

TEXTO PARA DISCUSSÃO



*Relaxing structuralism: advances in World-
Systems Analysis*

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Relaxing structuralism: advances in World-Systems Analysis¹

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“The dose makes the poison” Paracelsus

“One should not confuse totality with completeness. The whole is more than the assembled parts, but it is surely also less” T. J. G. Locher (quoted in Wallerstein, 1974: 8)

RESUMO

Neste ensaio, apresenta-se uma anti-crítica da Análise dos Sistemas-Mundo e de seu suposto viés estrutural-funcionalista. Inicia-se com uma breve exposição das idéias seminais de Immanuel Wallerstein sobre o estudo do moderno sistema-mundo e das principais críticas que emergiram a partir da publicação de “O Moderno Sistema Mundial”, em 1974, e que apontavam às limitações da perspectiva estrutural-funcionalista que esta obra carregava. Argumenta-se que, em resposta a tais críticas, a Análise dos Sistemas-Mundo, enquanto programa de pesquisas, avançou em relação à proposta original de Wallerstein, desenvolvendo teorias, conceitos e métodos que atribuem uma dualidade causal ao binômio agente-estrutura. A fim de demonstrar isto, apresentam-se as contribuições de Giovanni Arrighi para este programa de pesquisas.

Palavras-chave: Análise dos Sistemas-Mundo, estruturalismo, funcionalismo, Wallerstein, Arrighi.

1. Introduction

World-systems analysis (WSA) is a historical macro-sociological perspective that has world-systems as its privileged units of analysis, believing that the comprehension of these systems provides important explanations of social phenomena. A world-system is not the system of the world, but a system that is a world in itself, in the sense that it is a geographically large network of social interactions which has a systemic character because it encompasses a single division of labor (Wallerstein, 2004). According to Wallerstein (2004), today we live in the

¹ Ensaio apresentado como trabalho final para a disciplina “Comparative and World-Historical Sociology”, ministrada, no primeiro semestre de 2008, pelo Prof. Giovanni Arrighi no Programa de Pós-Graduação em Sociologia da Johns Hopkins University (Baltimore, EUA).

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modern world-system, which originated in and expanded from Europe during the long sixteenth century to encompass the whole globe around the nineteenth century. World-systems analysts search for generalizations about the interdependence of the components of a world-system and of principles of variation between systemic conditions in different spaces and times (Arrighi, 1999).

This perspective emerged in the 1970s, from the seminal book of Immanuel Wallerstein – *The Modern World-System* (1974) – and, since then, has been object of several criticisms, one of them being quite widespread: the idea that WSA is limited to a structural-functionalist (holistic) solution to the “agent-structure” (“parts-whole”, “actor-system”, “internal-external” and “micro-macro”³) classical problem of sociological analysis (and that this is a bad thing). This essay is a response to such criticism.

Firstly, it is important to acknowledge that structuralism is not in itself a negative thing; on the contrary, it provides the understanding of an important range of social phenomena (or of important dimensions of social phenomena). Secondly, it is important to demonstrate that, to approach those phenomena that are out of the range of the social phenomena that can be explained by structural-functionalism, new concepts, theories and methods were developed by authors linked to WSA. To accomplish this goal, in the second section, we review Wallerstein’s structuralist arguments and some of the criticisms presented against it (Skocpol, 1977; Zolberg, 1981; Ruggie, 1983; Wendt, 1987; Burch, 1995); in the third section, we analyze how WSA has advanced from its original positions to overcome limitations due to a structural-functionalist perspective, for this purpose we concentrate on the works of Giovanni Arrighi (leaving aside

³ We take these formulas as equivalent for the purpose of this essay, since the critics of WSA discussed here usually argue that, from this perspective, local-internal-micro-actors-agents (like a particular government) behave functionally to an external-systemic-macro-structure (that of the world-system).

contributions from other authors related to WSA); finally, in the conclusion, we explore further developments of WSA that can derive from this debate.

An important byproduct of this essay is the presentation of WSA as a diverse and on-going research program. Without minimizing the importance of Wallerstein's seminal contributions to WSA, as Thomas Hall pointed out:

There are so many variations in world-system analysis, that it is no longer appropriate to refer to it as a "theory." It is better called a perspective, or in Thomas Kuhn's sense (1970), a paradigm. A paradigm is more general than a theory. It is a set of assumptions that guide questions and theory development. The confusion between theory and paradigm or perspective is the source of the misperception that Wallerstein's early works (1974a, 1974b) encompass the theory. The world-system perspective can no longer be associated exclusively with his work (1996: 443).

