, parallel with world-wide trends, the structure of work and employment relations changed considerably after the 1980s. Even though the Turkish economy experienced respectable rates of growth, particularly after the 1990s, the share of wage income in the value added of major economic sectors did not exhibit any sustained improvement (Boratav et al. 2000). In fact, the informal economy grew even bigger, reaching fifty percent of employment in manufacturing (and higher in services) (Öniş 2000). The share of the unionized and organized labour in the overall economy decreased and employment relations became more ‘flexible’. As a result of these developments, cities are now much less welcoming to newcomers, who can only hope for precarious, informal, and low-paying employment. This process was complemented by neo-liberal transformations in agriculture.

Agrarian change under globalization⁴

During the national developmentalist era, Turkish agriculture was regulated by support price policies, subsidies for agricultural inputs, commodity boards and a protectionist trade regime, as in most countries around the world. Under these conditions, roughly from the 1950s to the 1980s, farmers enjoyed considerable security and managed to remain relatively immune to the vagaries of the market. Following the neo-liberal restructuring of the economy under the auspices of the IMF and the World Bank after the 1980s, various structural reforms and measures were introduced with the aim of reducing public spending and liberalizing food

markets (Yenal/Yenal 1993). Although the pace of this process was slow until the 2000s, deregulation has gained considerable momentum in the last decade with the enactment of an economic reform package, supported by IMF and World Bank, with strong terms for further liberalization of the farming sector (Aydın 2010). As a result, agricultural support policies for many commodities were largely discontinued, subsidies for agricultural inputs and credits were generally removed, most of the state agricultural enterprises were privatized and the trade regime in agriculture was liberalized to a significant degree.

Additionally, globalization has brought about a transnationalization of commodity chains in agriculture. All farmers have to submit to transnational circuits but, as might be imagined, the less stable their production base the greater their vulnerability to market signals. For the grain, pulses, and sugar beet farmers of the Anatolian interior there is not much decision making as regards ever-volatile prices and fluctuating profitability. Their crops are not labour intensive and the sunk costs of the prevalent technology make it harder to switch. These farmers have already built stable family structures consonant with the labour requirement of their farms: the population is relatively stable and there is not much excess labour capacity to employ in household income-earning strategies. Such is not the case, however, with the comparatively agile households of the coastal regions, especially in Mediterranean and Aegean villages where expanding employment opportunities provided by tourism and intensive contact with towns allow for, and require, a permanent state of alertness. Village households in the coastal regions seem to be on constant lookout for mostly labour-intensive new crops, new employment opportunities, and commercial networks to tap into.

In the last several decades there have been radical changes in the structure of land, labour, credit, input and output markets which have led to a growing sense of uncertainty and ambivalence in the countryside, particularly in coastal regions. Alongside transformations in markets and technology, the relatively stable parameters of rural life, predominantly circumscribed by unwavering conditions of land, labour and capital resources within a conservative village society, are also in the process of profound change. Inputs are increasingly being commodified: relaxation of import controls has led to swift commercialization and internationalization of

input markets such as seeds, fertilizers, chemicals and pesticides. Not only did the deregulation process begin in Turkey earlier than most countries, in the early 1980s, but its intensity and scope have also been relatively greater.⁵

On the output side, it has been a global trend that big retailers and food manufacturing firms are heavily engaged in organizing flexible procurement networks that stretch across the world. This had significant repercussions for agro-food markets in Turkey as well. The role played by retailing and wholesaling firms, market brokers and supermarket chains, all of which act as intermediaries between the direct producer and the consumer, has increased over the last decades (Özkaya 2008). Due to increasing competition, farmers have increasingly resorted to various credit mechanisms in order to protect themselves against fluctuations in markets. This financialization, the insertion of credit and debt into all transactions, further deepens market dependency, adding ever more risk to production conditions, particularly for farmers with fewer land and capital resources.

A potentially more disruptive commodification is the growing impact of the market on the land itself which undermines local economies and shakes the very foundations of the village community. Agriculture is no longer considered the only possible use of land, especially because of the recent increase in demand from the tourism sector. Summer housing complexes, predominantly for the use of urban middle classes, or tourism facilities for both local and international tourists, claim larger portions of the previously cultivated land. Many villagers are now deprived of access to the commons for animal husbandry, firewood, and other household needs: they either have to give up animal husbandry or switch to more intensive methods with commercial feed, leaving them to face the uncertainties of the market.

Diversification of non-farm incomes and part-lifetime proletarianization

Structural adjustment and market liberalization policies have played a fundamental role in intensifying the struggle for viable livelihoods, one result of which has been the re-orientation of rural dwellers toward income diversification outside of agriculture.⁶ The gradual liberalization of agricultural markets and dwindling state support to agricultural producers have contributed to the decline in agricultural revenues and led rural dwellers

to search for complementary sources of income-generating activities. This process was, to a large degree, aided by the development of alternative sources of employment in the countryside, thanks to the growth, especially, of the tourism and construction sectors. Thus, migration to large cities by the younger members of rural households has largely been avoided. The extent to which household members look for outside employment is generally a function of the income level of the household. Younger members of poorer households with limited land availability are more eager to engage in temporary, seasonal or preferably permanent off-farm employment, but in the vicinity of their villages. In most of these cases, those with off-farm jobs continue to reside in the village.

The variety and availability of off-farm employment depend on the regional economy within which a village is located. The coastal regions have been increasingly dominated by the tourism sector. Although no figures are available for the direct or indirect generation of employment in tourism, the number of tourists that Turkey receives has been steadily increasing (more than 25 million in 2010), prompting the minister of tourism to declare that the tourism sector is responsible for 15% of all employment in Turkey. This figure translates to more than three million jobs, the majority of which would be seasonal. The typical pattern is for a large hotel or 'holiday village' to employ perhaps one quarter of its personnel year-round, and the rest during the tourism season from May to October. The front-desk personnel might be professionals and students on their summer break, while in the background the cleaning staff and the larger team in the kitchen and the garden would be drawn from villages near and far. It is particularly the younger villagers who seek wage employment in hotels and other tourist-oriented businesses. However, it is not uncommon to see young villagers from inland provinces far away from the coastal areas, now residing permanently in the coastal region and working in tourism establishments (cf. Aykaç 2007). In fact, this is the process by which urban centres and even villages in the coastal regions have grown in population. Many villages near tourism centres now have 'Kurdish' neighbourhoods housing recent immigrants from the eastern regions of the country.

Households that have to rely on a supplementary source of income for their reproduction increasingly need some of their members to enter the labour market outside of their villages. However, this kind of off-

farm employment does not necessarily lead to more permanent deruralization. Unlike earlier periods when villagers who faced economic difficulties migrated to larger cities, it is now more common that they continue to reside in the village and commute daily to work. Even in the case of more permanent non-agricultural employment, young people who work in small factories and workshops in the vicinity continue to live in the village. In other regions of Turkey as well, where there is no tourism employment, parallel trends are observed. Based on fieldwork in a village in the eastern Black Sea Region in 1990, where hazelnut production has traditionally been the principal activity, Sönmez (2001) argues that, for the majority of the village households, a substantial portion of the disposable income is derived from off-farm work. In his account, in line with the increasing commodification of subsistence needs and the proliferation of novel items of consumption after electrification in the early 1980s, many households had to diversify their agricultural activities and sought employment in non-agricultural sectors. In another study, based on fieldwork in fourteen villages in various regions of Anatolia, Ertürk (1998) examines rural transformation and employment patterns. According to the findings of this research, petty commodity producers have had to diversify their 'resource bases' and participate in 'the land based/free floating labour force' in order to deal with economic hardships. In short, even though there is significant regional variation in the proliferation of off-farm income opportunities in the countryside (higher in the more market integrated and tourism-heavy regions of the coastal districts in the Mediterranean and the Aegean), 'the land based/free floating' labour force, a symptom of part life-time proletarianization, has become a permanent feature of rural Turkey.

3.3 Dispossession by force

Once the effects on agrarian structures of the 1950-1975 boom were played out, most of the traditional peasantry that remained was located in the poorer regions of eastern and southeastern Anatolia – relatively subsistence-oriented and socially insular. It may be argued that, since the expulsion of the Armenian population during World War I, eastern Anatolia has remained poor and underdeveloped. For most of the Republican era, governments were content to support the relationship between Kurdish tribal leaders cum landlords and the dependent peasantry. The only concerted effort by

the state to transform the region along modernist lines was the planning and the implementation of the Southeast Anatolia Project (GAP). GAP is an integrated regional development project which was conceived in the 1980s. One of the most pronounced aims of GAP was to transform and modernize agricultural production in the region by improving irrigation and introducing new technology. Particularly after 1995 with the start of irrigation in the Harran Plain (with around 35 percent of cultivated land in the region), significant changes took place in the countryside (Kudat/Bayram 2000). Most of the landowners switched from cereals and pulses to cotton production. However, land concentration continued to be very high, and the share of the landless population remained the same. GAP has so far proven to be insufficient in initiating self-sustaining economic and social development that would transform the region in a fundamental manner.

The predominantly Kurdish population in the Eastern and South-Eastern provinces, especially in the highlands, which was market integrated to a much smaller degree than in the rest of Turkey, was pushed out of their rural habitats by the war that raged in the area during the 1990s, with the result that large areas of former agricultural and grazing land were abandoned and the former peasants rapidly became an urban underclass (Sönmez 2008). Thus was the last vestige of the agrarian question solved in the case of Turkey – by force, as has often happened throughout history (cf. Bernstein 2006). The result of this final push toward depeasantization was that market regulation came to dominate the entirety of the rural population.

The migrants of the last two decades (Kurdish or otherwise) who arrived in cities with diminished opportunities, are different from the previous waves: the geographical shift in the place of origin has been paralleled by a change in the motives behind the decision to migrate. Compared to previous flows, push factors are now paramount. While the earlier migrants were attracted by employment opportunities, possibilities of home ownership through appropriation of public land, and better access to education and health services, for the newcomers the decision to migrate is based on the absence of options in their place of origin.

The last two decades' devastation of what had already been the poorest regions of the country pushed Kurdish peasants toward the big cities. This devastation is primarily due to the ethnic/separatist war, but the earlier

failure of development projects to integrate these regions into the national economy must also be remembered. A substantial decrease in farming and animal husbandry due to the armed conflict, lack of security, significant reductions in governmental subsidies to agricultural production (particularly tobacco, meat and dairy products) and forced evacuation of the villages by the army in the first half of the 1990s, led to “a strong and sustained wave of rural to urban migration” (Yükseker 2009: 266). Hence, the migration of the last two decades has been predominantly from the affected regions and more likely to be instigated by forced displacement. More than one million peasants moved to neighbouring city centres (Van, Diyarbakır, Malatya), coastal areas (Antalya, Mersin and Adana) as well as metropolitan centres (Istanbul, Izmir and Ankara).

For most of this Kurdish population pushed out of their habitats, there is no place to return to. The villages have either been razed to the ground (more than one-thousand villages have suffered this fate, according to official figures) or have ceased to exist as economic units. Thus, it is unlikely that these new immigrants can maintain links with the place of origin through property or kinship, which could generate an income supplement (in kind if not in monetary terms) for them. As most new migrants have ended up as tenants in the older and relatively distant shanty town neighbourhoods, they occupy a distinctly lower status in the social hierarchy. More importantly, ‘social capital’ available to new immigrants is also likely to be more limited in the absence of a more continuous pattern of chain migration.⁷ If social integration depends on the existence of networks, the new migrants are not in a fortunate situation in terms of being able to tap existing links in order to generate networks to be used toward employment or housing (Işık/Pınarcıoğlu 2001).

Against this background, the failure of the informal welfare mechanisms of the previous period becomes more alarming. The new Kurdish migrants are most often casual workers hired through street-corner labour markets, or ‘self-employed’ as street vendors. In Istanbul most migrants engage in informal day-to-day jobs where wages are extremely low, while some of the luckier migrant families have become a cheap labour source for the small- and medium-scale garment industry (Yükseker 2009). They also often face the threat of cultural and political exclusion. There is indeed a danger that these newly deruralized immigrants will now calcify into a

permanent underclass, moving back and forth between unemployment, self-employment, and casual, informal work, always in need of outside assistance for survival.

