Feudalism, Capitalism, and the World-System in the Perspective of Latin America and the Caribbean
Author(s): Steve J. Stern
Published by: Oxford University Press on behalf of the American Historical Association
Stable URL: http://www.jstor.org/stable/1863526
Accessed: 13-09-2016 18:06 UTC
Feudalism, Capitalism, and the World-System in the Perspective of Latin America and the Caribbean

STEVE J. STERN

FEUDALISM, CAPITALISM, THE WORLD-SYSTEM. About this provocative trilogy Immanuel Wallerstein wrote a provocative book. In Volume 1 of The Modern World-System, published in 1974, Wallerstein argued that, around the beginning of the sixteenth century, Europe solved the crisis of feudalism by creating a capitalist world-economy. The new order was premised on three key elements: “an expansion of the geographical size of the world in question, the development of variegated methods of labor control for different products and different zones of the world-economy, and the creation of relatively strong state machineries in what would become the core-states of this capitalist world-economy.” Since, Wallerstein argued, the capitalist world-economy crossed the boundaries of various “politicocultural” structures, the conventional unit of analysis (discrete politico-cultural structures) of historians and social scientists is mistaken. If the “world-system” as a whole exerted decisive influence on the social structures and major changes evident within the politico-cultural units it had incorporated, one could hardly gain deep insight by focusing on such units as discrete entities. For Wallerstein, “the unit of analysis is an economic entity, the one that is measured by the existence of an effective division of labor.” And the division of labor created during the “long” sixteenth century (circa 1450–1640) studied by Wallerstein was laid out as follows: in the core-states of Western Europe, the rise of free wage labor (and self-employment) in agriculture, pastoral production, and industry; in the peripheries of Latin America and Eastern Europe, the use of forced labor—either slavery or “coerced cash-crop labor”—to produce bullion, sugar, and cereals; in the “semi-periphery” of Southern Europe, a necessary mediating region consisting of “former core areas turning in the direction of peripheral structures,” the

This essay is a revised version of a paper originally presented at the American Historical Association Convention in Chicago, December 27–30, 1986. The author wishes to thank various people for helpful and stimulating comments: members of the panel and audience at the original session, especially Immanuel Wallerstein; participants at the History and Society Seminar of the University of Minnesota, where the paper was presented in February 1987; colleagues Roger Bartra, Allen Hunter, Gerda Lerner, Florencia Mallon, and Thomas Skidmore; and three anonymous reviewers of the manuscript for the AHR. The author also thanks David Weber for inviting him to write the original paper, John Coatsworth for gracious encouragement, and the University of Wisconsin Graduate Research Committee for assistance that facilitated completion of the essay.
prevalence of an intermediate labor relation, sharecropping.¹

This complementary and interlocking structure of labor delivered to the states and privileged classes of the core the chief benefits of capital accumulation in the world-system as a whole. In Wallerstein's conception, the explanation of the distribution of particular types of production and labor relations across various regions derives from the needs of the core (or, more precisely, the capitalists and states of the core), and of the world-system as a whole:

Why different modes of organizing labor . . . at the same point in time within the world-economy? Because each mode of labor control is best suited for particular types of production. And why were these modes concentrated in different zones of the world-economy . . . ? Because the modes of labor control greatly affect the political system (in particular the strength of the state apparatus) and the possibilities for an indigenous bourgeoisie to thrive. The world-economy was based precisely on the assumption that there were in fact these three zones and that they did in fact have different modes of labor control. Were this not so, it would not have been possible to assure the kind of flow of the surplus which enabled the capitalist system to come into existence.²

In Volume 2, published in 1980,³ Wallerstein carried the story forward into the "long" seventeenth century (circa 1600–1750). A work fascinating in its discussion of Dutch industries and hegemony, and in its innovative twist on the familiar comparison of capitalist development in Britain and France, Volume 2 adds depth to Wallerstein's thesis and contributes many particular insights concerning cyclical trends and seventeenth-century developments. But it revises little of the grand paradigm sketched in Volume 1, especially in its discussion of the periphery.⁴ The greater Caribbean region, stretching from the southern colonies of British North America to the Northeast of Portuguese Brazil, becomes a "new" American periphery added to the "old" periphery of Spanish America. The specific discussion of events in the periphery devotes closer attention to local social conflicts, initiatives, and geography. Occasional exceptions to forced labor, as in the case of apparent wage labor in the Mexican silver mines, are noted and discussed. But the overall picture remains the same. Forced labor prevailed in the periphery (even in the Mexican mines, the mineowners encumbered the laborers with coercive devices, including debt), and the explanation of economic and labor patterns derives either directly from the world-system or its core, or indirectly through the rational response of local American capitalists to the changing

---

¹ Immanuel Wallerstein, The Modern World-System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century (New York, 1974), hereafter, World-System I, 38, xi, 91, 103. A streamlined "text edition" (which deleted the notes and bibliographical list but added a special preface and brief bibliographical essay) was published in 1976. All citations given in Arabic numerals are from the 1974 edn.; all citations in Roman numerals are from the 1976 preface.

² World-System I, 87.

³ The Modern World-System II: Mercantilism and the Consolidation of the European World-Economy, 1600–1750 (New York, 1980), hereafter, World-System II.

⁴ See esp. World-System II, 7–8, where Wallerstein asserted "the essential continuity between the long sixteenth and seventeenth centuries, with the one great difference [being cyclical expansion and contraction]."
The promise and limits of Wallerstein's world-system interpretation for Latin American history and historiography constitute the central subject of this essay. I will on occasion, however, refer also to the history of Caribbean slavery to round out the picture. The greater Caribbean region, after all, constituted both an important American periphery and a significant arena of Spanish colonization, and its social and economic experience with colonial slavery bears at least a family resemblance to patterns that emerged in Spanish and Portuguese America proper. Widely praised and widely criticized, Wallerstein's historical interpretation strikes an important chord among students of the so-called Third World, capitalism, and transitions to capitalism. Among scholars of early modern Europe, Wallerstein's work has stimulated discussions of high caliber. Especially from students of the colonial era in Latin America, one might have expected that Wallerstein's reconceptualization of colonialism and mercantilism would have triggered a lengthy and significant debate. From the corner of Latin American history and social sciences, however, Wallerstein's provocation (in the best sense of the term) has seemed less than sharp. His is only one of several versions of the world-systems idea, and about this idea Latin Americans thought long and hard before the

5 On the periphery in World-System II, see 129–75. In general, Vol. 2 is more cognizant of phenomena in the periphery—social conflicts, local geography, a diversity of labor arrangements—that could be taken to complicate the thesis sketched in Vol. 1 but avoids following through on their possible implications. The result is that the basic model set forth in Vol. 1 remains unaltered. For Wallerstein's treatment of labor in Mexico in general, and in its silver mines in particular, see World-System II, 147–55, esp. n. 130. For recognition of social conflict in the periphery but a method of explanation that subsumes the causes, outcomes, and impacts of such events under the needs of the world-system, or of American elites responding to the world-system, see 130–31, 137, 139–40, 144–45, 154–55 (incl. n. 130), 167–74 (esp. 172–74 and n. 219).

6 Wallerstein is a prolific scholar who has published numerous other works on the world-system. Particularly helpful for rounding out one's sense of Wallerstein's views on a variety of issues related to the world-system, and for appreciation of his diverse and sometimes penetrating insights, are the essays available in the following books: The Capitalist World-Economy (New York and Paris, 1979); Historical Capitalism (London, 1983), an especially perceptive work to this reader; The Politics of the World-Economy: The States, the Movements, and the Civilizations (New York and Paris, 1984). This article will focus, however, on the paradigm as developed in World-System I and applied in World-System II, both because these are Wallerstein's most systematic and thoroughly researched historical analyses and because his subsequent essays have not, to my knowledge, changed the essentials of his historical interpretation. With good reason, the World-System series is Wallerstein's most influential scholarship.

publication of The Modern World-System. In order both to understand the idiosyncrasy of Latin American responses to Wallerstein and to assess honestly the significance of his world-system for the history of Iberian America, and its sister region the Caribbean, we must first move Wallerstein into a Latin American context. We must, in short, put on new spectacles and look at world history with peripheral vision.

The history and mythology of the colonial period has long loomed large in the interpretation of contemporary Latin America. The feudal "diagnosis" of the colonial inheritance reaches back to the nineteenth century, although the nineteenth-century meaning of "feudalism" referred less to economic relationships than to political, social, and jural patterns. In the twentieth century, when analyses of the economic basis of society became more of a perceived priority, scholarly debate about the prevalence of feudalism or capitalism in colonial Latin America, and about the significance of the world economic system for any such assessment, began to assert itself as early as the 1940s. To be sure, the prevailing trend was to use feudalism or a feudal-like legacy to explain the distinctive features, particularly the agrarian question, that set Latin American societies apart from much of the modern West, especially the United States. José Carlos Mariátegui and Lesley B. Simpson in the 1920s; Luís Chávez Orozco, Gilberto Freyre, George McBride, Rodolfo Puiggros, and Silvio Zavala in the 1930s and 1940s; Woodrow Borah, François Chevalier, and Jacques Lambert in the 1950s and 1960s—this is but a ruthlessly selective list of the prominent and otherwise diverse figures who invoked a feudal-like past to understand enduring features of Latin American life and history. Important works by Richard Morse, Octavio Paz, and Frank Tannenbaum on the Thomist political tradition of Spanish America, and on the contrast between Protestant and Catholic civilizations in the Americas, rarely addressed their questions in terms directly translatable into the interpretation of

---

8 See José Carlos Chiaramonte, Formas de sociedad y economía en hispanoamérica (Mexico City, 1984), part 1, esp. 21-65.

9 José Carlos Mariátegui, 7 ensayos de interpretación de la realidad peruana (Lima, 1928); Lesley B. Simpson, The Encomienda in New Spain: Forced Native Labor in the Spanish Colonies, 1492–1550 (Berkeley, Calif., 1929), significantly revised in a 1950 edn.; Luís Chávez Orozco, Historia económica y social de México: Ensayo de interpretación (Mexico City, 1938); Gilberto Freyre, Casa-grande e senzala (1933; 4th "definitive" edn. in 2 vols., Rio de Janeiro, 1943); George McBride, Chile: Land and Society (Baltimore, Md., 1936); Rodolfo Puiggros, De la colonia a la revolución (1940; 2d edn., Buenos Aires, 1943); Silvio Zavala, "Orígenes coloniales del peonaje en México," El Trimestre económico, 10 (1944): 711-48; Woodrow Borah, New Spain's Century of Depression (Berkeley, Calif., 1951); François Chevalier, Land and Society in Colonial Mexico: The Great Hacienda, trans. Alvin Eustis (orig. French edn., 1952; Berkeley, Calif., 1963); Jacques Lambert, Latin America: Social Structure and Political Institutions, trans. Helen Katel (orig. French edn., 1963; Berkeley, Calif., 1967). It should be noted that the interpretation of Latin American societies as feudal or neo-feudal was not always among the central preoccupations of these works, but all nonetheless contributed to a feudal-like image. Gilberto Freyre, for example, was more concerned with the roots of Brazilian culture and national character than with feudalism, but his interpretation emphasized the bonds of dependence and patriarchalism that suffused the relation of aristocratic masters and their slave-servant populations on great landed estates, and he readily admitted the resemblance to feudalism. Compare the works cited in note 10 below. For the intellectual context of writings by U.S. scholars, see the excellent essay by Benjamin Keen, "Main Currents in United States Writings on Colonial Spanish America, 1884–1984," Hispanic American Historical Review, 65 (November 1985): 657–82.
Feudalism, Capitalism, and the World-System

a colonial legacy of feudalism. Their rightly influential studies, however, proved by and large compatible with such a thesis and served indirectly to reinforce it by underscoring the persistence in Latin America of cultural traditions rooted in late medieval Europe.\(^{10}\)

Still, dissent about the place of feudalism, capitalism, and the world economic system in the interpretation of the colonial legacy appeared by the 1940s, and the dissenters were mainly resident Latin Americans. Sergio Bagú, Jan Bazant, Alexander Marchant, José Miranda, and Caio Prado, Jr., all registered significant doubts about the prevailing wisdom. In their versions of colonial history, new elements drew the historian's spotlight and relegated to the shadows the traditional emphasis on aristocratic ethos and feudal involution. Description and explanation focused on the entrepreneurial drive and profit motive of the original colonizers, the evident force of mercantile exploitation as an engine structuring and restructuring economic life and social relations in Latin American hinterlands, the subordination of Iberian America to the role of provider of primary commodities and an economic surplus to the expanding world market of a Europe undergoing the rise of commercial capitalism.\(^{11}\) In the Caribbean, this recasting of the colonial experience as the exploitative extension of capitalism to the New World had its analogue in the celebrated works of C. L. R. James and Eric Williams.\(^{12}\)

These revisions of history, still very much a minority view, resonated with the broader political and intellectual environment. They constituted but one example of skeptical stirrings about the beneficence of economic relations and ideas promoted by the advanced capitalist (that is, industrialized) West. For Latin America, the beginnings of the historical critique of the feudal thesis roughly coincided with the beginnings of the social science critique of the comparative advantage theory of international trade, associated especially with the Comisión Económica para América Latina (CEPAL) and its executive secretary, the

---


\(^{12}\) C. L. R. James, The Black Jacobins: Toussaint L'Ouverture and the San Domingo Revolution (1938; rev. edn., New York, 1963); Eric Williams, Capitalism and Slavery (Chapel Hill, N.C., 1944); compare Fernando Ortiz, Contrapunteo cubano del tabaco y el azúcar . . . (Havana, 1940). The connection of this recasting of colonial history and the emerging critique of the West is illuminated in interviews held with James in 1975 and 1982, and rpt. in Mid-Atlantic Radical Historians Organization, Visions of History (New York, 1984), 266–77.
economist Raul Prebisch. As the 1950s and 1960s unfolded, several experiences—import-substitution industrialization, the cold war, the Cuban revolution, intensified political polarization—contributed to a context in which the initial dissents of the 1940s were taken up and debated extensively. The result was a complicated series of dialectics: between CEPAL-oriented intellectuals and policy makers and the mainstream West; between "moderate" Latin American advocates of development, influenced by the CEPAL idea and the promise of import-substitution, and their more "radical" Latin American critics and associates; among CEPAL-oriented colleagues, as part of a healthy process of self-evaluation; and between the orthodox left, inclined to see the necessity of a "bourgeois revolution" to transform a Latin America still encumbered by feudalism, and an innovative left, increasingly convinced that it was the historic spread of international capitalism, beginning in the Age of Discovery, that explained Latin America's poverty and apparently anachronistic economic structures. These critical debates and dialogues culminated, in the 1960s, in what has come to be known loosely as "dependency theory"—full-scale critiques of neo-classical economics and modernization theory, and the construction of an alternative vision of Latin American history and reality emphasizing the external constraints and impositions of international capitalism. Not surprisingly, revisionist historical and sociological

13 See the following CEPAL publications: The Economic Development of Latin America and Its Principal Problems (orig. Spanish edn., 1949; New York, 1950); Economic Survey of Latin America 1949 (New York, 1951); El Pensamiento de la CEPAL (Santiago de Chile, 1969). See also the sources cited in note 15 below. Prebisch wrote The Economic Development and was named CEPAL's executive secretary in 1950. More recent examples of CEPAL thinking, including that of Prebisch, may be followed in CEPAL Review (1976– ).

