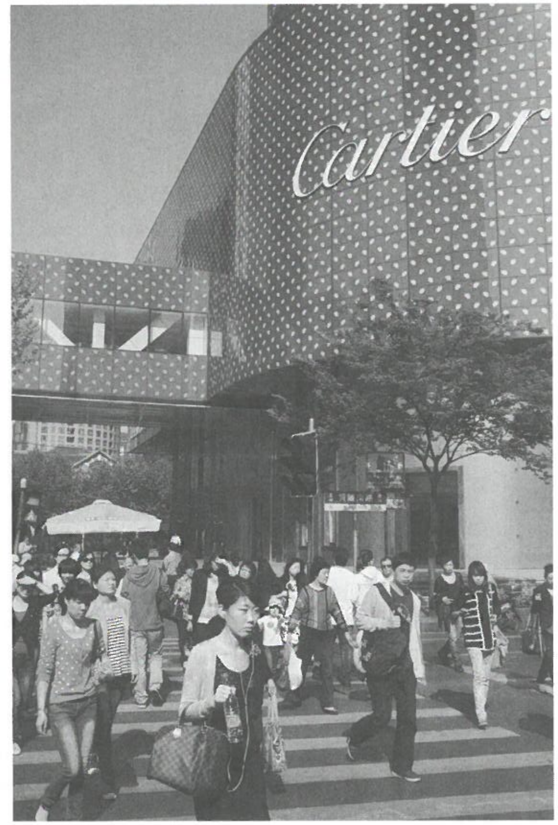
Chapter 12

The World System and Colonialism

Although fieldwork in small communities has been anthropology's hallmark, isolated groups are impossible to find today. Truly isolated human societies probably never have existed. For thousands of years, human groups have been in contact with one another. Local societies always have participated in a larger system, which today has global dimensions. We call it the *modern world system,* by which we mean a world in which nations are economically and politically interdependent.

The World System

A huge increase in international trade during and after the 15th century led to the **capitalist world economy** (Wallerstein 1982, 2004*b*), a single world system committed to production for sale or exchange, with the object of maximizing profits, rather than supplying domestic needs. The world system and the relations among the countries within it are shaped by the capitalist world economy. **Capital** refers to wealth or resources invested in business, with the intent of using the means of production to make a profit.

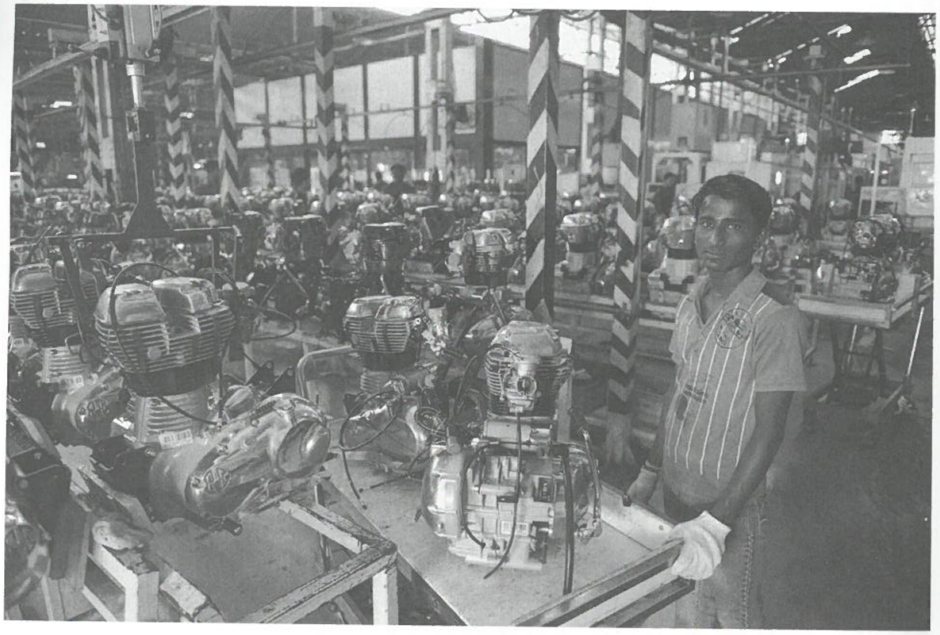


Illustrating the contemporary global spread of capitalism is this scene from central Shanghai, China. In April 2012, pedestrians walk near an upscale shopping mall. What evidence of globalization do you see in this photo?

World-system theory can be traced to the French social historian Fernand Braudel. In his three-volume work *Civilization and Capitalism, 15th–18th Century* (1981, 1982, 1992), Braudel argued that society consists of interrelated parts assembled into a system. Societies are subsystems of larger systems, with the world system the largest. The key claim of **world-system theory** is that an identifiable social system, featuring wealth and power differentials, extends beyond individual countries. That system has been formed by a set of economic and political relations that has characterized much of the globe since the 16th century, when the Old World established regular contact with the Americas (see Bodley 2008).

According to Wallerstein (1982, 2004*b*), countries within the world system occupy three different positions of economic and political power: core, periphery, and semiperiphery. The **core,** the dominant position, includes the strongest, most powerful, and technically most advanced industrial nations. In core nations, "the complexity of economic activities and the level of capital accumulation is the greatest" (Thompson 1983, p. 12). According to Arrighi (2010), the core monopolizes the most profitable activities, especially the control of world finance.

The **semiperiphery** is intermediate between the core and the periphery. Contemporary nations of the semiperiphery are industrialized. Like core nations, they export both industrial goods and commodities, but they lack the power and economic dominance of



Jobs continue to migrate from core nations to places in the semiperiphery, such as Chennai (formerly Madras), India. Shown here in February 2013, a worker in the Royal Enfield cycle company. How does this photo suggest both outsourcing and globalization?

core nations. Thus Brazil, a semiperiphery nation, exports automobiles to Nigeria (a periphery nation) and auto engines, orange juice extract, coffee, and shrimp to the United States (a core nation). The **periphery** includes the world's least privileged and powerful countries. Economic activities there are less mechanized than are those in the core and semiperiphery, although some degree of industrialization has reached even peripheral nations. The periphery produces raw materials, agricultural commodities, and, increasingly, human labor for export to the core and the semiperiphery (Shannon 1996).

In the United States and Western Europe today, immigration—legal and illegal—from the periphery and semiperiphery supplies cheap labor, especially for agriculture, construction, and paid domestic labor. U.S. states as distant as California, Michigan, and South Carolina make significant use of farm labor from Mexico. The availability of relatively cheap workers from noncore nations such as Mexico (in the United States) and Turkey (in Germany) benefits farmers and business owners in core countries while supplying remittances to families in the semiperiphery and periphery. As a result of 21st-century telecommunications technology, cheap labor doesn't even need to migrate to the United States. Thousands of families in India are being supported as American companies outsource jobs—from telephone assistance to software engineering—to nations outside the core (see Nadeem 2011).

The Emergence of the World System

By the 15th century, Europeans were profiting from a transoceanic trade-oriented economy, and people worldwide entered Europe's sphere of influence. What was new was the transatlantic component of a long history of Old World sailing and commerce. As early as 600 B.C.E., the Phoenicians/Carthaginians sailed around Britain on regular trade routes and circumnavigated Africa. Likewise, Indonesia and Africa have been linked in Indian Ocean trade for at least 2,000 years. In the 15th century, Europe established regular contact with Asia, Africa, and eventually the New World (the Caribbean and the Americas). Christopher Columbus's first voyage from Spain to the Bahamas and the Caribbean in 1492 was soon followed by additional voyages. These journeys opened the way for a major exchange of people, resources, products, ideas, and diseases, as the Old and New Worlds were forever linked (Crosby 2003; Diamond 1997; Fagan 1998; Mann 2011). Led by Spain and Portugal, Europeans extracted silver and gold, conquered the natives (taking some as slaves), and colonized their lands.