4. Conclusion

The principal factor that colours Turkey's experience in the formation of a working class has been the ownership structure of its agrarian economy. Starting after World War I with a shortage of labour, lack of land and wage employment were rare occurrences in the countryside. The Eastern provinces where tribal structures survived were an exception. Here, a form of sharecropping prevailed where peasants would pay some rent to the landlord, but more importantly, the social and political domination of the landlord class was hard to challenge. In the rest of Turkey the land ownership situation improved further in favour of owner-occupied small farms after the Second World War, when a land distribution scheme led to a massive reclamation, increasing the area under cultivation by one-third, and to a de facto land reform. The new balance of widespread ownership brought Turkey closer to the East Asian pattern mentioned in Arrighi et al. (2010) than the South African model that Giovanni Arrighi himself analysed in 1970. In East Asia agricultural producers were not dispossessed from the land; indeed, capitalist development was launched on the basis of a potential labour force that would maintain a close link to their village origins.

What is significant about this pattern is what Arrighi and his co-authors identified as a possibly more sustainable path of proletarianization, whereby the worker maintains a relationship with his village household and depends on this relationship for his own reproduction. This allows a more secure existence compared to the situation of full deruralization when the worker becomes fully dependent on his labour income for his own and his household's reproduction. In the latter case the only alternative to labour income is transfers – from relatives or from the state. In the case of part-time proletarianization however, reproduction may derive in part from farming income, even if this is unstable and uncertain. The levels of security and consequent welfare will be considerably different in the two cases. In the three temporally distinct trajectories we have described, only the Kurdish

can be described as one of dispossession, because for most of the population concerned the links with the agrarian background have been forcefully severed. In fact, most of the forced migrants of Kurdish origin depend exclusively on wage income and public transfers, and this is why Kurdish migration to the cities in the West and the East alike has led to a great deal of official and civil-society concern, search for social policies, and attempts to find ways to re-establish an agrarian background for the new migrants by providing incentives for a 'return' to the village.

The earlier migrants who were not dispossessed (those discussed above as the first pattern) certainly had to survive hardships and poor conditions and various forms of exclusion when they arrived in the city, but they always had the option of return and the reality of sharing the costs of reproduction with the household left behind. Furthermore, the household left behind also benefited: during good times, the flow of funds would be toward the village. When the migrants and their families returned during summer holiday or harvest time to their *memleket* (hometown), which, even after three decades or longer, is still the practice for a surprisingly large proportion of immigrants to the cities, consumer goods went in one direction and dried foodstuffs came back. An indirect benefit of this link was that the villages were thus introduced to different consumer goods and consumption standards, which created new demands and expectations, arguably leading to a different pattern of manufacturing growth – one where production had to cater to a more dispersed demand. Aside from implications for economic geography, this creation of demand contributed to the extension and intensification of the domestic market. It would not be wrong to claim that the rapid growth of the domestic market for the products of national industry became the key to Turkish economic growth.

As Arrighi, Aschoff and Scully (2010) argue, deruralization, along with dispossession from the land, may “become the source of major developmental handicaps for at least some and possibly many countries of the global South” (Arrighi et al. 2010: 436). These handicaps derive from the low wages that dispossession will lead to, and the implications of low wages for levels of poverty and the reproduction of the urban labour force. Of course, low wages also inhibit the development of a domestic market, and make it even more difficult for the state to compensate for the deficiency that low wages mean for the reproduction of the labour force. As they

conclude: “[T]he developmental success of China and other East Asian countries has been built on a tradition of accumulation *without* dispossession and of rural development and industrialization, which is radically different from the tradition of accumulation by dispossession that has shaped South Africa and the surrounding Africa of the Labor Reserves. Just as the Southern African tradition has ultimately narrowed domestic markets, raised reproduction costs, and lowered the quality of the labor force, so the East Asian tradition has simultaneously expanded domestic markets, lowered reproduction costs, and raised the quality of the labor force” (ibid.).

This is true for the Turkish case as well. The lower wages that would have resulted from dispossession would also have curtailed the national developmentalist trajectory that Turkey successfully pursued until the neo-liberal turn, and would likely have precluded the transition to global competitiveness during the last two decades.

The implications of the second pattern we have identified, the emergence of part-lifetime workers who combine farming with wage employment but continue to live in the countryside, are mostly felt at the level of agrarian transformations. Contrary to the expectations of the orthodox left, Turkish petty commodity producers survived in family farms and accumulated land and technology. Part-time workers, who themselves are members of households that own their own farm, fit in with this pattern. Wages become a supplementary income to help maintain the household economy and to subsidize incomes from production. These workers do not leave the farm or the village, and thus do not become part of the urban working class; instead they see themselves primarily as small farmers. Because they are owners of their land, and thus full members of the village community, they do not see themselves as agricultural workers either. Again, the exception being the small Kurdish populations who have settled in villages and small towns in western Anatolia, near agricultural land where they used to be employed as seasonal workers before they were displaced from their own villages in the East. These Kurdish populations establish households but often cannot buy land and are thus perceived as permanent outsiders, different from the rest of the villagers in that they will remain as full-time workers without any other source of income. Their houses or neighbour-

hoods concretely display this status because they are on the outskirts of the village or the town.

Finally, we might offer a few words on the relationship between the modality of working class formation and the social policy of the state. For the Turkish case, at least, there is a clear correspondence between the initiation of formal social policy and the emergence of a dispossessed working class. For most of the history of Turkish capitalism social policy was implicit, as could be seen, for instance, in the official blind eye turned to the practice of informal housing in the cities. However, since the accumulation of deruralized and dispossessed Kurdish peasants in the poor neighbourhoods of large cities, governments have also felt the need to turn their attention to social assistance, and to universalize programmes such as health-care. In fact, it seems that there is a new orientation away from the belief that characterised the social thinking of the Turkish political class until the 1990s, namely that families and community would informally take care of lifetime risks, toward a recognition that a modern state must assume new types of responsibilities. It may even be argued that this is part of a global trend in response to the dispossession caused by neo-liberalism in diverse contexts (Seekings 2008). The formalization of social policy is an indication that the social structure has been moving in the direction of unmitigated capitalism, whereby the working class will, in fact depend much more on wage income for its reproduction, and that the social policy of the state will now have to address a world closer to pure capitalism, a world where there are workers ‘free’ of all economic ties except to capital.

- 1 For a background to this discussion about the development of regional differentiation in agricultural patterns and production relations in the Turkish countryside, see Keyder and Tabak (1991), the edited volume containing articles on the development of land structures and agrarian relations in the Ottoman Empire.
- 2 For an exemplary study on the migration movements and the urbanization process in Turkey in the period under consideration see Shorter and Tekçe (1974).
- 3 This is the message of the Arrighi, Aschoff and Scully (2010) reconsideration of the proletarianization process in Africa.
- 4 The discussion in this section of the article is largely based on Keyder and Yenal (2011).
- 5 In a study which analyzes the impact of deregulation policies in the production and trade of seed and other agricultural inputs in four different countries (Bangladesh, India, Turkey and Zimbabwe), it was suggested that “market entry has been most dramatic in Turkey” (Gisselquist et al. 2002: 247).

- 6 Similar developments are observed in other peripheral contexts as well. As widely noted in the growing literature on de-agrarianization, there has been a rapid and progressive diversification of rural livelihoods in the Global South over the last several decades (Rigg 2006). Consequently, there are now an increasing number of rural households in countries in South America, Africa and Asia whose incomes depend largely on off-farm activities. For many, this is a secular trend which points to the general process of de-linking of rural livelihoods from land and farming. For example, the increasing diversification of the activities and sources of income of peasant households in recent decades in Latin America prompted many researchers to use the concept of 'new rurality' to distinguish such novel forms of survival for the rural populations in the age of globalization (Kay 2006: 463).
- 7 For a study which examines the weakening of social ties and support networks within the newly migrant community of Kurds in urban areas in the recent decades, see Şen (2002).

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Abstracts

Building on Giovanni Arrighi’s writings on Africa and southern Italy, this article describes the process of rural to urban migration and proletarianization in Turkey. During the developmentalist era agrarian transformations led to the formation of semi-proletarianized households in the cities, with significant ties to the countryside. The nature of housing in urban areas and the predominance of informal work relations contributed to this outcome. Under neo-liberal globalization a new type of proletarianization has emerged whereby workers do not abandon the countryside and instead find wage employment during part of the year. The recent experience of the Kurdish population, who were displaced from their villages in eastern Anatolia under military pressure, constitutes a third path toward proletarianization, where former villagers have been dispossessed and deruralized by force. These distinct paths imply different accommodations to capitalist employment, with different population dynamics and patterns of household reproduction.

Dieser Artikel beschreibt den Prozess von ländlicher zu urbaner Migration und Proletarisierung in der Türkei. Hierfür bezieht er sich auf Giovanni Arrighis Arbeiten zu Afrika und Süditalien. In der Ära des Entwicklungsstaates führte die ländliche Transformation zu einer Entstehung semiproletarisierter Haushalte in den Städten, die weiterhin signifikante Beziehungen zum ländlichen Raum aufwiesen. Die Wohnsituation im urbanen Raum und die Vorherrschaft informeller Arbeit trugen zu diesem Ergebnis bei. Mit der neoliberalen Globalisierung ist eine neue Art der Proletarisierung entstanden, bei der ArbeiterInnen den ländlichen Raum nicht verlassen und stattdessen während eines Teils des Jahres Lohnarbeit nachgehen. Die jüngsten Erfahrungen der kurdischen Bevölkerung, die von ihren Dörfern im östlichen Anatolien militärisch vertrieben wurde, stellen einen dritten Weg in Richtung Proletarisierung dar, bei der ehemalige DorfbewohnerInnen gewaltsam enteignet und deruralisiert wurden. Die einzelnen Wege implizieren unterschiedliche Anpassungsstrategien an Lohnarbeit, die jeweils mit divergierenden Bevölkerungsdynamiken und Reproduktionsformen des Haushalts einhergehen.

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Global Inequalities, Alternative Regionalisms and the Future of Socialism

1. Introduction: the ‘developmentalist illusion’

At the dawn of the 21st century, one of the most dramatic aspects of the present global system remains the sharp and seemingly ever-widening divide between regions of astonishing wealth and prosperity and regions of equally dramatic destitution and poverty (Sen 1999; Wright 2005). Moreover, there is also the growing polarization – especially along lines of race-ethnicity, class, gender and nation – within the wealthy states themselves, most especially the US (Tilly 1999; Reifer 2007, 2009–2010; Sen 1999). Along with this polarization of the global system, including within the wealthy states, it also needs to be noted that in many regions of intense poverty, the upper classes live in luxury lifestyles that compare favourably to those of their counterparts in the core regions of the capitalist world-economy (Arrighi 1990a).

In the late 20th and early 21st century, in a series of powerful articles and related books, Giovanni Arrighi (1990a, 1991), following the earlier work of Immanuel Wallerstein, argued that modernization or development was an illusion. Here, the key idea was that opportunities for development that present themselves to individual countries are not available to all. In explaining this, Arrighi (1991) drew on Roy Harrod’s (1958) famous distinction between oligarchic and democratic wealth, later elaborated at some length by Fred Hirsch (1976). Arrighi (1991: 58) noted that while democratic wealth could be generalized, oligarchic wealth could not, resting as it did “on relational processes of exploitation [...] and exclusion that presuppose the continued relative deprivation of the majority of the world population.”

“In Harrod’s conceptualization, democratic and oligarchic wealth are separated by ‘an unbridgeable gulf’. Democratic wealth is the kind of command over resources that, in principle, is available to everyone in direct relation to the intensity and efficiency of his or her efforts. Oligarchic wealth, in contrast, bears no relation to the intensity and efficiency of the efforts of its recipients, and is never available to all no matter how intense and efficient their efforts are [...] We cannot *all* command services and products that embody the time and effort of more than one person of average efficiency. If someone does, it means that somebody else is labouring for less than what he or she would command if all efforts of equal intensity and efficiency were rewarded equally. [...] In addition [...] some resources are scarce [...] or are subject to congestion or crowding [...] Their use or enjoyment, therefore, presupposes the *exclusion* of others” (Arrighi 1991: 59).