14 This is to some extent a simplification because a number of people crossed the boundaries of these categories, thereby blurring, for example, the distinction between "in-house" and "external" criticism of CEPAL ideas. The various axes of debate sometimes intersected, intellectuals of diverse views knew and influenced one another, and CEPAL was sufficiently dynamic and inclusive to pull diverse figures under its institutional umbrella at one point or another. Andre Gunder Frank, for example, notwithstanding his polemics against moderate developmentalists, originally wrote one of his celebrated essays as a report for CEPAL. See Frank, Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil (1967; rev. edn., New York, 1969), xii. My knowledge of the intellectual history of this period was greatly enhanced by the sources cited in note 15 below. A revealing warning against retrospective simplifications of this intellectual history is made by Fernando Henrique Cardoso, "The Consumption of Dependency Theory in the United States," Latin American Research Review, 12 (1977): 7–12.

studies appeared in the same period, accompanied by reprint editions of several of the landmark works of the 1940s. Their effect was to cut away at more benign views of society and historical tradition, and at the sense of disconnection between “traditional” patterns of life associated with the colonial-like countryside and more “modern” patterns associated with dynamic cities and capitalist enclaves.\footnote{International Inequality (Cairo, 1956), slightly revised in the better known Rich Lands and Poor: The Road to World Prosperity (New York, 1957); Paul A. Baran, The Political Economy of Growth (New York, 1957).}

The literature explicating and criticizing various dependency perspectives is enormous and quickly spilled outside Latin America and the Caribbean to embrace Africa and social science theory in general.\footnote{For our purposes, three points stand out. First, the dependence of Latin America on the industrialized countries, especially the U.S., has been a dominant theme since the 1940s, although there were earlier and later developments. Second, a more general conjuncture of criticism in Latin America that blended into the critique of the feudalism thesis began in the 1940s, and some authors had influence well beyond particular countries. (The fact that a number of critical intellectuals suffered exile in the 1960s facilitated this process.) Other works of more general influence and circulation included Rodolfo Stavenhagen, “Clases, colonialismo y aculturación: Ensayo sobre un sistema de relaciones interéticas en Mesoamérica,” América Latina (Rio de Janeiro), 6 (October–December 1963): 69–103; compare Alejandro Marroquín, La Ciudad mercado (Tlaxiaco) (Mexico City, 1957); Carlos Fuentes, La Muerte de Artemio Cruz (Mexico City, 1962); for Peru, Jorge Bravo Bresani, Desarrollo y subdesarrollo: De la economía del hambre a la economía del hombre (Lima, 1967); Carlos Malpica, Los Dueños del Perú (1964); 3d rev. edn., Lima, 1968); José Matos Mar, et al., Perú—Problema (2d edn., Lima, 1969) and the subsequent volumes in the Perú—Problema series organized by the Instituto de Estudios Peruanos; Aníbal Quijano Obregón, “Tendencias en Perúan Development and in the Class Structure,” in James Petras and Maurice Zeitlin, eds., Latin America: Reform or Revolution? (New York, 1968), 289–328; Quijano Obregón, Nacionalismo, neoimperialismo y militarismo en el Perú (Buenos Aires, 1971). Among the works of the 1940s cited in note 11 above, the books by Bagdá and Prado circulated in new editions in the 1960s, and Miranda’s essay was republished in pamphlet form by the Universidad Nacional Autónoma de México in 1965. Naturally, many of these works focused on topics particular to the countries in question: in Brazil, the myth of racial democracy and the legacy of slavery; in Mexico, the political order created by the Mexican Revolution and the continuing subordination of poor people and regions; in Peru, the split of the “nation” between Indian highlands and creole coast, and the dominance of coastal society by oligarchs and foreign capitalists. Nonetheless, the works and authors cited also formed part of a more general conjuncture of criticism in Latin America that blended into the critique of the feudalism thesis begun in the 1940s, and some authors had influence well beyond particular countries. (The fact that a number of critical intellectuals suffered exile in the 1960s facilitated this process.) Other works of more general influence and circulation included Rodolfo Stavenhagen, “Seven Fallacies about Latin America,” in Petras and Zeitlin, Latin America: Reform or Revolution? (New York, 1968), 289–328; Quijano Obregón, Nacionalismo, neoimperialismo y militarismo en el Perú (Buenos Aires, 1971). Among the works of the 1940s cited in note 11 above, the books by Bagdá and Prado circulated in new editions in the 1960s, and Miranda’s essay was republished in pamphlet form by the Universidad Nacional Autónoma de México in 1965. Naturally, many of these works focused on topics particular to the countries in question: in Brazil, the myth of racial democracy and the legacy of slavery; in Mexico, the political order created by the Mexican Revolution and the continuing subordination of poor people and regions; in Peru, the split of the “nation” between Indian highlands and creole coast, and the dominance of coastal society by oligarchs and foreign capitalists. Nonetheless, the works and authors cited also formed part of a more general conjuncture of criticism in Latin America that blended into the critique of the feudalism thesis begun in the 1940s, and some authors had influence well beyond particular countries. (The fact that a number of critical intellectuals suffered exile in the 1960s facilitated this process.) Other works of more general influence and circulation included Rodolfo Stavenhagen, “Seven Fallacies about Latin America,” in Petras and Zeitlin, Latin America, 13–31; Luis Vitale, “Latin America: Feudal or Capitalist?” in ibid., 32–43; Vitale, Interpretación marxista de la historia de Chile II: La Colonia y la revolución de 1810 (1969); 3d edn., Santiago de Chile, 1972; Theotonio dos Santos, “El Nuevo carácter de la dependencia (gran empresa y capital extranjero),” Cuadernos del Centro de Estudios Socioeconómicos, 6 (1967): 9–50. Stavenhagen’s “Seven Fallacies” is an expanded version of an article that first appeared in the Mexican newspaper El Día in June 1965; Vitale’s article first appeared in the Chilean magazine Estrategia, 5 (July 1966), according to Vitale, Interpretación, 19 n. 11.}

out. First, two works written in the mid-1960s stood out as the leading theoretical and systematic efforts to construct a dependency perspective for Latin America. The co-authored book of Fernando Henrique Cardoso and Enzo Faletto on dependency and development (published in 1969 but circulating in mimeographs and oral form since the mid-1960s) and Andre Gunder Frank’s study of capitalism and underdevelopment (first published in 1967) are the landmarks to which assessments of dependency perspectives inevitably return. Second, the dependency idea was firmly ensconced in the historical scholarship regarding Latin America by the early 1970s. In 1969 and 1970 respectively, Tulio Halperin-Donghi and co-authors Stanley J. Stein and Barbara H. Stein published widely admired works of historical synthesis. These works combined nuanced insight, deep immersion in empirical research on Latin America, and sympathetic engagement of dependency ideas. The stature of these books made it more difficult for serious historians to dismiss the dependency approach altogether as the work of radical social scientists caught up in a superficial projection of presentist theories onto the past. In the United States, whose historical profession is strongly anti-theoretical compared with those of Latin America, new college textbooks published in Latin American history reflected the continuing impact of the dependency idea.

Third, despite the widespread “consumption” (Cardoso’s word) of dependency perspectives in toto or in part, the dependency perspective generated very considerable debate, and this debate anticipated some of the issues arising from Wallerstein’s later books. Andre Gunder Frank drew the most international and heated attention—perhaps because he published originally in English (he soon secured Spanish, Portuguese, French, and Italian translations), or because his

---


20 See especially the following textbooks: E. Bradford Burns, Latin America: A Concise Interpretive History (Englewood Cliffs, N.J., 1972); Benjamin Keen and Mark Wasserman, A Short History of Latin America (Boston, 1980); Thomas E. Skidmore and Peter H. Smith, Modern Latin America (New York, 1984); compare the popular interdisciplinary text by Eric R. Wolf and Edward C. Hansen, The Human Condition in Latin America (New York, 1972). These texts and Stein and Stein, Colonial Heritage, each sold well enough to justify reprints or new editions and remained in print as of 1986. (My personal copy of Wolf and Hansen, Human Condition, indicates that it was in its third printing by 1973.) One important new textbook that bears little imprint of dependency ideas is James Lockhart and Stuart B. Schwartz, Early Latin America: A History of Colonial Spanish America and Brazil (New York, 1983). Another textbook author treats dependency ideas with reserve but considers them too influential to ignore: Lyle N. McAlister, Spain and Portugal in the New World, 1492–1700 (Minneapolis, Minn., 1984), 387–90.
analysis was crudely one-dimensional and unchanging compared to that of Cardoso and Faletto, or because he was Anglo rather than Latin American. For Latin Americanists, Frank’s thesis now appears as a kind of vulgar preview of Wallerstein’s more well researched and sophisticated work on the world-system. Frank stressed a chain of metropolis-satellite links that systematically transferred economic surpluses from the satellites (read: “periphery”) to the metropoles (read: “core”) and thereby caused the “underdevelopment” of the satellites. The metropolis-satellite polarization characterized relations not only between world areas (say, Western Europe and Iberian America) but also within world areas and regions, converting some metropoles (for example, Spain and Portugal vis-à-vis their colonies) into satellites (read: “semiperiphery”) of more powerful metropoles (for example, the Netherlands and England). Frank’s historical analysis demonstrated that the exploitative chain of the international commercial system had bound apparently “remote” and feudal-like regions of Latin America to capitalism long ago, in some regions as early as the sixteenth century. This binding had taken the form of export booms that drained Latin American regions of their wealth and left in their wake regional impoverishment and decline easily confused with feudalism. Frank contributed importantly, therefore, to demolishing the notion, prevalent in modernization theory, that Latin America was a region of “dual societies” divided between dynamic zones integrated into modern capitalism and backward zones languishing in feudal isolation. Capitalism, understood as profit-driven production of commodities for large-scale markets on unequal terms that benefited capitalists and metropoles, was the quintessential colonial legacy in precisely the impoverished regions considered “feudal” and “isolated” in the twentieth century.


22 Frank, Capitalism and Underdevelopment. As the prior discussion and notes 14 and 17 make clear, Frank’s celebrated work was not an isolated breakthrough but part of a wider stream of revisionism undertaken by Latin Americans. In this regard, see esp. Stavenhagen, “Seven Fallacies,” 13–31; Stavenhagen, “Clases, colonialismo y aculturación,” 63–103; González Casanova, La Democracia en México. Frank wrote and continues to write a large number of books and articles, but it is his early work—mainly amplifications or extensions of the key ideas of Capitalism and Underdevelopment—that is most important for the purposes of this essay. Other important early books were Latin America: Underdevelopment or Revolution (New York, 1969); Lumpenbourgeoisie: Lumpendevelopment: Dependence, Class, and Politics in Latin America (New York, 1972). On the modifications introduced in the latter book, see Brenner, “Origins of Capitalist Development,” 83–86. A later publication on colonial Mexican agriculture was actually researched and written in 1965–66 and reflects his early views: Mexican Agriculture, 1521–1630: Transformation of the Mode of Production (New York and Paris, 1979), vii–xii.
Scholars on the left, broadly defined, were the most disposed to confront seriously the issues and implications of dependency perspectives, and the critical assessment of Frank’s work rekindled interest in the important Dobb-Sweezy debate in the 1950s on Europe’s transition from feudalism to capitalism.23 In that debate, Sweezy’s critics argued that his stress on the expansion of commerce and profit making in late medieval Europe could not really account for the qualitative transformations of technique (“forces of production”) and social relations (“relations of production”) that gave the capitalist mode of production its distinctive historical character. Profit making and intense market activity that turned the purpose of production in wide territories toward exchange-value rather than use-value could be found in a variety of historical epochs and societies, including ancient Rome. What explained, at bottom, capitalism’s unique and even revolutionary impact on economic life was its new method of organizing production on the basis of the free sale of labor-power to capitalists in exchange for a wage. Free wage labor was the relation of production that liberated entrepreneurship from the comparatively stifling restrictions of pre-capitalist societies. Free wage labor allowed for optimal and changing combinations of machinery and labor, a possibility that made feasible unparalleled technical experimentation and progress in production; it also encouraged the rise of mass markets for subsistence items purchased with wages, a development that expanded the scope of profitable market activity enormously. Marx’s creative insight was to analyze the causes, mystifications, inner dynamics, and far-reaching consequences of this transformation of the production process. Sweezy’s critics argued that, once one focused on the production rather than the circulation of commodities, the strategic issues requiring explanation shifted from the expansion of the profit motive and international commerce to the replacement of servile labor by proletarianized labor and the associated rise of home markets (that is, mass consumption of commodities). To explain the transition to capitalism therefore required close historical analysis of the social and class conflicts, expropriations of petty producers, and deterioration of subsistence strategies that underwrote the transition from servile to free labor.24 A good deal of the Europeanists’ recent debate on capitalist transition, particularly Robert Brenner’s important essays, follows in the tradition of the Dobb-Sweezy debate.25

Between Dobb and Brenner, however, came Ernesto Laclau.26 Like Dobb, and like other critics of Andre Gunder Frank, Laclau invoked the classic Marxist emphasis on capitalism as a mode of production. To demonstrate the rise of

23 See the collection of articles, most of them orig. pub. in Science and Society in the 1950s, rpt. in Rodney Hilton, et al., The Transition from Feudalism to Capitalism (London, 1976); Maurice Dobb, Studies in the Development of Capitalism (1947; rev. edn., New York, 1963). On the renewed interest in this debate in Latin America, see the citations in Assadourian, Modos de produccion; Bartra, Modos de produccion.


25 See the sources cited in note 7 above.

commercial exploitation and a profit motive, as Frank had done for colonial Latin America, was insufficient to demonstrate that the Latin American economy had been "capitalist" since Cortés and Pizarro. It was obvious, observed Laclau, that mercantile exploitation used as its instrument the coercive labor relations and tributary obligations corresponding to the feudal mode of production. This was not a trivial point, since it greatly affected the explanation of Latin America's historic underdevelopment. In Laclau's scheme, underdevelopment derived not only from Europe's channeling of the colonies' economic surpluses from satellite to metropolis but also from its "fixing their relations of production in an archaic mould of extra-economic coercion, which retarded any process of social differentiation and diminished the size of their internal markets."27 The first implication was that, in the absence of further transformations of production (transformations that could not derive simply from a process of commercialization), the feudal socioeconomic structure imposed by Europe's commercial exploitation of Latin America would have blocked capitalist development, even had Latin America retained a greater share of economic surplus. Further, material progress in twentieth-century Latin America did indeed require the break-up of the feudal socioeconomic structures that dominated many backward regions. Laclau held that Frank had confused the "mode of production" with the "economic system." It was perfectly possible, even likely, that an overarching economic system that was as a whole capitalist—that is, governed by the needs of a dominant capitalist mode of production and by the profit principle—could include several modes of production among its constituent "parts." Frank had demolished the "dual society" thesis of the modernization theorists by demonstrating that Latin America's "backward" regions had been inserted, on exploitative terms, into the world capitalist system, but this contribution hardly demonstrated that such regions were themselves capitalist.

