Part II

Theory and critiques
3. Theoretical frontiers in world-systems analysis
Introduction

The world-system theory is characterized by a holistic perspective. Such a perspective has many cognitive benefits, but it also has some drawbacks. One of these drawbacks is that the world-system theory tends to overlook the specific dynamism of various units that comprise the system itself. For example, the modern world-system, that is, the capitalist world-economy, is thought to have arisen in the long sixteenth century and to have extended to literally the whole world in the nineteenth century.

Many of the world’s regions and societies have formed their social and cultural uniquenesses in their territories before being incorporated into the expanding modern world-system. The analyses of national development by world-systems scholars often ignores these specificities. This chapter tries to remedy this drawback by forging a theoretical model to grasp the dynamism of specificities in national developments in the world-system. In other words, it attempts to theorize the multiplicity of national capitalist development in the world-system. For that purpose, this chapter takes note of specific relationships that existed before each society was consolidated into the capitalist world-economy. Given that most societies were still pre-capitalist before being integrated into the world-system, such specificities can be found in pre-capitalist social relationships. Therefore, this chapter employs the concept of the articulation of modes of production in order to revise the world-system theory. However, because the concept of articulation of modes of production is somewhat static, it needs to be reframed as a dynamic concept in order to grasp capitalist development. Therefore, this chapter considers the articulation of pre-capitalist and capitalist modes of production as representative of the transition from pre-capitalist to capitalist society. This chapter also considers the case of Japan, which experienced a specific type of transition, and analyzes the particularities of Japanese capitalist development in the world-system on the basis of this new theory, focusing on the uniqueness of the globalization of capital and labor in Japan.

The holistic perspective in world-systems analysis

There is no doubt that the holistic perspective in world-system analysis has brought many cognitive benefits in sociological research. These are not limited to the analysis of globalization, one of the
most prevalent contemporary societal trends, which literally requires holistic analysis. Wallerstein (1974, 1980, 1989) has also attempted to solve some difficult questions in historical capitalism.

For example, taking the holistic view, he tried to explain why the French Revolution and the Industrial Revolution just happened at that particular time in those countries (Wallerstein 1989). His answer was that these “revolutions” could not be understood from the national or local point of view but they should be grasped from the global perspective. He asserted that all the causes and effects of these revolutions, if they really happened, should be regarded as consequences of the operation of the world-system. This holistic perspective was certainly a great contribution in that it suggested a new interpretation, given that the various existing interpretations did not wholly accord with reality.

However, the holistic perspective of world-system analysis has some drawbacks, because it does not fully consider the specificities of various units of the world-system in the analysis of national or local social change. For example, although they are all located in the same zone of semiperiphery, so-called NIEs (Newly Industrialized Economies) in East Asia and Latin America differed greatly from each other in economic growth from the 1970s until at least the 1990s. The explanation for this should be explored through endogenous factors in those countries. While the formation of the developmental state can affect development in these societies, the extent to which the developmental state can be constructed is likely to depend on the history and traditions of the society. For example, Evans (1995) indicated such a point in the comparison of South Korea, Brazil and India.

Furthermore, it is questionable whether or not the uniqueness of national capitalist development in Japan can be fully explained by a holistic world-system analysis. Aside from contingent factors such as geopolitical position, the reason that national capitalist development was possible is not clarified in world-system analysis. In short, Japan’s success would be regarded as exceptional from the holistic perspective. It could only be explained as a conjunction in the structural persistence or long durée of the world-system.

So how can world-system analysis overcome such drawbacks? For one thing, a more holistic orientation can be pursued temporally and spatially in order to deal with such problems. For example, Chase-Dunn and Hall (1997) explored the modes of operation of pre-modern world-systems or world-empires, and their mutual influences. Frank and Gills (1993) also expanded the historical span and territorial area of the world-system and insisted that the inception of the world-system dates back five thousand years and that it has continued as a single system until the present.

Furthermore, Frank (1998) aimed to relativize the predominance of Europe and criticize the world-system analysis of Euro-centrism. Frank also asserted that among other regions Asia had been dominant for many centuries and, after a brief decline, rose again in the twenty-first century.

These approaches certainly have the potential to solve these problems. However, given that so many data are required for such large processes and so long a period, persuasive explanations are difficult to make at this time.

