

PREFACE TO GLOBAL POWER*

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This paper, divided into three sections, aims to present a systematization of key issues for the study of global changes since the second half of the twentieth century, as well as for the analysis of the current international scenario, with a view to trying to identify long-term trends. In the introduction, the debate on the formation of States and European national economies is presented, and some of its implications on the relations between power, money and capital accumulation are pointed out. In section 2, the debate on the internationalization of capital and power and operation of the "world system" is presented, outlining the three major schools of thought in political economy: the theory of imperialism, the theory of "world hegemony" and the theory of "world system". In the conclusion, the prospective dimension of such theoretical assumptions is discussed.

PREFÁCIO AO PODER GLOBAL

Este trabalho, dividido em três seções, tem por objetivo apresentar uma sistematização de questões-chave para o estudo das transformações mundiais desde a segunda metade do século XX, bem como para a análise da conjuntura internacional contemporânea, com o objetivo de tentar identificar suas tendências de longo prazo. Na introdução, apresenta-se o debate sobre a formação dos Estados e das economias nacionais europeias, apontando algumas de suas implicações sobre as relações entre poder, dinheiro e acumulação capitalista. Na seção 2, explicita-se o debate sobre a internacionalização do poder e do capital e o funcionamento do "sistema mundial", apresentando em linhas gerais as três grandes escolas de pensamento da economia política: a teoria do imperialismo, a teoria da "hegemonia mundial" e a teoria do *world-system*. Nas conclusões, discute-se a dimensão prospectiva de tais premissas teóricas.

FOREWORD

1 POWER, SURPLUS AND MONEY

The analysis of the international state of affairs and the study of contemporary global changes in the late twentieth century have led us on a long journey back in time to the origins of the "modern world system"¹, with a view to understanding long-term trends. Starting from the "wars of conquest"² and the "commercial revolution"³ that took place in Europe in the twelfth and thirteenth centuries, we reach Karl Marx's

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1. This expression became classic with the work of Immanuel Wallerstein, *The Modern World System* (New York, Academic Press, 1974). In this foreword, however, it refers only to the chronological period addressed by Wallerstein, between the sixteenth and the twenty first century, without the same theoretical connotations of the author.

2. Philippe Contamine, *War in the Middle Age* (London, Blackwell Publishing Limited, 1992).

3. Henri Pirenne, *História econômica e social da Idade Média* (Lisboa, Mestre Jou, 1982); Robert S. Lopez, *The Commercial Revolution of the Middle Ages, 950-1350* (Cambridge, Cambridge University Press, 1976); Peter Spufford, *Power and Profit. The Merchant in Medieval Europe* (Nova York, Thames&Hudson, 2002); and Jacques Le Goff, *Mercaderes y banqueros de la Edad Media* (Madrid, Alianza Editorial, 2004).

(1995) “transition to capitalism, and the “long sixteenth century”(1450-1650) of Fernand Braudel (1987), Immanuel Wallerstein (1974) and Giovanni Arrighi (1994), when national states and economies are shaped and Europeans’ successful world expansion⁴ is initiated. In Europe - unlike in the Asian empires - the collapse of the Roman and Charlemagne’s Empires led to fragmentation of territorial power, and to almost complete disappearance of currency and market economy between the ninth and eleventh centuries.⁵ However, such political breakdown and economic atrophy were reversed in the twelfth and thirteenth centuries⁶, with the onset of the process of territorial power centralization and commodification of the economy⁷, which gave rise to the establishment of “national Economy-States”⁸ in Europe⁹. This “prehistory” of the “modern world system” provides a privileged spot for the observation of early relations between power, money and wealth, which have become the specificity and major driving force of the “European miracle”. The study of such “prehistory,” however, led us to some conclusions which differ - sometimes – from the authors mentioned above.