Previously in Europe as throughout the world, rural people had produced mainly for their own needs, growing their own food and making clothing, furniture, and tools from local products. People produced beyond their immediate needs in order to pay taxes and to purchase trade items such as salt and iron. As late as 1650 the English diet was based on locally grown starches (Mintz 1985). In the 200 years that followed, however, the English became extraordinary consumers of imported goods. One of the earliest and most popular of those goods was sugar (Mintz 1985).

Sugarcane, originally domesticated in Papua New Guinea, was first processed in India. Reaching Europe via the eastern Mediterranean, it was carried to the Americas by Columbus (Mintz 1985). The climate of Brazil and the Caribbean proved ideal for growing sugarcane, and Europeans built plantations there to supply the growing demand for sugar. This led to the development in the 17th century of a plantation economy based on a single cash crop—a system known as *monocrop* production.

The demand for sugar in a growing international market spurred the development of the transatlantic slave trade and New World plantation economies based on slave labor. By the 18th century, an increased English demand for raw cotton led to rapid settlement of what is now the southeastern United States and the emergence there of another slave-based monocrop production system. Like sugar, cotton was a key trade item that fueled the growth of the world system.

Industrialization

By the 18th century the stage had been set for the **Industrial Revolution**—the historical transformation (in Europe, after 1750) of "traditional" into "modern" societies through industrialization. The seeds of industrial society were planted well before the 18th century (Gimpel 1988). For example, a knitting machine invented in England in 1589 was so far ahead of its time that it played a profitable role in factories two and three centuries later. The appearance of cloth mills late in the Middle Ages foreshadowed the search for new sources of wind and water power that characterized the Industrial Revolution. Industrialization required capital for investment. The established system of transoceanic commerce supplied this capital from the profits it generated. As wealthy people invested in machines and engines to drive machines, capital and scientific innovation fueled invention. Industrialization increased production in both farming and manufacturing.

European industrialization developed from and eventually replaced the *domestic system* of manufacture (the home-handicraft system). In this system, an organizer–entrepreneur

In the home-handicraft, or domestic, system of production, an organizer supplied raw materials to workers in their homes and collected their products. Family life and work were intertwined, as in this English scene. Is there a modern equivalent to the domestic system of production?

supplied the raw materials to workers in their homes and collected the finished products from them. The entrepreneur, whose sphere of operations might span several villages, owned the materials, paid for the work, and arranged the marketing.

Causes of the Industrial Revolution

The Industrial Revolution began with cotton products, iron, and pottery. These were widely used items whose manufacture could be broken down into simple routine motions that machines could perform. When manufacturing moved from homes to factories, where machinery replaced handwork, agrarian societies evolved into industrial ones. As factories produced cheap staple goods, the Industrial Revolution led to a dramatic increase in production. Industrialization fueled urban growth and created a new kind of city, with factories crowded together in places where coal and labor were cheap.

The Industrial Revolution began in England, and, as its industrialization proceeded, Britain's population began to increase dramatically. It doubled during the 18th century (especially after 1750) and did so again between 1800 and 1850. This demographic explosion fueled consumption, but British entrepreneurs couldn't meet the increased demand with the traditional production methods. This spurred further experimentation, innovation, and rapid technological change.

English industrialization drew on national advantages in natural resources. Britain was rich in coal and iron ore and had navigable coats and waterways. It was a seafaring island-nation located at the crossroads of international trade. These features gave Britain a favored position for importing raw materials and exporting manufactured goods. Another factor in England's industrial growth was the fact that much of its 18th-century colonial empire was occupied by English settler families who looked to the mother country as they tried to replicate European civilization abroad. These colonies bought large quantities of English staples.

It also has been argued that particular cultural values and religion contributed to industrialization. Many members of the emerging English middle class were Protestant nonconformists. Their beliefs and values encouraged industry, thrift, the dissemination of new knowledge, inventiveness, and willingness to accept change (Weber 1904/1958).

Socioeconomic Effects of Industrialization

The socioeconomic effects of industrialization were mixed. English national income tripled between 1700 and 1815 and increased 30 times more by 1939. Standards of comfort rose, but prosperity was uneven. At first, factory workers got wages higher than those available in the domestic system. Later, however, owners started recruiting labor in places where living standards were low and labor (including that of women and children) was cheap. Filth and smoke polluted 19th-century cities. Housing was crowded and unsanitary. People experienced rampant disease and rising death rates. This was the world of Ebenezer Scrooge, Bob Cratchit, Tiny Tim—and Karl Marx.

Industrial Stratification

The social theorists Karl Marx and Max Weber focused on the stratification systems associated with industrialization. From his observations in England and his analysis of 19th-century industrial capitalism, Marx (Marx and Engels 1848/1976) saw socioeconomic stratification as a sharp and simple division between two opposed classes: the bourgeoisie (capitalists) and the proletariat (propertyless workers). The bourgeoisie traced its origins to overseas ventures and the world capitalist economy, which had created a wealthy commercial class (White 2009).

Industrialization shifted production from farms and cottages to mills and factories, where mechanical power was available and where workers could be assembled to operate heavy machinery. The **bourgeoisie** owned the factories, mines, estates, and other means of production. Members of the **working class, or proletariat,** had to sell their labor to survive.

Industrialization, and the rural to urban migration it fueled, hastened the process of *proletarianization*—the separation of workers from the means of production. Bourgeoisie domination extended to the means of communication, the schools, and other key institutions. *Class consciousness* (recognition of collective interests and personal identification with one's economic group) was a vital part of Marx's view of class. He saw bourgeoisie and proletariat as socioeconomic divisions with radically opposed interests. Marx viewed classes as powerful collective forces that could mobilize human energies to influence the course of history. On the basis of their common experience, workers, he thought, would develop class consciousness, which could lead to revolutionary change. Although no proletarian revolution was to occur in England, workers did develop organizations to protect their interests and increase their share of industrial profits. During the 19th century, trade unions and socialist parties emerged to express a rising anticapitalist spirit. The concerns of the English labor movement were to remove young children from factories and limit the hours during which women and children could work. The profile of stratification in industrial core nations gradually took shape. Capitalists controlled production, but labor was organizing for better wages and working conditions. By 1900 many governments had factory legislation and social-welfare programs. Mass living standards in core nations improved as population grew.

Today, the existence of publicly traded companies complicates the division between capitalists and workers. Through pension plans and personal investments, some workers have become part-owners rather than propertyless workers. Today's key capitalist isn't the factory owner, who may have been replaced by stockholders, but the CEO or the chair of the board of directors, neither of whom may actually own the corporation.

Modern stratification systems aren't simple and dichotomous. They include (particularly in core and semiperiphery nations) a middle class of skilled and professional workers. Gerhard Lenski (1966) argues that social equality tends to increase in advanced industrial societies. The masses improve their access to economic benefits and political power. In Lenski's scheme, the shift of political power to the masses reflects the growth of the middle class, which reduces the polarization between owning and working classes. The proliferation of middle-class occupations creates opportunities for social mobility and a more complex stratification system (Giddens 1973).