In addition, a more endogenous approach could be taken to world-system analysis. In other words, with regard to national development, the societal specificities which date back to the period before the incorporation of each society into the world-system, need to be examined. Given that the modem world-system is the capitalist world-economy and, therefore, national development is also capitalist, specific factors that have influenced national development should be taken into account when considering the formation of capitalism in a given society. Of course in the periphery, capitalism would have been implanted through the incorporation process rather than forming endogenously.

The recognition of capitalism in world-system analysis

So how should the formation of capitalism be understood? Needless to say, in world-system analysis, the rise of the European world-economy is synchronized with the formation of
capitalism, which has operated globally since its inception. Furthermore, Wallerstein (1979) has asserted that the entire world has been a single capitalist system since the nineteenth century. Since the 1970s this view of capitalism in world-system analysis has given rise to fierce controversy.

In those days, socialist countries utilized methods of production different from those of capitalism. According to Wallerstein (1979), even in socialist countries, the valorization and accumulation of capital should be sought in production and exchange and the socialist countries are understood to have been parts of the larger capitalist world-system.

Nonetheless, there was a wide range of subsistence economies in the periphery in the 1970s. In such economies, it seems certain that peasants still had claims on the means of production and did not pursue expansive reproduction. In this sense, social relationships, which cannot be fully connected by the movement of capital, exist mostly in developing countries or in the periphery.

In this way, by distinguishing between capitalism and non-capitalism, less distinct world-system analysis lacks sensitivity to capitalism and so to non-capitalism. Capitalism in world-system analysis refers to labor control, households and the like, and so not only to exchange or markets but also to production and reproduction. One of the early criticisms of world-system analysis was that it only handles exchange or market relations rather than class or production relations and is therefore circulationist (Brenner 1977). This criticism is incorrect.

However, such an analysis could not adequately grasp how capitalism is constructed, and operates in relation to other non-capitalist relationships. Above all, this article is concerned with the influence of pre-capitalist relationships on the formation of national capitalism.

The transition to capitalism and the articulation of modes of production

How, then, can pre-capitalist social relations, from which the specificities of a society can emerge, affect national capitalist development? The formation of capitalism has conventionally been addressed in terms of the transition to capitalism. For example, on the one hand, Maurice Dobb (1946), Robert Brenner (1985) and other theorists emphasized endogenous factors such as class struggle in the transition from feudalism to capitalism—a discussion of proto-industrialization might also emphasize the endogenous origin of the transition. On the other hand, theorists and historians such as Paul Sweezy (Sweezy et al 1976) emphasized exogenous factors, such as the effects of exchange between distant places.

Furthermore, taking into consideration the situation of peripheral regions in the world-system, this controversy acquired a new dimension—the concept of the articulation of modes of production (Wolpe 1980). At first, the articulation of modes of pre-capitalist and capitalist production was thought to be a stagnant aspect of underdevelopment, primarily in dependency theory (Amin 1973). However, it should be regarded as part of the transition to capitalism in the society and the dissolution process of pre-capitalist modes of production—generally speaking, such pre-capitalist societies are not necessarily feudal and, particularly in the periphery, various types of pre-capitalist societies are plausible.

In addition, if “mode of production” can be defined as the sum of social relationships in various areas such as production, exchange, distribution, and consumption at the most abstract level of analysis, the articulation of modes of pre-capitalist and capitalist production can mean the interchange or replacement of social relationships between two modes of production. In that case, the articulation of modes of production could be a useful conceptual instrument for analyzing the influence of pre-capitalist social relations on national capitalist development.

Conventionally, the concept of articulation was merely a heuristic device, and so static that it tended not to accommodate the dynamic processes of transition. So how should we modify the
concept of articulation? Contrary to world-system analysis, the following discussion will proceed dialectically from the abstract and simple level to the concrete and complex level.

The transformation of class relations in the transition to capitalism

In order to mold the concept of articulation as a more dynamic and useful analytical tool, class relations and their transformation must be considered. This is because class relations are not only one of the most definite relations in societies characterized by inequality, but they are also one of the dynamic factors of social change. In the transition to capitalism, how should class relations be transformed?

Before considering this transformation, it is necessary to define the classes present in both societies involved in the transition. In capitalist society, above all at the level of mode of production, capital-labor relations are the most basic; therefore, the capitalist class and the working class are the primary classes. In contrast, in pre-capitalist society, the primary classes are the landowning class, the merchant capitalist class, and the producing class such as peasants and crafts. Given that the primary classes in capitalist society cannot emerge without any origins, they should be derived from the primary classes in pre-capitalist society.