1.1

In his account of the consolidation of the “European world-economy”, Braudel (1996) draws a fundamental distinction between the concepts of “market economy” and “capitalism.”¹⁰ Furthermore, he defends that capitalism is the “anti-market”, since the market is a place of “normal” trade and profit and capitalism, the place of accumulation of “large profits” and “large predators”.¹¹ Despite that, in his history of “Mediterranean world-economy” Braudel (1996) focuses on the development of individual trade and markets and conveys the idea of a gradual transition - within the “games of exchange” - to the “high gear” world of capital and capitalism. Marx (1995, p. 103, 638), in turn, speaking of “primitive accumulation”, underlines the importance of “State power and the concentrated and organized power of society to accelerate the transformation of the feudal production system into the capitalist system.” At the same time, however, he asserts that the “modern biography of capital begins with world trade and market” (Marx 1995, p. 105). And this is explained, because in fact the “violence of power” comes up in his reasoning as

4. David B. Abernethy, *The Dynamics of Global Dominance, European Overseas Empires 1415-1980* (New Haven, Yale University Press, 2000) and Marc Ferro, *História das colonizações* (São Paulo, Companhia das Letras, 1994).

5. Norbert Elias, *O processo civilizador* (Rio de Janeiro, Jorge Zahar, [1939] 1993, v. 2, parte 1).

6. Janet L. Abu-Lughod, *Before European Hegemony, the World System A.D. 1250-1350* (Oxford, Oxford University Press, 1993).

7. Fernand Braudel, *Os jogos das trocas* (Rio de Janeiro, Martins Fontes, 1996).

8. José Luís Fiori, “Formação, expansão e limites do poder global”, in José Luís Fiori (org.), *O poder americano* (Petrópolis, Vozes, 2004).

9. Long secular process that advanced throughout Europe despite the Black Death and the “hunger epidemics” that wiped out nearly half the European population in the fourteenth century.

10. Braudel, *Os jogos das trocas*, cit., p. 403; and Idem, *A dinâmica do capitalismo* (Rio de Janeiro, Rocco, 1987, cap. 2).

11. “Capitalism only triumphs when it relates to the State, when it is the State”, *ibid*, p. 55.

a historical condition and not as a significant theoretical dimension of his theory of capital. And even in his theory of the capitalist mode of production, there is no relevant space for the concepts of territory, nation, and interstate competition and struggle. That is why it is so difficult to reconcile Marx's (1995) historical view of the "origin" and "primitive accumulation" of capital with his theoretical deduction of the value and the laws of capitalist accumulation. Similarly, it is hard to go straight from Braudel's (1996) "games of exchange" to his theory of capitalist "large profits" and "large predators", without the mediation of power and wars, which are not highlighted in his account of the birth of European capitalism.

From our perspective, however, one can not explain or infer the need for profit and wealth accumulation on the basis of the "world market" or "games of exchange." Even if men had a natural inclination to exchange - as Adam Smith (2006) thought - this does not necessarily imply they also had a natural penchant to accumulate income, wealth and capital. There is no "intrinsic factor" related to exchanges and markets that explains the decision to accumulate and the universalization of markets themselves. Rather, trade has always existed at all times, but for most of history, its natural tendency was to keep to the level of immediate needs or "simple circulation" and only expand very slowly and secularly. Even after the "remonetization" of European economy (as of the twelfth century), trade remained, for long periods, restricted to small and isolated areas.¹² That is, the expansive force that accelerated the growth of markets and produced the first forms of capital accumulation was not derived from the "games of exchange," or from the market itself, neither did it come, in its onset, from the provision of wages to the workforce. It emerged from the world of power and conquest,¹³ from the momentum generated by the "accumulation of power," even in the case of Italy's large "commercial republics"¹⁴, like Venice¹⁵ and Genoa.¹⁶

12. "A peasant, when following his ancient customs, would hardly be aware of acting according to an 'economic motivation', in fact, he would not; he would be following the orders of the feudal lord or the dictates of custom. Not even his lord was economically driven. His interests were military, political or religious and not directly geared towards the idea of profit or expansion. Even in cities, the usual conduct of businessmen was inextricably intertwined with other non-economic goals [...] making money was more of a peripheral rather than a central concern in ancient or medieval existence", Robert Heilbroner, *A formação da sociedade econômica* (Rio de Janeiro, Jorge Zahar), p. 80.