Arrighi’s arguments here directly critique the dominant social science modernization paradigm, namely the pro-capitalist promissory note of US hegemony. Modernization theory holds out the prospect that all states in the modern world can reach the standards of wealth – and patterns of high mass consumption – set by the rich states of the West, most especially the US after World War II. Arrighi demonstrated instead the ways by which looking at processes of modernization during shorter time frames encouraged the developmentalist illusion, by giving the appearance of catching up with the standards of wealth set by the West, appearances that, with the passage of time, were revealed to be illusory (Reifer 2006a, 2006b, 2006c).

In the 1990s and beyond, the ascent of Chinese-led East Asia, the world’s fastest growing country and region, held out the prospect of further catch-up with the standards of wealth set by the West and Japan. However, it is important to note that East Asia’s rise remains the exception that proves the rule (Arrighi/Zhang 2010: 5). For, as Arrighi (1990a, 1991: 59-65) notes, despite indications of catch-up in various regions with the standards of wealth set by the West in any given decade, looking at a longer time frame demonstrates instead that periods of catching up were short in duration and for most, but not all, regions usually followed by massive reversals.

During these reversals growing income inequalities and downward mobility in the hierarchy of wealth in the world-economy were revealed to be the norm rather than the exception. While the Japanese economic miracle and ascendance of East Asia showed that it was possible for some

geoeconomic regions to rise, the world-systems perspective forwarded by Arrighi and Wallerstein nevertheless argued that this was not possible for all states and regions in the global system, as the social foundations of the global system rest on oligarchic rather than democratic wealth, which, by definition, cannot be generalized.

This article first looks at the growing divide of the wealth of nations between rich and poor states in the global system, before going on to examine the bifurcation in the fortunes of the 'Third World' in the 1980s. Thereafter, the article turns to the examination of the development of alternative regionalisms and the struggle to challenge oligarchic and spread democratic wealth, most especially in Latin America. Finally, these developments are examined in terms of the future trajectory of the global system, particularly in regard to the prospects for the generalization of democratic wealth.

2. The wealth of nations and the growing divide between rich and poor

In his *World Income Inequalities and the Future of Socialism*, published on the heels of the collapse of the Soviet empire in Eastern Europe and the break-up of the USSR, Arrighi (1991) assessed decades of efforts by states all over the world to catch up with the standards of wealth set by the West. While Arrighi noted that numerous states had in fact successfully internalized many aspects of the social structure of the rich states of the West through modernization, including through industrialization, he went on to show that global income inequalities had in fact increased rather than decreased. Equally significantly, Arrighi argued that the collapse of communism in Eastern Europe and the USSR, rather than representing a validation of modernization theory, was instead part and parcel of the crisis of developmentalism, something also reflected in the global Islamic revival, as well as in the growth of liberation theology in Latin America and the Caribbean.

More specifically, Arrighi (1991: 48-51, 2002: 12-17) demonstrated in two different studies that, in the years 1938-1988 and 1960-1999, most world regions, despite their race to catch up with the standards of wealth set by the West and Japan, actually fell further behind. The worst perform-

ances came from South Asia and Southern and Central Africa, followed by Latin America. The 1980s were important here, as this period ushered in the economic collapse of much of the South and East, with the important exception of East Asia, whose wealth continued to rise steadily.

Of particular importance in this analysis was Arrighi's assessment of the collapse of communism. Arrighi (1991: 52-57) argued that, despite the belief of the peoples of this region that it was communist rule that prevented them from catching up, "this feeling has neither a factual nor a logic foundation", as such an assessment, Arrighi noted, disregarded the actual experience of downward mobility across most of the time and space of the capitalist world-economy, in contrast to the truly exceptional instances of upward mobility, most notably that, firstly, of Japan and now Chinese-led East Asia.

To be sure, Eastern and Central Europe did have higher social welfare per capita than states with similar levels of GNP before the implosion of state socialism and return to the capitalist fold. The reintegration into the global capitalist economy was associated with rising inequalities and lower social welfare, accompanied by the return of much of the region to its earlier peripheral role, as evidenced by the collapse in many states of industrial output and by 19 million people slipping into poverty in just the first few years of the transition (Milanović/Ersado 2010; Berend 1996, 2009: 74-78, 189; Haggard /Kaufman 2008; Gowan 1999). In Eastern Europe and Russia, the application of neoliberal shock therapy took its toll, as it had done throughout much of the global South in earlier decades (Reddaway/Glinksy 2001; Gowan 1990, 1999; Klein 2008). According to Joseph Borocz (2009: 98-99), Hungary, Georgia and Moldova experienced drops in world average GDP per capita of 11.4%, 93.8% and 82.8% respectively, while Russia and Ukraine saw drops of 60.9% and 67.1% of the world mean GDP per capita.

Arrighi's contribution here was of great significance, as those states in transition from actually existing socialism to capitalism played a particularly important role in the 1990s at an ideological level, superficially appearing to confirm to many the tenets of the neoliberal Washington Consensus and leading to grand claims about the end of history (Anderson 1992). In actuality though, the divergent experiences of Eastern and Western Europe, as well as those of the white settler offshoots of the US, Canada, Australia, New Zealand, South Africa and Israel – those states that Alfred Crosby (2008) referred to as the neo-Europes – showed instead that those countries that

‘developed’ were exactly those states which violated the supposedly sacred tenets of the Washington Consensus (Chang 2002; Chomsky 1999; Reifer 2006a, 2006b, 2006c; Magubane 1996).

Indeed, as Immanuel Wallerstein (1974) and Ivan Berend (1996: x) demonstrated, Eastern Europe, along with the Americas, was the first Third World, unequally integrated into Western Europe in the form of peripheralized regions, with “the communist experiment [...] part of a twentieth-century rebellion of the unsuccessful peripheries, which were humiliated by economic backwardness and the increasing gap which separated them from the advanced Western core [...] The failure of nineteenth century industrialization and parliamentary democracies was rooted in earlier centuries and preceding failures” (see also Quijano/Wallerstein 1992). As Pope John Paul II noted in 1993, “[s]evere social and economic problems of Europe and the world are rooted in the aberrations of capitalism. Communism was a reaction to reckless capitalism. The change in the latter was due in part to the ideas of socialism” (quoted in Berend 1993).

Not surprisingly, then, in a world-system still dominated by capitalism, ruthless attempts at modernization via coercive industrialization in actually existing socialist states failed to overcome the inequalities of wealth and power between the East and the West (Arrighi 1990a, 1990b, 1991). While some states and regions – most notably East Asia – were able to benefit from changes in the global system in the 1980s, the upward rise in the wealth of this particular geoeconomic region was not generally applicable to all states and regions. Though controversial, Arrighi’s (2002) argument receives powerful confirmations in more recent efforts to map the polarization of wealth in the global system.

Here, arguably the most ambitious attempt after Arrighi’s landmark interventions in mapping global inequalities has been that of Branko Milanović (2005, 2008) in his *Worlds Apart* and subsequent writings. In these later works, based on new data collected by the IBRD/World Bank (2007), Milanović (2008) reported radically revised estimates of the GDP per capita of both India and China – some 40% lower than previous estimates – as well as in other Third World states, with downward revisions far outweighing the upward ones. Milanović’s (2005: 39-44) earlier work also reveals a stark rise in world income inequalities, driven first by declining incomes in Latin America in the 1980s, followed soon thereafter in the tran-

sition countries in the early 1990s. For example, from 1980–1990, per capita incomes in various Latin American states fell dramatically, dropping by 23%, 22%, and 10% in Argentina, Peru and Mexico respectively, with corresponding increases in poverty (Kapstein/ Milanović 2003: 41). In terms of GNP per capita relative to what Arrighi (1991: 48-52) calls the organic core of the capitalist world-economy (including the rich states of the West and select East Asian states such as Japan), between 1980 and 1988, Latin America's fell by 46%, Western and Eastern Africa by 66%, Southeast Asia by 35% and the Middle East and North Africa by 27%.

Consistent with Arrighi's (1991, 2002) earlier work, Milanović (2005) showed that virtually all the earlier contenders for catching up with the West, from 1960 to 2000, experienced *downward* instead of upward mobility – Latin America, Sub-Saharan Africa and Eastern Europe most prominently – with the important and notable exception of East Asia. Moreover, as Milanović (2005: 65-71) noted, by 2000, for the first time in hundreds of years, no country in Latin America or the Caribbean (fully two-thirds of the failed contenders for catch-up) had any state wealthier than their poorest Western European counterparts. Today, fully 20 of these 22 former contenders are in the Third or Fourth Worlds, along with almost all the other non-Western states as well, with the exception of East Asia, as noted above. (Third World states are defined as those states whose GDP is under one half of the poorest states in Western Europe, North America and Oceania (WENAO) with Fourth World countries referring to those states that come under one-third of the GDP per capita of the poorest Western state). From the 41 rich states which existed in 1960, 19 of them from the non-Western world, the number dwindled to 31 rich states in 2000, only nine of them non-Western, with the ratio of downwardly mobile states relative to upward mobile states standing at 12 to 3 in the first period (1960–1978) and 13 to 2 in the second period, 1978–2000 (Milanović 2005: 65-71).

Furthermore, those states belonging to the poorest category of states – with mean incomes less than that of Brazil – rose from 25 in 1960 to 71 in 2000, including virtually the whole of Africa, with four out of every five African states in the poorest category of the Fourth World, representing roughly 80% of all African states. In stark contrast, the West 'reinforced' its position as the 'Club of the Rich', while hopes of catching up for non-Western states basically vanished, excepting the East Asian region, which

has participated in an ascent more recently joined by China. Today, approximately 77% of all people – some 3.9 billion – live in the poor countries, defined as those states in which “survey-based mean income was less than that of Brazil. In other words, 93 percent of poor people live in poor countries, about 5 percent live in middle-income countries, and 2 percent of the world’s poor live in rich countries,” in what Milanović (2005: 132, 149) refers to as “plutocracy at the global level.”

Moreover, in terms of the future prospects for modernization, the outlook is no better. Here Milanović confirms Arrighi’s argument that the capitalist world-economy is divided into a rigid hierarchy of wealth that is amazingly stable. While Arrighi and Wallerstein have long argued that it is possible for some states and regions to become upwardly mobile in the capitalist world-economy, as the East Asian example so dramatically illustrates, they have always maintained that modernization theory, with its argument that *all* countries and regions can achieve the level of wealth set by the richest states, is an illusion.

“All of the poorest countries stayed in the bottom between 1960 and 1978, and 95 percent did the same during the later period [...] Regarding Third World countries, almost two-thirds of them slipped into the Fourth World during the 1978–2000 period. [...] Stability on the bottom, combined with downward mobility of the contenders and Third World countries, resulted in the remarkable fact that once a country became part of the poorest group, it found it almost impossible to escape from (relative) poverty. During the past forty years, only two countries [...] escaped from the trap of the Fourth World. This fact bodes ill for the slew of countries from Eastern Europe and Latin America which in the past two decades have dropped into the Fourth World. Unless there is a remarkable discontinuity with the patterns of development that had lasted during the past half century (and possibly longer), the likelihood of escaping from the bottom rung is almost negligible” (Milanović 2005: 68-70).

Arrighi and Milanović’s sobering statistics should dampen the more hopeful estimates of the prospects for catch-up and lead to great caution when predicting future success stories, especially for whole regions, such as East and Central Europe (Berend 2009). Arrighi and Milanović’s arguments are confirmed by more recent data collected in the UN’s study on *The World Distribution of Household Wealth* (Davies et al. 2006), which reports

that the richest 1% of the world's population owned 40% of global assets in 2000, with the richest 10% accounting for 85% of the world total wealth, in sharp contrast to the world's bottom half, which owned "barely 1% of global wealth." Moreover, this wealth, as Arrighi and Milanović's data also reveal, is largely concentrated in North America, Europe and the Asia-Pacific (most especially in the East Asian region), where the respective populations own nearly 90% of the total world wealth.

One should be reminded too that core states have traditionally assisted client regimes and their oligarchic upper classes with the military means to protect this wealth, as US intervention across the globe over the last century or so has repeatedly demonstrated, with East Asia again being an exception to this general rule (Arrighi 1990: 27, 2006, 2010; Chomsky 1991). Additionally, it is equally important to note the pronounced disparities of wealth and income in the core, clearly differentiated as they are by race and class, most notably in the US (Reifer 2007, 2009–2010; Magubane 1996). A particularly shocking example is that, despite much higher income levels, African American males in many US cities, such as New York, one of the wealthiest cities in the world, have lower life expectancies than men in Bangladesh (Sen 1999: 23).