Laclau's distinction between the economic system and its heterogeneous parts effectively undermined Frank's argument, but his assertion of the "feudal" character of the colonial economy has nonetheless remained debatable. The problem is that Latin America has so often seemed "in but not of" the capitalist economy of the North Atlantic world. In the colonial period especially, Latin America has seemed a confusing hybrid of pre-modern "feudal" and modern "capitalist" eras. Neither Frank nor Laclau is a historian, least of all a historian of colonial Latin America. For historians more immersed in colonial economic history and social relations, posing the choice as one between a "feudal" or "capitalist" economy may itself misconstrue the nature of the problem.

On the one hand, Latin America and the Caribbean supplied, through their colonial trades, taxation, and contraband, essential goods and economic surpluses to a European world-economy premised on the expansion of entrepreneurial profit and capital accumulation. Moreover, within Latin America, mercantile interests and the profit-investment principle constituted a powerful force reshaping urban and regional economies, restructuring the kinds and quantities of

27 Laclau, "Feudalism and Capitalism," 35.
commodities produced and the technologies and social relations used to produce them. The rise of profit making and commodity production as a central principle of economic organization; the simultaneous deterioration and destruction of local subsistence economies; the impressive capital expenditures undertaken in the mines, sugar plantations, and other enterprises; and the growth of cities and mining regions, where there developed significant internal markets and relatively free forms of labor, including relations resembling wage labor—all seem to lend strength to the notion that, in the more dynamic colonial regions, the Latin American economy was never "feudal" but followed a "capitalist" logic, albeit one that reflected its special position as colony or periphery of the European world-economy.28

On the other hand, a long-term view of the social relations and technologies by which colonial production and social life were organized sees the rebirth on American soil of pre-capitalist or at least non-capitalist modes of production. Rotating labor drafts, slavery, and various forms of serfdom or peonage constituted strategic labor relations in Latin America's mines, plantations, textile workshops, and haciendas. Servile labor relations such as these resembled those of Europe before the transition to capitalism insofar as they rested on extra-economic compulsion rather than the free hiring of proletarianized laborers whose lack of subsistence drove them to sell their labor-power for a wage. In the long run, the mercantile exploitation of Latin America prevented neither the reconstitution of effective, though considerably impoverished, subsistence economies and strategies by Indian communities nor the use of "pre-capitalist" devices (tribute, rents, labor drafts, slavery, peonage) to extract a surplus from direct producers. Even the mining economies of eighteenth-century Mexico and Peru-Bolivia required for their profitability and expansion the reduction of relatively "free" laborers to more "bonded" status.29 Eventually, colonial internal markets and technology stagnated. The transition to a capitalist mode of production during the late nineteenth and twentieth centuries was to require a struggle against subsistence rights that yielded land and labor arrangements more compatible with the imperatives of capitalist industry and production.30 The long-term view, then,
suggests that the colonial Latin American economy, though part of a European economic system in transition to capitalism, followed principles of economic evolution qualitatively distinct from those associated with a capitalist mode of production.

The economic patterns discussed here can lead to conceptual traps and sterile, circular debates. One can emphasize some features to find "capitalism," others to find "feudalism" (or "slavery," understood as a pre-capitalist mode of production). Neither characterization suffices. The dynamics of colonial labor relations, subsistence and markets, and technology were not only distinct from but in some senses antithetical to those of a capitalist mode of production. As conceptualized by Marx, a capitalist mode of production is based on the sale of labor-power for a wage, not primarily under political, social, or cultural coercion but out of economic necessity. Separated from the lands and resources needed to produce their subsistence or items that can be exchanged for subsistence goods, workers freely sell their labor-power to earn a living wage and with their wages constitute an internal market for the sale of commodities produced in capitalist enterprises.31 This is a phenomenon quite recognizable, despite some ambiguities and complications, by students of Latin America in the late nineteenth and twentieth centuries but not in the colonial period. To call colonial Latin America "capitalist" thus obscures the tremendous discontinuity between the contemporary and the colonial economy, as well as the bitter traumas and conflicts associated with the transition to a capitalist mode of production in more recent times.

Yet the intensity of colonial mercantile exploitation and its associated disasters often tended to take on a destructive quality that partly proletarianized small producers and tended, also, to reduce laborers from human beings whose exploitation involved their masters in a many-sided relationship of unequal but mutual obligation to mere human repositories of labor-power used as short-term instruments of mercantile interest and bearing commodity value based on the exchange value of their exploitable labor. Slaves who were worked to death in booming tropical export sectors and drafted peasant laborers whose rotations at the mines pressed them to the limits of good health and physical endurance and virtually destroyed their customary subsistence rights serve as obvious examples. Thus to call colonial Latin America "feudal" or "seigneurial" or to equate Latin American or Caribbean slaveholding with earlier Old World slavery obscures both the intensity of mercantile exploitation inherent in the colonial system and the degree to which this very intensity led to labor relations, subsistence and market patterns, and technological developments with structure and dynamics qualitatively distinct from those of pre-capitalist Europe.32


32 It is by now a commonplace to observe that work and health conditions meant that the African slave populations of Brazil and the Caribbean were replaced by fresh imports from Africa rather than...
To accept a simple choice between “feudalism” and “capitalism,” then, is to walk into a conceptual trap. Laclau’s brief discussion of feudal-like relations of production served, at a particular moment in an evolving debate, to expose Frank’s defects. But it did not really solve the deeper conundrum posed by the interpretation of the colonial economy. In this sense, Wallerstein was right when he argued in 1974 that Laclau’s was not the last word. What is noteworthy, however, is the speed with which the Latin American literature moved beyond Laclau’s initial statement. The 1960s and 1970s witnessed a boom in creative Marxian scholarship in Latin America. Before The Modern World-System joined the fray, colonial studies had already yielded a series of sophisticated positions on feudalism, capitalism, and the world-economy.

We may discern four positions, each of which sought to escape the conceptual trap outlined above. One saw the original and paradoxical features of the colonial economy not as an “anomaly” to be explained away but as a basis for extending and enriching our inherited mode-of-production “categories.” These scholars sought to develop theories of “colonial” and “colonial slavery” modes of production that would complement the categories inherited from European history. A through biological replacement in America. Planters commonly made estimates of life expectancy requiring that the short-term exchange-value of commodities produced by slaves be sufficient to ensure profitability despite high mortality and low net fertility rates. (By “net” fertility rates, I mean the rate of live births after subtracting out the rate of death in infancy.) In Bahia, Brazil, in the mid-eighteenth century, it appears that sugar planters recovered the cost of purchase and maintenance of a slave after only three and a half years. Contemporary estimates had it that a slave’s life expectancy was in the range of seven to fifteen years, a revealing calculation despite the adjustments that must be made for infant and child mortality. See Stuart B. Schwartz, Sugar Plantations in the Formation of Brazilian Society: Bahia, 1550–1835 (New York, 1985), 226, but for context and caution about such calculations, see also 346–78; and Herbert S. Klein, African Slavery in Latin America and the Caribbean (New York, 1986), 154–61. On the commodification of forced labor in the mines of Spanish America, see Steve J. Stern, Peru’s Indian Peoples and the Challenge of Spanish Conquest: Huamanga to 1640 (Madison, Wis., 1982), 84–89, 148–57; Enrique Tandeter, “Forced and Free Labour in Late Colonial Potosí,” Past and Present, 93 (November 1981): 98–136; Peter J. Bakewell, Miners of the Red Mountain: Indian Labor in Potosí, 1545–1650 (Albuquerque, N.M., 1984), passim; and the discussion of silver mining later in this essay.

33 Wallerstein, World-System I, 126–27.
34 This is rather obvious to anyone familiar with the scholarship of Latin Americans in the period and is quite evident in Assadourian, Modos de producción; and Bartra, Modos de producción. By “Marxian,” I refer both to scholarship self-defined as “Marxist” and scholarship strongly influenced by or engaged with the Marxist tradition but not necessarily self-identified with that tradition. U.S. readers should note, however, that Latin American intellectuals are often less timid than their U.S. counterparts about identifying their work as “Marxist” and that, given the variety of “Marxist” perspectives and debates that flourished from the 1960s on, such self-identifications implied little about intellectual orthodoxy or creativity. Finally, I should also mention the obvious. The creativity and originality of the period does not deny that it also witnessed a plethora of cruder Marxist publications. Every perspective generates its share of pedestrian work, and the Marxian corner was no exception.
35 See esp. Ciro F. S. Cardoso, “Sobre los modos de producción coloniales de América,” in Assadourian, Modos de producción; and Bartra, Modos de producción. For the influence of such concepts in other “Third World” areas in the early 1970s, see Jairus Banaji, “For a Theory of Colonial Modes of Production,” Economic and Political Weekly (Bombay), 7 (December 23, 1972): 2498–2502. For the subsequent evolution of Ciro F. S. Cardoso’s ideas on slavery and colonial production, see Cardoso and Héctor Pérez Brignoli, Historia económica de

This content downloaded from 138.16.97.64 on Tue, 13 Sep 2016 18:06:43 UTC
All use subject to http://about.jstor.org/terms
second position, compatible with Laclau’s theoretical stance, asserted the centrality of American “feudalism” but carefully delineated its particular features by stressing the specific historical context that joined colonial feudalism to international and local mercantile ventures, to capital accumulation, and to other modes of production. One version of this approach explored the colonial economy itself as a complex articulation of various modes of production, a unique “whole” combined of various “parts” in a specific historical context. The most successful example of this approach is Enrique Semo’s pioneering interpretation of the colonial Mexican formation as a system that brought feudalism, “embryonic capitalism,” and “tributary despotism” (the mode of production of indigenous communities subjected to a tributary relationship with the state) into dynamic and unequal coexistence. A third position stood the inherited theoretical assumptions on their heads. This view held that to search for a dominant mode of production in colonial Latin America is misleading because the cornerstone of the colonial economy was precisely the dominance of commercial capital over production. In this line of analysis, the object of theoretically aware historical scholarship is to explore the ways commercial capital organized and exploited various relations of production, none of which served as the basis for a fully constituted mode of production in Latin America.


37 See Assadourian, “Modos de producción”; Assadourian, El Sistema; José Carlos Chiaramoto, “El Problema del tipo histórico de sociedad: Crítica de sus supuestos,” in Bartra, Modos de producción, 107–25; Juan Carlos Garavaglia, “Introducción,” in Assadourian, Modos de producción, 7–21; Garavaglia, “Un Modo de producción subsidiario: La Organización económica de las comunidades guaraníes durante los siglos XVII–XVIII en la formación regional altoperuana-rioplatense,” in Assadourian, Modos de producción, 161–91. For subsequent work on this issue by these authors, see Assadourian, “La Producción de la mercancía dinero”; Assadourian, Análisis sobre la formación del sistema colonial (Mexico City, forthcoming); Chiaramoto, Formas de sociedad y economía; Garavaglia, Mercado interno y economía colonial (Tres siglos de historia de la yerba mate) (Mexico City, 1983).
Despite the discrepancies between these positions, they shared an important common denominator: each was quite critical of Frank’s vision of colonial capitalism, and by 1974 each had advanced a theoretically sophisticated and carefully researched alternative that went well beyond the terms of Laclau’s initial critique. Equally telling, perhaps, is that the pioneering works associated with these positions circulated widely in Latin America but not in English translation.38

A fourth position, almost certainly a minority view among Latin American intellectuals, asserted the “capitalist” character of the colonial economy. But here, too, the best works went beyond the terms staked out in the initial Frank-Laclau exchange. In 1973, for example, Angel Palerm argued vigorously that Spanish Mexico had constituted a “colonial segment” of the capitalist mode of production. His argument, however, relied not only on demonstrating colonial Mexico’s adjustment to, and commercial exploitation by, the world capitalist economy but also on a closely reasoned and well-informed critique of Marxist theory.39 Peter J. Bakewell’s research on the silver mines of Zacatecas convinced him by 1971 of the “capitalist nature” of seventeenth-century New Spain, an economy that generally paralleled “contemporary European design.”40 But he based this conclusion not on Mexico’s commercial exploitation by the world-system, whose grip on Mexico had weakened in the seventeenth century, but on careful historical study of silver production in Mexico—its technology, labor relations, and capital investments—and its significance for the colonial Mexican economy as a whole.

It is against the backdrop of this debate that historians must gauge the significance, for Latin American history and historiography, of Wallerstein’s historical publications on the modern world-system. Latin Americans had already expended great intellectual energy on their unequal participation in the world-system before the publication of Volume 1 of The Modern World-System in 1974. The intensity of the debate, its fast development beyond the foundations laid by Frank and Laclau, the crystallization of relatively sophisticated theoretical positions by

38 I have in mind here especially Assadourian, “Integración y desintegración regional en el espacio colonial: Un Enfoque histórico,” orig. pub. in the Chilean journal EURE: Revista Latinoamericana de Estudios Urbanos Regionales in 1972 and well known in South America in xerox and mimeograph form before its rpt. in Lima in 1982 in El Sistema, 109–34; Assadourian, Modos de producción, orig. pub. in Argentina in 1973, and in its ninth printing by Siglo XXI (Mexico City, Buenos Aires, Madrid) as of 1982; Bartra, Modos de producción, orig. pub. in Mexico in 1975 and republished in a Peruvian edn. in 1976; and Seno, Historia del capitalismo, orig. pub. in 1973 in Mexico, where it had reached its twelfth printing as of 1983, and also pub. in a Cuban edition by Casa de las Américas in 1979. The important essays by Ciro F. S. Cardoso included in Assadourian, Modos de producción, were also pub. in Brazil in 1975, in Santiago, América colonial, 61–143. It is not an exaggeration to say that only Ernesto Laclau’s celebrated article circulated widely in both the United States and Latin America.