13. This "logical precedence" of "power" over production and distribution of wealth is obvious in the period between the eleventh and the seventeenth century. However, it persists, even after the formation of the capitalist mode of production and consolidation of the process of concentration and centralization of private capital. One can observe the growth of markets' autonomy and increased role of inter-capitalist competition, however, one can also observe a steady increase in the role of political power in the successful and internationalizing expansion of national capitals, in the management of major financial crises, in the forefront of technological innovation, and the continuous and silent role of credit and public spending required for combined expansion of national economies.

14. "According to George Friedrich Knapp, it was the Venetian military success between thirteenth and fifteenth centuries that allowed the rise of its currency in the relationship of Europeans with the East. And as occurred after the conquest of Constantinople in 1204, the next centuries witnessed similar outcomes: from military conquest to market domination and, thereof, to the conversion of its currency into the reference currency in the Mediterranean trade circuit", Maurício Metri, *Poder, moeda e riqueza na Europa medieval* (PhD thesis, Institute of Economics, Federal University of Rio de Janeiro, mimeo, 2007), p. 179.

15. See Frederic Chapin Lane, *Venice, a Maritime Republic*, (Baltimore, The Johns Hopkins University Press, 1973).

16. See Steven Epstein, *Genoa and the Genoese, 958-1528*, (Chapel Hill, The University of North Carolina Press, 2000).

1.2

Political power is flow rather than stock. In order to exist, it needs to be exercised; it needs to multiply and be accumulated continuously. And the act of conquering is the driving force that establishes and accumulates power.¹⁷ To this effect, conquest is a movement to expand a “sovereign power” (P1) that accumulates more power (> P), mainly through war against other sovereign powers (P2). In a world where everyone had the same power, there would be no need for further power, simply because the very relation of political power, which is always uneven and, in its most elementary form, is always a zero-sum conflict, would not exist. Therefore, every power relation exerts a “competitive pressure” on itself. Firstly, on the side of the subjects (S), who resist the will of their prince or sovereign (P) and try to expand their own space and strength. And, secondly, on the part of other sovereign powers (P2, P3, etc.), which resist expansion of P1’s power, aiming to expand their own. In this sense, the “competitive pressure” of power is always systemic, since all “sovereign powers” (P1, P2, P3 ...) need to expand or defend themselves, even if it is simply to maintain the power they already have.

Since war and preparation for war¹⁸ are the ultimate instrument for conquering and accumulating power, and also for defending and maintaining power,¹⁹ they tend to turn into “chronic” activities within the system. As per Machiavelli: permanent preparation for war should be the main activity of all princes, because in the “game of war” there is no space for “apathetic” powers, there are only the powers that win and those that defend themselves.²⁰ That is, in the universe of sovereign powers formed in Europe, power accumulation has always been an inevitable, permanent and absolute need. Therefore, by studying thirteenth-century European wars, Norbert Elias concluded that in such a world, “those who do not rise, shall fall”, and therefore increasing power was an essential condition for its maintenance, through the “domination of those who are closer and their reduction to a state of dependency.”²¹ In such a system, therefore, all sovereign powers are and will always be extensive, ultimately aiming to achieve increasingly global power, to the best of their resources and means, and regardless of who controls them at different moments of their own expansion.

17. “The desire to win is something truly natural, and ordinary men who can do it will always be praised rather than censured,” Niccolò Machiavelli, *O príncipe* (São Paulo, Civita, 1983, Os Pensadores), p. 14.

18. “For war consists not only of battling, or the act of fighting, but that lapse of time during which the will to battle is sufficiently known. Therefore, in the notion of time both the nature of war and the nature of the climate should be taken into account” (HOBBS, 1983, p. 75)

19. “Others who would otherwise be content to remain quietly within modest limits, would be unable to survive long if they did not increase their power through invasions and restricted themselves only to an attitude of defense” (HOBBS, 1983, p.75)

20. “A prince should, therefore, have no other objective, or thought, nor should he have anything else as a practice but war, since this is the only art expected of those in command,” Machiavelli, op. cit., p. 59.