We hope to show that, as the epigraph of this essay suggests, structural-functionalism might be instrumental in the understanding of certain social phenomena, but that exclusive reliance on it (an "overdose" of structuralism) is harmful to the comprehension of other sociological problems addressed by WSA.

2. Wallerstein and his critics

In "The Modern World System", Wallerstein had the objective of studying the functioning of the modern world-system as a whole, describing it at a certain level of abstraction, that of the evolution of structures of the whole system. It was quite expectable that such an enterprise had the risk of falling into a structural-functionalist scheme, in which the behavior of the components of the system is explained as a function of their role within the system. In fact, Wallerstein aimed at explaining changes in the sovereign states as consequent upon the evolution and interaction of the world-system (Wallerstein, 1976 [1974]: 7-8).

By employing such a perspective in a pioneer and ambitious work, Wallerstein made important contributions. As recognized by Skocpol (1977), one of them was the challenge to modernization theory:

They [modernization theories] have been called to task for reifying the nation-state as the sole unit of analysis, for assuming that all countries can potentially follow a single path (or parallel and converging paths) of evolutionary development from "tradition" to "modernity," and, concomitantly, for disregarding the world-historical development of transnational structures that constrain and prompt national or local developments along diverse as well as parallel paths (Skocpol, 1977: 1075).

Moreover, "He [Wallerstein] has made a notable contribution by articulating the notion that the processes of transformation had a multilevel character, involving not only altered relationships between social groups within each of several European countries, but also between each of them and others in the region, as well as between western Europe as a whole and other parts of the world" (Zolberg, 1981: 274-275).

However, as a pioneer work, the model presented by Wallerstein had some limitations that were recognized by several critics and/or followers, such as its Eurocentrism⁴, its economicism⁵ and its structural-functionalism, which is the focus of this essay. These limitations were not only perceived as problems, but as a potential opportunity to develop the approach launched by Wallerstein. Each of the following criticisms highlighted certain nuances of the structuralism of Wallerstein's model and proposed different solutions to its problems. As the criticisms constitute a debate prompted by the publication of "The Modern World System" (their

⁴ See Janet Abu-Lughod (1989), *Before European Hegemony*, Oxford, Oxford University Press and Christopher Chase-Dunn & Thomas D. Hall (1997), *Rise and Demise: Comparing World-Systems*, Colorado, Westview Press as attempts to extend the world-systems approach from the modern era to pre-modern, prehistoric and archaeological settings. See also Andre Gunder Frank (1998), *ReORIENT: global economy in the Asian Age*, Berkeley and Los Angeles: University of California Press, as a world-historical/global perspective (in opposition to a world-systemic perspective).

⁵ See Skocpol (1977) and Zolberg (1981).

authors cross-cite each other), their presentation follows a chronological order that encompasses more than a decade.

According to Theda Skocpol (1977: 1076-78), by strictly focusing on the logic of reproduction of the systemic structures, Wallerstein's model cannot explain how the system changes:

Despite his avowed desire to avoid "abstract model building," Wallerstein in fact deals with historical evidence primarily in terms of a preconceived model of the capitalist world economy. [...] Wallerstein insists that any theory of social change must refer to a "social system, that is, a "largely self-contained" entity whose developmental dynamics are "largely internal" (p. 347). For self-containment to obtain, he reasons, the entity in question must be based upon a complete economic division of labor. [...] For one thing, Wallerstein's theory does not put him in a good position to explain the transition from feudalism to capitalism in Europe. As for how world capitalism develops once it is established, although Wallerstein does assert repeatedly that the system is dynamic, he provides us with no theoretical explanation of why developmental breakthroughs occur. [...] Apparently the final demise of the system will come after the market has spread to cover the entire globe and transform all workers into wage laborers. But even the *all-important dynamic of global expansion itself depends upon the occurrence of technological innovations themselves unexplained*. [...] In sharp contrast to his awkwardness and sketchiness in explaining dynamics, Wallerstein is very forceful on the subject of the stability of the world capitalist system. In theory, as we have seen, *once the system is established, everything reinforces everything else* (emphases not on the original).

