

ALTERNATIVE DEVELOPMENT STRATEGIES

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The phrase "development strategies" is marvelously and deliberately ambiguous. For it does not reveal the unit of whose development we are talking nor which actors are engaging in the strategies. And yet the political and intellectual world has been blithely discussing this theme for a good twenty years now.

It is fairly clear, if we examine the literature, that most writers have assumed that the identities of the units that are developing and of the strategies of development are both self-evident and in fact identical. States (or nation-states) are the focus of the discussion. It is states that are seen to "develop" or not to develop. They are presently either "developed" or "underdeveloped"; they "grow", become "integrated", etc. (By extension, it is sometimes thought that quasi-states, like regions of a state, also can be thought of as "developing"). And it is the machineries of these states or quasi-states, their politicians, their parties, their ruling classes, their bureaucracies, who enunciate strategies and carry them out, for better or worse.

This has long seemed so obvious that it has had the status of an unexamined *a priori* assumption. But nonetheless it is a fundamentally wrong paradigm, which has meant that we have posed misleading problems, resolved unreal dilemmas, and ignored the real issues at stake.

On the one hand, it is not states but the capitalist world-economy that "develops" over time, if by development we mean both a quantitative and qualitative evolution. Within this framework, particular states may come to change their economic and political roles and place in the hierarchy, but this is quite different from "developing". And on the other hand, it is not the state-machineries *alone* which can be said to pursue strategies in this world-economy. Economic enterprises (firms) pursue them as well, and especially important at the moment are the strategies of the

In several centres of academia around the world new insights have been emerging in the last few years on the nature of development and underdevelopment. Perhaps the leading theoretician in Canada in this sphere is Professor Immanuel Wallerstein who discusses here possibilities of development alternatives.

large multi-national corporations. And all classes pursue strategies insofar as such classes find organizational expression, particularly in parties and syndicates.

Thus, against the image of various states in a multi-state world pursuing separate, parallel, and relatively self-contained strategies of development, I work with the picture of a *single* world-economy based on a capitalist mode of production, which over time is "developing" and within which the various state-machineries, economic enterprises, and class-formations (categories that obviously are not discrete but overlap) pursue their distinct and largely contradictory interests as to the ways in which this world-economy will "develop" and transform itself.

Therefore in order to discuss the theme, "alternative development strategies", I must outline along what lines in my view the capitalist world-economy has been developing up to now, what alternatives exist today and for whom, and what strategies may therefore be pursued by the various groups at the present time.

The peculiarity of the division of labour in the capitalist mode of production is that it operates with an economic framework, the world-economy, which is larger than any of the political entities, the "states", located within it. The market transcends political frontiers, and therefore the ability of any state to control this market is never absolute.

Capitalism is the only mode of production consonant with such a structure. Without the political countercurrents that capitalist enterprises generate, a world-economy would be prey to the control on self-perpetuating tribute-imposing political classes and bureaucracies, who would eventually either transform the world-economy into one large world-empire

or cause it to disintegrate into a series of mini-world empires, such as in early feudal Europe.

Conversely, a capitalist mode of production is incompatible with a system in which the political boundaries are more or less the same as the boundaries of the division of labour, since such a system makes the struggle for direct control of the political machinery take priority over the pursuit of economic enterprise, ultimately vitiating the accumulation of capital.

Capitalism is a mode of production centered on production for exchange to obtain an optimal profit, which profit is then turned to further production for profit. Thus capital accumulation is a never-ending objective which, despite the constant setback caused by the internal contradictions of the system, requires perpetual expansion of the forces of production, both extensively and intensively.

Capital accumulation is increased to the degree that more workers are kept at a minimal wage level, which allows the concentration of surplus. Since however products must be sold for profit to be realized, there is a limit to the maldistribution of surplus. This is one of the primary contradictions of the system. The mechanisms by which the transfer of surplus occurs are several. What is crucial to note is that it goes in two concordant directions: from direct producer to property-owner (the appropriation of surplus value), and from periphery to core of the capitalist world-economy (unequal exchange). The division of labour is not merely an occupational differentiation; it is also geographical. The unequal allocation of rewards—between classes, between races and ethnic groups, between sexes, between country and city, between manual and intellectual work, between geographic regions—is a fundamental premise of the capitalist world-

economy. It cannot be ended, or even substantially altered, within the framework of capitalism.

That is *not* to say that no alterations are conceivable. First of all, it is the *global* accumulation of capital that is relevant to the capitalist. He will be willing to extract less surplus-value in one direction if thereby he can extract more in another. Ergo shifts in the loci of maximum exploitation along the various dimensions of stratification is always possible.