21. Elias, op. cit., p. 94.

1.3

Before and during a good part of the “long thirteenth century”,²² accumulation of power by princes or rulers used to be estimated by the amount of territory (T) and rural and urban populations (C + U) within their domains: ($P = T + \{C+U\}$). And it was measured by the ability of the sovereign power to establish the amount and frequency of payment of taxes (I) and rents and services (R) by the population.²³ This taxing power was essential, since it “financed” further power multiplication, by means of the hiring of mercenary armies and military mobilization of subjects, peasants and city dwellers. At that moment in history, the material basis of the sovereign’s power and wealth could be expressed in a similar way: $P = R = \{(I + R) / (T + \{C+U\})\}$. And power accumulation of P1 took place through the conquering of more T, C and U, subtracted from P2, P3 etc., and through increased ability to create new taxes and impose the provision of new services. Taxation, in any of its forms, has always represented an act of force essential to increase a sovereign’s power over a certain territory and population. By determining the taxes paid by the people, sovereigns also established - authoritatively - the most basic distinction between “necessary labor” and “surplus labor”, by forcing the separation between the share of production to be handed over as payment, from the share to be used in workforce multiplication.

In this regard, William Petty (1996) - father of classical political economy - reversed the order of factors. According to him, taxes were created because there was surplus production available,²⁴ when, in fact, taxes were created because there was a sovereign with power to proclaim them and impose them on a particular population, regardless of production and labor productivity. That is, only after taxes were established, the population was forced to set aside a portion of production to deliver to the sovereign. And as of then such part of production became a compulsory production surplus to be regularly transferred into the hands of the “taxing power”, regardless of the level of production and productivity of land and labor. Thus, the value of taxes in currency - defined by the sovereign power - became the first price of “surplus labor”, and also, by deduction, of the

22. Term used by Peter Spufford, in explicit analogy with Braudel’s “long sixteenth century”, in Peter Spufford, *Money and Its Use in Medieval Europe* (Cambridge, Cambridge University Press, 1989).

23. In the case of the “maritime republics” of Italy, their accumulation of “sea power” was achieved by means of conquest and expansion of the monopolistic control of increasingly large “maritime territories”, which included sea routes and ports over which taxes were charged. Furthermore, they operated their business, at least until the thirteenth century, with coins, debts and credits (and the “credibility”) of the great territorial powers of Byzantium and Egypt, especially in the case of Venice and Genoa. And, with the tithes and debts of the Catholic Church, especially in Florence. The non-accumulation of power in the form of territory and population may be one reason why the concentration of power and wealth, for these republics, did not lead to the formation of States and national economies.

24. “As of then, taxation is possible if the production system in the political society generates a surplus - especially goods required for consumption minus consumption needs (work) in their production. The key notion in Petty’s discussion on taxation is that taxes and public spending constitute the collection and redistribution of a surplus product at the service of political purposes,” Tony Aspromourgos, *On the Origins of Classical Economics. Distribution and Value from William Petty to Adam Smith* (London, Routledge, 1996), p. 24.

“necessary labor”. Therefore, without violating logic, one can say that the value of taxes became the elementary unit of value of the first pricing system within the “payments community,” unified by the sovereign’s taxes and currency.

Likewise, the “monetization” of taxes represented a radical change in the process of power accumulation and in the relations between power and the world of production and trade. The growth of taxes, required by the increase of wars and conquering, promoted increased production, productivity and surplus labor and land.²⁵ And the payment of taxes in cash fostered the exchange of surpluses in markets where “taxpayers” could accumulate the credit required for the payment of their debts in the sovereign currency. This created a virtuous circle of sovereign power accumulation and increased surplus, trade and markets. The proliferation of wars and growth of armies,²⁶ plus the cost of administering newly conquered territories, forced the “monetization” of taxes, rents and tithes, which began to be paid in cash, in the currency issued by the sovereign power.²⁷ And sovereigns’ power came to be defined by the amount of territory and population under their rule and their wealth in cash, accumulated mainly through tax collection and war conquests. From that moment on, the same power defining the value of compulsory taxes, rents and services also defined the value of the only currency accepted as payment for due taxes and services²⁸.