3. Global polarization, oligarchic wealth, and the bifurcation of the global system

Among the more important aspects of the widening income inequalities and instances of downward and upward mobility across the globe is the fate of various geoeconomic regions. Arrighi's work here, particularly on sub-Saharan Africa, Eastern Europe and the USSR, as well as on East Asia, underscored the bifurcation of the global system in the 1980s. Indeed, equally as dramatic as East Asia's ascent in the hierarchy of wealth in the world-economy was the downward mobility of Eastern Europe, Sub-Saharan Africa, Latin America and other world regions. As Arrighi (2002) underscored, this bifurcation – with some states rapidly rising in income and other states declining – began with the US neoliberal counter-revolution in development policy, starting with the US rise in interest rates in 1979 and the concomitant entry of the US into the competition for capital on the

global capital market. These reversals indicate the extent to which the world-system rests, in reality, on oligarchic wealth, which cannot be generalized.

In fact, these developments signal the autumn of the US systemic cycle of accumulation and the larger hegemonic cycle of which it is an integral part (Arrighi 2010). The flip side of the counter-revolution in development policy that accompanied the *belle époque* of US hegemony and its systemic cycle of accumulation was the global debt crisis in the South and East and the subsequent collapse of communism, accompanied by decreases in life expectancy and increases in poverty during the subsequent transition back to capitalism (Kapstein/Milanović 2003; Milanović/Ersado 2010). These developments were of course intimately related to the dismantling of the Bretton Woods regime of fixed exchange rates in 1973, as well as the subsequent elimination of capital controls and rise of speculative capital and other forms of globalization, in particular the spread of multinational firms (Arrighi 2010; Mahon Jr. 1996; Eatwell/Taylor 2000; Reifer 2008a).

Significant here, in Latin America, Eastern Europe, the USSR and Sub-Saharan Africa, was the ballooning debt crisis of the 1980s and the growing gap between those states and regions, such as East Asia, which benefitted from the revolution in information technology – technologies which grew out of the US's particular form of militarized state-corporate capitalism – and those regions that missed out on these new innovations and their monopoly rents (Arrighi/Drangel 1986). Additionally, as Arrighi (1991, 2002) argued, in an analysis that converges with the views of regional experts in Latin America, Eastern Europe and Sub-Saharan Africa, most notably articulated in the work of Fernando Fajnzylber (1990a, 1990b), Ivan Berend (1996, 2009) and William Martin (2008a, 2008b), the declining regional performance of much of the Second and Third World showed, to varying extents, the consequences of pronounced regional inequalities and/or the limits of import substitution industrialization, along with high levels of foreign debt, as hundreds of billions of dollars flowed back from the South and East to the North/West.

Fernando Fajnzylber's (1990a, 1990b) important work on Latin America compliments that of Arrighi, by underscoring the social structure of the region and the US – what he calls showcase modernity, driven by high levels of debt and mass consumption. The US and Latin American models contrast sharply with those of Japan and East Asia, which, for all their faults,

have generally combined rapid growth with greater equity. China's joining the East Asian ascent has further propelled this region along its trajectory of increased power and wealth, despite the growth of massive inequalities in China and other states (Reifer 2010; Arrighi 2002, 2006, 2010; Hung 2009).

However, just as dramatic as East Asia's ascent was Sub-Saharan Africa's descent, with the region's GNP per capita dropping from 17.6% of world per capita GNP in 1975 to just 10.5% in 1999, the worst performance of any world region (Arrighi 2002: 5, 14-16). Nevertheless, as indicated earlier, this was part and parcel of a larger downward trend among the Second and Third Worlds more generally, including the USSR and Eastern Europe, Latin America, the Middle East and North Africa, a collapse that earned this period the title of the 'lost decade of the South'.

There is also widespread agreement in much of the literature with Arrighi's argument about the importance of the US switch in development policy in 1979–1980 and thereafter and the importance of the 1980s in terms of the bifurcation in the fortunes of the Second and Third Worlds, with East Asia rising and many other regions declining. This bifurcation, as noted, was intimately associated with the entry of the US, in the context of rising interest rates, into competition for mobile capital on the global capital markets (Milanović 2005: 78-79). For example, Milanović (2005: 79-81) approvingly cites Arrighi's insight about the importance of the geoeconomic heritage of particular world regions in being positioned to respond favourably to the intensified demand for commodities from the West on the international market, here noting the regional advantages of East Asia, today joined by China, in the competition for commodities (Sen 1999; Dreze/Sen 2002).

In East Asia, the combination of land reform, strong developmental states, limits on the accumulation of debt as well as of foreign direct investment, along with strong entrepreneurial talent and large supplies of labour, all had the effect of increasing the competitiveness of this region in the global marketplace, leading to rises in wealth, in sharp contrast with sub-Saharan Africa, Latin America and Eastern Europe (Woo-Cumings 1999; Berend 1996).

4. Alternative regionalisms, democratic wealth, and the future of socialism

Another key aspect of Arrighi's (2002, 2006, 2010) analysis was his focus, not only on different geoeconomic regions but on the development of alternative regionalisms that posed a challenge to US hegemony and domination. Of particular concern for Arrighi was the entwinement of the ongoing demise of US hegemony and the rise of Chinese-led East Asia, in an analysis later expanded to contrast the latter region's fortunes with the misfortunes of Sub-Saharan Africa. Here, Arrighi (2006) increasingly held out the hope that the rise of Chinese-led East Asia in the world-economy might more effectively challenge the current distribution of world wealth and power than that of the Bandung generation, which heralded the arrival of Third World radicalism on the world scene, with its emphasis on the wretched of the earth, as in Fanon's clarion call.

Indeed, the growing role of Chinese demand in the rise of commodity prices in Latin America and across the globe holds out the prospect for the potential subversion of the current oligarchic structure of wealth in the world-system. To be sure, the subversion of the oligarchic wealth on which the present system rests will ultimately call for a new development model that differs substantially from China's export-oriented industrialization model, based as it is on relatively low wages (Hung 2009; Arrighi 2006). Nevertheless, the rise of East Asia reflects the growth too, of another alternative regionalism, which, though embedded in the US structure of world power, may yet herald both a more independent regionalism and a more equal global system, though much remains to be overcome in this regard. Due to the limits of space, the forming of East Asia's alternative regionalism, from the making of its regional economy to its ongoing financial integration, which has been documented extensively elsewhere, cannot be explored here (Katzenstein 2005; Sohn 2005, 2007; Reifer 2010). Nevertheless, through a focus on the example of Latin America, and keeping other regional experiences, such as that of Chinese-led East Asia, in mind, the argument put forward here is that if various world regions work together, it is possible that democratic wealth can begin to be generalized and the oligarchic wealth on which the current world-system rests can start to be challenged.

In fact, even East Asia's setbacks have propelled the search for alternatives to the Washington Consensus, since it is exactly the policies recommended by the Washington Consensus and what Jagdish Bhagwati (2002: 3-11) calls the "Wall Street-Treasury nexus" that have resulted in recurrent financial crises, from the debt crisis of the early 1980s to the 1997 Asian economic crisis. The culmination of these financial crises, fuelled by rising inequalities, US based speculative capital, hedge funds and related bubbles, was of course the global financial crisis that began in 2008 and which continues today (Milanović 2005: 79-80; Gowan 1999; Brouwer 2001; Reifer 2006a, 2009-2010). However, as Arrighi (2006) and others underscored, in contrast to many other authors who saw the Asian financial crisis as leading to the downfall of the region, the impact of the 1997 crisis was to block additional movement towards East Asian regional integration, in ways that eventually increased the autonomy and wealth of the region, thus pointing toward its growing role in reshaping the global system as a whole. Here, the growing integration of East Asian financial markets has been pursued so as to make the region less vulnerable to hot capital flows from the North (Sohn 2005, 2007; Reifer 2010).

More recently, this trend towards alternative forms of regional integration, a trend that Arrighi focused so much attention on, has been joined by Latin America and the Caribbean, one of the world's most unequal regions. Indeed, here, in the 21st century, there exist a series of vibrant movements, some of which are inspired by a vision of democratic socialism to counter neoliberalism, albeit one informed by the struggle for the rights of indigenous peoples, from the Zapatistas to Bolivia's Movimiento al Socialismo. The election by the latter party of Evo Morales as President in 2005, part of a series of victories by progressive forces in the region, dramatically changed its political landscape (Silva 2009; Pearce 2011). What is being developed here are progressive electoral coalitions, in which democratically elected governments and social movements both promote efforts to generalize democratize wealth and to undo the legacies of centuries of oligarchic wealth on which the power of Latin American elites and that of their foreign allies have traditionally rested.

As Noam Chomsky (2010: 114) has argued, increasingly today the peoples of the region are taking their destiny into their own hands, albeit not without resistance, as could be seen in the 2009 coup in Honduras and the 2010 attempted coup in Ecuador. This growing strength of progres-

sive forces in the region is of great significance, as for many years, especially before the application of neoliberal shock therapy in Eastern Europe and the USSR, Latin America had been at the center of the neoliberal counter-revolution (Gowan 1999; Dezalay/Garth 2002; Klein 2008). A particularly notable example here was the US-supported overthrow of the democratically elected socialist government of Salvador Allende in Chile and the coming to power of the dictator General Augusto Pinochet, supported by the 'Chicago boys', the economists at the University of Chicago, notably Milton Friedman (Reifer 2008b; Dezalay/Garth 2002).

What is astonishing is that the current momentum of progressive movements throughout much of Latin America comes in the wake of the failure of what many saw as the inevitable victory of US supported neoliberalism, which in the early 21st century found its expression in the Free Trade Area of the Americas (FTAA). The FTAA built on the earlier victory in 1994 of the North American Free Trade Agreement (NAFTA), which has failed in its promise to lift Mexico out of underdevelopment and cut down on migration to the US (Malkin 2009; Cypher/Wise 2010). As readers are no doubt aware, though, even the imposition of NAFTA was not uncontested, as the emergence of the Zapatistas and Subcomandante Marcos in the Chiapas region of southern Mexico in January 1994 so powerfully indicated.

Nevertheless, in December of that year, during the first Summit of the Americas, some 34 heads of state decided to push forward the implementation of the FTAA by 2005. In the interim period, however, the dramatic emergence of the Zapatistas in 1994 was soon followed by the massive Battle of Seattle, as protestors from both North and South contested the World Trade Organization in 1999 (Silver/Arrighi 2000). Then, just two years later, tens of thousands came out in Quebec City, Canada, to protest at the Summit of the Americas, where it was widely expected that the FTAA would be pushed through. Instead, however, the FTAA fell apart; indeed, in the wake of the FTAA's demise have come powerful initiatives for regional integration of the Americas along anti-neoliberal lines.

Among the most significant proposals for a new alternative regionalism in the Americas has been the Union of South American Nations (UNASUR), which emerged from the earlier meeting of the South American Community of Nations (CSN), where representatives from some twelve Latin American states, including eight heads of state, met in December 2006. This followed

an earlier meeting in December 2004. The 2006 Cochabamba Declaration of South American leaders wrote of looking forward to a future union, with a South American parliament centered in Cochabamba modelled on that of the European Union (EU). The name of the declaration was significant too, coming from a region heretofore unknown before jumping onto the world stage in 2000 with its dramatic resistance to water privatization. Parallel to the summit was the Second Social Forum for the Integration of the Peoples, with some 4,000 delegates.

The UNASUR initiative, led by Brazil, one of the world's rising powers, is complimented by the Bolivarian ? Alternative for Latin America and the Caribbean (ALBA) headed by Venezuela, under President Hugo Chavez. Both initiatives envision new forms of regional integration and outreach to other rising global powers – notably China, already the leading trading partner for many states in the region such as Brazil – that could diversify Latin America's trade and allow for increasing independence from the US. UNASUR brings together a land area four times that of the EU and only just smaller than NAFTA – with some 380 million people (only 110 and 60 million less than the EU and NAFTA respectively), with a GDP of some \$3 trillion, and, as noted, holds out the promise of creating a Latin American equivalent of the EU. At the CSN summit in Buenos Aires in 2004, leaders posited a 20 point 'Buenos Aires Consensus' as an alternative to the failed policies of the Washington Consensus (Serra/Stiglitz 2008).