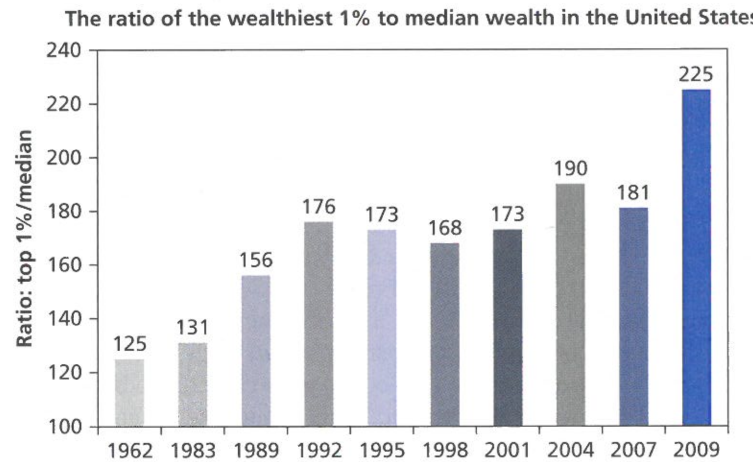
In the United States the complexity of this system goes largely unnoticed by many Americans. Most contemporary Americans, for example, think they belong to, and claim identity with, the middle class, which they tend to perceive as a vast, undifferentiated group. However, there are substantial socioeconomic differences between the richest and the poorest Americans, and the gap has been widening. According to U.S. Census data from 1970 to 2009, the top (richest) quintile (fifth) of American households increased its share of national income by 16 percent, while all other quintiles fell. The percentage share of the lowest fifth fell most dramatically—17 percent. In 2009 the top fifth got 50.3 percent of all national income, while the lowest fifth got only 3.4 percent. The 2009 ratio was 15:1, versus 14:1 in 2000 and 11:1 in 1970. In other words, by 2009 the richest fifth of American households, with a mean annual income of $170,844, had become 15 times wealthier than the poorest fifth, whose mean annual income was only $11,552 (DeNavas-Walt, Proctor, and Smith 2010).

Considering wealth (investments, property, possessions, etc.) rather than income, the contrast is even more striking (see Figure 12.1). The top 1 percent of American households hold over one-third (35.6 percent) of the nation's wealth (Allegretto 2011). Their net worth is 225 times greater than that of the median household. The top 1 percent owns more than the bottom 90 percent combined (Witt 2011, p. 229).

FIGURE 12.1

The Ratio of the Wealthiest 1 Percent to Median Wealth in the United States, 1962–2009.

Source: S. A. Allegretto, *The State of Working America's Wealth*, Briefing Paper no. 292, Economic Policy Institute, March 23, 2011. http://www.epi.org/page/-/BriefingPaper292.pdf.



The Great Recession of December 2007–June 2009 increased inequality. While all Americans were affected, the poor suffered more than the rich did. Household wealth shrank by 16 percent for the richest quintile, versus 25 percent for the bottom 80 percent (four quintiles combined). Recognition of such disparities, and that the rich were getting richer and the poor, poorer, led to the Occupy movement of 2011. That movement began on Wall Street and quickly spread to many other cities in the United States and Canada.

Max Weber faulted Karl Marx for an overly simple and exclusively economic view of stratification. As we saw in the chapter "Political Systems," Weber (1922/1968) defined three dimensions of social stratification: wealth, power, and prestige. Although, as Weber showed, wealth, power, and prestige are separate components of social ranking, they tend to be correlated. Weber also believed that social identities based on ethnicity, religion, race, nationality, and other attributes could take priority over class (social identity based on economic status). In addition to class contrasts, the modern world system *is* cross-cut by collective identities based on ethnicity, religion, and nationality (Shannon 1996). Class conflicts tend to occur within nations, and nationalism has impeded global class solidarity, particularly of proletarians.

Although the capitalist class dominates politically in most countries, growing wealth made it easier for core nations to grant higher wages (Hopkins and Wallerstein 1982). However, the improvement in core workers' living standards wouldn't have occurred without the world system. Without the periphery, core capitalists would have trouble maintaining their profits and satisfying the demands of core workers. In the periphery, wages and living standards are much lower. The current *world stratification system* features a substantial contrast between both capitalists and workers in the core nations and workers on the periphery (see Kerbo 2006).

Colonialism

The major forces influencing global cultural interactions during the past 500 years have been commercial expansion, industrial capitalism, and the dominance of colonial and core nations (Wallerstein 1982, 2004*b*; Wolf 1982). As state formation had done previously, industrialization accelerated local participation in larger networks. According to Bodley (2008, 2012), perpetual expansion is a distinguishing feature of industrial economic systems.

During the 19th century, European business interests initiated a concerted search for markets. This process led to European imperialism in Africa, Asia, and Oceania. **Imperialism** refers to a policy of extending the rule of a country or an empire over foreign nations and of taking and holding foreign colonies. Imperialism goes back to early states, including Egypt in the Old World and the Incas in the New. A Greek empire was forged by Alexander the Great, and Julius Caesar and his successors spread the Roman empire. More recent examples include the British, French, and Soviet empires.

After 1850, European imperial expansion was aided by improved transportation, which facilitated the colonization of vast areas of sparsely settled lands in Australia and the interior of North and South America. The new colonies purchased goods from the industrial centers and shipped back wheat, cotton, wool, mutton, beef, and leather. The first phase of European colonialism had been the exploration and exploitation of the Americas and the Caribbean after Columbus. A second phase began as European nations competed for colonies between 1875 and 1914.

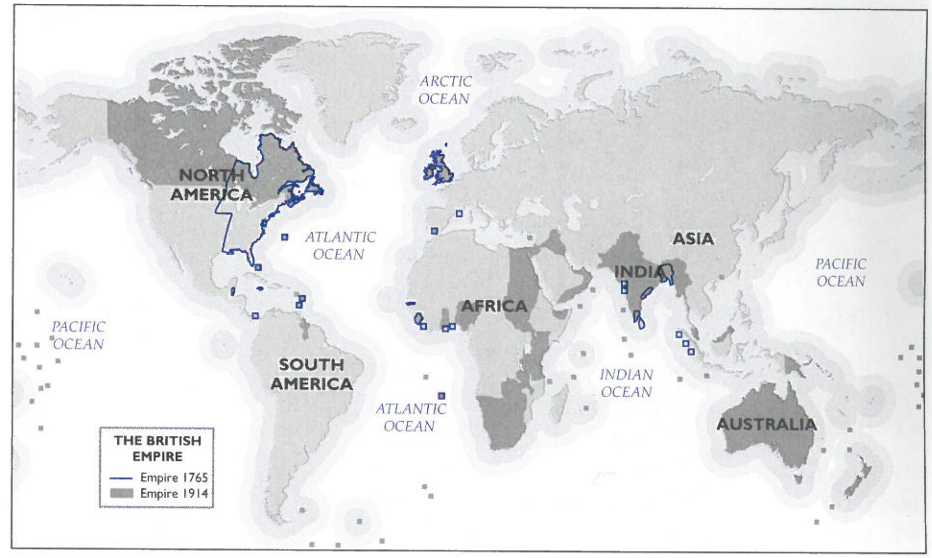
Colonialism is the political, social, economic, and cultural domination of a territory and its people by a foreign power for an extended time (see Bremen and Shimizu, eds. 1999; Stoler, McGranahan, and Perdue 2007). If imperialism is almost as old as the state, colonialism can be traced back to the Phoenicians, who established colonies along the eastern Mediterranean 3,000 years ago. The ancient Greeks and Romans were avid colonizers, as well as empire builders.

The first phase of modern colonialism began with the European "Age of Discovery"—of the Americas and of a sea route to the Far East. After 1492, the Spanish, the original conquerors of the Aztecs and the Incas, explored and colonized widely in the Caribbean, Mexico, the southern portions of what was to become the United States, and Central and South America. In South America, Portugal ruled over Brazil. Rebellions and wars aimed at independence ended the first phase of European colonialism by the early 19th century. Brazil declared independence from Portugal in 1822. By 1825 most of Spain's colonies were politically independent. Spain held on to Cuba and the Philippines until 1898 but otherwise withdrew from the colonial field. During the first phase of colonialism, Spain and Portugal, along with Britain and France, were major colonizing nations. The last two (Britain and France) dominated the second phase.