1.4

The introduction of currency into the world of power and exchange changed Europe into a huge “money mosaic”²⁹, as rulers gradually “monetized” their taxes and, consequently, their credit and long-term domestic debt.³⁰ Thus, endless currencies emerged in Europe, each valid within their “taxation area,” which became at the same time a “community of payments,” from a market perspective. Private currencies have always existed in the market, but “state currency” - or money authorized by the sovereign - has maintained its hierarchical primacy as compared to all the others, as it was only accepted by the “prince’s tellers”³¹ Now, it was in operations for cancellation of the sovereign’s debts and claims and arbitration of

25. Petty’s key argument - in his *Political Arithmetic*, published in 1690 - about the relationship between power and wealth and on the possibility of England superseding the power of France - despite its inferiority in terms of territory and population - through increased economic productivity and taxing abilities.

26. William H. McNeill, *The Pursuit of Power* (Chicago, The University of Chicago Press, 1982).

27. “In one town after another, one can follow the change of the old feudal payments in kind - work days or poultry or eggs that lords received from their tenants – into the payment of taxes and rents in cash, to settle tenants obligations with their lords,” Heilbroner, op. cit., p. 77.

28. Central idea of the “state theory of money” by George Friedrich Knapp, *The State Theory of Money* (London, Simon Publications Inc., [1905] 2003).

29. Metri, op. cit.

30. See Mitchell Innes, “What is Money?” and “The Credit Theory of Money”, in *The Banking Law Journal*, New York, 1913 and 1914. The texts were reprinted in Randall Wray (org.), *Credit and State Theory of Money, The Contributions of A. Mitchell Innes* (Cheltenham, Edward Elgar, 2004).

31. Basic idea of the “state theory of money,” Knapp, op. cit.

“exchange”, among infinite currencies of the “European money mosaic”, that the first opportunities emerged for the multiplication of money through money itself. The first European banks rose from such operations and began to internationalize operations and multiply securitized or “financial” wealth in the shadow of power.³² The wars of conquest themselves faced the problem of “exchange” and “equivalence” between currencies of territories and populations involved in conflicts and in commercial transactions required to support the troops. And after the end of every war and the taking over of new territories, once again the problem of imposing the “winning currency” over the “defeated currency” was faced, since only the former was accepted in payment of taxes and duties imposed by the winning power to populations of territories conquered by war.

In turn, trade also expanded during and after wars, through pacified paths and monopolistic positions achieved within dominated territories. That was how “market economy” networks expanded during the “long thirteenth century” in Europe, giving rise to “bills of exchange”, which became new instruments of financial multiplication for private wealth. But the expansion also took place outside Europe, bringing about the so-called “long distance” trade with the Middle East, Egypt and Asia. During this period, Venice and Genoa played a central role in several trade circuits that connected Europe with the entire Mediterranean and Asia.³³ *The two State-cities operated as “major clearing fairs” and spearheads of trade, which was mostly carried out as bartering and ultimately used as a reference the currencies of large territorial empires such as the Byzantine, Egypt and China,³⁴ and later the Ottoman Empire.³⁵ Venice and Genoa only minted their own coins later;³⁶ and Venice only did so after losing its privileged position vis-à-vis the Byzantine imperial power.

1.5

Along such paths, an ever closer and multiform alliance between power and capital was consolidated in Europe; which represented a major difference between Europe and the Asian empires, where the relationship of sovereign powers with financial and commercial activities was not so close - a relationship

32. “Moneychangers did not create a monetary territory of stability and consistency per se: they penetrated the crevices of monetary territories created by others,” Ms Marie-Thérèse Boyer-Xambeu, Ghislan Deleplace and Lucien Gillard, *Private & Public Money Currencies* (New York, ME Sharpe, 1994), p. 124.

33. Abu-Lughod, op. cit..

34. “In the three cultural areas, recognized currencies were a *sine qua non* condition for international trade, [and] the states of the three regions played a role in minting, printing and/or backing such currencies. [...] Currencies were valuable because they were supported (and subsequently controlled) by the State”, *ibid*, p. 15.

35. Halil Inalcik, *An Economic and Social History of the Ottoman Empire 1300-1600* (Cambridge, Cambridge University Press, 1994, v. 1, parte 1 D).