40 Bakewell, Silver Mining, 225.
the early to mid-1970s, the tide of criticism that labeled Frank's thesis simple-minded and theoretically naive, all perhaps contribute to explaining "the surprisingly faint response" to Wallerstein's volumes in the late 1970s and the early 1980s. This is not to say that Wallerstein's important books went unnoticed, especially by U.S. scholars of Latin America and the Caribbean. We may now be witnessing the delayed beginnings of a flurry of responses. But, for Latin Americans especially, the temptation to view Wallerstein as Andre Gunder Frank in more erudite garb must have been great. It was as if Wallerstein had appeared too late, after Latin Americans had staged their exhausting debate on the world-system and modes of production, after they had staked out innovative positions that handled reasonably well the paradoxes of colonial Latin America's idiosyncratic participation in the world capitalist system. And the idea of Latin America's historic dependence and manipulation by an external capitalist force, so much a part of life in Latin America, so current in the intellectual environment of the 1960s and 1970s, no longer constituted a revelation. To put it another way, the novelist Gabriel García Márquez need not have read Wallerstein to execute his brilliant portrayal of dependence in El Otoño del patriarca (1975) (Autumn of the Patriarch): a Caribbean dictator, hounded by foreign creditors and the U.S. ambassador, finally relents to their pressure to export the Caribbean sea to Arizona, where the desalinated water will irrigate the desert! This magnificent moment of high humor and insight occurs in a work whose very language underscores the long-term continuity of subjection to plundering powers and capitalists. García Márquez interspersed the escapades of the twentieth century with passages lifted verbatim from the diaries of Christopher Columbus.

41 Halperin-Donghi, "Dependency Theory' and Latin American Historiography," 129, whose argument on this point is in certain respects similar to mine.

42 For explicit engagement by students of Latin American or Caribbean history of key ideas formulated by Wallerstein in World-System I (as distinct from, say, engagement of Andre Gunder Frank or various branches of the dependency literature), see C. F. S. Cardoso and Pérez, Historia económica, 1: 152–58; Jorge Chapa, "Wage Labor in the Periphery: Silver Mining in Colonial Mexico," Review, 4 (Winter 1981): 509–34; Garavaglia, Mercado interno, 22–24; John R. Hall, "World-System Holism and Colonial Brazilian Agriculture: A Critical Case Analysis," Latin American Research Review, 19 (1984): 43–69; Mintz, "So-Called World-System"; Mintz, "Was the Plantation"; Angel Palerm, "La Formación colonial mexicana y el primer sistema económico mundial" (orig. 1976), rpt. in Palerm, Antropología y marxismo, 89–124; Roseberry, Coffee and Capitalism, 59–66; Stuart B. Schwartz, "Indian Labor and New World Plantations: European Demands and Indian Responses in Northeastern Brazil," AHR, 83 (February 1978): 43–79; Eric R. Wolf, Europe and the People without History (Berkeley, Calif., 1982), 21–23, 297–98; Maurice Zeitlin, The Civil Wars in Chile (or the Bourgeois Revolutions That Never Were) (Princeton, N.J., 1984), 220–37. For engagement of Wallerstein by students of the Spanish Borderlands, see Tomás Almaguer, "Interpreting Chicano History: The World-System Approach to Nineteenth-Century California," Review, 4 (Winter 1981): 459–507; and David J. Weber, "Turner, the Boltonians, and the Borderlands," AHR, 91 (February 1986): 81 n. 71. This list is not the product of a systematic, exhaustive investigation, but I believe that it reflects well the state of responses to Wallerstein. Three points stand out. First, very few of the respondents are Latin Americans. Second, the response was rather delayed; not until the 1980s does one even begin to identify a clustering of commentary, especially by Latin Americans. Third, and just as important, is a qualitative matter. The comments by Latin Americans on Wallerstein lack the intensity—as measured either by the heat of polemics or by the pursuit of a systematic appraisal—that were common in the response to Andre Gunder Frank in the late 1960s and early 1970s.

43 Gabriel García Márquez, The Autumn of the Patriarch, trans. Gregory Rabassa (New York, 1976), 187–88, 208, 225, 229. The genius of García Márquez's humor, to a Latin American eye, lies in the way it is not all that far-fetched; this episode is no exception. After all, colonizers in Spanish America
Nonetheless, it would be a mistake to avoid a serious evaluation of Wallerstein’s work from the angle of Latin American history. To say that, in the historiographic and intellectual context of Latin America, the tendency to slight or dismiss Wallerstein a priori is understandable is not to say that it is advisable. For several reasons, Wallerstein’s work merits a more systematic assessment. First, his impressive command of the historical literature, on Europe especially, makes his work far too rich and deep to be brushed off lightly. Wallerstein’s awareness of historical complexity in the early modern “core” and “semiperiphery” surpasses that of most works adopting a dependency or world-system perspective. Second, Wallerstein’s is the most systematic and forceful argument that the proper unit of historical analysis since the sixteenth century is neither a state, nor a region, nor a people, but the European world-system as a whole. The challenge of this argument is not met by ignoring it. And the argument, if correct, has enormous implications for the ways historians conceptualize and practice historical research on Latin America.

Third, Wallerstein presented a direct and innovative response to the Frank-Laclau debate. His conceptualization of capitalism does not merely restate Frank’s position, and Wallerstein did not dispute the compatibility, up to a point, of feudalism and market activity. To Laclau’s assertion that Latin America’s servile relations of production corresponded to the feudal mode of production, Wallerstein responded that the total context surrounding particular relations of production exerts a decisive influence on their real dynamics and wider functions ("laws of motion," from the standpoint of Marxist theory). For this very reason, capitalism is best understood not as the replacement of coercive labor relations by free wage labor but rather as the rise of optimal combinations of free and coercive labor relations beneficial to the capitalist system as a whole. This is why, in Wallerstein’s view, a vast qualitative difference distinguished the position of serfs in medieval Europe from that of sixteenth-century “serfs” subjected to feudal-like relations of production imposed by the capitalist world-economy. The reasoning behind Wallerstein’s reply to Laclau is worth quoting at length:

the difference between the gleb serf of the Middle Ages and the slave or worker on an encomienda in sixteenth century Hispanic America, or a “serf” in [sixteenth-century] Poland, was threefold: the difference between assigning “part” of the surplus to a market and assigning “most of the surplus”; the difference between production for a local market and a world market; the difference between the exploiting classes spending the profits, and being motivated to maximize them and partially reinvest them . . . As for involvement in a capitalist world market accentuating feudalism, precisely so, but “feudalism” of this new variety.

The point is that the “relations of production” that define a system are the “relations of production” of the whole system, and the system at this point in time is the European
dug out, processed, and shipped off the insides of great silver mountains to turn the wheels of economic life and obsessions in Europe. I am grateful to my colleague in Spanish American literature, Professor Jill Netchinsky, Tufts University, for drawing my attention to García Márquez’s use of the Columbus passages.

44 See in this regard the instructive comments of Zeitlin, Civil Wars, 227–28 n. 15, on World-System I; compare my comments on World-System II in note 5 above.
world-economy. Free labor is indeed a defining feature of capitalism, but not free labor throughout the productive enterprises. Free labor is the form of labor control used for skilled work in core countries whereas coerced labor is used for less skilled work in peripheral areas. The combination thereof is the essence of capitalism.45

It is for this very reason that Wallerstein considered “feudalism” a misleading concept in the sixteenth-century context and referred to servile labor under capitalism as “coerced cash-crop labor.”46 To equate Wallerstein and Frank sidesteps this argument.

Fourth, the Caribbean experience lends some historical support to Wallerstein’s theoretical stance on units of analysis and capitalist combinations of free and coercive labor. The history of Caribbean plantation slavery complicates the distinction between non-capitalist modes of production founded on servile labor and a capitalist mode of production founded on free wage labor. In some extreme instances, the sugar plantation islands have seemed less like societies in their own right, whose material base rested on a non-capitalist mode of production “articulated” to the capitalist mode, than like outposts of Europe. Their absentee rulers lived and invested as an integrated part of the bourgeoisie in the metropolis, and their portfolio of investments included plantation enterprises that handled the slaves as finite repositories of labor-power to be replaced upon death or depletion by fresh African imports.47 Under these circumstances, even Eugene D. Genovese, a scholar squarely aligned with Dobb and Laclau, equivocated.48 One could write off the major sugar islands as an “extreme case” proving little. But extreme cases do sometimes expose otherwise hidden tendencies and relationships, and Genovese argues persuasively that the U.S. South is just as “extreme” an instance in the comparative history of American slavery.49 To consider the Caribbean less

45 Wallerstein, World-System I, 126–27; compare Wallerstein, Capitalist World-Economy, 8–17, 147–49.
46 Wallerstein, World-System I, 91.
49 Genovese, World the Slaveholders Made, part 1. In Part 2 of the same book, Genovese argued that, precisely because of his extremism as an ideologue, George Fitzhugh is an illuminating example of the sometimes obscure philosophical direction in which the master class of the antebellum South was heading.
theoretically or historically significant than the equally "extreme" U.S. South would be to make an ethnocentric assumption. Moreover, Brazil has shared more features with the Caribbean than meet the eye. In the sixteenth century, the sugar plantations were much like "islands" of commercial exploitation, narrow coastal strips of effective Portuguese control surrounded by the sea and by frontier territory. In the coffee belt of southern Brazil in the nineteenth century, the dynamic Paulista fraction of the slaveholding class acted much as Caribbean capitalists whose portfolios of real and prospective investments combined free and slave labor.  

Notwithstanding the prior debate in Latin America, and its considerable sophistication, Wallerstein's version of the world-system idea demands serious and systematic appraisal from the perspective of Latin America and the Caribbean. For historians, critical evaluation requires that we compare case studies with the general scheme proposed in The Modern World-System. Yet to select a case study at random, regardless of significance, would contribute little to this process. Few will listen attentively to an exclamation such as, "After six years of careful study, my conclusion is definite: Wallerstein's model does not apply well to the case of sarsaparilla exports from Santa Rosa de la Frontera de la Oscuridad!" The closer our case studies come to the heart of the thesis, the more telling the critical evaluation. I propose that we focus on the silver mines and sugar plantations of early colonial America. These two case studies have several advantages. Silver from Spanish America and sugar from Portuguese Brazil and the Caribbean constituted the two most important exports provided by America to Europe during the long sixteenth and seventeenth centuries studied by Wallerstein. Not surprisingly, the silver and sugar sectors of Iberian America and the Caribbean also drew the most sustained and intense attention of metropolitan officials. In short, these case studies belong to the very core (if I may appropriate the term) of Wallerstein's vision of the world-system's operation in colonial Latin America and the Caribbean. If these case studies expose major problems in Wallerstein's interpretation, his entire paradigm is at risk. If, on the other hand, Wallerstein's world-system provides us genuine insights about the periphery, and core-periphery relations, these insights should become especially evident in a study of the world-system's highest American priorities.

The key questions concern description and explanation. On a descriptive level, does Wallerstein provide an adequate approximation, in the cases of silver and sugar, of the elements he himself considered essential to his argument? In other words, does the tripartite division of international labor—free labor in the core, sharecropping in the semiperiphery, and forced labor (slavery and "coerced cash-crop labor") in the periphery—succeed in describing the main features of the labor systems associated with silver and sugar production? On an explanatory level,
does Wallerstein's method or reasoning account convincingly for the rise of patterns he himself considered strategic? In other words, are the main features of production, labor, and commerce in the silver and sugar sectors best explained by their functional value to the world-system, that is, as the result of optimal solutions imposed either by the world-system or by American capitalists responding to the dictates of the international market?

Let us begin with silver, the legendary American export during the long sixteenth century. The most important source of American silver during this period was Potosi, the great silver mountain on the arid Bolivian altiplano. Until recently, the conventional interpretation of labor in Potosi provided an almost classic illustration of Wallerstein's thesis. The earlier account runs along the following lines. Discovered for Spanish colonial purposes in 1545, Potosi first drew an anarchic rush of colonial entrepreneurs who tyrannized the Indians they reduced to slavery. As the initial plunder of rich ore sputtered in the 1560s, the colonial state moved to organize Potosi's more rational exploitation. Under the leadership of Viceroy Francisco de Toledo (1569–1581), the technology and relations of silver production changed dramatically. Enormous sums of capital financed the building of an infrastructure of lakes, dams, aqueducts, and refineries; mercury amalgamation replaced simple smelting techniques and allowed for large-scale refining of lower grade ore; and the infamous mita labor system, a rotating draft of Indian laborers, compelled some 13,000 peasants to work in the mines at a stipulated “wage” each year. The mita “wage” was so paltry, compared to the purchases and debits imposed on workers, that it represented a kind of legal fiction rather than a means of sustenance. In earlier historiography, this form of “forced paid labor” constituted the strategic labor relation, both because it provided the bulk of the labor force in the mines and because it established the cheap costs of production that underwrote Potosi’s prosperity. The mita fixed conditions of work, productivity, and payment in a coercive mold that underpaid laborers, drew a subsidy from the peasant economy supporting drafted laborers, and maximized the surplus captured by silver producers and merchants. And the original design of technology and labor relations engineered in the 1570s held up well against the forces of erosion and secular decline. The mita was not abolished in Peru-Bolivia until 1812. What better example could one find of a

system that exploited “coerced cash-crop labor” in the periphery to serve the needs of the European world-economy?

Yet recent research corroborates only some parts of this earlier picture. The new work does not question the major investments and engineering ventures to revamp the technology of silver production in the 1570s, the inadequacy of the *mita* “wage” to support laborers, or the *mita*’s economic role as a subsidy to silver production. But, on the question of labor, the conventional account breaks down.