This proposal directly presents itself not so much as an alternative to the US-driven FTAA, but, as Noam Chomsky (2010) rightly remarked, as an independent regional initiative, with the goals of truly independent development and regional integration, based on principles of human solidarity. In addition, there is also the important proposal, initially developed by Venezuela, of the Banco del Sur, the Bank of the South, an independent bank for the region free from the clutches of the IMF and World Bank. Similarly, Venezuela's President Hugo Chavez, referring to the signing of pipeline agreements between Venezuela, Argentina and Brazil, remarked that the agreements represent "the end of the Washington consensus [...] [and] the beginning of the South American consensus" (quoted in Kellog 2007: 208). Among the notable features of cooperation is that between Venezuela and Cuba, with the former offering discounted oil to the latter in exchange for Cuba's help with medical care and literacy programs in Venezuela.

As for ALBA, a grouping which includes, among others, Cuba, Venezuela, Bolivia, Nicaragua, Ecuador and select Caribbean islands, it too looks towards alternative forms of regional integration that would allow for true independent development and cooperation along anti-neoliberal lines. The idea here is to develop new forms of economic cooperation, for instance through bilateral and regional trade agreements based on human needs, along with growing collaboration on improving social needs, such as health care, as well as basic literacy and education programmes. More recently, in 2010, there was the World People's Conference on Climate Change and the Rights of Mother Earth, hosted in Cochabamba, Bolivia, by the Bolivian government. This landmark meeting attracted 35,000 delegates from 140 countries (from all over the world) and came in the wake of, and as an alternative to, the failure of the Copenhagen Summit on Climate Change, which excluded Bolivia and some 160 countries during the final negotiations (Buxton 2010). What was registered here, and by a host of recent environmental disasters, is just how important responding to human-induced climate change will be for moving the global system in more democratic, peaceful, equitable and environmentally sustainable directions (Davis 2010; Roberts/Parks 2007).

5. Conclusion: global capitalism and the future of socialism

World-systems analysts have long argued that the modernization, which has recently returned in the clash of civilizations debate surrounding Islam, is an illusion (Reifer 2006a, 2006b, 2006c). To be sure, as Arrighi and Wallerstein have themselves argued, the rise of Japan and now Chinese-led East Asia is a dramatic example of a regional ascent that indicates it is possible for particular geoeconomic regions to grow in wealth and power, something indicated by the bifurcation of the 1980s, when East Asia rose while other regions, such as Latin America, Sub-Saharan Africa and Eastern Europe and the USSR, declined. Yet, while the ascent of some regions was possible, the rise of all regions to the levels of oligarchic wealth set by the West, Japan and other particular East Asian states was not.

In terms of contemporary inequalities between the rich and the poor, according to various *UN Human Development Reports*, the wealthiest 20%

of the world's population accounts for some 86% of private consumption expenditure, while global inequality between the poor and rich states of the world increased from 3:1 in 1820 to 70:1 in the period from 1950 to 1992. Today, some half a billion people or more live in life-threatening poverty, with some 50,000 people dying daily because of poverty; this adds up to some 18 million premature deaths, or three 'final solutions' from poverty-related causes every year (Pogge 2008: 3-5, 31). As Thomas Pogge (2008: 204) notes, if we were to build the equivalent of the Vietnam War memorial to commemorate those who died from poverty related causes since the end of the Cold War superpower competition to the present, it would have to be 540 miles long.

The official line of the world's states is that they are doing what they can to address the question of global poverty. In reality, however, state and private corporate elites are largely responsible for the continued disparities of wealth and power in the global system. Arrighi (1991: 63), citing Wallerstein, noted that developmentalism was merely a global version of what R.H. Tawney (1961), in his landmark book *Equality*, called the tadpole philosophy. In the tadpole philosophy, tadpoles reconcile themselves to their fate with the notion that some will be lucky enough to scramble to shore and become frogs, though most will die as tadpoles. As Tawney noted, "[t]his conception of society may be described, perhaps, as the Tadpole Philosophy, since the consolation which it offers for social evils consists in the statement that exceptional individuals can succeed in evading them...And what a view of human life such an attitude implies! ...As though the noblest use of exceptional powers were to scramble to shore, undeterred by the thought of drowning companions" (quoted in Arrighi 1991: 63-64).

The identification with this philosophy in the modernization paradigm, as Arrighi (1991: 63) and Wallerstein argue, "constitutes a major departure from the ideals of human solidarity and equality that constitute the essence of the socialist creed." In the light of this reality of the futility of attempts at modernization for the world's vast majority, Arrighi (1991: 65) attempted to envision the future, predicting that, as the global system grows increasingly chaotic and violent, growing numbers of people would come to realize that "the pursuit of oligarchic wealth will begin to appear to many as what it has always been: a highly destructive endeavour that shifts the costs of the prosperity and security of a minority (no more, and probably less, than one-

sixth of the human race) onto the majority and onto the future generations of the minority itself. [...] At that point, the addresses croaked by Western ‘frogs’ to the ‘tadpoles’ of the former East and South will sound anachronistic to the ‘frogs’ themselves, or at least to a growing number of them. Western socialists will then face their own moment of truth. Either they will join forces with Eastern and Southern associates and come up with an intellectual project and a political programme capable of transforming systemic chaos into a more equal and solidary world order, or their appeals to human progress and social justice will lost all residual credibility.”

Some two decades after first making such a prediction, there is, for the first time, in the wake of entwined financial and environmental crises across the globe, an open discussion, even in the Western mass media, about the very sustainability of today’s model of environmentally destructive, unstable and speculatively driven financial and carbon-based capitalism, resting as it does on oligarchic rather than democratic wealth. Arguably, more people than ever before, as Arrighi predicted, have come to understand that today’s actually existing capitalism is a highly destructive system, in which the world’s vast majorities are sacrificed at the altar of materialism and the notion of progress without limits. It is indeed now time for those of us, in the West/North and South/East to develop a political and intellectual project based on the belief which brought together the World Social Forum and its regional offshoots; namely, that another world is possible, based on the generalization of democratic wealth and equality at the global level. While it is important not to be overly optimistic, given the challenges these movements face, there is certainly room for Gramsci’s pessimism of the intellect and optimism of the will, as progressive movements seek to overturn centuries of durable inequalities (Tilly 1999).

Most exciting here are the social and economic foundations on which the prospects for a new Bandung rest. With the great expansion of South-South trade, led by China, India, Brazil and South Africa (CIBS), countries representing some 40% of the world’s population, growing cooperation may subvert the existing hierarchy of oligarchic wealth on which the present world-system rests and provide for the generalization of democratic wealth instead. As Arrighi and Zhang (2010: 34) note, not only do the CBIS states compete favorably with the North by providing other Southern states with better terms of investment, trade and finance, “they also intensify competi-

tive pressures on Northern countries to provide Southern countries with better terms than they otherwise would.” This is a reality which brings openings not only in Latin America, but also in Africa (Martin 2008a, 2008b). These developments provide real hope for the remaking of the global system on new and enlarged social foundations, a system in which the world’s majority is for the first time included rather than exploited and excluded. A particularly critical question here is that of the possible future cooperation of the historic rivals, China and India, which themselves represent over one-third of the total world’s population.

In his magisterial essay *The Ends of History*, Perry Anderson (1992) surveyed the various possibilities for the future of capitalism and socialism after the collapse, with a look back towards past movements. Anderson commented on the possibility that global poverty and exploitation in the global South, along with polarization in the rich states themselves, might eventually force a new international agenda for social reconstruction back onto the scene, as it appears to be in fact doing today. Anderson (1992: 375) went on to note that “[w]ere it able to respond effectively to them, socialism would not so much be succeeded by another movement, as redeemed in its own right as a program for a more livable world.”

There could be no better tribute to the quest of Arrighi and his colleagues, friends and admirers for a more humane global system, than for scholars and activists to build on the growing cooperation between countries of the South in the global system so as to discuss realistic possibilities for a more just and sustainable world order, in the framework of mutual solidarity and respect, as we work towards making these alternative visions a reality. And this we must do, for if a movement capable of transforming the world to the benefit of the vast majority is ever to be successful, it will be by combining the best of actually existing democracy and human solidarity, based on respect for nature and other human beings, guided by principles of inclusion and the realistic prospects for genuine equality, through generalizing democratic instead of oligarchic wealth (Arrighi 2009; Reifer 2009; Tilly 2007). Let us begin.

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Abstracts

This paper examines global inequalities and the future of capitalism and socialism through an investigation of the oligarchic wealth on which the current global order is based and also looks at growing challenges to these social foundations of the present global system. The bifurcation of the world-system in the 1980s – with the ascent of Chinese-led East Asia and fall of Latin America, Sub-Saharan Africa, Eastern Europe (and other regions) is explored, as is the prospect for alternative regionalisms – from Latin America to East Asia – which may challenge the oligarchic wealth on which the current global system is based, through the generalization of democratic wealth across the global system.

Dieser Artikel erforscht globale Ungleichheiten und die Zukunft von Kapitalismus und Sozialismus anhand einer Untersuchung zum „oligarchischen Wohlstand“, auf dem die derzeitige Weltordnung aufbaut, und betrachtet außerdem die wachsenden Herausforderungen dieser sozialen Struktur für das derzeitige globale System. Die „Zweiteilung“ des Weltsystems in den 1980er Jahren – mit dem Aufstieg des chinesisch dominierten Ostasiens und dem Zusammenbruch Lateinamerikas, Subsahara-Afrikas und Osteuropas (und anderer Regionen) – wird dargestellt. Außerdem wird die Möglichkeit „alternativer Regionalismen“ – von Ostasien bis Lateinamerika – diskutiert, die den „oligarchischen Wohlstand“ durch die Verallgemeinerung „demokratischen Wohlstands“ im Weltsystem herausfordern könnten.

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**China and the Global Economy: The Persistence of
Export-Led Growth**

It is testimony to the centrality that China has achieved in the global economy that one cannot understand the current global economic crisis without taking into consideration the position and role that it has carved out over the last 30 years. From a sleeping giant that was territorially and functionally outside global capitalism as late as 1984, the year the Communist Party leadership adopted the strategy of export-led growth, China became a principal force determining the shape of the global economy over the last three decades. In another twenty years, it is expected to be the world's largest economy, its ascent being seen as just as unstoppable as the descent of the United States.

Toward the end of his extremely productive life, understanding China's ascent and its insertion into the global capitalist economy became the central preoccupation of Giovanni Arrighi (2007). This contribution attempts to address some of the key questions he poses in his insightful efforts to understand this momentous development.

This essay traces and discusses the different phases of China's integration into the global economy. First, it shows that in the context of the crisis of stagflation that gripped the global capitalist economy in the 1970's, capitalism needed China for its continued reproduction as much as the Chinese leadership needed capitalism to launch China into its project of rapid development. Second, it shows the contradictory aspects of China's relationship to global capitalism: how it was both one of its sources of reinvigoration and a central contributor to its crisis of overproduction. Third, it discusses the specific way by which China was integrated into the global economy: as one of the two actors – the other being the United States – locked in a 'chain gang' relationship with each other, with China as producer and the

US as consumer. Finally, the essay discusses whether the current crisis has provided China with the opportunity to ‘decouple’ its trajectory from that of the United States and Europe.

1. China’s initial insertion into the global economy

The first phase of post-communist China’s integration into the global economy is often portrayed as a voluntary move by the Communist Party leadership to end what it perceived to be the economic stasis of the Mao period and to promote rapid economic development. This is true, but it tells only half the story. The other half concerns the fact that global capitalism needed China. The fortuitous conjunction of the crisis of socialist stagnation and capitalist stagnation in the 1970s and early 1980s gave birth to the phase of the global capitalist economy that is now ending in crisis.

The roots of the current crisis can be traced back to the stagflation of the 1970s, when something that the orthodox macroeconomic doctrine known as the ‘Philips Curve’ said would not happen – the coincidence of stagnation and rising inflation – did occur in the United States during the presidencies of Richard Nixon and Jimmy Carter. This was followed by a recession during the first years of the Reagan presidency in the early 1980s.