Also, for Skocpol (1977: 1080), Wallerstein ignored local specificities that might have also an explanatory power: "[...] to explain differences in state strength, Wallerstein relies upon arguments about economic conditions and world market interests, largely *ignoring other potentially important variables such as historically preexisting institutional patterns, threats of rebellion from below*, and geopolitical pressures and constraints" (emphasis not on the original).

As a consequence, Wallerstein's model became vulnerable to a criticism traditionally aimed against structural-functionalism (including its Parsonian version): the accusation of teleological reasoning (the idea that the ends of a given phenomenon are sufficient for *causing* the phenomenon). As stated by Skocpol (1977: 1088):

In many of the arguments cited in this essay, we have witnessed *the major method of argumentation to which Wallerstein resorts: the teleological assertion*. Repeatedly he argues that *things at a certain time and place had to be a certain way in order to bring about later states or developments that accord (or seem to accord) with what his system model of the world capitalist economy requires or predicts*. If the actual causal patterns suggested by historical accounts or comparative-historical analyses happen to correspond with the a posteriori reasoning, Wallerstein considers them to be adequately explained in terms of his model, which is, in turn, held to be supported historically. But if obvious pieces of historical evidence or typically asserted causal patterns do not fit, either they are not mentioned, or (more frequently) they are discussed, perhaps at length, only to be explained in ad hoc ways and/or treated as "accidental" in relation to the supposedly more fundamental connections emphasized by the world-system theory (emphases not on the original).

This position was later endorsed by Aristide Zolberg (1981: 256):

These errors and distortions are specifically attributable to Wallerstein's systematic neglect of political structures and processes. That is not to say that he does not discuss them at all. Rather, he variously exhibits a reductionist tendency, viewing political processes as epiphenomenal in relation to economic causation; *a functionalist tendency, viewing particular political configurations as arising when needed by the system, without any other explanation*; or merely a tendency to consider political variables as givens-a pell-mell heap akin to residual error in the regression equations of conventional social science. In the first instance, his explanations are unpersuasive and often invalid; in the second, *he violates his own correct judgment-advanced as a criticism of other scholars-that functional explanations provide an inadequate resolution of "the genetic problem"* (p. 134, n. 8); and in the third, he is inexcusably negligent (emphases not on the original).

As Skocpol, Zolberg (1981: 266-267) singled out the unbalance between "external" and "internal" factors in Wallerstein's model, in which the systemic structure has an alleged exaggerated explanatory power:

It must be examined in the light of his key theoretical contention that the position of countries in the world economy determines the character of their political regimes and, concomitantly, that the world economy requires, for its maintenance as a system, strong states at the core as well as weak political structures in the peripheral areas (pp. 354-56, 134). He maintains further that their position in the world economy not only determined the similarity between France and England - i.e., their "strength" - but also the *differences* between them. By the end of the long sixteenth century, England was better equipped for economic development; whereas the members of the English aristocracy had lost in the short run and gained in the long by transforming themselves into bourgeois capitalists, the French had gained in the short run-absolutism was more thorough-but lost in the long by forcing the bourgeoisie to abandon its function (p. 284). Although Wallerstein's historical account

is generally valid and gives due weight to exogenous factors - factors other than internal social structural configurations such as are emphasized by Barrington Moore and others - he vastly exaggerates the extent to which these factors can be attributed to processes generated by the world economy as he conceptualized it (emphasis on the original).

Likewise, in an article published in 1983, John Ruggie questioned the “ultra-Durkheimian” position of Wallerstein:

Durkheim's methodological premise [functionalism] was controversial from the start, but over the years its influence has waned and [...] it is enjoying a resurgence in the study of a social domain never contemplated by Durkheim: the international system. [...] Adherents share Durkheim's views that social totalities are the appropriate *unit* of analysis for the study of collective phenomena, and forms of association within them the appropriate *level* of analysis. However, they disagree among themselves as to the identity of this totality and its governing structures in the international realm.