36. “Venetian and Genoese merchants, until the mid thirteenth century, used gold coins from Constantinople and Egypt rather than developing their own, indicating their semi-peripheral status in world trade,” Abu-Lughod, op. cit., p. 67.

of “indifferent neutrality”, in the words of Irfan Habib³⁷ - thanks to their great ability to tax land use³⁸, a possible reasons for the discontinuation of Chinese expansionism in the early fifteenth century.³⁹ European sovereigns had less land, with lower productivity, and were squeezed in a highly competitive area,⁴⁰ unable to finance their wars and conquering only with taxes. In turn, European “banker-merchants” soon discovered that the financing of rulers and their conquest could multiply their money, by providing financial gains and “extraordinary profits” through the financing of wars, financial management of sovereigns’ debts and credits, currency exchange and achievement of favored monopolistic positions in all fields of economic activity.⁴¹

1.6

War, currency and trade have always existed. What was original in Europe, as of the “long thirteenth century”, was the way the “need for conquering” induced, and was later associated to, the “need for profit.” That is why the historical origin of European capital and the capitalist system⁴² is inseparable from political power. Radicalizing our argument: the historical origin of capital does not “derive from the world market,” nor the “games of exchange.” It derives from the conquering and accumulation of power and the authoritarian encouragement to the growth of surpluses, exchanges, and large financial gains built in the shadow of winning powers. And as a consequence, the theory of capital and capitalism must also

37. Irfan Habib, “Merchant communities in precolonial India”, in James D. Tracy (org.), *The Rise of Merchant Empires* (Cambridge, Cambridge University Press, 1990), p. 371.

38. “It was a state which, in fact, played a minor role. There were reasons for this. Mostly, the empire’s income needs, vast as they were, could be met by large amounts of land rent collected by a well coordinated and efficient network of government officials,” Michael Pearson, “Merchant and States”, in James D. Tracy, *The Political Economy of the Merchant Empires* (Cambridge, Cambridge University Press, 1991), p: 52

39. Frederick W. Mote and Denis Twitchett (orgs.), *The Cambridge History of China* (Cambridge, Cambridge University Press, 1988, v. 7 - The Ming Dynasty, 1368-1641).

40. “Unlike the Chinese and Ottoman empires, unlike the domain which the Mongols would establish shortly in India, there was never a united Europe, in which all parties recognize a secular or religious leader. Instead, Europe was a mixture of petty kingdoms and principalities, border lordships and State-cities [...] and all regarded each other as rivals rather than as allies in the fight against Islam,” Paul Keneddy *Ascensão e queda das grandes potências* (Rio de Janeiro, Campus, 1989), p. 14.

41. “Thus, monarchs and bourgeois teamed up to promote the slow growth of centralized governments, and from the latter, in turn, stemmed not only the unification of laws and currencies, but also direct encouragement to the development of trade and industry [...]. The growth of national power also meant a new incentive: the construction of ships, military equipment and the payment of these new national forces, mostly mercenaries. All this made circulation centers move more quickly,” Heilbroner, op. cit., p. 72.

42. According to Braudel, the word “capital” began to be used in the twelfth and thirteenth centuries, “in the sense of funds, stock of goods, money supply or interest-earning money,” Braudel, op.cit., p. 201. We use the word “capital” here referring to money that is multiplied, according to the D-D’ formula, through interest loans made to rulers or through other forms of use of power and, therefore without immediate intermediation of goods. And we use the word “capitalism” referring to the “moment” of medieval European history in which the pursuit of profit becomes a permanent objective or an almost mechanic “compulsion”, and therefore well prior to the formation of “capitalist mode of production.” When commercial gain itself “no se obtiene mediante la exportación de los productos del propio país, sino sirviendo de vehiculo al cambio de los productos de comunidades poco desarrolladas comercialmente y em otros aspectos económicos y mediante la explotación de ambos países de producción”, Marx, op. cit. (v. 3), p. 318.

derive from the power, taxes and surpluses, from the earliest forms of the definition of surplus labor and its transformation into money and capital, on the basis of the power of rulers.⁴³