A more subtle and well-researched history of Indian mine labor in Potosí is now available, and it recasts the *mita* labor relation into a role more modest and unintended. During Potosí’s first century, three overlapping stages emerge in the history of mine labor. In a phase lasting until the early 1570s, what was remarkable was the dependence of European silver producers on conditions of work and technology defined largely by Indians. Indian mine laborers were either *yanaconas*, individual Indians who had cut or loosened ties with native ethnic-kin groups, or *encomienda* Indians, members of ethnic-kin groups “entrusted” by the Crown to particular Spanish colonizers (*encomenderos*). For the most part, the *yanaconas* floated independently from employer to employer and, in effect, leased rights to mine particular veins in exchange for providing a share of the ore to their employers. The *yanaconas* assumed responsibility for organizing, provisioning, and paying their own work parties. The *encomienda* Indians, theoretically a more subject group, in practice turned over the silver needed to pay tributes to their *encomenderos* and kept the rest for themselves. In this early period, the collaboration of the *encomienda* groups with their would-be masters was in any event a fragile matter that limited the Europeans’ coercive powers. Moreover, the Indians controlled the smelting of silver. Literally thousands of *guayras*, small wind ovens, dotted the great silver mountain, and it was through the Indian ore market that crude ore was bought, refined, and resold as silver. To acquire pure silver, the Spanish had to sell the ore they received as tribute or as “shares” back to Indians.53

As Juan de Matienzo, a keen and reliable observer, noted in 1567, the Spanish could only regain a large share of refined silver indirectly, by attempting to

---

dominate the provision of coca leaf to Potosí. Annual coca sales absorbed about a million pesos of silver, representing roughly half the value of all market purchases.54

The reorganization of technology and labor in the 1570s ushered in a second phase, which dramatically altered production levels and the balance of Spanish-Indian power. In this period, the mita draft indeed served as the cornerstone of a profitable labor system. The mita rotations sent thousands of laborers to the mines and refineries for a one-year stint of poorly remunerated work assignments. The draft also facilitated the growth of a “reserve army” of voluntary laborers, since the mitayos (Indians on mita duty) brought relatives with them for their year of service, and since the mita itself alternated “work” and “rest” cycles (theoretically, one week working, two weeks resting) under wage and price conditions that forced “resting” mitayos to volunteer to sell their services in the labor market. In the 1570s and 1580s, “coerced cash-crop labor” worked wonders indeed. Silver production more than quadrupled, the peasant economy supplied workers and subsidies to the silver economy, and the European sector escaped its earlier dependence on conditions of work and smelting defined in large measure by Andean individuals and ethnic-kin groups. The guayra wind ovens of the Indians, inferior to mercury amalgamation except in cases of high-grade ore, slipped into a secondary role in refining.55

Yet, as early as the turn of the century, the mita assumed an altered role in overall production. The mita declined in importance as a labor relation providing workers to the silver mines and refineries but grew in importance as a subsidy, or form of “rent,” that cheapened the cost of free labor. For, even as Toledo organized a state-sponsored system of forced labor, there arose a more spontaneous system of voluntary hiring. The supply of minga Indians, or volunteer laborers, at first drew greatly on the temporary “reserve armies” created by the mita, but a close reading of the evidence suggests an increasingly permanent supply of minga laborers by the 1600s.56 The division of labor tended to allot more primitive, dangerous, or repugnant tasks, such as carrying freshly mined ore to the surface, to the mitayos, and more “skilled” and highly rewarded tasks, such as ore cutting, to the volunteers. By the early seventeenth century, and perhaps earlier, the mingas accounted for better than half the labor supply in the Potosí mines and refineries.57 Moreover, Indian groups and individuals, and Spanish entrepreneurs, had worked out arrangements whereby mita quotas were declared fulfilled if the Indian communities delivered not laborers but sums of money needed to hire substitute

56 Bakewell, Miners of the Red Mountain, 132–34.
mingas to replace the mitayos. The practice probably accounted for better than half the official mita quotas as early as the 1630s. The conversion of mita labor into mita rent, the decline in official mita quotas (due to population decrease and the Indians' own use of the legal system), the stubborn resistance of Indian groups to full physical compliance with the mita, and the interest of colonial employers in expanding or stabilizing their labor supply, and in acquiring incomes subsidizing their enterprises—all reduced the significance of the mita as a provider of labor but increased its significance as a form of rent, or tributary income, that reduced risks and enhanced profits in the Potosí mines.¹⁵⁸

Running throughout this evolution of labor was a consistent drive by Indian mine laborers to convert relations of forced labor and of wage labor into a relation resembling sharecropping. In the early years, European social control was fragile, Indians smelters controlled the production of refined silver, and Indian traders dominated the ore market. Under the circumstances, yanaconas and encomienda Indians did not find it difficult to establish a share system, and their share in the product constituted the primary incentive for collaboration with European mineowners. The quid pro quo inherent in such arrangements began to disintegrate in the 1560s, and, not surprisingly, those years witnessed more serious interest by colonizers in a rationalized forced-labor system.¹⁵⁹ When, in the 1570s, the colonial state consolidated its power, reorganized the mines, and institutionalized forced labor on a massive scale, Indians nonetheless asserted a right by laborers to a share in the ore they produced. The corpa, the piece of ore conceded to minga Indians as the most attractive part of their “wage,” inevitably found its way into the mita system. Mitayos, like mingas, established a customary “right” to the best pieces of ore encountered during the course of work, and the laborers sold their corpa pieces in the qhatu, the Indian ore market. What the mitayos considered a “right” that made their labors more bearable, the mineowners sometimes labeled “robbery.” But, in negotiations with Viceroy Toledo on the official wage rate to be paid mitayos, the European miners themselves conceded that such “theft” had become a permanent and grudgingly accepted practice and that it constituted the most important part of the mitayos’ remuneration; they pressed accordingly for its inclusion in the calculation of total “wages” received by mita laborers.¹⁶⁰ In the case of the mingas, a similar dialectic counterposed “right” and “robbery.” What


mineowners originally conceded as a right to a daily piece of good ore grew into a more systematic appropriation by laborers of high-grade ores capable of being smelted in the traditional wind ovens. This more aggressive appropriation of ore, considered a “right” by the mingas and “theft” by their employers, led to a major controversy about corpa rights and the Indian ore market in the early 1580s. Mineowners hoped to roll back the corpa system, in part by eliminating the qhatu. And no wonder. The Indian ore market accounted for some 25 percent of total production of silver ore. By the late sixteenth century, the mingas’ customary right to appropriate shares had grown into a key strategy involving the household economy as a whole. The women received high-grade ore from their men when they brought them food at midweek. The women then proceeded to smelt the best ores in their guayras (by now the guayra sector was run by women) or to trade ore in the qhatu.61

Compared to minga laborers, the mitayos worked at tasks and under coercive pressures that restricted their capacity to enlarge their “share” in the product of their labors. They could inject an element of share arrangements into the forced labor relationship, but they could not really transform it. In the case of minga Indians, however, the balance of power contrasted sharply: “experience has shown that the metal mined with mitayos [indios de cédula] is of a higher grade than that worked by mingas [indios mingados].”62 This observation by a well-informed contemporary, if it is to be believed, casts doubt on the common assumption that the mingas constituted a supply of skilled laborers more attractive to mineowners than rotations of “unskilled” draft laborers. The assumption is too crude because it fails to distinguish between “optimal” solutions in low-grade versus high-grade mines and because it fails to account for the way that lack of labor discipline might in practice undermine the theoretical advantages of “skilled” labor. In Potosí’s mines and refineries, the mingas developed a reputation as a notoriously independent labor force—difficult to discipline, accustomed to appropriating a share of ore or silver as their “right,” assertive about the hours and conditions of their work—that was grudgingly accommodated by employers for lack of a better alternative.63 The mingas, especially those who worked in the underground mines, did succeed in transforming the “wage relation” initially desired by their employers

61 Capoche, “Relación general,” 109, 150–67, 174; Barnadas, “Una Polémica colonial,” 16–70; Assadourian, “La Producción de la mercancía dinero,” 269–70; Bakewell, Miners of the Red Mountain, 123, 140–41. For the continuation of smelting in guayras in the seventeenth century, see the famous work by the Potosí priest Álvaro Alonso Barba, Arte de los metales, en que se enseña el verdadero beneficio de los de oro, y plata . . . (1637; facs. rpt. of 1770 edn., Mexico City, 1925), 130–31, 139–41 (Book 4, chaps. 1, 6).

62 Capoche, “Relación general,” 150. Capoche’s treatise (69–189) is one of the most highly regarded and frequently used documents on early Potosí.

into a “share relation.” Indeed, sometime during the late seventeenth century, when Potosi’s secular decline was well advanced and the mineowners’ position weak, the mingas expanded their right to appropriate a share of product into a form of partial possession in the mines. They established the practice of kajcheo, weekend raids by bands of Indians who mined for themselves the particularly rich ore sections they had encountered during the work week. Kajcheo grew into a customary right that plagued the mines throughout the eighteenth century. The kajcheo ore was processed not in the larger water-powered refineries (ingenios), which handled most of Potosi’s ore, but in crude, human-powered mills (trapiches) located in the Indian fringes of the city. At the height of this activity, in 1759, some 4,000 weekend raiders accounted for only 3.3 percent of the total ore processed in Potosi, but this tiny fraction of ore in turn yielded 38.1 percent of total refined silver produced in Potosi. The “opportunity cost” of the kajcheo to mineowners is obvious and dramatic. For this very reason, argued Enrique Tandeter, it was the brutal intensification of the labor regime imposed on mitayo laborers that made the crucial difference in Potosi’s profitability and rising silver production during the late eighteenth century.

How far we have traveled from the interpretation provided by Wallerstein’s world-system is by now obvious. The paradigm appears badly misleading on both descriptive and explanatory grounds. During most of the long sixteenth and seventeenth centuries, Potosi’s labor relations fit poorly in the mold of a periphery assigned “coerced cash-crop labor” by the world-system’s international division of labor. This was the case even though the colonial state and mineowners had indeed directed enormous effort to making “coerced cash-crop labor” the centerpiece of the labor system. Except for a brief period, however, the labor system is best described as a fluctuating combination of wage relations, share relations, and forced-labor relations in which voluntary share relations predominated—both because such relations were the most numerically frequent and because their influence tended to “distort” or “twist” other labor relations in the direction of “sharecropping.”

64 Note that, even when employers initially conceded a single piece of good ore per unit of work as part of the “wage,” employers held an interest in defining the ore concession as a “wage,” a fixed standard of payment according to work performed, rather than a “share,” a right of fractional appropriation in the product of the work performed. Thus the issue is complex, since the distinction between “wage” and “share” is not, strictly speaking, identical to that between payment in silver coin or unprocessed ore. The mingas essentially transformed ore conceded as part of a “wage” into customary rights of appropriation and even possession in the mine and its product.


66 This statement is more certain for the mines than the refineries, about which information is more sparse. But the refineries hardly corroborate Wallerstein’s picture either, since the question, for the case of the refineries, is whether “wage” or “share” relations were more dominant.
Feudalism, Capitalism, and the World-System

a coercive labor relation crucial to the reorganization of Potosi in the 1570s, or its significance as a complementary labor relation and as a form of “rent” subsidizing the mines from the late sixteenth century onward. Indeed, precisely because share relations were so dominant in the organization of labor, and so damaging to the profits of entrepreneurs, institutions of tributary rent and coerced labor sometimes mattered greatly. They could provide the marginal difference between good and poor profits, and entrepreneurs had every reason to squeeze their *mita* privileges as brutally as possible. But if scholars must stay within the descriptive categories of Wallerstein’s world-system, on close inspection, labor in Potosi more closely resembles the pattern of the “semiperiphery” than that of the “periphery.”

In explanatory terms, the world-system framework also fares poorly. To explain the rise of share arrangements in terms of their utility to the world-system, or to American capitalists adapting to the international market, would miss the point entirely. The twisting of wage and forced labor in the direction of share relations greatly disturbed colonial entrepreneurs and officials, and it bolstered an Indian market of production, consumption, and speculation that developed a life of its own, one not easily molded by the preferences of the colonial state, American elites, or the European world-system. The colonizers’ schemes to beat back share arrangements and to control or even eliminate independent Indian marketing yielded at most fleeting victories, partly because the resistance to such attempts was so unyielding and the risks of a concerted drive against customary practices so unsettling.

To set the case of Potosí in context, consider its significance within the silver economy of Spanish America as a whole. I have already pointed out its position as the leading center of silver production in the early colonial period. Two further observations are in order. First, because Potosí’s riches drew high priority, it constitutes, among the range of major silver centers, the example most likely to corroborate Wallerstein’s analysis. Potosí and Huancavelica (Peru), whose mines provided an American source of mercury for amalgamation, received preferential treatment in the organization of corvee labor. In these centers, the state was least disposed to place trust in the vagaries of voluntary labor. Elsewhere, labor systems in the mines moved more rapidly toward private arrangements unassisted by corvee labor. Oruro (Bolivia), for example, a major silver-producing center early in the seventeenth century, drew some 10,000 laborers by 1617–1618, and this

---

67 The most innovative work in Andean economic history has emphasized the rise of internal American markets, especially inter-regional markets, into a force with a logic of its own, sometimes more important in commercial terms than the international flow of trade. See Assadourian, “La Producción de la mercancía dinero,” 229–92; Assadourian, *El Sistema*, esp. 199–34, 277–321; Stern, “New Directions,” 134–39, 142–43; compare Garavaglia, *Mercado interno y economía colonial*.

68 The strongest and most politically organized effort to deal with the issue came during 1579–84 and is presented in Barnadas, “Una Polemica colonial,” 16–70; Capoche, “Relación general,” 150–67; compare Assadourian, “La Producción de la mercancía dinero,” 254–55, 268–70. It is obvious from the sources, however, that Indian share arrangements and marketing was a problematic issue that festered before and after this period and that colonizers tried a variety of means to limit the damage—by curtailing the customary rights and independence of voluntary workers or by intensifying forced labor in the mines. For helpful discussions, see Bakewell, *Miners of the Red Mountain*, 46–54, 84; Cole, *The Potosi Mita*, 23–25, 52–53; Tandeter, “Forced and Free Labour,” 104–05; compare Matienzo, *Gobierno del Perú*, 16–20, 134–35; Stern, *Peru’s Indian Peoples*, 74–75.
competition apparently made labor more scarce in Potosí. Yet it rarely received any mita quotas from the state, and such allotments as it received (550 mitayos) were insignificant. In Mexico, most of whose best silver mines were situated north of the densely populated Indian heartland, corvée labor played a minor role in silver production. In the northern mines, “coerced cash-crop labor” almost always took the form of Indian or African slavery and accounted for very small shares of the labor force. The overwhelming majority of laborers were hired Indians (naborías).

Second, the drive by laborers to establish customary share arrangements appeared not only in Potosí but in virtually every major silver center of Mexico and Peru-Bolivia. The Mexican case is particularly well documented, and scholars agree that, for most of the colonial period, the laborers’ shares (known in Mexico as pepenas or partidos, depending on time, place, and the particular rules of ore division) in the ores they produced constituted a far more important reward than fixed money wages. In Mexico, as in Potosí, the share system developed in the context of a notoriously unruly labor force whose appropriations of ore and general independence lowered the profits of mineowners. In Mexico, as in Potosí, petty refiners diverted particularly rich ores to their crude smelting ovens and probably benefited from the independent ore trade facilitated by the share system. In much of Mexico, apparently unlike Potosí, mineowners and the state eventually rolled back the laborers’ customary share rights. Beginning in 1766, a strong, repressive campaign, backed by military force, curtailed and in some mines eliminated the shares of the workers. The labor system moved in the direction of “forced paid labor” (for instance, round-ups of “vagrants” and “idle” laborers) or combinations of forced and wage labor. David Brading’s meticulous study of the mining economy argues that the silver boom of the late eighteenth century derived in part from this successful campaign to discipline labor. Before the 1760s,

69 Bakewell, Miners of the Red Mountain, 113-14. The importance of ore shares in the private labor system that developed in Oruro is underscored in a fine study that appeared after this article was drafted: Ann Zulawski, “Wages, Ore Sharing, and Peasant Agriculture: Labor in Oruro’s Silver Mines, 1607-1720,” Hispanic American Historical Review, 67 (August 1987): 405-30, esp. 411-20.