One position is represented by Immanuel Wallerstein, himself a sociologist. In his methodological essay, "The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis," he posits that there is no such thing as *national* development in the modern world system, only development *of* the modern world system. "The fundamental error of ahistorical social science (including ahistorical versions of Marxism) is to reify parts of the totality into such [national] units and then to compare these reified structures." Instead, he considers the appropriate focus for comparative analysis to be the world system itself, "which we define quite simply as a unit with a single division of labor and multiple cultural systems. In the modern world, the capitalist world economy comprises the appropriate unit of analysis. It is divided into core, periphery, and semi-periphery, which are linked together by unequal exchange and therefore are characterized by unequal development".

Onto an ultra-Durkheimian premise, then, Wallerstein grafts his own peculiar brand of Marxism, a structural-functionalist variety in which social relations of production are determined by market exchange rather than the other way round, and in which the international polity is at one and the same time an epiphenomenal byproduct of intercapitalist competition and the necessary structural condition for the existence and continued survival of capitalism (Ruggie, 1983: 261-262, emphases in the original).

In the same article, Ruggie extended this criticism to Kenneth Waltz's theory of international politics (1979), which he considered a mirror image of Wallerstein's model (in terms of structural-functionalism). For this reason, as Arrighi & Silver (1999: 23) pointed out, Ruggie's criticisms on Waltz's conception of international politics can be extended to Wallerstein's model of the modern world-system:

“The problem with Waltz’s posture is that, in any social system, structural change itself ultimately has no source *other than* unit-level processes. By banning these from the domain of systemic theory, Waltz also exogenizes the ultimate source of systemic change [...] As a result, Waltz’s theory of “society” contains only a reproductive logic, but no transformational logic” (Ruggie, 1983: 285, emphasis on the original).

In an article of 1987, Alexander Wendt continued Ruggie’s analysis of Waltz’s (neorealist) and Wallerstein’s (world-system) model stating that: “World-system theorists, on the other hand, define international system structures in terms of the fundamental organizing principles of the capitalist world economy which underlie and constitute states, and thus they understand the explanatory role of structures in structuralist terms as generating state actors themselves” (Wendt, 1987: 335).

According to Wendt (1987: 336), “neorealism embodies an individualist ontology, while world-system theory embodies a holistic one”, however,

In one crucial respect [...] world-system theorists duplicate the neorealist approach to the agent-structure problem: they at least implicitly make one entity primitive, in this case the structure of the world system, and then try to reduce other entities, such as state and class agents, to its effects. The result of this strategy, I shall argue, is that world-system theorists reify the structure of the world system and thus, like neorealists, are unable even in principle to explain its essential properties. A social structure is reified when "it is treated as an object analytically independent of the actions by which it is produced." A solution to the agent-structure problem, then, engages in reification when it objectifies social structures without recognizing that only human action instantiates, reproduces, and transforms those structures. I should emphasize that reification presupposes at least an implicit conception of the relationship of agents to social structures: structures have reproductive requirements which, for whatever reason, agents passively implement. The problem with reification, therefore, does not concern the inclusion or exclusion of agents per se from social scientific theories (since they must be included), but rather the terms of their inclusion into those theories. Immanuel Wallerstein's solution to the agent-structure problem has the same general form, and thus the same strengths and weaknesses, as Louis Althusser's structural Marxist solution [...] The existence and identity of agents as agents, and therefore of their causal powers and real interests, is produced, and therefore explained, by their relation to the totality of the capitalist world system. Thus, state agents are *effects* of the structure of the world

system in much the same sense that capitalists are effects of the structure of the capitalist mode of production, or slaves are effects of the structure of master-slave relationships (Wendt, 1987: 344-346, emphasis on the original)

As Skocpol and Zolbert, Wendt criticized the explanation given by Wallerstein for the behavior of states:

Functionalism is evident, for example, in world-system theorists' explanation of general wars directly in terms of the reproduction requirements of the world-system, requirements which become translated (or translate themselves) into bellicose state interests, as well as in the interpretation of the rise of socialist states in such way that it is consistent with the reproduction requirements of the world system. This is not to say that world-system theorists would consciously argue that the reproduction of the world-system occurs without state agency - they probably would not. But nonetheless in many explanations the world system in effect seems to call forth its own reproduction by states; this suggests that at least in their concrete research, world-system theorists treat the world-system as at some level operating independently of state action, that in practice they reify the world-system. While this result may be unintended, I do not think it is accidental. On the contrary, it follows inevitably from the fundamental premise of Wallerstein's holism - that the whole is ontologically prior to its parts also (Wendt, 1987: 347-348).