2 CAPITALIST INTER-STATE SYSTEM

After studying the origins of political power, market economy and earliest forms of capitalist accumulation in Europe, as of the twelfth century, our research has brought us back to the “long sixteenth century”: the actual date of birth of national economies and States and of the “modern world system”, created and controlled by Europeans until the early twentieth century. That is when its leadership is handed over to the United States and the decolonization of Africa and Asia increases the number of “partners” with the creation of 130 new independent States. Marx was the first to mention the inevitable internationalization of the “bourgeois mode of production.” But after Marx, one can observe three main schools of thought within international political economy, addressing the internationalization of power and capital, and the functioning of the “world system”, as of the seventeenth century: the theory of imperialism, of John Hobson, Rudolf Hilferding, Nikolai Bukharin and Vladimir Lenin; the theory of “global hegemony” of Charles Kindleberger, Robert Gilpin, Robert Cox; and the world-system theory, of Andre Gunder Frank, Wallerstein and Arrighi, which assimilates Braudel’s concept of “global center of gravity”. Our reading of the history of such “modern world system” has led us to some conclusions that are different to those of the abovementioned authors.

2.1

As noted, the concepts of power, territory and war do not play a leading role in Marx’s theory of capital and the capitalist mode of production. Therefore, strictly speaking, Marx does not have a theory of the “world capitalist system.” Bukharin⁴⁴ and Lenin⁴⁵ were the ones who formulated this theory, in the Marxist camp, and they limited themselves to the study of imperialism in the late nineteenth century. In turn, Gilpin’s realist theory of “global hegemony”⁴⁶, for instance, claims that the trend towards a global empire is a pre-modern characteristic that disappeared with the emergence of national states, against all evidence provided by modern history. Braudel, on the other hand, studies the formation of the first “European world-economy” and believes that

43. The logical method “is, in fact, nothing but the historical method, only stripped of its historical form, and disturbing contingencies. There, where history begins, the chain of thought must also begin, and its further development will be simply a mirror-image of the historical course in an abstract and theoretically corrected form; a corrected reflex image, but corrected according to the laws that provide the historical path itself,” Friedrich Engels, “*A contribuição à crítica da economia política de Karl Marx*”, in Karl Marx and Friedrich Engels, *Obras escolhidas* (São Paulo, Alfa-Omega), p. 310.

44. Nicolai Bukharin, *A economia mundial e o imperialismo* (São Paulo, Abril Cultural, [1915] 1984).

45. Vladimir Lenin, *O imperialismo, fase superior do capitalismo* (1916).

46. Robert Gilpin, *War & Change in World Politics* (Cambridge, Cambridge University Press, 1982).

the formation of “national markets” was a political revolution and an achievement of the state⁴⁷, but does not draw the international consequences of his own thesis. Finally, Wallerstein and Arrighi consider that the “modern world system” precedes the establishment of national states and constitutes a single economic unit, where interstate struggles fluctuate somewhat without theoretical precision⁴⁸.

For us, however, the real starting point of the “modern world system” is embedded in the “national Economy-States” “invented” by Europeans and that became “power and wealth-accumulating machines”, endowed with a bigger “expansive compulsion” than that of the first power and capitals established in Europe during the ‘long thirteenth century’.⁴⁹ In fact, the “national Economy-States” constituted the finished product of the power and wealth accumulation that occurred before the sixteenth century. But after that, “competitive pressure”, “conquest” and “accumulation of power” continued to be an “imperative need” of the new system, as it had already occurred in the world of medieval domains and towns⁵⁰. The number of sovereign and competitive units dropped and their balance of forces increased, but war⁵¹ continued to be the most important means for conservation and accumulation of power⁵². That is, the old medieval rule defined by Elias as “those who do not rise, shall fall” continued to apply among national States. The difference was that, in the new competition system, the units involved were States and economies articulated under the same national bloc, and with the same expansive and imperialistic ambitions vis-à-vis the other “national Economy-States” in the system. The goal of conquest was no longer, necessarily,

47. Braudel, *O tempo do mundo*, cit. (Chs. 1 and 4).

48. “The modern world system has its origins in the sixteenth century [...]. It is and has always been a ‘world-economy’. It is and has always been a capitalist world-economy [...]. Capitalists need a large market, but also a variety of states so that they can achieve the benefits of working with States and also encircle States that are hostile to their interests in favor of friendly States”, Immanuel Wallerstein, *World-Systems Analysis* (London, Duke University Press, 2004), p. 23.