These almost 15 years of crisis saw the end of the postwar global boom that had been triggered by the release of pent-up global demand from World War II, the reconstruction of Japan and Europe, import-substitution industrialization in Latin America, and export-oriented industrialization in East Asia. The 30-year boom added significant new industrial capacity globally, but growth eventually ran up against the limits of effective demand. This contradiction – the tendency of capital to amass tremendous productive capacity that outstrips the capacity to consume on the part of the population owing to, among other things, persistent economic inequality – is often referred to as the crisis of overproduction or overaccumulation. The best concise explanation of these dynamics is still the one articulated by Marx in *Capital*, “The real barrier of capitalist production is capital itself [...] The means – unconditional development of the productive forces – comes continually into conflict with the limited purpose, the self-expansion of existing capital” (Marx 1995: 455). This contradiction between productive

capacity and effective demand, to put it in Keynesian terms, leads to the erosion of profitability, recession, and, at certain junctures, even depression.

Many indicators capture this exhaustion of the post-war economic regime, but the figures that best express it are the calculations of Angus Maddison, who is regarded as the premier expert on historical statistical trends. According to Maddison, the annual rate of growth of global gross domestic product (GDP) fell from 4.9 per cent in what is now regarded as the golden age of the post-World War II Bretton Woods system, 1950–1973, to 3 per cent in 1973–1989, a drop in GDP growth of 39 per cent (Angus Maddison cited in Crotty 2002: 25). The United Nations, confirming this trend, notes that world GDP grew at an annual rate of 5.4 per cent in the 1960s, 4.1 per cent in the 1970s, and 3 per cent in the 1980s (*ibid.*).

2. Three escape routes from overproduction

There were three escape routes that capital took in its effort to surmount the crisis of profitability in the Seventies. The first was neoliberal restructuring, which sought to liberate capital from state regulation and roll back wages by tearing up the capital-labor compromise that had served as the social basis of the Keynesian liberal or social democratic political economy. The second was financialization or the channeling of much investment from the low-growth, low-profit real economy to speculative activity in the financial economy. The third was globalization, or the integration into the capitalism system of semi-capitalist, pre-capitalist, and non-capitalist areas; as the great radical economist Rosa Luxemburg pointed out, subordinating or integrating these areas had the effect of raising the rate of profit by exploiting new markets, super-exploiting labor, gaining control of natural resources, and providing investment outlets for surplus capital (Luxemburg 1951).

While temporarily alleviating the erosion of profitability, these three routes resulted in dead ends, which is not surprising since capitalism, driven by contradictions, eschews stability and moves from crisis to crisis. Neoliberal structuring, also known as structural adjustment, while rolling back wages and raising profits in the short run, gutted the effective demand that was needed to prop up profits over the long term. Financialization, being

dependent on squeezing value out of already created value, created asset bubbles whose explosions periodically unhinged the real economy and triggered the current long stagnation. Finally, globalization might have opened up new markets and accessed cheap labor, but it also added significant new productive capacity that exacerbated the crisis of overproduction.

China was a major actor in all these three ways by which global capital sought to escape the trap of overproduction. The move toward cheap labor areas was the central weapon waged by management against labor in neoliberal restructuring in the North, and, while Mexico and the East Asian tigers were initially the preferred sites for transnational firms, ultimately, no site could match the 'China wage' that translated into 'China price'. Investment of China's earnings as an export-led economy in the North was also a major factor in the financialization of capitalism – the second escape route – but it was principally as a central force in the process of globalization that China became a dominant actor in the international capitalist system.

3. Globalization and the exacerbation of overproduction

China was the most significant market added to the capitalist world economy during the last 30 years. This momentous development stemmed from two complementary interests that emerged, as noted earlier, fortuitously: the desire of China's ruling Communist Party to overcome the stagnation of the Mao period and develop China's productive forces through capitalist mechanisms and global capital's crying need for profitable self-expansion or accumulation.

The result of this process has been double-edged. On the one hand, China's 8-10 per cent growth rate per annum has probably been the principal stimulus of growth in the world economy in the last two decades. On the other hand, China has become a central contributor to the crisis of global overcapacity. Even as investment declined sharply in many economies, particularly in Japan and other East Asian economies, in response to the crisis of excess capacity (Rajan 2005), it increased at a breakneck pace in China. Investment in China was not just the obverse of disinvestment elsewhere, although the shutting down of facilities and sloughing off of labor was significant not only in Japan and the United States but in the

countries on China's periphery like the Philippines, Thailand, and Malaysia. China was significantly beefing up its industrial capacity and was not simply absorbing capacity eliminated elsewhere. At the same time, though, the ability of the Chinese market to absorb its industrial output, though not insignificant, was limited.

A major actor in overinvestment was transnational capital. Originally, when TNC's moved to China in the late 1980's and 1990's, they saw it as the 'last frontier', the unlimited market that could endlessly absorb investment and endlessly throw off profitable returns. The authorities, however, had something else in mind: dangling the prospect of ultra-cheap labor, they wanted to use foreign investors to make China an industrial platform not so much to service the local market but to penetrate foreign markets.

Be that as it may, investment by transnationals turned out, in many cases, to be excess investment since in their plan to make China an integrated manufacturing export platform, the authorities pushed transnationals to locate most of their production processes in the country instead of outsourcing only selected number of them. This led to what analysts termed the "excessive internalization" of production activities by transnationals (United Nations 2003: 45). One example of this phenomenon was the case of Philips, the Dutch electronics manufacturer. Philips operated 23 factories in China and produces about US\$5 billion worth of goods, but two thirds of their production was not consumed in China but exported to other countries (Leggett/Wonacott 2002: 30).

The other set of actors promoting overcapacity were local governments which invested in and built up key industries. While these efforts are often "well planned and executed at the local level," as analyst Ho-fung Hung notes, "the totality of these efforts combined [...] entail anarchic competition among localities, resulting in uncoordinated construction of redundant production capacity and infrastructure" (Hung 2006: n.pag).

The result is that idle capacity in such key sectors as steel, automobiles, cement, aluminum, and real estate has been soaring since the mid-1990s, with estimates that, before the global financial crisis, over 75 per cent of China's industries were already plagued by overcapacity and that fixed asset investments in industries already experiencing overinvestment accounted for 40–50 per cent of China's GDP growth in 2005 (ibid.). The State Development and Reform Commission projected that automobile production

would be more than double what the market could absorb by 2010 (ibid.). The impact on profitability is not to be underestimated, if we are to believe government statistics: at the end of 2005, the average annual profit growth rate of all major enterprises had plunged by half and the total deficit of loss-making enterprises had increased sharply by 57.6 per cent during the last decade (ibid.).

Excess capacity could have been overcome had the Chinese government focused on expanding people's purchasing power via a policy of income and asset redistribution. Doing so would have meant a slower process of growth but a more stable one. China's authorities, however, chose a strategy of dominating world markets by exploiting the country's cheap labor. Although China's population is 1.3 billion, 700 million people – or over half the total population – live in the countryside, earning an average of just US\$285 a year, thus serving as an almost inexhaustible source of cheap labor. Because of this reserve army of rural poor, manufacturers, both foreign and local, have been able to keep wages down. The negative social and economic impacts of this “post-Tiananmen consensus” of export-led growth with little consideration of the accompanying social polarization are well described by Ho-fung Hung: “Class, urban-rural, and inter-regional inequalities expanded hand in hand with the economic miracle. Poverty spreads and intensifies in the rural inland area and the old bastions of state industry besieged by extensive unemployment. The peasants-turned-workers in the coastal boom towns are not doing much better. Owing to the colossal size of the pool of surplus labor and the ‘despotic factory regime’ under the auspices of the party-state, industrial wage growth amid China's economic miracle is dismal in comparison with the growth of manufacturing wage in other East Asian NICs during their miraculous moment. During the most explosive phase of takeoff, South Korea and Taiwan remained modestly equalitarian societies [...] In contrast, China's gini-coefficient has ascended from 0.33 in 1980 to more than 0.45 today. The pattern of income distribution in China's development is more reminiscent of the Latin American experiences than the East Asian ones, so much so that some begin to forewarn of the “Latin Americanization of China” (Hung 2006: n.pag).

Aside from being potentially destabilizing politically, this wealth concentration in a few and the relative pauperization of the vast majority “impedes the growth of consumption relative to the phenomenal economic expan-

sion and great leap of investment” (ibid.). This meant, among other things, an exacerbation of the crisis of global overproduction in that a significant amount of China’s industrial production was dumped on global markets that were constrained by slow growth.

4. Chain-gang economics and financialization

The dynamics between global production and global consumption featured a special relationship between China and the United States that was fraught with danger. Chinese production and American consumption were like the proverbial prisoners who sought to break free from one another but could not because they were chained together. This relationship increasingly took the form of a vicious circle. On the one hand, China’s break-neck growth increasingly depended on the ability of American consumers to continue their consumption of much of the output of China’s production brought about by excessive investment. On the other hand, America’s high consumption rate depended on Beijing’s lending the US private and public sectors a significant portion of the trillion-plus dollars it has accumulated over the last decade from its yawning trade surplus with Washington.

By 2006, China’s bilateral trade surplus with the US was US\$235 billion. This represented over a third of the US trade deficit, making China by far the biggest country component of the deficit. This translated into a massive accumulation of dollar reserves. The rapid growth of reserves is traced by one analyst: “Between December 2000 and December 2003, foreign exchange holdings of China’s central bank more than doubled – from US\$166 billion to US\$403 billion. In 2006, this figure exceeded US\$1.2 trillion, of which US\$600 billion was denominated in the US currency, and had reached US\$1.7 trillion in 2008” (Lucarelli 2008: 18).

Under a political economic strategy of building up the domestic market, these export earnings could have been reinvested domestically. Under the dominant export-led model, however, the alternative to simply holding on to these assets in state financial institutions was to invest them abroad. And invest China did – along with the other East Asian countries – in a big way. Let us look at this process more closely.

A considerable amount of Chinese savings – transformed into loans to the United States – fueled the speculative mania that rocked the US economy in the last few years – first the technology bubble that burst in 2001, then the even more dangerous sub-prime bubble that collapsed in 2007, bringing the real economy, both in the US and globally, into deep recession.

The flow of Chinese – and more broadly East Asian – credit to the US was not, however, simply a case of dumping financial assets. The US needed those assets to maintain economic growth and expansion in the face of capital's clawing back from labor the latter's income gains during the long post-war boom via neoliberal restructuring. The median wage in the US was flat between 1980 and 2007 (Reich 2010: 52). To keep the economy growing as well as maintain political stability at a time when incomes were becoming more and more unequal as tax rates on the rich were sharply reduced, lending to the working class and middle class became the favored solution to prop up consumption. From around 50-55 per cent of annual after-tax income before 1980, debt skyrocketed to 100 per cent of after-tax income in 2001, and then to 138 per cent in 2007 (Reich 2010: 62-63).

Chinese lending – like other Asian and German lending – was in fact central to the housing sector, which prove to be the detonation point of an overleveraged economy in 2007. The dynamics of this process were laid out by Raghuram Rajan: “Foreign central banks were confronted with vast dollar inflows as exports to the US expanded, and as US investors looked abroad to escape from low US interest rates. As the central banks bought dollar assets in an attempt to keep the domestic exchange rate from appreciating, they looked for a little extra return. Being conservative, they had to invest their dollars in debt, and the implicit protection that Fannie and Freddie's [the two big quasi-public housing finance agencies in the US] debt enjoyed led them to gravitate toward it [...] Knowing that the agencies enjoyed the implicit guarantee of the government, the foreign central banks really did not care about the risks the agencies took” (Rajan 2010: 132).

In short, Chinese funds were central to the financialization of investment that brought down the real economy, and financialization, in turn, was a response to the crisis of overcapacity that was already gripping the global economy, partly as a consequence of the globalization of production, of which China had been the principal beneficiary. The chain-gang relationship was ultimately unsustainable.