At this time, because the valorization and accumulation of capital predominantly structure social relationships in capitalism, it is critical to identify the pre-capitalist classes from which the capitalist class can emerge. There are two possibilities: the ruling class, such as the landowning class and/or the merchant capitalist class (Type 1), and the dependent class, namely the producing class (Type 2). It is also possible for the capitalist class to derive from other societies. That is, foreign capital rules the structuring of social relations in the society (Type 3).

In short, we have three logical types of class transformation in the transition to capitalism. It is to be noted that these three types are mutually exclusive in theory. It is also to be noted that these three types are theoretically equivalent to each other and that one of them is not a prototype for the others. In the case of Type 1, it is supposed that the ruling class in pre-capitalist society is so strong that it can readily transform itself into the ruling class, namely the capitalist class, in capitalist society and that the dependent class cannot become the ruling class.

In contrast, in the case of Type 2, it is supposed that the dependent class in pre-capitalist society can overthrow the ruling class, which includes landowners and merchants, and replace them in capitalist society. In other words, in this type, social revolution, like civil revolution, is likely to happen. In this way, Type 1 and Type 2 are completely different from each other and cannot logically coexist. Furthermore, in the case of Type 3, it is supposed that indigenous capital cannot emerge or take an initiative in development before foreign capital comes in. In other words, Type 3 is likely to be a late capitalist society and located in the peripheral regions of the world-system. Therefore, Type 3 is incompatible with the other types.

The effects and differences of class transformation

We have already confirmed that the transition to capitalism is characterized by the articulation of pre-capitalist and capitalist modes of production and that the primary classes in capitalist society emerge from those in pre-capitalist society in such processes. So what are the effects of this transition?

In a word, the replacement of capitalist relations with pre-capitalist ones in capital-labor relations would occur. This is because the transition period is not momentary and it takes time to remold class relations. Therefore, pre-capitalist relationships do not vanish in the transition period. In other words, they are present at least during the transition period.
Capitalist relations and pre-capitalist relations

In analyzing the effects of pre-capitalist relationships, it is necessary to clarify the differences between capitalist and pre-capitalist relationships theoretically. These differences can be posited as ideal types. Capitalist class relations are thought to be connected in three spheres: economic, political, and cultural/ideological. Althusser (1965) rediscovered these three spheres in the mode of production, and some theorists, such as Carchedi (1977) and Poulantzas (1975), introduced them into class analysis.

Economic relations are wage relations, which are derived from the fact that workers are deprived of the means of production—they are merely economic, without non-economic coercion (Chase-Dunn 1989: 25). Political relations are related to the control of labor, which is generally bureaucratic and non-personalistic. Cultural/ideological relations are related to the knowledge of production process and, at the more concrete level of social formation, the consciousness of work, society and class relations themselves, and the like—they are also generally materialist and meritocratic.

What, then, are pre-capitalist relations? Pre-capitalist class relations exist in the same three spheres. Economic relations are characterized by the connection of means of production with producers. Political relations are characterized by the personalistic (persönlich), and arbitrary control of work. Cultural/ideological relations are characterized by the full appropriation of knowledge of production by producers and the consciousness of social order, including class relations themselves—such consciousness is often characterized by communitarianism and the paternalistic legitimation of class conflicts.

Class relations in the transition process

In the transition process, two types of class relations (pre-capitalist and capitalist) are mixed and the replacement of capitalist relations with pre-capitalist relations can occur. In the economic sphere, capitalist wage relations are not fully connected because workers (they are generally formed from the producing class, such as peasants) still have some ties with the means of production and thus retain other sources of income.

In the political sphere, the control of work is arbitrary, and workers can be personalistically subservient to employers. In the cultural/ideological sphere, the capitalist appropriation of knowledge is not fully achieved; class relations or capital-labor relations can be paternalistically regarded as benign, and communitarianism can conceal class conflicts. It is to be noted that pre-capitalist class relations are not necessarily benign and are often antagonistic.

The end of transition and its aftermath

How can the end of the transition period be defined? Given that the transition to capitalism progresses through the articulation of modes of production, the end of transition can be defined as the dissolution of the pre-capitalist mode of production. It is the consequence of articulation. What kind of situation can be defined as its dissolution? Even though the mode of production consists of the sum of the social relationships in all three spheres, economic relations seem to be the most definite in the formation of mode of production. Therefore, the point of its dissolution can be defined as the period in which class relations in the economic sphere are completely capitalist—all workers, at least those in leading sectors at that time, are fully proletarianized.