Secondly, the capitalist is by definition a profit-maximizer. In the long run, he is not constrained in profit-making by social prejudice, or if one particular capitalist is so constrained, he will be destroyed in the competition of the market. Ergo, as long as there is unequal distribution of reward, it does not really matter who is down and who is up, except for the one defining dichotomy: direct producer versus property-owner. So it is that ethnic groups may rise and fall, countries rise and fall in the world pecking-order of privilege without any fundamental alteration of the workings of the system.

These two kinds of alteration constitute therefore a form of circulation of privilege. However, with regard to the basic defining dichotomy, direct producer versus property-owner, there are secular evolutionary trends. One involves the qualitative transformation of the basic structures by their very fulfilment. The second involves the political consequences of the first: the long-term emergence of political organization by the direct producers, which forces some concessions from the property-owners, and weakens the structures of the capitalist system, thereby undermining it, and leading to its overthrow.

The unequal exchange between states or regions within a state is based on an economic specialization in tasks. We have come to think of this mistakenly as a distinction between primary and secondary production, because such was its form for the most part over a long period of time. But the crucial distinction is rather that between highly mechanized, highly-paid, high surplus-producing work and lowly mechanized, lowly-paid, low surplus-producing work. In 1975, to cite just one example, wheat production in the United States

fell into the former category but steel production in India fell *relatively* into the latter. In 1800, however, Indian textile production fell *relatively* into the former category, which is why it required colonial conquest and its resulting political interference in the workings of the world market by the British state to eliminate Indian textile production.

But why should there be a circulation of privileged regions? This too has to do with the contradictory pressures of the system. The premise is individualistic, although the individual is not a person but a firm. Each firm pursues its own profit. That what is to its own profit is not always to the profit of the world-economy as a whole constitutes the basic irrationality of capitalism. This is a phenomenon that is well-known and has been thoroughly debated.

It has also been frequently noted and is equally true that what constitutes the pursuit of profit by a given firm in a peripheral area often works against the interests of the peripheral state. But there are certain circumstances in which this is equally true of a core state. After a period of economic dominance based on technological advantage, it regularly happens that the replacement costs required to keep abreast of technological advance run too high for the owners of enterprise. In consequence, while the *firms* pursue their short-run profit goal by continuing to use their antiquated machinery, the *state* thereby loses comparative advantage to those states which have more newly-established firms who have newer equipment.

There is a second allied contradiction between firm and state in the core-states. The firm in principle seeks to pay the lowest wages possible. The state, however, frequently seeks to purchase social calm by making economic concessions to the working classes. Firms may accede in order to avoid interruption of profitable production. Thus higher wage-levels become institutionalized ("unionism") in core countries which raises the comparative costs of production on the world market.

When one state develops at the cost of another

Thus the combination of not fully depreciated investment in antiquated technology and the solidification of higher wage patterns leads to a sort of

relative exhaustion of leading states to the advantage of dynamic semi-peripheral states who rise at moments of world economic contraction. Therein we find one of the principal mechanisms of circulation of privilege in the capitalist world-economy. We can, if we want to, call this "development", and it certainly looks this way from the point of view of the rising state, but if we do, we neglect the fact that one state's "development" was at the cost of another state's "decline".

It is the processes of secular change that are more pertinent. The most basic one is the one which, in the lexicon of liberal economists, is called "monetarization" and, in the lexicon of Marxist economists, is called "proletarianization". Capitalism is not a system in which *all* economic transactions are based on money-exchange and *all* productive labour is proletarian wage-labour. It is a system in which *some* transactions are monetary, *some* labour is proletarian wage-labour, and over time *more and more* of the transactions are monetary, *more and more* of the labour proletarian. *Increasing* monetarization and proletarianization is the basic secular trend of the capitalist world-economy. This does not mean, once again, there is no "regression". But *overall* the trend is an increasing one—both extensively (from a part of the world to all of the world) and intensively (from enclaves within the outer boundaries towards the totality of the included area).

In this latter sense, *all* states within the capitalist world-economy are "developing", and always have been, since the capitalist world-economy as a whole has been forced to "develop" in this way by the imperatives of a structure in which firms seek to maximize private profit. Thus it is that, on so many absolute statistical measures (years of education, use of energy, etc.), the world curves, and almost all national curves, have been steadily rising. Nonetheless it is equally true that the standard deviations of most measures of distribution have tended to *remain the same* over the history of the capitalist world-economy.

Once again, we must be careful to distinguish the phenomena of the circulation of privilege and the secular trends of capitalism. More and more

workers are proletarian, as opposed to being semi-proletarian (that is, earning only a part of their life-income from wages). But specific groups of workers are frequently de-proletarianized, put into "cold storage", encouraged to die young, etc. because of the cyclical processes of the world-economy. Thus it may be that at certain points in time, the "development" of the wage-labour force in one state masks an opposite process elsewhere.