70 See Bakewell, Miners of the Red Mountain, 182-83; Bakewell, Silver Mining; Enrique Forescano, “La Formación de los trabajadores en la época colonial, 1521-1700,” in Pablo González Casanova, ed., La Clase obrera en la historia de México, Tomo I: De la colonia al imperio (Mexico City, 1980), 72-74; Chapa, “Wage Labor,” 509-34. For the eighteenth century, see David Brading, Miners and Merchants in Bourbon Mexico, 1736-1810 (Cambridge, 1971); Morin, Micheaèen, 92-101. One of the most original and significant points in Bakewell's study of Potosí is that the conventional contrast between free labor in the Mexican mines and forced labor in the Andean mines is greatly overdrawn. See Miners of the Red Mountain, 179-86.

71 See Bakewell, Silver Mining, 121-29, 145-46, 189, 193, 199-201, 209-10; Brading, Miners and Merchants, 147-49, 157, 197, 233-38, 274-78, 282, 284-91; and Chapa, “Wage Labor,” 523-28. Luis Chávez Orozco has published several collections of documents illuminating the important labor conflict at Real de Monte in 1766: Conflicto de trabajo con los mineros de Real de Monte, Año de 1766 (Mexico City, 1960); La Situación del minero asalariado en la Nueva España a fines del siglo XVIII (1935; 2d edn., Mexico City, 1978); Los Salaris y el trabajo en México durante el siglo XVIII (1960; 2d edn., Mexico City, 1978); compare Manuel Arellano Z., ed., Primera huelga minera en Real de Monte, 1766 (Mexico City, 1976); and the comments on Doris Ladd's book in note 72 below.

72 Brading, Miners and Merchants, 156-58, 274-78, 284-91. A fine book by Doris Ladd, The Making of a Strike: Mexican Silver Workers’ Struggles in Real de Monte, 1766-1775 (Lincoln, Neb., 1988), appeared after this essay was drafted. In her splendid analysis of labor conflicts over share rights, Ladd argues convincingly that the workers of Real del Monte successfully defended their partidos (although new
however, in the major mines of Mexico as well as in Potosi, share relations proved stubbornly difficult to resist. Mineowners might control the damage but could rarely muster the political will needed to establish an enduring alternative.

The more closely the case of silver is examined, the more limited is the world-system's power to explain either the history of labor or the division of surplus between laborer and employer. This is not to argue for the irrelevance of the world-system. After all, Europe did establish an enormous silver production sector in America on terms that provided the world-system a colonial surplus, and this accomplishment rightfully constitutes an important chapter in the history of European capitalism. To slight the world-system, or the impact of capitalism on Spanish America, is to ignore the obvious. The point is, however, that the world-system constituted only one of several great "motor forces" that shaped patterns of labor and economy in the periphery; it did not always constitute the decisive causal force even in sectors of high priority; and the various limitations on the world-system's power help to explain the chasm, on a descriptive level, between the world-system model and the reality it purports to illuminate. In the case of silver, any adequate explanation of the shifting labor system, or the division of the economic pie, would have to grant independent causal weight not only to the world-system and its needs but also to the laborers' resistance and assertion of "rights," and to the rise in America of regional and inter-regional markets and elites whose "logic" and interests did not always coincide with those of the world-system.73 We have, then, three great motors—the world-system, popular

rules of ore mixing reduced the quality of partido ores claimed by the workers). Brading's more comprehensive study demonstrates that Ladd erred, however, when she implied (92, 96–97, 120, 124) that customary share rights continued to prevail in Mexico's other silver mines. Especially in Guanajuato, the most important silver-mining zone in the late eighteenth century, attacks against laborers' customary rights were more ruthlessly and successfully enforced than at Real del Monte.


This content downloaded from 138.16.97.64 on Tue, 13 Sep 2016 18:06:43 UTC
All use subject to http://about.jstor.org/terms
strategies of resistance and survival within the periphery, and the mercantile and
elite interests joined to an American "center of gravity." Observe, in addition, that
Western Europe's own internal divisions and competitions affected the political
coherence and will of the "world-system," and that, within Spanish America,
colonial elites and authorities pursued multiple goals and interests that sometimes
divided them against themselves despite their shared general interest in silver
production.74

Under these circumstances, historical explanation that reduces patterns of labor
and economy in the periphery to a reflection of the capitalist world-system is
one-dimensional and misleading—even for silver, the early world-system's most
valued American treasure.

For reasons of space and logic, my examination of the sugar plantation sector
will spare the reader the degree of detail presented for silver. The case of silver
alone, given its stature in the early modern world-system, is sufficient to establish
that the fundamentals of Wallerstein's interpretation are severely flawed when
viewed from the American periphery. From the narrow point of view of merely "affirming" or "discrediting" Wallerstein, the analysis of silver makes a detailed
review of sugar unnecessary—or, more precisely, redundant. From a larger point
of view, however, the case of sugar merits some discussion. It would be illuminating
to know whether sugar represents a more felicitous example of the validity of
Wallerstein's interpretation or whether it also raises major problems for the
world-system paradigm. Sugar, moreover, offers an indisputably "sympathetic"
test of the paradigm. As mentioned earlier, the greater Caribbean region includes
some examples of a nearly "pure" periphery—islands of slave plantations
ruthlessly molded to serve the interests of absentee capitalist rulers, colonial
outposts utterly dependent on fresh infusions of African slaves and unable
otherwise to function or reproduce themselves as societies in their own right. What
better example could one hope to find of a capitalist world-system whose global
impact undermines the validity of local units of analysis and whose characteristic
pattern combines, in a single, interlocked structure, free labor in the core and
forced labor in the periphery?

Let us grant from the outset that the descriptive side of Wallerstein's paradigm
applies better to the labor systems that eventually emerged in major sugar regions
than to those associated with silver. In the main, African slave labor produced the

531-62.

74 Wallerstein himself did a masterful job of demonstrating internal rivalries within Europe in
World-System I and World-System II and saw hegemony within the core of the capitalist world-economy
as relatively rare (World-System II, 38 et passim; compare Wallerstein, Politics of the World-Economy, 37-46).
What this may imply for the validity of his conceptual framework is not thoroughly scrutinized, in my
judgment. On Spain and Portugal's dependence on rival European powers, see the classic essay by Stein
and Stein, Colonial Heritage; compare the emphasis on Malthusian limits in Phillips, "Time and
Duration." For a specific example of the way multiple narrow goals and interests could serve, within
Spanish America, to divide elites against themselves in ways that thwarted realization of the general
interest uniting them, see Stern, Peru's Indian Peoples, chap. 5. Compare the sources on bureaucracy
cited in note 73 above.
sugar that sweetened diets and profits in Europe. There still remains, however, the question of explanation. Why did African slave labor come to play this role in sugar production? Does a line of explanation derived from the world-system provide a sufficient answer to this question? The issue becomes all the more complex when we note that colonizers actually tried out several labor strategies in the sugar zones and that African slave labor was not at the outset a foregone conclusion. Wallerstein’s scheme may apply better to the outcomes that characterized labor in the sugar zones than to the processes leading to and explaining such outcomes.

Recognition of the early diversity in sugar labor requires the suspension, at least temporarily, of two entrenched notions: that African slavery was from the start the preferred, optimal, or only labor relation adaptable to large-scale sugar production; and that patterns in the Atlantic sugar islands colonized by Portugal and Spain in the fifteenth century predetermined the labor model (African slavery) the Iberians would later apply to sugar production in America. Recent scholarship on the Atlantic sugar islands is producing a somewhat more differentiated picture of labor. If it is true that slave labor predominated on Portuguese Madeira, it is also true that on the Spanish Canaries, European sharecroppers, especially Portuguese, appear to have constituted the bulk of the labor force in sugar. In the Spanish Caribbean as well as Portuguese Brazil, colonizers and Crown attempted to establish thriving sugar-producing zones, and, in both cases, African slave labor at first constituted only one of several significant labor strategies.

The ascent of sugar in the sixteenth-century Spanish Caribbean is a story less well known (perhaps because the boom aborted precipitously in the 1580s) than that of Brazil, but, by the 1560s, the island of Española supported several dozen sugar plantations, the larger ones staffed by several hundred slave laborers each. By then, African slavery constituted the nearly exclusive source of non-managerial labor. But earlier, mixed labor relations and strategies were important. In the early 1500s, Indians as well as blacks worked in the primitive sugar mills (trapiches), and

75 The most careful and nuanced discussion of the variety of labor relations linked to sugar production in the Caribbean is made by Sidney W. Mintz, to whom I am considerably indebted in the following discussion. See his “So-Called World-System,” 256–57, 260–61; “Was the Plantation,” 85–90; Sweetness and Power, 52–54.

76 Felipe Fernández-Armesto, The Canary Islands after the Conquest: The Making of a Colonial Society in the Early Sixteenth Century (New York, 1982), 84–86, 202. Compare the sugar-related contracts in Manuela Marrero Rodríguez, ed., Extractos del Protocolo de Juan Ruiz de Berlanga, 1507–1508 (La Laguna de Tenerife, 1974), esp. Contracts 13, 14, 61, 107, 114, 127, 185, 186, 237, 255. If read carefully, the intensively researched study of slavery on the Canaries by Manuel Lobo Cabrera, La Esclavitud en las canarias orientales en el siglo XVI (negros, moros y moriscos) (Tenerife, 1982), confirms the impression that African slavery was of modest consequence in production on the islands before the 1520s and perhaps after. It also underscores the importance of the early Canaries mainly as a way station, or import-export market, for slaves destined for Europe and America. See 141–65, 205–13, 232–37. The evidence in Lobo Cabrera’s work also suggests the possibility, however, that labor on sugar plantations in this period may have often relied on a mix of European sharecropper labor with small numbers of slaves borrowed, loaned, rented, or owned by the sharecroppers.

in 1512, the collapse of the Indian population led one official of the Council of the Indies to propose that the sharecropping system of the Canaries be transferred to Españaola. The recommendation meshed well with the critique of Spanish-Amerindian relations by Bartolomé de Las Casas, among others, and the Crown did experiment somewhat with European-based labor in America. But this strategy proved unrealistic, and the Indian population continued its downward plunge. Even so, the importation of African slave labor occurred slowly and fitfully, hampered by vagaries of price, supply, and royal policy. As late as 1520, when the new governor, Rodrigo de Figueroa, supervised a major expansion of the sugar sector, his reports to the Crown underscored the continuing significance of Indian labor. At a time when African slaves were in short supply, Figueroa used Indian labor grants as well as generous credit to commit colonizers to constructing forty new, substantial sugar mills (ingenios). One of Figueroa’s most intriguing comments referred to Indians who had “come from outside of this island” and worked as naborías, an ambiguous category (in the context of the early Caribbean) of native individuals who were separated from their original communities and who presumably received a wage. The role of imported Indian labor (whether free naborías, slaves, or theoretically free naborías subjected to slavery in practice) is a topic on which useful research and statistics are unavailable. But it is suggestive to recall that slave raiding was common in the greater Caribbean region, that Amerindian slave exports occasionally reached as far as the Canaries, and that a massive Indian slave trade took hold in Nicaragua and Honduras in the 1520s and 1530s.

Historians still know far too little about early labor in the Spanish Caribbean. But we know enough to suggest that the inability to subject European colonizers to sharecropping or other peasant-based labor systems and the comparative advantages and disadvantages of imported Indian labor must loom large in the explanation of nearly complete reliance on African slavery—a form of labor replete with its own disadvantages, including heavy initial outlays, continuing losses due to flight, and the fear of revolt by an African majority population. And

---

78 See José Antonio Saco, Historia de la esclavitud de la raza africana en el Nuevo Mundo . . . , 4 vols. (Havana, 1938), 1: 204; Fernández-Armesto, Canary Islands, 85 n. 81.
79 For the political and ideological context of experiments with European colonizers as agriculturalists, see Lewis Hanke, The Spanish Struggle for Justice in the Conquest of America (Boston, 1949), esp. 54–71; Sauer, Early Spanish Main, 203–06. On the related issue of European images of Indians, see Anthony Pagden, The Fall of Natural Man: The American Indian and the Origins of Comparative Ethnology (New York, 1982).
82 On the fear of revolt, see Deive, La Esclavitud, 2: 437–41, 602–04. The first important slave revolt on the island occurred in 1522.
to explain the relative disadvantages and eventual failure of European and Indian labor invariably returns the discussion to local conditions—among them, geography, disease, power, and conflict—that molded the options, constraints, and opportunities faced by the "world-system."  

It is for the case of Portuguese Brazil that we enjoy the best analysis of these issues. In a fascinating and meticulous study, Stuart B. Schwartz charted the shifting pattern of labor in the early sugar colony. Three findings are especially pertinent. First, for better than a half-century after their turn to sugar in the 1530s, the Portuguese experimented seriously with five labor strategies. Four focused on Indian labor: barter relations to acquire native labor; outright enslavement of Indians; "peasantization," whereby Indians who were settled in villages run by Jesuits could provide labor outside the villages; and wage labor. Not until the 1580s did the labor strategy of the Portuguese sugar planters shift decisively toward African slavery. Second, Schwartz pointed out that, even after the 1580s, Indian labor played a far more important continuing role than once suspected. On the Engenho Sergipe, for example, Indian slaves outnumbered Africans by two to one in 1591, and the baptismal record listed 50 percent more Indian mothers than Afro-Brazilian mothers during 1595–1608. For Bahia as a whole, Schwartz estimated that Indian slaves outnumbered Africans by three to one on the sugar plantations in the 1590s. Village Indians, some of them presumably available to supplement the work force on the plantations, outnumbered slave Indians by two to one. In Pernambuco, the other main sugar region, Indian slaves outnumbered their African counterparts by two to one in the mid-1580s. The overwhelmingly Afro-Brazilian labor force usually associated with the sugar plantations of Brazil's Northeast did not appear until around the 1630s. Third, the strong preference for African slave labor took shape in response to a crisis of Indian labor in the 1560s and 1570s. Epidemic disease struck hard in 1562–1563, and a general Indian rebellion rocked Bahia in 1567. These local conditions, in turn, aggravated political disputes about Indian slavery within the Portuguese world (a conflict that sometimes aligned Jesuits and Crown against planters). The Indians' decline in numbers, and their emphatic and even violent resistance, raised questions about the political and economic viability of Indian labor and, in any event, widened the gap between the expected benefits of Indian and African labor. The wider the gap, the more justified the comparatively heavy investments required to purchase

83 For an especially careful and perceptive discussion along these lines from which, as usual, I have benefited substantially, see Mintz, "So-Called World-System," 253–70, esp. 255–57, 267–68 n. 11.
85 Schwartz, Sugar Plantations, 67 (Table 3–5), 61 (Table 3–3). My calculation of mothers deletes the category of "Negro/crioulo" given in Table 3–3, because Schwartz indicated this term was applied to Indians as well as Africans on the chapel register (ibid., 516 n. 31).
Africans. To be sure, the world-system and its markets also played an important role in such calculations, since high prices for sugar on the international market in the early 1600s increased still further the disparity between the expected returns on African versus Indian labor. But it was the earlier conjuncture of disease, violent resistance, and political conflict that threw into doubt the continuing practicality of Indian labor on a large scale and transformed African slavery into the optimal strategy for those looking into the future. As Schwartz remarked, “The system of labor and the nature of the labor force were determined not only in the court at Lisbon or in the countinghouses of Amsterdam and London but also in the forests and canefields of America.”