British Colonialism

At its peak about 1914, the British empire covered a fifth of the world's land surface and ruled a fourth of its population (see Figure 12.2). Like several other European nations, Britain had two stages of colonialism. The first began with the Elizabethan voyages of the 16th century. During the 17th century, Britain acquired most of the eastern coast of

FIGURE 12.2 Map of the British Empire in 1765 and 1914



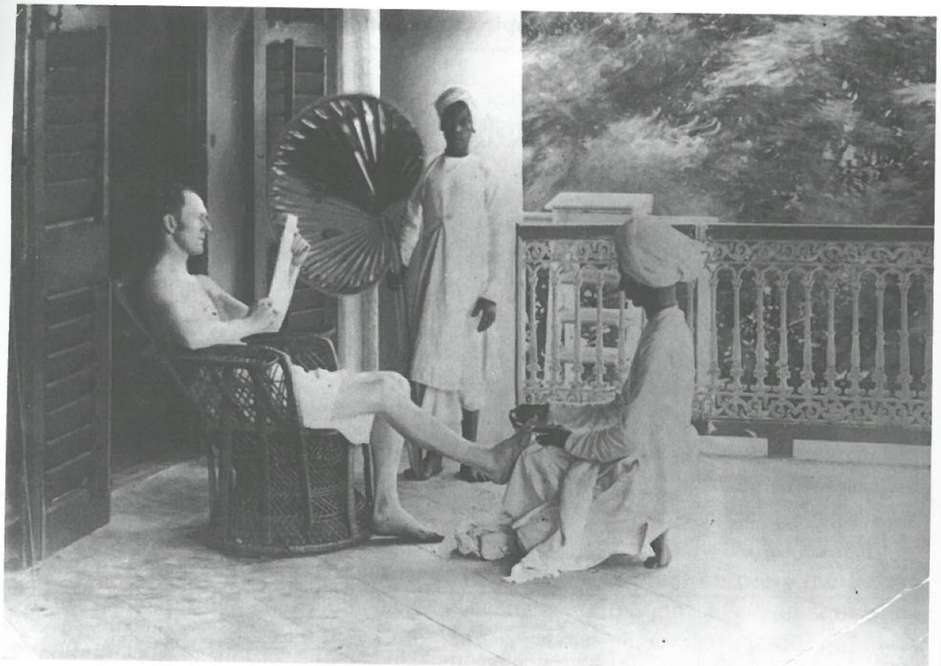
North America, Canada's St. Lawrence basin, islands in the Caribbean, slave stations in Africa, and interests in India.

The British shared the exploration of the New World with the Spanish, Portuguese, French, and Dutch. The British by and large left Mexico, along with Central and South America, to the Spanish and the Portuguese. The end of the Seven Years' War in 1763 forced a French retreat from most of Canada and India, where France previously had competed with Britain (Cody 1998; Farr 1980).

The American revolution ended the first stage of British colonialism. A second colonial empire, on which the "sun never set," rose from the ashes of the first. Beginning in 1788, but intensifying after 1815, the British settled Australia. Britain had acquired Dutch South Africa by 1815. The establishment of Singapore in 1819 provided a base for a British trade network that extended to much of South Asia and along the coast of China. By this time, the empires of Britain's traditional rivals, particularly Spain, had been severely diminished in scope. Britain's position as imperial power and the world's leading industrial nation was unchallenged (Cody 1998; Farr 1980).

During the Victorian Era (1837–1901), as Britain's colonial expansion continued, Prime Minister Benjamin Disraeli implemented a foreign policy justified by a view of imperialism as shouldering "the white man's burden"—a phrase coined by the poet Rudyard Kipling. People in the empire were seen as unable to govern themselves, so that British guidance was needed to civilize and Christianize them. This paternalistic and racist doctrine was used to legitimize Britain's acquisition and control of parts of central Africa and Asia (Cody 1998).

After World War II, the British empire began to fall apart, with nationalist movements for independence. India became independent in 1947, as did Ireland in 1949. Decolonization in Africa and Asia accelerated during the late 1950s. Today, the ties that



On January 1, 1900, a British officer in India receives a pedicure from a servant. What does this photo say to you about colonialism? Who gives pedicures in your society?

remain between Britain and its former colonies are mainly linguistic or cultural rather than political (Cody 1998).

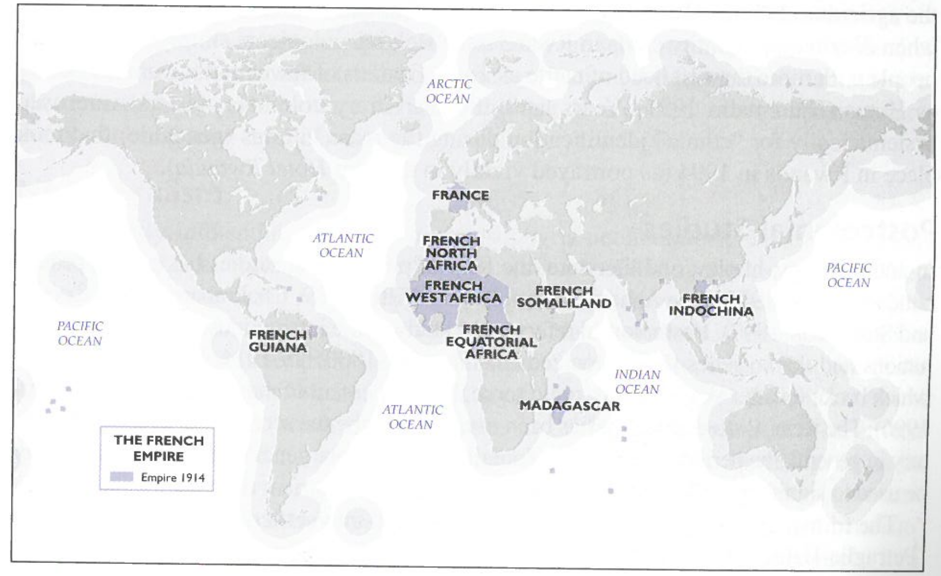
French Colonialism

French colonialism also had two phases. The first began with the explorations of the early 1600s. Prior to the French revolution in 1789, missionaries, explorers, and traders carved out niches for France in Canada, the Louisiana territory, several Caribbean islands, and parts of India, which were lost along with Canada to Great Britain in 1763 (Harvey 1980).

The foundations of the second French empire were established between 1830 and 1870. In Great Britain the drive for profit led expansion, but French colonialism was spurred more by the state, church, and armed forces than by pure business interests. France acquired Algeria and part of what eventually became Indochina (Cambodia, Laos, and Vietnam). By 1914 the French empire covered 4 million square miles and included some 60 million people (see Figure 12.3). By 1893 French rule had been fully established in Indochina. Tunisia and Morocco became French protectorates in 1883 and 1912, respectively (Harvey 1980).

To be sure, the French, like the British, had substantial business interests in their colonies, but they also sought, again like the British, international glory and prestige. The French promulgated a *mission civilisatrice,* their equivalent of Britain's "white man's burden." The goal was to implant French culture, language, and religion, Roman Catholicism, throughout the colonies (Harvey 1980).

FIGURE 12.3 Map of the French Empire at Its Height around 1914



The French used two forms of colonial rule: *indirect rule,* governing through native leaders and established political structures, in areas with long histories of state organization, such as Morocco and Tunisia; and *direct rule* by French officials in many areas of Africa, where the French imposed new government structures to control diverse societies, many of them previously stateless. Like the British empire, the French empire began to disintegrate after World War II. France fought long—and ultimately futile—wars to keep its empire intact in Indochina and Algeria (Harvey 1980).

Colonialism and Identity

Many geopolitical labels in the news today had no equivalent meaning before colonialism. Whole countries, along with social groups and divisions within them, were colonial inventions. In West Africa, for example, by geographic logic, several adjacent countries could be one (Togo, Ghana, Ivory Coast, Guinea, Guinea-Bissau, Sierra Leone, Liberia). Instead, they are separated by linguistic, political, and economic contrasts promoted under colonialism.