This may mean that remnants of precapitalist relations remain. However, as capitalism develops in the society, pre-capitalist relations are sooner or later extinguished because purely capitalist relations are more efficient in the accumulation and valorization of capital.
For example, if all other conditions are equal, full-fledged wage relations are likely to hold more economic compulsion than those which are mediated by such replacement with pre-capitalist relations; the bureaucratic and non-personalistic control of labor is likely to contribute to organizing production more *rationally* than a pre-capitalist arbitrary and personalistic one; the full appropriation of knowledge of production by capitalists is likely to lead to more efficient innovation in production than partial appropriation.

**Three types of transition; their differences and effects**

However, depending on the type of the transformation of class relations, the length of time required to conclude such replacement is likely to be different. In Type 1, in which the ruling class becomes the capitalist class, the time is likely to be longer. This is because the newborn capitalist class in the society has been benefiting from pre-capitalist relations and retains *more intimacy* with those relations.

In contrast, in Type 2, in which the dependent class becomes the capitalist class, the transformation period is likely to be shorter. This is because the newborn capitalist class in the society has been suffering from pre-capitalist relations and retains *less intimacy* with such relations. Lastly, in Type 3, in which foreign capital takes an initiative in capitalist development, the transition period is indefinite. This is because foreign capital retains *no definite intimacy* or is *neutral* with pre-capitalist relations in the society.

What, then, are the expected effects of these differences on the capitalist development of a society? If other factors are not taken into account, Type 1 should be stagnant; Type 2, in contrast, should be more progressive; and Type 3 should be neutral. However, if this discussion is made more concrete and includes in the analysis other factors such as class conflicts and the state, it could draw the opposite conclusion.

That is to say, Type 1 would be characterized by more progressive capitalist development, given that pre-capitalist relations can persist longer; as a result, paternalistic ideology, which is preferred by the capitalist class in the society, can prevail through the capitalist state and hinder class conflicts. In contrast, Type 2 could be characterized by stagnation in capitalist development, given that pre-capitalist relations can vanish more quickly and as a result, there is nothing to prevent workers from protesting. In short, a harsh class struggle is likely to disrupt the accumulation and valorization of capital. Type 3 could still be characterized as an indefinite transition period, given that foreign capital is supposed to be neutral to pre-capitalist relations in the society.

In this way, if the articulation of modes of production is understood from the dynamic perspective of the transformation of class relations, the endogenous specificity of pre-capitalist relations in the society can be added into the analysis of national development in the world-system. However, the above discussion is merely theoretical and abstract, taking place primarily at the level of modes of production. In order to make it more concrete, we will consider the case of Japan.

**The case of Japan: Its particularity**

*Japan as a case of Type 1*

Because there tend to be more anomalies and contingencies at the concrete level of analysis, it might not be so easy to determine which countries belong to which of these three types. Nevertheless, dominant trends can be identified in the transition of each society. Japan and Germany belong to Type 1, while countries such as the United Kingdom and the United States
probably belong to Type 2. Many semiperipheral and peripheral countries belong to Type 3. In
the following analysis, capitalist development and the pattern of globalization in Japan will be
summarized, focusing on the specificity of class relations.

Inception

Japan experienced the dramatic transition to capitalism from the Meiji era, in the late nineteenth
century. The capitalist class in Japan was primarily derived from feudal landowners (Daimyo), who
received vast amounts of money in exchange for their territories, and big merchants of the Edo era.
Furthermore, many corporations were formed as family businesses (Zaibatsu), many of which were
based on merchant families before and during World War I.

Therefore, industrial relations in such corporations were usually paternalistic and characterized
by management familialism because these relations were not originally based on employment but
rather on master-servant relations. The Emperor system (Tenno-set) in Japan, which was the
political system before and during World War I, also legitimatized a national paternalist ideology.

The primary institutions of the Japanese industrial relations system—lifetime employment
(Shushin-Koyo), the seniority wage system (Nenko-Chingin), and enterprise-based unions—were
forged during the Taisho era (the 1920s through the 1940s) just after World War I (Hyodo 1971).
These institutions were often forged by contingent factors, but they have also been endorsed by
personalistic relations and paternalist and communitarian ideology—the specificity derived from
the type of transition to capitalism in Japan. Thus, they persisted for a long time.

Dissolution and persistence

Of course, pre-capitalist relations were persistently dissolved through capitalist development in
Japan. For example, wage relations were fully connected in leading sectors as early as the Taisho
era. Furthermore, the labor movement had been active as early as the pre-World War I era—
especially in 1917, when the movement arose for seeking decent and humane working (Jinkaku-
Shonin). After World War II, at least until the 1950s, there were many oppositional movements
and strikes.