The conclusion is inescapable. Hindsight—the knowledge that Brazil’s great sugar plantations ended up depending mainly on African slave labor—has led us to assume a more rapid and complete transition to African slavery than is justified by the historical record. Not until the 1620s or 1630s, nearly a hundred years after the Portuguese set out to establish sugar as the mainstay of Brazil, can researchers justifiably expect to find that sugar plantation slaves were overwhelmingly African or Afro-Brazilian. Most important, the world-system’s needs and theoretically optimal labor pattern, while important, do not suffice to explain the outcome of the labor system in the sugar plantation periphery. At the heart of the labor question were conditions that made local Indian and European populations insufficiently exploitable, compared to African slave populations, for the purpose of sugar plantation production. In the interplay between these local conditions of production and the interests and opportunities derived from the international market lies a more powerful explanation of the rise of socioeconomic structures overwhelmingly dependent on African slavery.

This argument is consistent with what historians know about the early history of slave plantation societies in British America. From sugar in Jamaica and Barbados, to rice in South Carolina, to tobacco in Virginia, colonizers at first relied on indentured servant labor to produce commodities for the international market or on a mixed labor strategy that sometimes blurred the distinction between white servant and black slave. On the mainland, Indian labor was in some instances also significant. But, eventually, the European and Indian populations proved insufficiently exploitable, compared to African slaves imported from afar, to serve as the foundation for plantation production. The reasons for this turn the analysis once more to local conditions that shaped the productivity of labor and the limits of social control. Such conditions included not only patterns of health and mortality but also the real and feared effects of popular resistance and the refuge given to such resistance by poorly controlled frontier zones. Given these local conditions, and attractive commodity prices on the international market, elites came to center their strategies on African slave labor. But this outcome occurred

87 Schwartz, Sugar Plantations, 72. Equally critical, albeit from a different theoretical perspective, of the explanatory value of the world-system for the colonial Brazilian case is Hall, “World-System Holism and Colonial Brazilian Agriculture,” 43–69.
only over time, through the trials and tribulations created by life in America, and at first seemed neither obvious nor especially optimal or desirable.88

One might object that roughly similar outcomes in the plantation tropics of Spanish, Portuguese, and British America demonstrate the overriding force of macro-level causes, in this case the world-system. But such an argument violates historical accuracy and commits a logical fallacy. The argument is inaccurate because outcomes were only “roughly” similar, and obsessions with eventual outcomes may obscure vast differences along the way. The labor relations and techniques of control in Brazil in 1580—where Indian slaves and recently constituted peasants supplied the bulk of the labor force, and where a good deal of production relied on share arrangements between large planters and small cane growers (lavradores de cana) who owned a few slaves—differed enormously from the organization of sugar production and labor by its main American competitor, Española. Española had moved more quickly to the classic Afro-American slave plantation model. The argument is also logically flawed, since one may just as easily explain roughly similar outcomes in terms of roughly similar local variables (patterns of indigenous culture, population and health trends, indigenous and European resistance to plantation labor, the proximity of frontiers) as by determination on an international level. My point here is one of method and logic. It is not to argue for the irrelevance of the international market or of the needs of a European world-system either capitalist or in transition to capitalism. The prices for specific commodities on the international market, and the efforts by European imperial states and merchants to organize and benefit from international trade in prized commodities, including Africans, had an important hand in defining local incentives and the expected returns on African slave labor. An explanation that ignores the world-system is as limited and reductionist as one derived from the world-system.

For the case of sugar, as for silver, the more closely we scrutinize the problem of explanation, the more unavoidable is the conclusion that the logic and necessities of the capitalist world-system, while important, fail to account for the evolution of labor. In both cases, the emerging world-system remains important as a concept explaining America's subjugation to mercantile exploitation. But its power to reduce the periphery to a functionally optimal role serving the core of

---

international capitalism proves more contingent—more constrained, buffeted, and driven by the force of independent causal "motors" and by internal contradictions—than is suggested by Wallerstein's theoretical framework. Ironically, in his specific historical analysis of sugar and labor in Volume 2, Wallerstein demonstrated his awareness of and agreement with much that has been said. But he avoided serious analysis of the implications of such findings for the overarching framework proposed in Volume 1.89

Even on the level of description, for which the case of sugar fits Wallerstein's scheme better than silver, appearances from afar may be somewhat deceiving. The term "slavery" has limited descriptive value, since it has been used to describe a wide variety of social and economic relations. It arouses debate even as an abstract and theoretical category.90 To evaluate the descriptive validity of the world-system framework for the case of sugar therefore requires a closer look at the specific social relations and customs that defined the meaning of African "slavery" on American sugar plantations. For, as Sidney Mintz has argued so eloquently and persistently, the slaves often carved out, even under extreme and dehumanizing conditions, a sphere of activities and customary rights that in certain respects made them "proto-peasants." Often, slaves in the Caribbean not only grew their own food (a concession that served the interests of planters so long as it was narrowly constrained) but also sold food to the free population, invaded the sphere of petty marketing by the thousands, and controlled as much as 20 percent of the coin in regional circulation. Similar patterns were known, although perhaps less frequent or pronounced, in the sugar regions of Brazil. In both areas, the slaves asserted rights of possession in plantation lands and in the fruits of their labors in ways that bore some resemblance to peasant adaptations and that implicitly challenged their formal condition as chattel property. It is this "proto-peasant" dimension that enabled plantation slaves to metamorphose quickly into a "reconstituted peasantry" (to use Mintz's apt term) after emancipation.91 The descriptive and theoretical

89 See Wallerstein, World-System II, 171-75. For more detailed references, see note 5 above; compare Cooper, "Africa and the World Economy," 10, 59-60 n. 36.

90 Recent episodes in the scholarly debate about the fundamental meaning of "slavery" include Igor Kopytoff and Suzanne Miers, "African 'Slavery' as an Institution of Marginality," in Miers and Kopytoff, eds., Slavery in Africa: Historical and Anthropological Perspectives (Madison, Wis., 1977), 3-81; Orlando Patterson, Slavery and Social Death: A Comparative Study (Cambridge, Mass., 1982); compare Frederick Cooper, "The Problem of Slavery in African Studies," Journal of African History, 20 (1979): 109-25; Gerda Lerner, The Creation of Patriarchy (New York, 1986), 76-100. David Brion Davis has illuminated the changing meanings, symbolism, and implications of the slavery concept, especially in the context of Western civilization, in several important books: The Problem of Slavery in Western Culture (Ithaca, N.Y., 1966); The Problem of Slavery in the Age of Revolution, 1770-1823 (Ithaca, N.Y., 1975); Slavery and Human Progress (New York, 1984). A sense for the variety of slave experiences in Latin America and the Caribbean may be gained from the recent overview by Klein, African Slavery and the Caribbean, and its excellent bibliographical essay.

91 These themes run throughout Mintz's work on the Caribbean. See "Slavery and the Rise of Peasantries," in Michael Craton, ed., Roots and Branches: Current Directions in Slave Studies (Toronto, 1979), 213-42; "From Plantation to Peasantries in the Caribbean," in Mintz and Sally Price, eds., Caribbean Contours (Baltimore, Md., 1985), 127-53; Caribbean Transformations (Chicago, 1974), part 2; "Was the Plantation," 91-96. The estimate that 20 percent of the coin in circulation was controlled by slaves is from Jamaica in the late eighteenth century (cited in ibid., 95). Compare David Barry Gaspar, Bondmen and Rebels: A Study of Master-Slave Relations in Antigua, with Implications for Colonial British America
issues merge in the following question: how wide a "breach" in their condition as slaves need Afro-Americans have opened, how much like peasants and petty commodity producers need they have become, before it becomes misleading to describe plantation slavery as a capitalist labor design by, for, and of the world-system.  

The descriptive gap between Wallerstein's international division of labor on the one hand and the history of labor and surplus extraction on the other is less easily discerned in the case of sugar than in that of silver. This is especially true as one moves past the early years in the formation of labor strategies. But the gap is nonetheless significant, a symptom of the limits of the world-system as an explanatory concept or organizing principle. The explanatory prism of the world-system (like all such prisms) may blind the eye to the significance of certain kinds of descriptive data. In the cases of sugar and silver, unfortunately, the consequences of such blind spots are serious. Even for labor, a topic central to the whole framework, the world-system paradigm takes as its point of departure a description that is at best somewhat misleading, at worst thoroughly inaccurate.

The foregoing analyses of silver and sugar imply that we must return to the academic drawing board. The state of affairs is even more dismal than may be apparent thus far. The failure of Wallerstein's Europe-centered paradigm does not necessarily mean that established lines of criticism and alternative models fare better upon application to America. As we shall see, the standard line of criticism from within a Europe-centered framework runs into curiously similar descriptive and theoretical difficulties in Latin America and the Caribbean. Just as serious, and not unrelated, the standard critiques fail to rescue and reinterpret some of Wallerstein's genuine insights about the limits of our inherited categories, among them "feudalism" and "capitalism," in colonized America. My purpose in this and the concluding section is twofold: to explain more fully why historians must go back to the drawing board and question our most basic organizing precepts, and to sketch the outlines of a new model. Along the way, I will have occasion to single out significant insights in Wallerstein's work but to situate them in a new context.

Let us begin by reviewing and drawing out briefly three main deficiencies of Wallerstein's model for Latin America and the Caribbean. First, the paradigm failed to describe and to explain reasonably well its two most important historical "test cases," those of silver and sugar, even though critical analysis in this essay has tested the model on its own terms by focusing on labor patterns, a topic rightfully central in Wallerstein's own presentation. Second, these two test cases hint at major theoretical problems. The analyses of silver and sugar provided above establish that local conditions of production, broadly conceived, had central importance in defining the choices and constraints faced by entrepreneurs. The specific

---


92 For a provocative statement on the "breach" and its limits, see C. F. S. Cardoso, Agricultura, escravidão e capitalismo, 133–54.
technologies, social relations, and subsistence possibilities that shaped the production process, and the shifting capacity of laboring populations to resist greater subjugation, set contours of power and struggle that limited social control and recast what was desirable or even possible from the point of view of capital accumulation. In this perspective, assigning theoretical priority to the rise of a capitalist world market that spawned varied but functionally desirable versions of capitalism in the periphery is fundamentally misleading. This criticism meshes well with the Marxist emphasis on the theoretical importance of the mode of production—the dynamic combination of technologies and social relationships that distinguish one kind of productive system from another—rather than profit-oriented exchange relations as a distinguishing feature of capitalism. A further theoretical problem arises when we look more closely at the character of the “world market.” In Spanish America especially, the mining booms and the urban centers gave rise to America-centered market interests and incentives whose weight rivaled or even dwarfed those linked to the international market. The problem of reconciling these diverse and sometimes competing centers of gravity in the world marketplace with the picture of a single world-economy directed from the European core raises thorny theoretical issues as yet unresolved in Wallerstein’s paradigm.

Third, the interpretation of early colonial America as a mere variant of world capitalism becomes historically misleading if one adopts a perspective that looks ahead to the nineteenth and twentieth centuries. Two anomalies or paradoxes from the later period would require explanation. One of these I have already mentioned. The classic picture of transitions to capitalism, wherein earlier subsistence strategies and coercive labor strategies are replaced by wage labor and growing internal markets for basic subsistence goods, is recognizable in various regions of Latin America in the late nineteenth and twentieth centuries. Conceptualizing colonial Latin America as “capitalist” masks the rupture and strife provoked by this great transformation. A second paradox derives from the apparent “involution” or “regression” of some agrarian regions earlier in the nineteenth century into feudalism.93 A second paradox derives from the apparent “involution” or “regression” of some agrarian regions earlier in the nineteenth century into feudalism.94 Regions commercially dynamic in colonial

93 It is significant that the bitter conflict over mine labor in Mexico in the eighteenth century stemmed from attempts of entrepreneurs to convert share relations into straightforward wage labor. Given the laborers’ capacity and determination to resist the new scheme but their inability to defeat labor reforms altogether, the outcome increased the role of forced paid labor in the mines. On this specific case, see the sources in note 71 above; for a more theoretical discussion of the limits of free wage labor in a colonial context, and the structural contradictions that forced entrepreneurs to pursue free and coercive labor strategies simultaneously, see Stern, Peru’s Indian Peoples, 138–57, esp. 155–57.

94 The phenomenon is quite well known to students of southern Andean regions. For Cuzco, see Luis Miguel Clave and María Isabel Remy, Estructura agraria y vida rural andina: Ollantaytambo entre los siglos XVI y XIX (Cuzco, 1983), 291, 341–57 (esp. 369, 371), 402–03, 455–97 (esp. 488–89), 515–22. For Ayacucho, see Lorenzo Huertas Valles, “Historia de las luchas sociales de Ayacucho, 1700–1940” (unpublished manuscript, 1974); Huertas Valles, “Prólogo,” Revista del Archivo Departamental de Ayacucho, 1 (1977): 52–53; Antonio Díaz Martínez, Ayacucho: Hambre y esperanza (Ayacucho, 1969); compare Stern, Peru’s Indian Peoples. For Cochabamba, see Larson, Colonialism and Agrarian Transformation. Compare the more general comments in Assadourian, Minería y espacio económico, 15–16; Halperin-Donghi, Historia contemporánea, 134–59, esp. 142–43; Heraclio Bonilla, “The Indian Peasantry and ‘Peru’ during the War with Chile,” in Steve J. Stern, ed., Resistance, Rebellion, and Consciousness in the Andean Peasant World, 18th to 20th Centuries (Madison, Wis., 1987), 220–21. Wolf and
times—characterized by considerable commodity production on haciendas and obrajes (primitive textile factories), by investment and reinvestment of liquid wealth in agrarian enterprise, and by faltering subsistence economies allowing for infusions of temporary wage labor into a diversified ensemble of labor relations—turned toward greater insulation from market forces, deterioration and decapitalization of haciendas, fuller dependence on rent and forced labor by resident hacienda peons. However we conceptualize the colonial economy, and whatever respects we pay to its dynamic profit-oriented aspects and its capacity to reduce human beings to mere repositories of exploited labor-power, a theoretically valid conceptualization must incorporate the historical potential of dynamic regional economies to “regress” into a pattern more closely resembling feudalism. Neither Wallerstein nor his critics conceptualize capitalism as a kind of economic system or organization that responds to crisis by lapsing into feudalism. Layoffs, strikes, bankruptcies and reorganization, technological innovation, political turmoil, welfare measures, attempts at self-employment, and underground economies—all these we associate with cyclical or secular crises in a capitalist economy. Reversions to feudalism we do not. To do so would make capitalism a concept so elastic as to border on meaninglessness.