Hundreds of ethnic groups and "tribes" are colonial constructions (see Ranger 1996). The Sukuma of Tanzania, for instance, were first registered as a single tribe by the colonial administration. Then missionaries standardized a series of dialects into a single Sukuma language, into which they translated the Bible and other religious texts. Thereafter, those texts were taught in missionary schools and to European foreigners and other non-Sukuma speakers. Over time this standardized the Sukuma language and ethnicity (Finnstrom 1997).

As in most of East Africa, in Rwanda and Burundi farmers and herders live in the same areas and speak the same language. Historically they have shared the same social world, although their social organization is "extremely hierarchical," almost "castelike"

(Malkki 1995, p. 24). There has been a tendency to see the pastoral Tutsis as superior to the agricultural Hutus. Tutsis have been presented as nobles, Hutus as commoners. Yet when distributing identity cards in Rwanda, the Belgian colonizers simply identified all people with more than 10 head of cattle as Tutsi. Owners of fewer cattle were registered as Hutus (Bjuremalm 1997). Years later, these arbitrary colonial registers were used systematically for "ethnic" identification during the mass killings (genocide) that took place in Rwanda in 1994 (as portrayed vividly in the film *Hotel Rwanda*).

Postcolonial Studies

In anthropology, history, and literature, the field of postcolonial studies has gained prominence since the 1970s (see Ashcroft, Griffiths, and Tiffin 1989; Chakrabarty 2007; Cooper and Stoler, eds. 1997). **Postcolonial** refers to the study of the interactions between European nations and the societies they colonized (mainly after 1800). In 1914, European empires, which broke up after World War II, ruled more than 85 percent of the world (Petraglia-Bahri 1996). The term *postcolonial* also has been used to describe the second half of the 20th century in general, the period succeeding colonialism. Even more generically, *postcolonial* may be used to signify a position against imperialism and Eurocentrism (Petraglia-Bahri 1996).

The former colonies (*postcolonies*) can be divided into settler, nonsettler, and mixed (Petraglia-Bahri 1996). The settler countries, with large numbers of European colonists and sparser native populations, include Australia and Canada. Examples of nonsettler countries include India, Pakistan, Bangladesh, Sri Lanka, Malaysia, Indonesia, Nigeria, Senegal, Madagascar, and Jamaica. All these had substantial native populations and relatively few European settlers. Mixed countries include South Africa, Zimbabwe, Kenya, and Algeria. Such countries had significant European settlement despite having sizable native populations.

Given the varied experiences of such countries, *postcolonial* has to be a loose term. The United States, for instance, was colonized by Europeans and fought a war for independence from Britain. Is the United States a postcolony? It usually isn't perceived as such, given its current world power position, its treatment of Native Americans (sometimes called internal colonization), and its annexation of other parts of the world (Petraglia-Bahri 1996). Research in postcolonial studies is growing, permitting a wide-ranging investigation of power relations in varied contexts. Broad topics in the field include the formation of an empire, the impact of colonization, and the state of the postcolony today.

Development

During the Industrial Revolution, a strong current of thought viewed industrialization as a beneficial process of organic development and progress. Many economists still assume that industrialization increases production and income. They seek to create in Third World ("developing") countries a process like the one that first occurred spontaneously in 18th-century Great Britain.

We have seen that Britain used the notion "a white man's burden" to justify its imperialist expansion and that France claimed to be engaged in a *mission civilisatrice*, a civilizing mission, in its colonies. Both these ideas illustrate an **intervention philosophy**, an ideological justification for outsiders to guide native peoples in specific directions.

Economic development plans also have intervention philosophies. John Bodley (2012) argues that the basic belief behind interventions—whether by colonialists, missionaries, governments, or development planners—has been the same for more than one hundred years. This belief is that industrialization, modernization, Westernization, and individualism are desirable evolutionary advances and that development schemes that promote them will bring long-term benefits to local people.

Neoliberalism

One currently influential intervention philosophy is neoliberalism. This term encompasses a set of assumptions that have become widespread during the last 30 years. Neoliberal policies are being implemented in developing nations, including postsocialist societies (e.g., those of the former Soviet Union). **Neoliberalism** is the current form of the classic economic liberalism laid out in Adam Smith's famous capitalist manifesto, *The Wealth of Nations,* published in 1776, soon after the Industrial Revolution. Smith advocated laissez-faire (hands-off) economics as the basis of capitalism: The government should stay out of its nation's economic affairs. Free trade, Smith argued, is the best way for a nation's economy to develop. There should be no restrictions on manufacturing, no barriers to commerce, and no tariffs. This philosophy is called "liberalism" because it aimed at liberating, or freeing, the economy from government controls. Economic liberalism encouraged "free" enterprise and competition, with the goal of generating profits. (Ironically, Adam Smith's liberalism is today's capitalist "conservatism.")

Economic liberalism prevailed in the United States until President Franklin Roosevelt's New Deal during the 1930s. The Great Depression produced a turn to Keynesian economics, which challenged liberalism. John Maynard Keynes (1927, 1936) insisted that full employment was necessary for capitalism to grow, that governments and central banks should intervene to increase employment, and that government should promote the common good.

Especially since the fall of Communism (1989–1991), there has been a revival of neoliberalism, which has been spreading globally. Around the world, neoliberal policies have been imposed by powerful financial institutions such as the International Monetary Fund (IMF), the World Bank, and the Inter-American Development Bank (see Edelman and Haugerud 2005). Neoliberalism entails open (tariff- and barrier-free) international trade and investment. Profits are sought through the lowering of costs, whether through improving productivity, laying off workers, or seeking workers who accept lower wages. In exchange for loans, the governments of postsocialist and developing nations have been required to accept the neoliberal premise that deregulation leads to economic growth, which will eventually benefit everyone through a process sometimes called "trickle down." Accompanying the belief in free markets and the idea of cutting costs is a tendency to impose austerity measures that cut government expenses. This can entail reduced public spending on education, health care, and other social services (Martinez and Garcia 2000).

The Second World

The labels "First World," "Second World," and "Third World" represent a common, although ethnocentric, way of categorizing nations. The *First World* refers to the "democratic West"—traditionally conceived in opposition to a "Second World" ruled by "Communism." The *Second World* refers to the former Soviet Union and the socialist and once-socialist countries of Eastern Europe and Asia. Proceeding with this classification, the "less-developed countries," or "developing nations," make up the *Third World*.

Communism

The two meanings of communism involve how it is written, whether with a lowercase (small) or an uppercase (large) *c*. Small-*c* **communism** describes a social system in which property is owned by the community and in which people work for the common good. Large-*C* **Communism** was a political movement and doctrine seeking to overthrow capitalism and to establish a form of communism such as that which prevailed in the Soviet Union (USSR) from 1917 to 1991. The heyday of Communism was a 40-year period from 1949 to 1989, when more Communist regimes existed than at any time before or after. Today only five Communist states remain—China, Cuba, Laos, North Korea, and Vietnam, compared with 23 in 1985.

Communism, which originated with Russia's Bolshevik Revolution in 1917 and took its inspiration from Karl Marx and Friedrich Engels, was not uniform over time or among countries. All Communist systems were *authoritarian* (promoting obedience to authority rather than individual freedom). Many were *totalitarian* (banning rival parties and demanding total submission of the individual to the state). The Communist Party monopolized power in every Communist state, and relations within the party were highly centralized and strictly disciplined. Communist nations had state ownership, rather than private ownership, of the means of production. Finally, all Communist regimes, with the goal of advancing communism, cultivated a sense of belonging to an international movement (Brown 2001).

Postsocialist Transitions

Social scientists have tended to refer to "Second World" societies as socialist rather than Communist. Today research by anthropologists is thriving in *postsocialist* societies—those that once emphasized bureaucratic redistribution of wealth according to a central plan (Verdery 1997, 2001). In the postsocialist period, states that once had planned economies have been following the neoliberal agenda, by divesting themselves of state-owned resources in favor of privatization. Some of them have moved toward formal liberal democracy, with political parties, elections, and a balance of powers (Grekova 2001).