Furthermore, as Skocpol, Zolberg and Ruggie, Wendt associated the structuralism of Wallerstein's model to its inability to explain the origins and the change of the system:

The principal weakness of a structuralist solution to the agent-structure problem is that, because it cannot "explain anything but behavioral conformity to structural demands," it ultimately fails to provide a basis for explaining the properties of deep structures themselves. It may be, for example, that the division of the world system into three distinct structural positions (core, semi-periphery, periphery) is functional for the reproduction of capitalism, but this does not explain why the system developed that particular structure, nor does it guarantee that that structure will endure. Because of their passive conception of state and class agency, world-system theorists tend to fall into an historical determinism which, by ignoring other possible historical trajectories, implicitly assumes that the evolution of the world system could not have turned out any other way (Wendt, 1987: 347-348).

This criticism continued along the years. According to Burch (1995: 68-69),

WST's [world-systems theory's] structural orientation opposes actor-oriented explanations. Yet explanations of social change must introduce agents to explain the patterned reproduction of the social structures themselves and the changing social behaviors that alter the patterns. As noted, without agents of change, the structures can only describe. The critical and conceptually historicist suggestions I make strengthen WST

by moving it toward constructivist social theory. By making agents' understandings and behaviors central to WS [world-systems] analyses, theorists reclaim their normative and theoretical focus, balance their structural inclinations, and build upon the implicit ideological critique that anchors their work.

However, as Wendt (1987: 348-349) suggested,

the greater attention Wallerstein's later work [*The Politics of the World-Economy* (Cambridge: Cambridge University Press. 1984)] gives to problems of agency indicates an awareness of this difficulty [caused by structuralism], and these efforts have helped to move world-system theory away from the excessive functionalism evident in his early contributions and, perhaps, in my portrayal of world-system theory. [...] World-system theory's evolution towards a greater focus on agency thus, in some ways, parallels the development of structural Marxism in the later work of Nicos Poulantzas.

Nevertheless, in a recent introductory book to WSA, Wallerstein briefly responded to the aforementioned criticisms, justifying the focus on the analysis of the logic of reproduction of systemic structures:

They [the individual, the proletariat, the states] are not primordial atomic elements, but part of a systemic mix out of which they emerged and upon which they act. They act freely, but their freedom is constrained by their biographies and the social prisons of which they are a part. Analyzing their prisons liberates them to the maximum degree that they can be liberated. To the extent that we analyze our social prisons, we liberate ourselves from their constraints to the extent that we can be liberated (Wallerstein, 2004: 21-22).

In the next section, we analyze how Giovanni Arrighi has developed approaches that overcome the structural-functionalism of WSA.

3. Relaxing structuralism: evolutionary perspectives in World-Systems Analysis

In “Dependent Accumulation and Underdevelopment” (1979), Andre Gunder Frank discussed “the question of ‘internal’ v. ‘external’ determination” (p. 2), that is, “the question whether development and underdevelopment are determined internally or externally to the social unit undergoing change and whether the determinant realm is that of production or the of

exchange – or both” (Frank, 1979: 2). Frank (1979) was discussing if the most important factor in the determination of the (under)development of the units of a world system is its local mode of production or its exchange relations to the world economy as a system. This the structural-functionalist question presented in a different form. Frank (1979: 6) transcribed part of a comment of Giovanni Arrighi on his book, which he took as correct⁶:

Throughout this introduction, as in your previous works, the analysis of the internal structure is always subordinated to that of the external conditions [...] Explanations of the development of things are not *first* of all looked for in their internal structure and contradictions, analyzing, once these have been identified, their dialectical interaction with external conditions. You tend instead to look for external determination of both phenomena and internal structures and contradictions ... I do not think, in other words, that you keep your pledge to analyze *dialectically* the interrelations between unequal exchange and the limitations imposed on the factors of production by the social conditions of production. The main aspect of this tendency is the subordination of class analysis to the analysis of the colonial structure. The two can and must be combined (Arrighi, 1970, personal communication with A. G. Frank, apud Frank, 1979: 6-7⁷).

To criticize Frank’s structural-functionalist solution for the internal vs. external dilemma, Arrighi also quoted Mao Tse Tung, who stated, in “On Contradiction”, that in a suitable temperature an egg changes into a chicken, but no temperature can change a stone into a chicken, because each has different basis (which means that one cannot explain the behavior of the parts of a system just relying on its systemic context as a causal factor).