Lastly we must make mention of the other secular trend of the capitalist world-economy: political polarization. The primary function of the state in a capitalist world-economy is to constrain the operations of the world market on behalf of those who control it or control it largely. It has a wide panoply of mechanisms at its disposition: armies for use abroad and police at home; impositions or denials of monopolies, total or partial, wherever it holds sway; reallocations of state income; manipulation of the framework of contract; etc.

Not only do states have these powers but they all use them. Core-states are far more successful at it than peripheral states, but the objective of all is the same. The free market, therefore, is a total myth. The capitalist world-market has never been "free". And it has only even approximated this status when there existed a clearly hegemonic power which combined both politico-military dominance and vast economic-technological superiority, such that the workings of a "free" market served the interests of the major enterprises located within this hegemonic state. The periods 1850-73 and 1945-71 come closest to such a situation, and even in those periods a close look reveals how frail the illusion of free trade was.

If then the "interfering"—state is central to the workings of a capitalist world-economy, it follows that one can affect these workings by obtaining control of the state. Since, let us recall, no state can control this market *absolutely*, the control of any single state *affects* the workings of the world-market but does not by itself determine them. The secular trend of the organization of the working classes has led to the seizure of power by working-class parties in a number of

states, primarily thus far in semi-peripheral areas of the world-system.

These seizures are part of a process of historic long-term transformation, the ultimate demise of the capitalist mode of production, the creation of a socialist world-government. These seizures have installed in power governments who are using state-machineries to affect the workings of the world-market in ways quite different from all pre-1917 governments. The fact that these states, usually called socialist states, exist has changed qualitatively the basic political givens of the world-system. It has also changed, but less radically, the economic givens of the world-system, insofar as these processes are not totally within the control of these states. Hence, from the point of view of the two kinds of "development"—the circulation of privilege within the system, and the transformation of the system—these states have achieved both. They have for the most part improved their relative position in the world-economy, but they have also contributed to an accentuation of the secular trends of the world-system as such.

In the light of this framework for analysis, what then are the "alternative development strategies" before us? The way we cognitively perceive the world, the way we act in it, and the interests we serve are all parts of one totality. We may use a developmentalist paradigm and we will debate at great length the particular measures our state or quasi-state (region) may take to "develop". This essentially means we are trying to improve our position in the world pecking-order, to maintain our privilege or to acquire some, to be among the oppressors rather than the oppressed.

Or we may use a world-systemic paradigm and we will debate how we can affect the two great secular trends of the capitalist world-economy: proletarianization of the productive process, and political organization of proletarian forces. Both of these trends have a continuing dynamic of their own which operates more or less autonomously of the wills of individuals or groups. But both trends—the latter more than the former, perhaps, but both nonetheless—are the product of organized collective intervention into the process, and are thereby the resultant of our wills.

Such organization, remember, takes many forms: via state-machineries, via parties and syndicates, via economic enterprises. Organizing through any one of these forms is partial, in the sense that it involves a particular coalition of forces and emphasizes certain results. To combat multi-national corporations, oil-producers have created a kind of producers cooperative, OPEC. The alliance that OPEC represents is clearly different from the alliance that the Tricontinental Congress at Havana represented. Different, but also heavily overlapping. Both serve their purpose and are partial efforts at transformation.

In many ways the seizure of the state (or the quasi-state) is the simplest and most obvious mechanism of affecting transformation. It has thus served as a prime focus of activity for both reformers and revolutionaries. And this is as it should be. But it too is a partial form of organization and, as such, has its distinct limitations.

How may we pursue "development?" At the concrete local level, the answer must obviously vary enormously. But any answer that presumes a "developmentalist" rather than a "world-systemic" paradigm runs counter to transformation.

And, at the concrete world level, we must seek to establish an alliance of forces—of states, of parties and syndicates, of enterprises—that will accelerate and guarantee the secular process of "development" of the capitalist world-system into its fulfilment and its opposite. Constructing such a complex alliance is a novel task, but quite clearly the priority need.

Relating concrete work at the world level to concrete work at the local level is perhaps even more difficult. Because when we try to do this, we expose the fact that at the local level there are two quite different groups promoting "development", those who seek the circulation of privilege and those who seek egalitarian transformation. Relating concrete work at the local level to concrete work at the world level sharpens the political contradictions, uncovers facades, and stimulates sharp battles and repression. But, ultimately, if we are truly interested in "development", this is the only efficacious strategy.