These labor disputes might indicate that pre-capitalist relations were fully dissolved and unable
to soften industrial conflicts. However, until recently, there has been evidence of company
communitarianism and a preference for personalistic labor control. For example, enterprise unions,
though in opposition to the interests of capital, have been a part of the management system and
have contributed to the establishment of benign industrial relations.

Furthermore, Japan’s evaluation system (Satei) for the motivation, attitude and loyalty of
employees, which was introduced into many large companies starting in the 1960s and has been
utilized in determining promotion, wage increases, and bonuses, can be predicated on the
preference for personalistic relations.

Consequently, benign industrial relations prevailed in the late 1960s, at least in large compa-
nies. This is because pre-capitalist relations were not completely eradicated and the concrete form
of specificity of Japanese capitalism has been persistently maintained.

Japanese uniqueness in globalization

What are the implications of the fact that various institutions endorsed by pre-capitalist relations
have preserved benign industrial relations? Some countries classified as Type 2, such as the United
States, were faced with challenges regarding their industrial relations. It has been indicated that
oppositional labor unions pursued wage increases, and that simple, repetitive, hard work in Fordism stagnated productivity. One of the solutions was the relocation of production to peripheral regions of the world-system.

This relocation also signaled the requisition of pre-capitalist relations in peripheral regions, because many workers have rural backgrounds and keep ties with means of production. In addition, many immigrant workers flowing into core regions from peripheral regions often preserve their rural ties and move back and forth between the two regions, forging transnational communities. It could be that employing immigrant workers in the core, who often work in sweatshops, can mean the mobilization of pre-capitalist relations.

If the internationalization of capital and labor can transform labor-advantageous industrial relations into capital-advantageous ones, the Type 2 societies are likely to experience such internationalization, above all that of capital, earlier than those classified as Type 1. This is because pre-capitalist relations in Type 2 are supposed to vanish earlier than in Type 1.

Based on this consideration, globalization in Japan is remarkable for the period of its inception. It is true that some corporations in Japan were transnationalized as early as the 1950s, but they were only a minority. People from Korea and China, formerly Japanese colonies, were still living in Japan, and many immigrants already lived in Japan after World War I. Nevertheless, until recently, there were very few immigrants related to the mobility of capital (Sassen 1988).

As late as the late 1980s, the internationalization of capital and labor began swiftly. However, the reason behind it differed from that in such countries as the United States. In fact, there was no reason for many corporations to transnationalize themselves in Japan. Industrial relations were so benign that workers were only able to obtain a smaller share of profit during the 1970s and employers were not pressured to relocate production to peripheral regions.

In a word, Japanese industrial relations were replaced by pre-capitalist relations at least in the political and cultural/ideological spheres, until other core countries experienced the internationalization of capital. Therefore, the Japanese economy performed well thanks to benign industrial relations, and produced high-quality products.

This might mean that the transnationalization of Japanese corporations will be more likely to impair harmonious industrial relations than to build them, as other core regions were able to by transforming labor-advantageous or conflictive relations in transnationalization. Through globalization, Japan, a Type-1 society, is likely to transform its industrial relations into fully capitalist ones and, in so doing, undermine its origin of favorable development and less conflictive relations.

Concluding remarks

In this chapter, the world-system theory was criticized for its holistic perspective. It tends to disregard the specific dynamism of various units, particularly countries in the world-system. For the purpose of overcoming this drawback, the theory of articulation of modes of production was revised to account for dynamism and to complement the world-system theory. In so doing, the transformation of class relations in the transition to capitalism can be analyzed and three types of transformation can be established.

Depending on the type of transformation, the length of the persistence of pre-capitalist relations can vary from society to society, and the extent to which specific endogenous factors in each society can affect national development will also be diverse. Therefore, such endogenous
factors as pre-capitalist relations can be identified as one of the causes of the multiplicity of national development.

Japan, a Type-1 society, has experienced the long persistence of pre-capitalist relations as a unique form of management style and industrial relations system. The uniqueness of Japanese capitalist development is derived partly from this endogenous factor. Its swift upward mobility to the core of the world-system and its late internationalization of capital and labor were endogenous in origin. However, through the process of globalization, Japan is experiencing the undermining of its advantageous specificity and is becoming a more thoroughly capitalist society.

References