Neoliberal economists assumed that dismantling the Soviet Union's planned economy would raise gross domestic product (GDP) and living standards. The goal was to enhance production by substituting a free market system and providing incentives through privatization. In October 1991, Boris Yeltsin, who had been elected president of Russia that June, announced a program of radical market-oriented reform, pursuing a changeover to capitalism. Yeltsin's program of "shock therapy" cut subsidies to farms and industries and ended price controls. Since then, postsocialist Russia has faced many problems. After the fall of the Soviet Union, Russia's GDP fell by half. Life expectancy and the birth rate declined, and poverty increased.

The World System Today

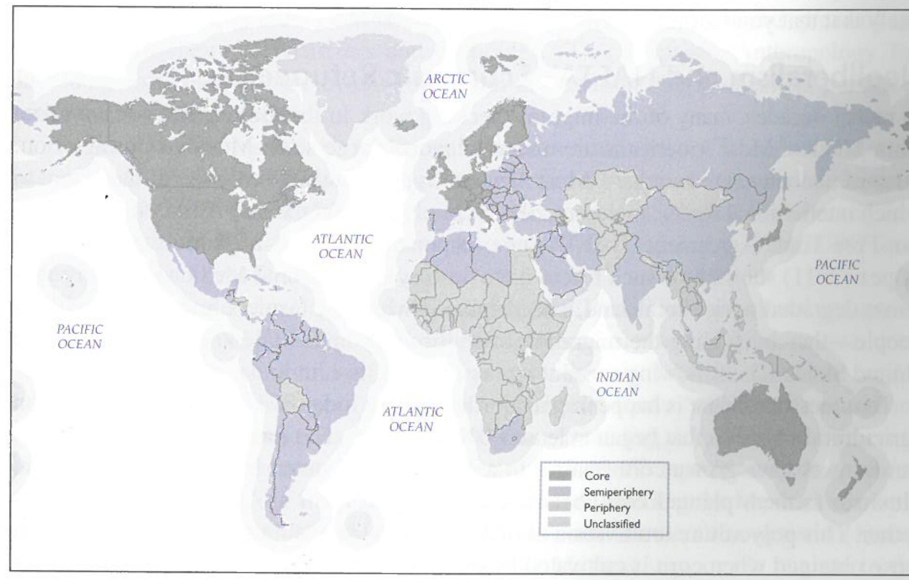
The spread of industrialization continues today, although nations have shifted their positions within the world system. By 1900, the United States had become a core nation, having overtaken Great Britain in iron, coal, and cotton production. In a few decades (1868–1900), Japan changed from a medieval handicraft economy to an industrial one, joining the semiperiphery by 1900 and moving to the core between 1945 and 1970. India and China have joined Brazil as leaders of the semiperiphery. The map in Figure 12.4 shows the world system today.

Twentieth-century industrialization added hundreds of new industries and millions of new jobs. Production increased, often beyond immediate demand, spurring strategies, such as advertising, to sell everything industry could churn out. Mass production gave rise to a culture of consumption, which valued acquisitiveness and conspicuous consumption.

How do things stand today? Worldwide, young people are abandoning traditional subsistence pursuits and seeking cash. A popular song once queried "How're you gonna keep 'em down on the farm after they've seen Paree?" Nowadays most people *have* seen Paree—Paris, that is—along with other world capitals, maybe not in person but in print or on-screen. Young people today are better educated and wiser in the ways of the world than ever before. Increasingly they are exposed to the material and cultural promises of a better life away from the farm. They seek paying jobs, but work is scarce, spurring migration within and across national boundaries. If they can't get cash legally, they seek it illegally.

FIGURE 12.4 **The World System Today**

Source: Conrad Kottak, *Anthropology*, 10th ed., fig 23.5, p. 660. Reprinted by permission of The McGraw-Hill Companies.



Recently work has been scarce as well in the industrial world, including the United States and Western Europe. As the United States struggled to emerge from the recession of 2007–2009, its stock market more than doubled between March 2009 and October 2012. In what many saw as a "jobless recovery," corporations held on to their profits, rather than using them to hire new workers. The goal of capitalism, after all, is to maintain profitability. In a global economy, profitability doesn't necessarily come from hiring workers who are fellow citizens. Jobs continue to be outsourced. Machines and information technology continue to replace people. Corporations, from airlines to banks, offer their customers incentives to bypass humans. Even outside the industrial world, but especially within it, the Internet allows an increasing number of people to buy plane tickets, print boarding passes, rent cars, reserve hotel rooms, move money, or pay bills online. Amazon as a virtual bookstore and, increasingly a department store as well, threatens to send not only "mom and pop" shops but even national chains such as Sears and Radio Shack into oblivion. Borders bit the dust in 2011. Nowadays, when one does manage to speak by phone to a human, that person is as likely to be in Mumbai or Manila as Minneapolis or Miami.

Companies claim, with some justification, that labor unions limit their flexibility, adaptability, and profitability. American corporations (and the politicians who represent them) have become more ideologically opposed to unions and more aggressive in discouraging unionization. Unions still bring benefits to their workers. Median weekly earnings for union members—$917 in 2010—remain higher than those of nonunion workers—$717 (Greenhouse 2011). Still, union membership in the United States has fallen to its lowest point in more than 70 years. The unionized percentage of the American workforce fell to 11.9 percent in 2010, compared with 20.1 percent in 1983 and a high of 35 percent during the mid-1950s. The number of unionized private sector workers stood at 7.1 million in 2010, versus a larger share—7.6 million workers—in the public sector (Greenhouse 2011). What jobs do you know that are unionized? How likely is it that you will join a union?

Neoliberalism and NAFTA's Economic Refugees

In recent decades, many of the migrants seeking work in the United States have come from Mexico. Most Americans are aware of recent large-scale Mexican immigration, often of undocumented workers. Most Americans are unaware, however, of the extent to which international forces, including new technologies and the neoliberal North American Free Trade Agreement (NAFTA), are responsible for this migration. Ana Aurelia López (2011) shows how such forces have destroyed traditional Mexican farming systems, degraded agricultural land, and displaced Mexican farmers and small-business people—thereby fueling the migration of millions of undocumented Mexicans to the United States. The following account is a synopsis of her findings.

To understand what is happening in North America today, we need to be aware of an agricultural tradition that began at least 7,000 years ago. For thousands of years, Mexican farmers have grown corn (maize) in a sustainable manner. For all those millennia, Mexican farmers planted corn, beans, and squash (known as "the three sisters") together. This polyculture (cultivation of multiple crops) results in corn yields higher than those obtained when corn is cultivated by itself (monoculture). To preserve the fertility of the soil, a "three sisters" plot was allowed to "rest" for five years after being cultivated for two.

Over the generations Mexican farmers selected diverse strains of corn well adapted to a huge variety of specific microclimates. Mexico became a repository of corn genetic diversity for the world. When corn grown elsewhere developed disease or pest susceptibility or was of poor quality, Mexico could provide other countries with genetically superior plants.

Prior to NAFTA, Mexico supported its farmers by buying a portion of their harvest each year at an elevated cost through price supports. This corn went to a countrywide chain of successful CONASUPO (Compañía Nacional de Subsistencias Populares) stores, which sold corn and other staple foodstuffs below market price to the urban and rural poor. Border tariffs protected Mexican farmers from the entrance of foreign corn, such as that grown in the United States.

The first assault on Mexico's sustainable farming culture began in the 1940s when "Green Revolution" technologies were introduced, including seeds that require chemical inputs (e.g., fertilizer). The Mexican government encouraged farmers to replace their traditional, genetically diverse *maíz crillo* ("creole corn") with the genetically homogenized *maíz mejorado* ("improved corn"), a hybrid from the United States. Agrochemical companies initially supplied the required chemical inputs free of charge.