⁶ In the last chapter of a latter work (*ReORIENT: global economy in the Asian Age, 1998, Berkeley and Los Angeles: University of California Press*), Frank re-addressed the problem of agency vs. structure justifying the emphasis on the structural determinants in a way similar to the one used by Wallerstein (2004, quoted above): “This book has been an attempt to outline at least some of the underlying economic structure and transformation of early modern and therefore also modern and contemporary world economic history. These at least condition the way in which we have and have not made our history in the past and can and cannot make it in the future [...] The more we learn about the structure of these conditions, the better we can manage our “agency” within them; indeed, the better we can perhaps affect or even change these conditions” (Frank, 1998: 352).

⁷ Further published in Arrighi, G. *Struttura di classe e struttura coloniale nell’analisi del sottosviluppo*, *Giovane Critica*, 22-3, Milano, 1970; revised and enlarged version in *Problemi del Socialismo*, Roma, XIV, 10, luglio-agosto, 1972. This debate between Arrighi and Frank is also presented in Cowen, M. & Shenton, R. (1996), *Doctrines of Development*, Routledge, p. 78.

This shows that, already in the early developments of WSA, Arrighi was concerned with the problems related to the use of a structural-functionalist perspective in world-historical analysis. In this section, we analyze how this concern was reflected in Arrighi's latter works: *The Long Twentieth Century* (1994) and *Chaos and Governance* (1999) (the latter in co-authorship with Beverly Silver).

To explain the formation and expansion of the capitalist world-system, Arrighi (1994) proposed the concept of “systemic cycles of accumulation”⁸, that correspond to the rise and fall of regimes of accumulation of capital and power in world-scale, each one corresponding to the hegemony of a particular block of state and capitalist agents and having an average duration of one century. Arrighi identified, in the history of the capitalist world-system (from the fifteenth to the twentieth century), four systemic cycles of accumulation, labeling them according to the correspondent hegemonic agent of each period: the Genovese cycle (fifteenth and sixteenth centuries); the Dutch cycle (seventeenth and eighteenth centuries); the British cycle (eighteenth, nineteenth and twentieth centuries) and the North-American cycle (from the twentieth century to today).

Each cycle is constituted by an initial phase, of material expansion, followed by a final phase, of financial expansion. The denomination “material expansion” is due to the fact that in this phase the production and trade of goods (productive accumulation) are the activities most suitable to the reproduction of capital (most profitable) and, therefore, they are the means mostly used by the capitalists of the hegemonic block to reproduce their stock of capital. From the point of view of hegemony, it is during the material expansion that it is consolidated. On the other hand, during financial expansions, the contradictions of the hegemonic regime of accumulation, which is then fully developed, become more salient, opening space to the emergence of

⁸ This brief presentation of Arrighi's theory of systemic cycles of accumulation is from Filomeno & Vieira (2007).

competing regimes, one of which is later going to be hegemonic. Thus, financial expansions correspond to periods of systemic change and hegemonic transition. The denomination “financial expansion” is due to the fact that during this phase the trade of currencies, bonds and credit (financial accumulation) are the activities most suitable to the reproduction of capital (most profitable) and, therefore, they are the means mostly used by the capitalists of the hegemonic block to reproduce their stock of capital.

Financial expansions begin through the synchronic arrangement of a double trend created by the saturation of the material expansion within the structures and strategies of the hegemonic regime of accumulation. This saturation is expressed in the existence of large volumes of capital that, if invested in ordinary productive activities, would cause a decline in the rate of profit. This situation is avoided by capitalists, who retain their capital in liquid form, while waiting for more profitable opportunities of investment. Thus, the supply of liquid mobile capital, one of the conditions for financial expansion, is ensured. On the other hand, this increasing volume of liquid capital does not remain idle, for a parallel process generates the demand for it. When States realize that the budget restriction resulting from the decline in the production and trade of goods (the economic base from which they extract taxes) is limiting their accumulation of power and status, they begin expansionist projects involving the dispute of markets and territories through bellicose conflicts. However, as they do not have the adequate economic base to finance those projects, they start competing for the mobile liquid capital that capitalists have been storing in financial markets, thereby creating the conditions of demand required to financial expansion. As a result, there is an increase in the profitability in financial markets, which attracts idle capital to the sphere of the *haute-finance*, starting the financial expansion.