If Wallerstein’s world-system runs aground on issues of substance and theory, however, so do the standard alternatives. The most prominent critical alternatives dispute the notion that integration of diverse territories into an international and profit-driven commercial system constitutes a sufficient basis for conceptualizing the economy of such territories as “capitalist.” The criticism is valid, but the alternative theses proposed or implied in such critiques are not—at least not necessarily. The problem arises because we remain too dependent on theoretical concepts derived from the experience of Western Europe. In this experience, feudalism preceded capitalism. The natural alternative to the thesis of capitalism becomes the thesis of feudalism (or alternatively, slavery, the other key mode of production that preceded capitalism in the European experience). The attractive theoretical critique of emphasis on “commercial capitalism” draws on Marx to argue first that transformations in the sphere of production account far more successfully than commercial changes for the historically distinctive features of capitalism, and also that merchant capital is inherently conservative insofar as the mode of production is concerned. Merchant capital, in this argument, exploits

---

Mintz’s classic “Haciendas and Plantations,” 380–412, pointed precisely to the distinctive characteristics of haciendas (as compared to capitalist plantations) that enabled them to survive through involution during depressed times and to open outward in more dynamic ways during prosperous times.

95 Note that I refer here to economic patterns corresponding more to “feudalism” by Wallerstein’s own definition of the contrast between the “serfdom” associated with feudalism and the “coerced cash-crop labor” associated with capitalism. Wallerstein, World-System I, 91, 126–27. The alternative approach can be traced back at least as far as the Dobb-Sweezy debate and the classic essay by Hobsbawm cited in notes 23–24 above. Within the more recent cycle of such discussion, particularly outstanding works include (in chronological order) Genovese, World the Slaveholders Made; Laclau, “Feudalism and Capitalism,” 19–38; Brenner, “Agrarian Class Structure,” 30–75; Brenner, “Origins of Capitalist Development,” 25–92; and Fox-Genovese and Genovese, Fruits of Merchant Capital. An extremely significant work that uses the mode of production concept seriously, yet steps creatively outside standard Europe-centered categories, is Wolf, Europe and the People without History.
already existing modes of production by manipulating terms of trade and harnessing them to the world-economy, but it has no interest in the dynamic transformation and modernization of archaic productive systems. The key intellectual innovation that accounts for the paradox that archaic technologies and social relations of production were harnessed to European capitalism argues that capitalism, as a system, articulated archaic modes of production (mainly feudalism or slavery) in America with a capitalist mode of production in Europe. In this argument, the integration of heterogeneous “parts” (modes of production) into a systemic “whole” dominated by capitalism does not imply that the internal structure and laws of each and every “part” were themselves capitalist.

The Europe-centered alternative to Wallerstein, then, leads almost “naturally” to the following four alternative theses: first, the colonized American periphery was feudal, pre-capitalist, or archaic rather than capitalist; second, social relations of production matter more than markets or the profit principle for establishing the capitalist or non-capitalist laws, or internal dynamics, of the economy; third, merchant capital was both profoundly conservative and parasitic because it characteristically limited itself to siphoning off a surplus from relatively backward and static modes of production; and fourth, the most perceptive theoretical way to interpret the colonial economy in its international context is through the concept of articulation between archaic and capitalist modes of production.

In my view, only the second of these four theses holds up under scrutiny, and problems with the other three point to particular insights that may be rescued from Wallerstein despite the failure of his paradigm as a whole. At bottom, Europe-centered theory critical of Wallerstein’s conceptualization of capitalism does not resolve any better the paradoxical features of the colonial economy discussed earlier (see pages 839–42). That earlier discussion pointed to several patterns central to colonial economic life yet difficult to reconcile with the feudal thesis: the pervasive power of mercantile interests and the profit-investment principle to transform regional economies, that is, to restructure the technologies, social relations, and outputs that defined production; the destructive, partly proletarianizing impact of mercantile exploitation on small producers and their subsistence economies; the tendency of dynamic economic sectors to reduce human beings to short-term, exchangeable repositories of labor-power; and the rise of urban and mining camp regions characterized by significant internal markets and somewhat freer forms of labor, including relations resembling wage labor.

As should be clear from my earlier analysis, I agree with the first part of the twofold argument drawn from Marx. The second part is in my view more problematic and reductionist both as a historical tool of analysis and as an interpretation of Marx. Marx’s discussion of commercial capital in Capital, like the entire discussion of capitalism, slides back and forth between two levels of analysis: a theoretical level designed to show that the inner “secret” of capital accumulation rests not on commercial exchange and gouging as such but on the distinctive social relations and forces of production that enable entrepreneurs to accumulate profits even if they pay a “fair” market price for labor-power; and a historical level of analysis that looks at capitalism as it actually emerged and existed and that acknowledges more readily the historical importance of markets, merchant capital, and colonialism in the creation and expansion of capitalism. Those who draw on Marx to stress the inherent conservatism of merchant capital seem to me to have conflated these two levels of analysis and to have sidestepped Marx’s own unresolved ambiguities.
To these general points may now be added a further "anomaly." The technologies and work patterns associated with silver and sugar production often gave these leading sectors a precociously "industrial" character. Independently of one another, the most distinguished students of silver and sugar all seem struck by the emphatically "industrial" aspects of production: the massive scale of investments in machinery and engineering works, the complexity of the division of labor and the alienation of laborers from the production process, the intensely regimented and time-conscious work rhythms normally associated with nineteenth-century factories.98 The "industrial" aspects of the silver and sugar sectors would matter little if these constituted secondary appendages to the colonial economy at large or if they constituted "enclaves" sharply demarcated from the rest of the economy. Alas, history is not so cooperative. Silver and sugar were central to the organization of regional and supra-regional economic spaces, and silver, especially, exerted profound secondary consequences even in distant agrarian hinterlands.99

In short, critical alternatives wedded to the rise of feudalism or other archaic modes of production in colonial America are grossly misleading, and they gloss over "anomalies" central to colonial economic life as a whole. The notion of articulation of heterogenous modes of production in a wider economic system remains theoretically promising but is weakened if the dominant "mode" in America is assumed to be "feudalism."100

In the end, Wallerstein homed in on two specific insights worth underscoring despite the problems with the general interpretation. First, under colonial conditions, which allied merchant capital with imperial political power in the fluid environment of a frontier or "outpost," merchant capital could exert an aggressive, organizing, and transformative impact on technologies and social relations of production. This historical possibility in the colonized periphery is at odds with "classic" Marxian views of the conservatism of merchant capital. It cautions us not to assume too rigidly, under colonial conditions, that local social relations of production constitute the point of departure for analyzing the trajectory of merchant capital or its impact on methods of production. Second, the colonial problem exposes the limited historical applicability of our Europe-centered categories, especially "feudalism" and "capitalism." Wallerstein was right to reject "feudalism" as a meaningful category for understanding peripheries drawn into

---

99 See Assadourian, El Sistema, 109–221, 277–321; Stern, "New Directions," 134–40; Stern, Peru's Indian Peoples, 47–50, 74–75, 80–113, 138–61, 185–86; compare Schwartz, Sugar Plantations, 239–41; and the comment in note 100 below.
100 It is quite instructive that scholars who stress the predominance of feudalism in colonial Spanish America but are simultaneously aware of the complicating "capitalist" features evident in the silver mines handle the contradiction by seeing the mines as a kind of economic appendage or enclave whose secondary effects were minor in an overwhelmingly agrarian society. For a prominent early example from Mexico, see Chávez Orozco, Historia económica y social. Modernized into a theoretical statement on the articulation of modes of production, the same approach leads to the conclusion that capitalism was "embryonic," joined to and stifled by a dominant feudal model of production. A prominent and sophisticated example is Semo, Historia del capitalismo.
the radically transformed world of the sixteenth century. He was less illuminating when he responded to our limited conceptual choices by revising “capitalism” into a concept so elastic and omnipotent that the results simply add to the theoretical confusion and fail to describe or explain successfully the history of labor in the periphery. But at least he understood the nature of the conceptual dilemma.

A third insight, though one not intended by Wallerstein, may be derived from his insistence that the underlying logic of an economy may be rooted precisely in its tendency to combine diverse relations of production into an optimal package. In Wallerstein’s vision, this is a defining feature of the capitalist world-economy as a whole and explains why forced labor in the periphery, intermediate arrangements in the semiperiphery, and free labor in the core are unified in the single logic of capitalism. We have already seen that the scheme breaks down in the American periphery. The irony, however, is that the principle ascribed by Wallerstein to the world-economy as a whole comes closer to defining economic patterns within the American periphery. Repeatedly in colonial Latin America and the Caribbean, one encounters a shifting combination of heterogenous relations of production in a pragmatic package. This heterogeneity of labor relations occurred within single units of production and applied to the bulk of low-status physical laborers (not merely to the more obvious and commonplace distinctions between supervisory employees and skilled experts on the one hand and “unskilled” physical laborers on the other). Again and again, scholars of the mines, haciendas, plantations, and obrajes of colonial America find that entrepreneurs fused a diverse array of labor relations, including approximations of wage labor, complicated tenancy, share and debt-credit arrangements, and forced labor drafts and slavery, into a single productive process. One might go so far as to assert that what is distinctive about the economic logic of colonial and neo-colonial situations is precisely the entrepreneurial tendency to combine variegated labor strategies—considered somewhat more antithetical, mutually exclusive, and se-

Feudalism, Capitalism, and the World-System 871

sequential in a Europe-centered context—into a unified package.102 The material motivations inspiring such a strategy were threefold: to maximize profits, to insure against setbacks in the supply or benefits of labor derived from any particular labor strategy, and perhaps also to facilitate social control through a structure of “divide and rule” within the labor force. This “law of diversity” may speak not only to the material uncertainties, opportunities, and contradictions particular to colonial life but also to distinctions in morality, ethos, and political culture that differentiated colony from metropolis. In any event, it adds yet another “anomaly” to those that make questionable the standard Europe-centered alternatives to Wallerstein.

THE GREAT CHALLENGE HISTORIANS FACE is to construct a new model, or at the least a new perspective, sufficiently penetrating to render meaningful and explicable the apparent paradoxes and anomalies of colonial economic life. This new approach needs to incorporate the genuine insights of currently contending models and interpretations, but it must also succeed in incorporating the idiosyncracies neglected or trivialized by a Europe-centered straitjacket yet central to the socioeconomic history of colonized America. This daunting task is beyond the scope of this essay and the current competence of its author. At this juncture, I can only propose some starting points. On the level of specific historical analysis, we will need to take seriously all three “motors” identified earlier—the European world-system, popular strategies of resistance and survival within the periphery, and the mercantile and elite interests joined to American “centers of gravity.” It is in the contradictory interplay between these three grand motors, and in the divisions and contradictions internal to each of them, that we will find keys to a deeper understanding of the structures, changes, and driving forces of colonial economic life.103 On the level of theory and basic categories, we would do well to

102 See Stern, Peru’s Indian Peoples, 155–57; compare Cuauhtemoc Velasco Avila, “Labour Relations in Mining: Real de Monte and Pachuca, 1824–74,” in Thomas Greaves and William Culver, eds., Miners and Mining in the Americas (Manchester, 1985), 47–67. One important exception is the tendency of sugar plantations to rely mainly on African slavery during boom periods. But such cases were rarer than often assumed, and the contrast may be one of degree. See Mintz, “So-Called World-System,” 260–61. It is also possible, of course, that the conventional reading of labor in European history is misleading and that, during a “long” early modern period, variegated labor patterns of the kind discussed here were far more prevalent in Western Europe than usually assumed. The literature on “proto-industrialization” in Europe perhaps points in this direction and resonates interestingly with the colonial Latin American experience, but a theoretically informed and systematic comparison of the findings of the proto-industrialization literature with research on labor and economy in colonial Latin America lies beyond the scope of this essay. I hope to take up the matter in a future essay. On “proto-industrialization,” see Franklin Mendels, “Proto-Industrialization: The First Phase of the Industrialization Process,” Journal of Economic History, 32 (1972): 241–61; Hans Medick, “The Proto-Industrial Family Economy: The Structural Function of Household and Family during the Transition from Peasant Society to Industrial Capitalism,” Social History, 3 (October 1976): 291–315; Peter Kriedte, Hans Medick, and Jürgen Schlumbohm, Industrialization before Industrialization: Rural Industry in the Genesis of Capitalism (New York and Paris, 1981); Kriedte, Peasants, Landlords and Merchant Capitalists; and DuPlessis, “Partial Transition to World-Systems Analysis,” 23–26.

103 Beyond a certain point, such a method calls on the historian to merge social history and political economy perspectives. To arrive at a deep understanding, for example, of “popular strategies of resistance and survival” in a colonial context may require a well-rounded consideration of social relations and cultural ideals, raising topics such as ethnicity, gender, or religion more commonly assigned to “social history.” Consider, for instance, the pertinent unanswered questions about the role
examine carefully the earlier innovations, largely neglected in the United States, of our Latin American colleagues. Particularly significant are two of their proposals: first, that we consider seriously a theory of colonial modes of production and, second, that we consider seriously the possibility that the foundation of the colonial economy was the dominance of commercial capital over production and the corresponding absence of a consolidated mode of production in the usual sense. In the encounter between history and theory, our Latin American colleagues have in this instance led the way. We should engage their work and, to put it another way, move the intellectuals of the periphery into the core of our discussion.


A third innovation, the proposal that we conceptualize the colonial economy as a complex and historically specific articulation of various modes of production into a unique "whole," is more well known. But it too has largely escaped the rigorous critical engagement needed to test, refine, and draw out its promise or limitations.

I am well aware that, by the late 1970s and early 1980s, a certain disillusionment with the mode of production concept set in among some intellectuals on the left, including Latin Americans, who had once used the concept more readily. Indeed, I would argue that, in part because the concept passed out of scholarly fashion, theoretical innovations on colonial Latin America proposed in the early 1970s generally escaped the sustained critical and empirical appraisal they deserved. The shift of the intellectual winds was linked to a broader disquiet about general theory and about Marxism derived from dissatisfaction both with classical orthodoxy and with the theoretical schemes and categories that proliferated in the 1960s and 1970s. The old universal theories were replaced not by conceptual breakthroughs commanding broad assent but by a plethora of theoretical schemes and political agendas whose rapid multiplication and varied quality reinforced a sense of intellectual fragmentation and limited comprehension. In my view, the perceived "crisis of theory" was a kind of mirror image of the perceived "explosion of theory," and it affected non-Marxist as well as Marxist scholarship. Among intellectuals on the left, Ernesto Laclau himself has contributed importantly to this sobering rethinking of theory. See Laclau, *Politics and Ideology in Marxist Theory* (London, 1977); Laclau and Chantal Mouffe, *Hegemony and Socialist Strategy: Towards a Radical Democratic Politics* (London, 1985).