Company representatives visited rural villages and offered free samples of seeds and agrochemicals to a few farmers. As news of unusually large first-year crops spread, other farmers abandoned their traditional corn strains for the "improved," chemically dependent corn. As the transition accelerated, the price of both the new seeds and associated inputs rose gradually. Eventually farmers no longer could afford either the seeds or the required agrochemicals. When cash-strapped farmers tried to return to planting their former *maíz criollo* seeds, the plants would grow but corn would not appear. Only the hybrid seeds from the United States would produce corn on the chemically altered soils. Today over 60 percent of Mexico's farmland is degraded due to the spread of agrochemicals—chemical fertilizers and pesticides. (This chapter's "Anthropology Today" describes another case of environmental degradation due to chemical pollution, with mining as the culprit.)

The second major assault on traditional Mexican farming came when NAFTA went into effect in 1994. The World Bank granted Mexico a loan to restructure its economy to fit the neoliberal "free trade" agreement. The loan required Mexico to end corn price supports for its small-scale corn farmers. Also ended were Mexico's CONASUPO food stores, which had benefited the rural and urban poor.

While small-scale Mexican farmers have suffered, American agricultural industries have profited from NAFTA. The U.S. government continues to subsidize its own corn farmers, who otherwise would go out of business. Prior to NAFTA, Mexico's border tariffs made the sale of U.S. corn in Mexico unprofitable. Under NAFTA, Mexican corn tariffs were supposed to be phased out over 15 years, providing time for small farmers to adjust to the NAFTA economy. In fact, the Mexican corn tariffs mysteriously disappeared after only 30 months. Corn from the United States began flooding the Mexican markets.

The NAFTA economy offers Mexico's small-scale corn farmers few options: (1) stay in rural Mexico and suffer, (2) look for work in a Mexican city, or (3) migrate to the

Anthropology Today *Mining Giant Compatible with Sustainability Institute?*

The spread of industrialization, illustrated by the mining described here, has contributed to the destruction of indigenous economies, ecologies, and populations. Today, multinational corporations, along with the governments of nations such as Papua New Guinea (PNG) as described here, are accelerating the process of resource depletion that began with the Industrial Revolution. Fortunately, however, today's world also contains environmental watchdogs, including concerned anthropologists, lawyers, and NGOs. Described here is a conundrum confronting a major university. Are multinational corporations whose operations have destroyed the landscapes and livelihoods of indigenous peoples proper advisers for an institute devoted to ecological sustainability?

In the 1990s, the giant mining company now known as BHP Billiton drew worldwide condemnation for the environmental damage caused by its copper and gold mine in Papua New Guinea. Its mining practices destroyed the way of life of thousands of farming and fishing families who lived along and subsisted on the rivers polluted by the mine, and it was only after being sued in a landmark class-action case that the company agreed to compensate them.

Today several activists and academics who work on behalf of indigenous people around the world say the company continues to dodge responsibility for the problems its mines create. . . .

Yet at the University of Michigan at Ann Arbor, BHP Billiton . . . is one of 14 corporate members of an External Advisory Board for the university's new Graham Environmental Sustainability Institute.

Critics at and outside the university contend that Michigan's decision to enlist BHP Billiton as an adviser to an institute devoted to sustainability reflects badly on the institution and allows the company to claim [an undeserved] mantle of environmental and social responsibility. . . .

The arguments echo the discussions about corporate "greenwashing" that have arisen at Stanford University and the University of California at Berkeley over major research grants from ExxonMobil and BP, respectively. . . .

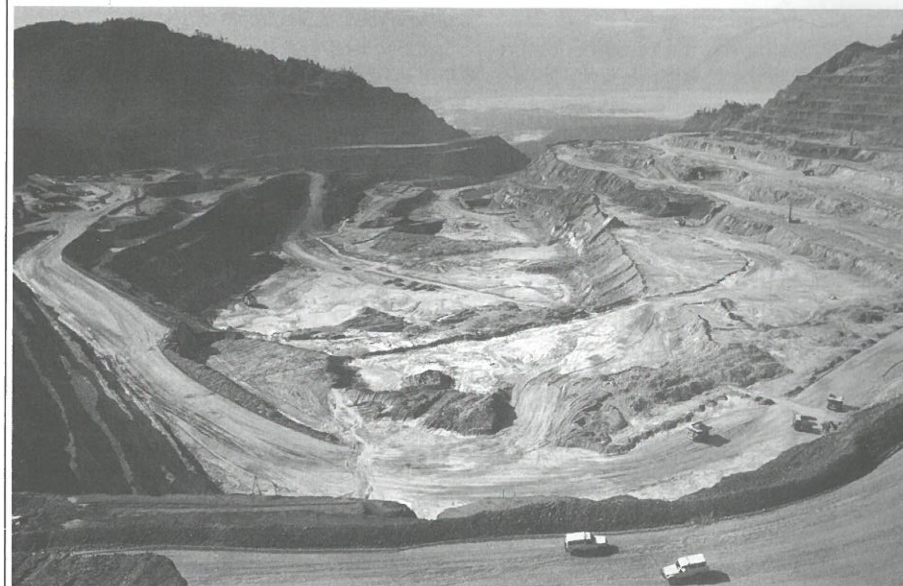
For one BHP Billiton critic at Michigan, the issue is personal. Stuart Kirsch, an associate professor of anthropology, has spent most of his academic career documenting the damage caused by BHP Billiton's Ok Tedi mine in Papua New Guinea. . . .

Mr. Kirsch, who first visited some of the affected communities as a young ethnographer in 1987, became involved in the class-action lawsuit brought against the company and helped villagers participate in the 1996 legal settlement. "I put my career on hold while being an activist," he says.

He subsequently published several papers related to his work with the Yonggom people as they fought for recognition and compensation from mine operators—scholarship that helped him win tenure. . . . He remains involved with the network of activists and academics who follow mining and its impact on undeveloped communities around the world. . . .

The company's practices polluted the Ok Tedi and Fly Rivers and caused thousands of people to leave their homes because the mining-induced flooding made it impossible for them to grow food to feed themselves, says Mr. Kirsch.

BHP Billiton, based in Australia, later acknowledged that the mine was "not compatible with our environmental values," and spun it off to an independent company that pays all of its mining royalties to the government of Papua New Guinea.



This photo of the Ok Tedi copper mine shows the ecological devastation of the native landscape.

But Mr. Kirsch says that in doing so, the company skirted responsibility for ameliorating the damage it caused. BHP Billiton says it would have preferred to close the mine, but the Papua New Guinea government, in need of the mine revenues, pressed to keep it open. The deal freed BHP Billiton from any future liabilities for environmental damage. . . .

Illtud Harri, a BHP Billiton spokesman, says the company regrets its past with Ok Tedi but considers its pullout from the mine "a responsible exit" that left in place a system that supports educational, agricultural, and social programs for the people of the community. . . .

Mr. Talbot, the interim director of the two-year-old sustainability institute, says . . . "We intentionally selected a cross-sector group of organizations" for the advisory board from a list of about 140 nominees, . . . and several companies that "weren't making any serious efforts" toward sustainability were rejected. . . .

BHP Billiton, a company formed from the 2001 merger of the Australian mining enterprise Broken Hill Proprietary Company with London-based Billiton, is now the world's largest mining company, with more than 100 operations in 25 countries. . . .

The BHP Billiton charter includes a statement that the company has "an overriding commitment to health, safety, environmental responsibility, and sustainable development." But its critics say the company continues to play a key role in mining projects with questionable records on environmental and human rights,

continued

Anthropology Today *continued*

even though in many of those cases, it is not directly responsible. . . .

BHP Billiton has the resources to present itself as the "golden boy," but, says Mr. Kirsch, "it's much harder to see the people on the Ok Tedi and Fly rivers."

A forum could help to right that imbalance, he says. "Let the students and faculty decide whether this is an appropriate company to advise the University of Michigan," says Mr. Kirsch. "It would be an educational process for everyone involved."