Financial expansions end when the introduction of innovations in the structures and strategies of accumulation of capital and power in world-scale by one of the competing units of the system constitutes a new way of development with a potential to systemic growth and systemic governance higher than the one deductible from the current financial expansion. Thus, the systemic cycles of accumulation are cycles of the capitalist world-system, cycles of structures that are pertinent to the system as a whole and not to its units (Arrighi, 2000: 138).

This model, further developed by Arrighi & Silver (2000), in collaboration with other authors, in a comparative analysis of three periods of hegemonic transition in the capitalist world-system, accounts for systemic change, understood as “a process of radical reorganization of the modern world-system that changes substantively the nature of the systems’ components, the way in which these components relate to one another, and the way in which the system operates and reproduces itself” (Arrighi & Silver, 2000: 21). The phases of financial expansion associated with hegemonic transitions are moments of systemic change, in which specific complexes of governmental and business agencies lay down new tracks to the expansion of the modern world system; in leading the system in a new direction, they also transformed it (Arrighi & Silver, 2000: 22). In this sense, systemic change might emerge from the responses that actors within the system give to systemic crises and contradictions (agency); the system is not only productive, it is also a product.

However,

whether and to what extent unit-level processes – such as the formation of particular complexes of governmental and business agencies and their actions – simply play out a script dictated by system-level properties or themselves write the script and thereby form and transform the system, is a question that ultimately can be settled only on empirical-historical grounds. It is indeed on these grounds that we have found Wallerstein’s model wanting. For our investigation has revealed that the rise of hegemonic powers in the modern world system has not been the mere reflection of systemic properties. Systemic properties do act as powerful constraining and disposing forces on the

selection of the states that become hegemonic. But in all instances, hegemony has also involved a fundamental reorganization of the system and a change in its properties (Arrighi & Silver, 2000: 26).

There is plentiful illustration of this in the historical analysis presented in Arrighi (1994) and Arrighi & Silver (2000). As this is an essay of theoretical discussion, some examples can only be briefly mentioned: (i) with the rise of the Netherlands to world hegemony, the nature of the components of the system changed from non-sovereign political organizations to mutually exclusive territorial sovereignties according to the Treaty of Westphalia (1648); (ii) under British hegemony, the Eurocentric system of sovereign states moved to domination globally; (iii) with American rise to hegemony, formal organizations of global governance (like the United Nations, the IMF and the WTO) were created and used as an instrument of power for the United States.

Although Arrighi (1994) did not emphasize the local particularities of the different units of the system, his model of hegemonic transitions in the capitalist world-system is not characterized by a systemic or structural-functionalist determinism. There is a degree of structural-functionalism in the sense that, retrospectively, the system, under systemic chaos, has “needed” order and the emergence of a new *hegemon* to further expand. However, in the juncture of systemic chaos, whether this “systemic need” would or would not be satisfied by the *agency* of some of the system’s units (who might introduce innovations that can lead to a new way of systemic development) was subject to historical contingencies.

Moreover, if the “systemic need” has been actually fulfilled, how this “need” has been fulfilled is also subject to historical contingencies and influenced by the particularities and location of the units of the system. Thus, the order that will emerge out of a systemic crisis is not inscribed in the parameters of the present order (for instance, that the dominant pattern of capitalist organization in the 20th century would be the multinational vertically integrated corporation could not be predicted only by the reproductive logic of the system). So, according

to this model, the capitalist world-system has expanded not only quantitatively (through the incorporation of new geographical areas, households and resources), but also qualitatively – the system evolves.

Finally, in his most recent book, “Adam Smith in Beijing”, Arrighi’s concern with structural-functionalism is also present. Commenting on John Mearsheimer’s and Zbigniew Brzezinski’s predictions about the behavior of China, as an emerging world power, in the next decades, Arrighi stated that:

What happens in the short run of a decade or two is determined by a host of contingent and random events that in a longer perspective, as Mearsheimer put it, “get washed out of the equation” by more durable underlying trends. Unless we have a theory capable of identifying and explaining these more durable trends, we will be at a loss in figuring out what will happen when the “dust” of contingent and random events settles. However, durable underlying trends are neither unchanging nor ineluctable; nor are contingent and random events mere “dust.” Ideally, a theory of world politics and society must be able to account for change, as well as continuity, in the behavior and mutual interaction of key actors; it must allow for learning, if not from the theory itself, at least from the historical experiences that the theory attempts to describe and explain; and it must specify the conditions under which contingent and random events, instead of being “washed away,” can destabilize established trends and facilitate the emergence of new ones (Arrighi, 2007: 310).