5. Chain-gang economics or decoupling?

At this point, it would be important to consider an alternative thesis to chain-gang economics, one which initially gained currency prior to the present financial crisis and is now being revived owing to the strong growth that has marked the Chinese and East Asian economies since late 2009, even as Europe and the United States are sunk in stagnation. At the start of the subprime crisis, there was a notion that East Asia would not be severely affected by the developing crisis in the US because China and East Asia had become 'decoupled' from the central economies.¹ On the surface, there seemed to be much evidence for this, especially in the aftermath of the Asian financial crisis. In the case of Japan, for instance, a decade-long stagnation was broken in 2003 by the country's first sustained recovery, fueled by exports to slake China's thirst for capital and technology-intensive goods; exports shot up by a record 44 per cent, or US\$60 billion.² Indeed, China became the main destination for Asia's exports, accounting for 31 per cent while Japan's share dropped from 20 to 10 per cent. As one account pointed out, Chinese demand pulled East Asia from the post-Asian financial crisis doldrums: "In country-by-country profiles, China is now the overwhelming driver of export growth in Taiwan and the Philippines, and the majority buyer of products from Japan, South Korea, Malaysia, and Australia."³

A close look at the integration occurring in East Asia, however, persuaded other analysts that it was wrong to equate it with decoupling. China was indeed importing raw materials and intermediate goods and parts from these countries but only to put them together mainly for export as finished goods to the US and Europe, not for its domestic market. Thus, as Jayati Ghosh and C.P. Chandrasekar predicted, "if demand for Chinese exports from the US and the EU slow down, as will be likely with a US recession, this will not only affect Chinese manufacturing production, but also Chinese demand for imports from these Asian developing countries" (Chandrasekhar/Ghosh 2008: n.pag).

This forecast became reality in the second half of 2008, as the crisis of the financial sector in the US and Europe spread to the real economy. China's growth in 2008 fell to 9 per cent, from 11 per cent a year earlier; indeed, during the last quarter of 2008, the Chinese economy grew merely

by 6.1 per cent. Japan's recovery from nearly two decades of stagnation was cut short, its mighty export-oriented consumer goods industries reeling from plummeting sales. South Korea, the hardest hit of Asia's economies so far, saw its currency collapse by some 30 per cent relative to the dollar. Southeast Asia's GDP growth rate fell from 6.5 per cent to 5.4 per cent. The crisis that overtook East Asia was conveyed by television images of some of the 20 million workers in China's export-oriented coastal region heading back to the countryside where few jobs awaited them.

The unraveling of East Asia's key markets banished all talk of decoupling, at least for a year. The image of decoupled locomotives - one coming to a halt, the other chugging along on a separate track - no longer applied, if it ever had. China and its neighbors were linked to debt-financed middle-class spending in the United States, which collapsed in 2008-2010. As the IMF saw it in hindsight, "The early 2000s marked the beginning of China's rapid integration in Asia's global supply chain and, thus, its growing share in the region's final goods exports. With this process well advanced by the time of this global recession, Asia as a whole is even more coupled to cycles in advanced economies than in the early 2000s" (IMF 2010: 15).

To counter the contraction, which saw its exports fall in volume terms by one third (Dumas 2010: 52), China, in panic, launched what Charles Dumas, author of *Globalization Fractures*, characterized as a "violent domestic stimulus" of 4 trillion yuan (US\$585 billion). This came to about 13 per cent of gross domestic product in 2008 and, by this criterion of its size relative to GNP, constituted "probably the largest such program in history, even including wars" (ibid.: 85). The stimulus not only pulled China back to double-digit growth; it also pushed the East Asian economies that had become dependent on it to a steep recovery even as Europe and the US stagnated. The newly industrializing economies (Hong Kong, Taiwan, Korea, and Singapore) moved from a negative 0.8 per cent growth in 2009 to 5.5 per cent in 2010, while the Association of Southeast Asian Nations went from 1.7 per cent growth to 5.4 per cent (IMF 2010: 29). Noting this trend, the IMF asserted that "This is the first time Asia is leading a global recovery; in all previous global downturns [...] Asia's contribution to global recovery was lower than that of other regions" (ibid.: 4).

6. Decoupling revived

It was this remarkable reversal that led to the renaissance of the decoupling idea. In other words, the contrast between East Asia's rebound and the deepening of the recession in the US and Europe appeared to indicate that China's dependence on northern markets had been transcended and it was now a relatively autonomous pole of regional growth.

The Communist Party leadership has reinforced this notion by claiming that a fundamental policy shift to prioritizing domestic consumption over export-led growth has taken place. The statistics and pronouncements – including the 12th Five Year Plan, which is proclaimed as boosting consumption – have encouraged the view that the Chinese consumer will step into the role formerly filled by the American consumer, becoming in the process the lynchpin of the globalized world economy.

Upon closer examination, however, this contention appears to be more rhetorical than real. In fact, export-led growth remains the strategic thrust, a fact that is underlined by China's continuing refusal to let the yuan appreciate, a policy that is geared to keeping its exports competitive. This is not surprising since in the years leading up to the crisis, "China's exposure to external demand from outside Asia has increased from 15 percent of total value added (1995–2000 average) to over 19 percent (2001–2008 average) while its exposure to external demand from Asia has remained stable at about 6 percent of total value added. These trends mainly reflect China's rapid growth of exports to advanced economies as it has become a hub of the region's supply chain network for advanced economies" (IMF 2010: 56). The push-domestic-consumption phase appears to have ended, with China, as Dumas notes, "in the process of shifting massively from the beneficial stimulation of domestic demand to something closely resembling business as usual, circa 2005–2007: export-led growth with a bit of overheating" (Dumas 2010: 113).

It is not only Western analysts like Dumas that have pointed to this return to export-led growth. Yu Yongding, an influential technocrat who has served as a member of the monetary committee of China's central bank, confirms that it is indeed back to business as usual: "With China's trade-to-GDP ratio and exports-to-GDP ratio already respectively exceeding 60 percent and 30 percent, the economy cannot continue to depend on external

demand to sustain growth. Unfortunately, with a large export sector that employs scores of millions of workers, this dependence has become structural. That means reducing China's trade dependency and trade surplus is much more than a matter of adjusting macroeconomic policy" (Yongding 2010: n.pag).

7. The countryside: the drag on transformation

The current export-led economic structure rests on the continuing reliance on cheap labor as China's competitive advantage and thus the marginalization of the countryside. Integrating the countryside as the source of dynamism of the economy is the key to the transformation of China's economic strategy, not a short-term stimulus program. It will mean overturning a structural subordination of the countryside to the city that has been in effect for some 30 years. It is useful to elucidate the structures that would have to be overhauled for China to embark on a different strategy.

Ironically, China's ascent during the last thirty years began with the rural reforms initiated by Deng Xiaoping in 1978. The peasants wanted an end to the Mao-era communes, and Deng and his reformers obliged them by introducing the 'household-contract responsibility system'. Under this scheme, each household was given a piece of land to farm. Of what it produced, the household was allowed to retain what was left over after selling to the state a fixed proportion at a state-determined price, or by simply paying a tax in cash. The rest it could consume or sell on the market. There is consensus among China specialists that these were the halcyon years of the peasantry, when rural income grew by over 15 per cent a year on average, and rural poverty declined from 33 per cent to 11 per cent of the population.

This golden age of the peasantry came to an end, however, and the cause was the adoption of a strategy of coast-based, export-oriented industrialization premised on rapid integration into the global capitalist economy. This strategy, which was launched at the 12th National Party Congress in 1984, was essentially one that built the urban industrial economy on 'the shoulders of peasants', as rural specialists Chen Guidi and Wu Chantao put it (Guidi/Chantao 2006). Primitive capital accumulation was achieved mainly by policies that cut heavily into the peasant surplus.

The consequences of this urban-oriented industrial development strategy were stark. Peasant income, which had grown by 15.2 percent a year from 1978 to 1984, dropped to 2.8 percent annual growth from 1986 to 1991. Some recovery occurred in the early 1990s, but stagnation of rural income marked the latter part of the decade. In contrast, urban income, already higher than that of peasants in the mid-1980s, was, on average, six times the income of peasants by 2000.

The stagnation of rural income was caused by policies promoting rising costs of industrial inputs into agriculture, falling prices for agricultural products, and increased taxes, all of which operated to transfer income from the countryside to the city. But the main mechanism for the extraction of surplus from the peasantry was taxation. Taxes on 149 agricultural products were levied on the peasants by central state agencies by 1991, but this proved to be merely part of a much bigger bite, as the lower levels of government began to levy their own taxes, fees, and charges. Currently, the various tiers of rural government impose a total of 269 types of tax, along with all sorts of administrative charges that are often arbitrarily imposed (Guidi/Chantao 2006: 151-152).

Taxes and fees are not supposed to exceed 5 per cent of a farmer's income, but the actual amount is often much greater; some Ministry of Agriculture surveys have reported that the peasant tax burden is 15 per cent – three times the official national limit.

Expanded taxation would perhaps have been bearable had peasants experienced returns such as improved public health and education and more agricultural infrastructure. In the absence of such tangible benefits, the peasants saw their incomes as subsidizing what Chen and Wu describe as the “monstrous growth of the bureaucracy and the metastasizing number of officials” (ibid.) who seemed to have no other function than to extract more and more from them.

Aside from being subjected to higher input prices, lower prices for their goods, and more intensive taxation, peasants have borne the brunt of the urban-industrial focus of economic strategy in other ways. According to one report, “40 million peasants have been forced off their land to make way for roads, airports, dams, factories, and other public and private investments, with an additional two million to be displaced each year” (Bergsten et al. 2006: 41). Other researchers cite a much higher figure of 70

million households, meaning that, calculating 4.5 persons per household, by 2004, as many as 315 million people may have been displaced by land grabs (Walker 2008: 472).

8. The impact of trade liberalization

But the impact of all these forces may yet be dwarfed by that of China's commitment to eliminate agricultural quotas and reduce tariffs, made when it joined the World Trade Organization in 2001. The cost of admission for China is proving to be huge and disproportionate. The government slashed the average agricultural tariff from 54 per cent to 15.3 per cent, compared with the world average of 62 per cent, prompting the commerce minister to boast (or complain): "Not a single member in the WTO history has made such a huge cut [in tariffs] in such a short period of time" (quoted in Walker 2008: 466).

The WTO deal reflects China's current priorities. If the government has chosen to put at risk large sections of its agriculture, such as soybeans and cotton, this is because the party wants to open up or keep open global markets for its industrial exports. The social consequences of this trade-off are still to be fully felt, but the immediate effects were alarming. In 2004, after years of being a net food exporter, China registered a deficit in its agricultural trade. Cotton imports had skyrocketed from 11,300 tons in 2001 to 1.98 million tons in 2004, a 175-fold increase. Chinese sugarcane, soybean, and most of all, cotton farmers were devastated (*ibid.*). In 2005, according to Oxfam Hong Kong, imports of cheap US cotton resulted in a loss of US\$208 million in income for Chinese peasants, along with 720,000 jobs (*ibid.*: 467). Trade liberalization is also likely to have contributed to the dramatic slowdown in poverty reduction in the period between 2000 and 2004.

In sum, simply allocating money to boost rural demand is unlikely to counteract the massive weight of the economic and social structures created by policies that subordinated the development of the countryside to export-oriented industrialization. These policies have contributed to greater inequality between urban and rural incomes and stalled the reduction of poverty in the rural areas – the challenge that must be overcome for China to become the engine of sustained growth in the globalized world economy.

The retreat back to export-led growth is not merely a case of structural dependency. Structures pose constraints, but they are not determinative. Interests are, in the final analysis, central in pushing an economy along a certain trajectory, and in the case of China, these are a set of actors from the reform period that, as Yu puts it, “have morphed into vested interests [and] are fighting hard to protect what they have” (Yongding 2010: n.pag). The export lobby, which brings together private entrepreneurs, state enterprise managers, foreign investors, and government technocrats, is the strongest lobby in Beijing. Structures and interests benefiting from those structures are the main forces standing in the way of China’s transformation of its political economy.

9. China and global deflation

What analysts like Dumas refer to as China’s ‘reversion to type’ as an export-oriented economy will clash with the efforts of the US and Europe to push recovery through export-led growth while raising barriers to the inflow of Asian imports. The likely result of the competitive promotion of this volatile mix of export push and domestic protection by all three leading sectors of the global economy at a time of relatively less buoyant world trade will not be global expansion but global deflation. As Jeffrey Garten, former US undersecretary of commerce under Bill Clinton, has written: “While so much attention has focused on consumer and industrial demand in the US and China, the deflationary policies enveloping the EU, the world’s largest economic unit, could badly undermine global economic growth [...] The difficulties could cause Europe to redouble its focus on exports at the same time that the US, Asia, and Latin America are also betting their economies on selling more abroad, thereby exacerbating already-high currency tensions. It could lead to a resurgence of state-sponsored industrial policies, already growing around the world. And together, these factors could ignite the virulent protectionism that everyone fears” (Garten 2010: 14A).