Update: As of this writing (2013) BHP Billiton no longer is listed as a member of the advisory board of Michigan's Graham Institute. And in PNG, after BHP Billiton transferred its ownership of the mine to Ok Tedi Mining Limited, that independent company has spent more than a billion dollars on environmental remediation. The 1996 settlement decreed that BHP would be spared future legal claims in return for giving all its shares to the people of Papua New Guinea. Those shares are now held in trust (valued at over $1 billion, and growing) in a Singapore-based entity, PNG Sustainable Development Program Limited. The mission of that trust is to promote development in PNG's Western Province, where the mine is located, and across PNG. Today, the provincial and national governments of PNG and the PNG Sustainable Development Program are the only shareholders of Ok Tedi Mining Limited, which pays all its royalties to the PNG government. For hundreds of miles down the Fly River, fishers and farmers still complain about the destruction of their habitat, even as the Ok Tedi mine supplies 16 percent of PNG's national revenue.

Sources: Goldie Blumenstyk, "Mining Company Involved in Environmental Disaster Now Advises Sustainability Institute at U. of Michigan," *Chronicle of Higher Education,* December 7, 2007. Copyright © 2007, The Chronicle of Higher Education. Reprinted with permission; http://www.radioaustralia.net.au/pacific/radio/program/pacific-beat/documentary-special-ok-tedi/1069558; Stuart Kirsch (personal communication).

United States in search of work. NAFTA did not create a common labor market (i.e., the ability of Mexicans, Americans, and Canadians to move freely across each country's borders and work legally anywhere in North America.) Nor did NAFTA make provisions for the predicted 15 million Mexican corn farmers who would be forced off the land as a result of the trade agreement. As could have been expected (and planned for), millions of Mexicans migrated to the United States.

Because of NAFTA and neoliberalism, Mexico's 7,000-year-old traditional farming culture is disappearing. Corn farmers have fled the countryside, and U.S.-subsidized corn has flooded the Mexican market. A declining number of traditional farmers remain to plant and conserve Mexico's unique corn varieties. Between one-third and one-half of Mexico's corn now is imported from the United States, much of it by U.S.-based Archer-Daniels-Midland, the world's largest corporate corn exporter. NAFTA also has facilitated the entrance of other giant U.S. corporations into Mexico: Walmart, Dow Agribusiness, Monsanto, Marlboro cigarettes, and Coca-Cola. These multinationals, in turn, have displaced many small Mexican businesses, creating yet another wave of immigrants—former shopkeepers and their employees—to the United States.

In this summary of Ana Aurelia López's (2011) insightful analysis, we see how farmers and small-business men and women have been forced, by decisions beyond their control, to leave Mexico for the United States. In migrating, these millions of economic refugees continue to face daunting challenges, including separation from their families and homeland, dangerous border crossings, and the ever-present possibility of deportation from the United States.

Within today's world system, comparable effects of neoliberal policies extend well beyond Mexico. As forces of globalization transform rural landscapes throughout the world, rural–urban and transnational migration have become global phenomena. Over and over again, Green Revolution technologies have transformed subsistence into cash economies, fueling a need for money to acquire foreign inputs, while hooking the land on chemicals, reducing genetic diversity and sustainability, and forcing the poorest farmers off the land. Few Americans are aware, specifically, of NAFTA's role in ending a 7,000-year-old sustainable farming culture and displacing millions of Mexicans, and, more generally, that comparable developments are happening all over the world. The next chapter considers several other forces of globalization and anthropology's role in a globalizing world.

Summary

1. Local societies increasingly participate in wider systems—regional, national, and global. The capitalist world economy depends on production for sale, with the goal of maximizing profits. The key claim of world-system theory is that an identifiable social system, based on wealth and power differentials, extends beyond individual countries. That system is formed by a set of economic and political relations that has characterized much of the globe since the 16th century. World capitalism has political and economic specialization at the core, semiperiphery, and periphery.
2. Columbus's voyages opened the way for a major exchange between the Old and New Worlds. Seventeenth-century plantation economies in the Caribbean and Brazil were based on sugar. In the 18th century, plantation economies based on cotton arose in the southeastern United States.
3. The Industrial Revolution began in England around 1760. Transoceanic commerce supplied capital for industrial investment. Industrialization hastened the separation of workers from the means of production. Marx saw a sharp division between the bourgeoisie and the proletariat. Class consciousness was a key feature of Marx's view of this stratification. Weber believed that social solidarity based on ethnicity, religion, race, or nationality could take priority over class. Today's capitalist world economy maintains the contrast between those who own the means of production and those who don't, but the division is now worldwide. There is a substantial contrast between not only capitalists but workers in the core nations and workers on the periphery.
4. Imperialism is the policy of extending the rule of a nation or an empire over other nations and of taking and holding foreign colonies. Colonialism is the domination

of a territory and its people by a foreign power for an extended time. European colonialism had two main phases. The first started in 1492 and lasted through 1825. For Britain this phase ended with the American Revolution. For France it ended when Britain won the Seven Years' War, forcing the French to abandon Canada and India. For Spain, it ended with Latin American independence. The second phase of European colonialism extended approximately from 1850 to 1950. The British and French empires were at their height around 1914, when European empires controlled 85 percent of the world. Britain and France had colonies in Africa, Asia, Oceania, and the New World.

5. Many geopolitical labels and identities were created under colonialism that had little or nothing to do with existing social demarcations. The new ethnic or national divisions were colonial inventions, sometimes aggravating conflicts.
6. Like colonialism, economic development has an intervention philosophy that provides a justification for outsiders to guide native peoples toward particular goals. Development usually is justified by the idea that industrialization and modernization are desirable evolutionary advances. Neoliberalism revives and extends classic economic liberalism: the idea that governments should not regulate private enterprise and that free market forces should rule. This intervention philosophy currently dominates aid agreements with postsocialist and developing nations.
7. Spelled with a lowercase *c*, communism describes a social system in which property is owned by the community and in which people work for the common good. Spelled with an uppercase *C*, Communism indicates a political movement and doctrine seeking to overthrow capitalism and to establish a form of communism such as that which prevailed in the Soviet Union from 1917 to 1991. The heyday of Communism was between 1949 and 1989. The fall of Communism can be traced to 1989–1990 in Eastern Europe and 1991 in the Soviet Union. Postsocialist states have followed the neoliberal agenda, through privatization, deregulation, and democratization.
8. By 1900 the United States had become a core nation. Mass production gave rise to a culture that valued acquisitiveness and conspicuous consumption. As subsistence economies yield increasingly to cash, job seeking and unemployment have become global problems. One effect of industrialization has been an accelerated rate of resource depletion.

Key Terms

bourgeoisie, *267*
capital, *262*
capitalist world economy, *262*
colonialism, *270*
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working class, or proletariat, *267*
world-system theory, *263*

Chapter 13

Anthropology's Role in a Globalizing World

This chapter applies an anthropological perspective to contemporary global issues. We begin by considering different meanings of the term *globalization*. The fact that certain risks now have global implications leads to a discussion of energy consumption and environmental degradation, including climate change, or global warming. Also considered are the threats that deforestation and emerging diseases pose to global biodiversity and human life. The second half of this chapter turns from ecology to the contemporary flows of people, technology, finance, information, images, and ideology that contribute to a global culture of consumption. Globalization promotes intercultural communication, through the media, travel, and migration, which bring people from different societies into direct contact. Finally, we'll consider how such contacts and external linkages affect indigenous peoples and how those groups have organized to confront and deal with national and global issues.

It would be impossible in a single chapter to discuss all or even most of the global issues that are salient today and that anthropologists have studied. Some such issues (e.g., war, displacement, terrorism, NGOs) have been considered in previous chapters. For timely anthropological analysis of a range of global issues, see recent books by John H. Bodley (2008, 2012) and Richard H. Robbins (2011).