4. Conclusion

As argued above, the reproductive logic of the system cannot totally explain the behavior of the units of the systems nor the system’s own change. In addressing systemic change, Arrighi & Silver (2000) emphasized the agency of emerging hegemonic complexes of governmental and business agencies. Can we extend this to other actors of the system? Is it possible that a non-hegemonic unit of the system play a part of its own (affecting at least local outcomes) and not only a script dictated by the system? As Wallerstein (2004) said, actors within the system have degrees of freedom and, as Arrighi & Silver (2000) pointed out, whether they can or cannot act

freely and affect the system is a matter of empirical-historical investigation, not of an *a priori* assumption built-in a theoretical model.

The developments within WSA in fixing Wallerstein's original version of structural-functionalism are not confined to what has been exposed in this essay. Other authors linked to WSA have approached these issues and proposed different solutions⁹. Moreover, solutions have not only taken place on the theoretical level. Philip McMichael (1990), Beverly Silver (2003) and Giovanni Arrighi (1994) have worked on a methodology of "incorporating comparisons", which avoids the presumption of a systemic whole that governs its parts. Such advances in WSA have approximated it to other perspectives such as the "structuration theory" or the "structurism" of Anthony Giddens and Christopher Lloyd¹⁰ respectively, all of them attempts to overcome the structure-agency dichotomy.

However, these are all cases for future discussions and other questions about structural-functionalism in WSA remain to be addressed. For instance, in using a structural-functionalist perspective to explain what it is capable of explaining, what is the large systemic structure to which we should refer? And, as implied by the methodology of incorporating comparisons, why should we always refer to only one (the modern world-system) regardless of the specific research problem being addressed? As Braudel said, "however plentiful evidence of economic subordination, and whatever its consequences, it would be a mistake to imagine that the order of

⁹ See, for instance: C. Flint & F. Shelley (1996), "Structure, Agency, and Context: The Contributions of Geography to World-Systems Analysis", *Sociological Inquiry*, 66: 4; Tomich, D. (1997). "World of Capital/Worlds of Labor: A Global Perspective" in John R. Hall (ed.) *Reworking Class*, Ithaca: Cornell University Press; Boles, E. (2002), *Critiques of World-Systems Analysis and Alternatives: Unequal Exchange and Three Forms of Class Struggle in the Japan-US Silk Network, 1880-1890*, *Journal of World-Systems Research*, VIII, II.

¹⁰ See Giddens, A. (1979), *Central Problems in Social Theory*, Berkeley: University of California Press; Giddens, A. (1984), *The Constitution of Society: Outline of the Theory of Structuration*, Cambridge, U.K.: Polity Press and Lloyd, Christopher (1993), *The Structures of History*, (a volume in the *Studies in Social Discontinuity series* edited by Charles Tilly), Blackwell: Oxford and Cambridge MA.

the world-economy governed the whole of society, determining the shape of other orders of society. For other orders existed” (Braudel, 1992 [1979]: 45).

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TEXTO PARA DISCUSSÃO

Nº 01/08 - MÁTTEI, Lauro Francisco. Programa Nacional para Produção e uso do BIODIESEL no Brasil (PNPB): Trajetória, Situação Atual e Desafios.

Nº 02/08 - MACHADO, Gerônimo Wanderley. A Transformação do Conhecimento em Produtos e Serviços: A Literatura Cinzenta e as Teses do PPGEP

Nº 03/08 - Lins, Hoyêdo Nunes. Geoeconomia e Geopolítica dos Recursos Energéticos no Capitalismo Contemporâneo.

Nº 04/08 - MÁTTEI, Lauro Francisco e VENTURI, Alíne. Condições de Inserção da Mulher no Mercado de Trabalho: Evidências a partir de Santa Catarina.

Nº 05/08 - LIMA, Juliana Daldegan e SANSON, João Rogério. O Surto de Industrialização do Setor Têxtil a partir de 1880: Blumenau e Brasil.

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