Given the failure to surmount the interdependence fostered by globalization, what the international economy faces in the coming years, Garten warns, is “exceptional turbulence as the waning days of the global economic order we have known play out chaotically, possibly destruc-

tively” (ibid.). He projects a pessimism that is increasingly capturing sections of the global elite that once heralded globalization but now see it disintegrating before their eyes. This resigned *fin de siècle* mood is not a western monopoly; it is shared by the influential Chinese technocrat Yu Yongding, who claims that China’s “growth pattern has now almost exhausted its potential.” The economy that most successfully rode the globalization wave, China “has reached a crucial juncture: without painful structural adjustments, the momentum of its economic growth could suddenly be lost. China’s rapid growth has been achieved at an extremely high cost. Only future generations will know the true price” (Yongding 2010: n.pag).

- 1 ‘Decoupling’ is to be distinguished from ‘delinking’. The latter referred to a deliberate national policy of radically reducing a country’s participation in global trade and capital flows. The former refers to an economy’s becoming a pole of growth within the global capitalist economy that becomes relatively insulated from the fortunes of the center economies.
- 2 “Riding China’s Coattails”. In: *Business Week*, 1.2.2004, 50.
- 3 “China the Locomotive”. In: *Straits Times*, 23.2.2004, 12.

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Abstracts

The article offers an overview over the persistence of China's export-led growth and its problematic implications. It is argued that the integration of China into the global economy was caused by two factors: On the one hand, a voluntary act of the Communist Party, on the other hand a functional need of contemporary capitalism. The global overaccumulation crisis since the 1970s led to three escape routes from overproduction: neoliberal restructuring, financialization and globalization. Although all of them ended up in dead ends, China is playing a double-edged role in all three processes: While China's immense growth rates stimulate the global economy, the strong export orientation of China exacerbates the global overproduction crisis. It is argued that China is only able to dominate the world markets by exploiting its cheap labour and marginalizing the countryside. Instead of reinvesting profits domestically, the Chinese authorities decided to finance US assets to stabilize the foreign demand for Chinese

products. Up to now, the interests of the export lobby in China prevent a real decoupling and transformation of the Chinese economy, which would require integrating the countryside, creating more domestic demand, and hence lower growth rates. Eventually, the strong export orientation of China, the US, and Europe – in addition to (not with) possible import barriers – may lead to global deflation, protectionism, and recession.

Der Artikel gibt einen Überblick über das Fortdauern von Chinas exportbasiertem Wirtschaftswachstum und dessen problematische Implikationen. Bello argumentiert, dass Chinas Integration in den Weltmarkt von zwei Faktoren herbeigeführt wurde: Einerseits durch einen freiwilligen Entschluss der Kommunistischen Partei, andererseits durch eine funktionalen Notwendigkeit des gegenwärtigen Kapitalismus. Die globale Überakkumulationskrise seit den 1970er Jahren führte zu drei Fluchtwegen aus der Überproduktion: neoliberaler Umstrukturierung, Finanzialisierung und Globalisierung. Obwohl alle in Sackgassen führten, spielt China in allen drei Prozessen eine widersprüchliche Rolle: So stimuliert Chinas immenses Wachstum die globale Ökonomie, während die starke Exportorientierung Chinas die globale Überakkumulationskrise verschärft. Es wird ausgeführt, dass das Land nur deshalb in der Lage ist, den Weltmarkt zu dominieren, weil billige Arbeitskraft ausgebeutet und ländliche Gegenden marginalisiert werden. Anstatt die Profite im Inland zu reinvestieren, entschied sich die chinesische Führung dafür, US-amerikanische Wertpapiere zu kaufen, um die Auslandsnachfrage nach chinesischen Produkten zu stabilisieren. Bis heute verhindert die Exportlobby in China eine echte Entkoppelung und Transformation der chinesischen Wirtschaft, die eine Integration der Landbevölkerung, die Schaffung höherer Inlandsnachfrage und niedrigere Wachstumsraten nach sich ziehen würde. Letztlich könnte die starke Exportorientierung Chinas, der USA und Europas, zusammen mit möglichen Importbarrieren, zu globaler Deflation, Protektionismus und Rezession führen.

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Ilker Ataç, Albert Kraler, Aram Ziai (Hg.): Politik und Peripherie. Eine politikwissenschaftliche Einführung. Wien: Mandelbaum 2011 (= *Gesellschaft Entwicklung Politik – GEP, Bd. 13*), 348 Seiten, 19,80 Euro.

Mit dem Band *Politik und Peripherie* werden die AutorInnen ihrem Anspruch gerecht, sich von der dominierenden Entwicklungsperspektive zu lösen und ein „Lehrbuch für globale Politik bzw. Politik aus einer globalen Perspektive“ anzubieten, das nicht nur durch seine peripheriezentrierte Perspektive den Eurozentrismus des politikwissenschaftlichen Mainstreams überwindet. Der Band wendet sich an StudienanfängerInnen entwicklungs-politischer und anderer sozialwissenschaftlicher Studiengänge, aber auch an Studierende von Masterstudiengängen. Ergänzend bietet er klassische Charakteristika eines Lehrbuches, wie zum Beispiel die Zugabe von Lehrfragen, Lernzielen und kommentierter Basisliteratur. Darüber hinaus zeichnen sich die Beiträge durch eine durchgehende Reflexion der Forschungsperspektive aus und weisen nicht nur auf Leerstellen innerhalb der referierten Konzepte hin, sondern

lassen auch Konturen alternativer Forschungsprogramme erkennen.

Im ersten Abschnitt „Grundlegungen“ liefert Aram Ziai den (programmatischen) Aufschlag, der sowohl in die „Peripherien der Sozialwissenschaften“ einführt als auch die „Peripherie“ selbst als deren Konstrukt dekonstruiert. Seine Kritik des Eurozentrismus – anhand von Klassikern der Sozialwissenschaften – mündet in die Forderung nach einer Dekolonisierung der Sozialwissenschaften, die nicht nur theoretisch mit dem Eurozentrismus bricht, sondern auch die „zwischen Nord und Süd asymmetrisch institutionalisierte Wissensproduktion“ thematisiert und vom Mainstream der Sozialwissenschaften eine Öffnung für die Erkenntnisse der Anderen (aus dem Süden) einfordert. Nach einem Exkurs über Raum und Politik (Bettina Köhler) und einem Kapitel über Theorie in der Politikwissenschaft (Aram Ziai, Ilker Ataç) widmet sich Petra Purkarthofer den Geschlechterverhältnissen. Ausgehend von einer Reflexion über die Einbettung von Wissenschaft in Machtverhältnisse legt sie den Androzentrismus der Sozialwissenschaften offen und erläutert – am Beispiel von Produktion und Reproduktion –, welche Mechanismen Geschlechterverhält-

nisse als Machtverhältnisse etablieren. Daran anschließend fordert sie exemplarisch von der heterodoxen Internationalen Politischen Ökonomie Geschlechtersensibilität ein, damit diese ihrem eigenen kritischen Erkenntnisanspruch gerecht werden könne. Mit Ausführungen zur Herrschaftslogik sozialer Differenzierung führt sie in jene identitären Stränge feministischer Theorie ein, die für poststrukturalistische und postkoloniale Ansätze von zentraler Bedeutung sind.

Der zweite Abschnitt des Buches thematisiert periphere Staatlichkeit anhand eines Beitrags zu kolonialen und postkolonialen Staatsbildungsprozessen (Reinhard Kößler), eines über Konstitutionalismus und Demokratisierung (Wolfram Schaffar, Aram Ziai) und eines Exkurses über Korruption (Lan-Katharina Schippers). Zu Populismus und Neopopulismus liefert Ingrid Wehr einen knappen, aber präzisen Exkurs, dem es gelingt, sowohl die emanzipatorischen als auch die autoritären Momente populistischer Regime herauszuarbeiten. Das Verhältnis von Staatlichkeit und Entwicklung sowie die daraus resultierenden Staatsprojekte samt ihrer ökonomischen Auswirkungen nehmen Ilker Ataç und Lan-Katharina Schippers in den

Blick. Sie schlagen einen breiten Bogen, der vom Strukturalismus und Dependenzansatz über einen historischen Exkurs zur ISI, dem Washington- und Post-Washington-Konsens bis zur institutionalistischen Schule und neomarxistischen Ansätzen reicht, die Staat als gesellschaftliches Verhältnis betrachten. Nach einem Exkurs zum Postneoliberalismus (Karin Fischer) widmen sich Ingrid Wehr und Kerstin Priwitzer der Wohlfahrtsregimeforschung, die den Globalen Süden erst in den letzten Jahren entdeckt habe. Nach einführender Typologisierung schärfen sie den Blick für jene Machtasymmetrien und Herrschaftskonstellationen, in die Wohlfahrtsregime stets eingebettet sind. Von der vergleichenden Forschung fordern sie konsequenterweise eine Zuwendung zum bislang vernachlässigten Insider-Outsider-Problem (peripherer) Wohlfahrtsstaaten und dazu eine Verknüpfung mit den „Debatten um die Spielarten des Kapitalismus“. Daran schließt ein Exkurs von Clara Brandi zu globaler Gerechtigkeit an, dem ein Kapitel von Joachim Becker zu Klassen und Politik in der Peripherie folgt. Aram Ziai führt in einem Exkurs in das Konzept der Staatsklassen ein und referiert jene Kritiken, die dem Ansatz eine implizite Tendenz

zur kolonialen Affirmation nachweisen. Ein Kapitel zu bewaffneten Konflikten, Neuen Kriegen und Staatszerfall (Aram Ziai, Wolfram Schaffar) und ein Exkurs zum Regimewechsel im Irak (Helmut Krieger) schließen den zweiten und mit über 130 Seiten längsten Abschnitt des Bandes ab.

Der dritte Teil widmet sich der Internationalisierung von Staatlichkeit: anhand des Global-Governance-Begriffs (Ulrich Brand), der Governance von Randzonen durch einen neuen Humanitarismus (Albert Kraller), NGOs (Susanne Schultz), transnationalen sozialen Bewegungen (Friederike Habermann) sowie Exkursen zu Hungersnöten (Aram Ziai) und dem TRIPs-Abkommen (Markus Wissen). Im vierten und letzten Abschnitt wird mit „Geschlechterpolitik international“, „Menschenrechte international“ (beide Petra Purkarthofer), „Umwelt und Ressourcenpolitik“ (Markus Wissen) und einem Exkurs von Teresa Peintinger zum Migration-Development-Nexus in relevante Felder globaler Politik eingeführt. Ilker Ataç widmet sich der Migrationspolitik als einem eigenständigen Politikfeld. Dabei illustriert er die Lücke zwischen ihren deklarierten Zielen und ihren tatsächlichen Ergebnissen anhand

des klassischen Beispiels Anwerbestopp. Unter dem Stichwort „Migrationsdynamiken“ untersucht er die Formen von Migrationsprozessen: Auch die „Festung Europa“ verhindere nicht Migration, sondern bewirke vielmehr eine aktive Inklusion migrantischer Arbeit durch Klandestinisierung. So kann letztlich, trotz einer zunehmenden Bedeutung von transnationalen Rechten, keine durchgehende Ausweitung der Rechte von MigrantInnen, sondern vielmehr eine Tendenz zu ihrer Stratifizierung je nach Aufenthaltsstatus beobachtet werden. Der Band, der sich selbst als Ergänzung zur bestehenden Einführungsliteratur versteht, wird durch Empfehlungen zu Handbüchern, Zeitschriften und Online-Ressourcen abgerundet.

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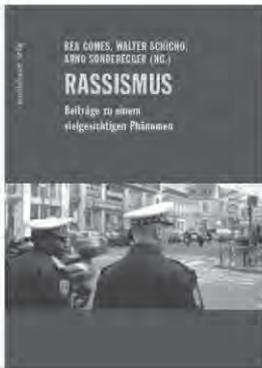
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