49. “As in the past, once again, it was the need to finance the British wars that caused these changes. But this time, the meeting of power and banks produced a completely new and revolutionary phenomenon: the “national Economy-States.” Genuine power and wealth accumulating machines that have expanded from Europe across the world, at a speed and scale that border a new expanding universe, as compared to what had happened in previous centuries. Along with the nationalization of banks, finance and credit, a state tax system was created and the army and navy were nationalized and submitted to direct control of the State’s administrative structure. And, even more difficult to define and measure, a new concept and a new identity were consolidated in the world of war, business and citizenship: the concept of ‘national interest’”, Fiori, “*Formação, expansão e limites do poder global*”, cit., p. 34.

50. See Jack Levy, *War in the Modern Great Power System*, (Lexington, University of Kentucky Press, 1983) and Jeremy Black, *The Rise of European Powers* (New York, Hodder Arnold, 1998).

51. “Since 1900, if we count carefully, the world has witnessed 237 new wars - civil and international - that have killed at least a thousand people a year [...]. The gruesome nineteenth century had 205 wars and 8 million deaths. From 1480 to 1800, every two or three years a significant new international conflict began somewhere; from 1800 to 1944, every one or two years; since the Second World War, about every fourteen months. The nuclear age has not diminished the trend of former centuries towards more frequent and deadlier wars. [...] The figures are only approximate, but determine the intense involvement in war, century after century, of European states [...]. Throughout the millennium, war was the dominant activity of European states”, Charles Tilly, *Coerção, capital e Estados europeus* (São Paulo, Edusp, 1996), p. 123 and 131.

52. Richard Holmes (org.), *The Oxford Companion to Military History* (Oxford, Oxford University Press, 2001) and Michael Codfelter, *Warfare and Armed Conflicts* (London, MacFarland & Company Publishers, 2002).

the destruction or territorial occupation of another state, it could be simply its economic submission. But the conquering and monopolizing of new positions of political and economic power continued to be the driving force behind the new system. And within those expansive territorial units the “capitalist mode of production” was forged and then internationalized hand in hand with their global “Empire-States”⁵³.

As of the sixteenth and seventeenth centuries, political units that won wars and made conquests in the previous period centralized and ultimately monopolized taxation power over much more extensive territories and populations and enhanced their power to issue national currency, creating an organized credit system and banks backed by the States’ public debt bonds⁵⁴. Thus, currencies and banks were finally nationalized, along with the armies and public bureaucracies, and all ended up with a single national identity, transforming the “dynastic imagery” of Europeans⁵⁵. In the new system, each country’s domestic production and wealth became a key condition for international power⁵⁶. And within the world system, there is no “wealth” or “currency” that is “world” in a strict sense⁵⁷. National economies and currencies compete with one another to increase national wealth through the conquering of increasingly larger supranational economic territories, where the winner’s currency is imposed and where its capitals can occupy monopolistic positions and obtain “extraordinary profits.” After the sixteenth century, capitalist expansion was always led by the “national Economy-States”, and the winning expansive States have always led capital accumulation on a

53. “The first Europeans became the heads of new empires almost immediately after birth, both within and outside Europe. Therefore, one can speak of a paradox in the origin of the state system: its “founding fathers”, the first states that were born and immediately expanded beyond their own territories were hybrid beings, a kind of ‘minotaur’, half State, half empire. As they struggled to impose their internal power and sovereignty, they were already reaching outside their territories and building colonial domains”, in Fiori, “*Formação, expansão e limites do poder global*”, cit., p. 38.

54. Peter G. M. Dickson, “*War Finance, 1689-1714*”, in J. S. Bromley (org.), *The New Cambridge Modern History* (Cambridge, Cambridge University Press, 1971, v. 6).

55. “These nationalisms that emerge in a valid form, to oppose the backward and romantic ones lagging behind, are the ones that achieve enough power to support themselves. If the accumulation of power seemed to be the primary goal of European states in modern times, it has also been said that no ruler or state before Napoleon sought to justify aggression and conquest by visions of cultural and national superiority or destiny. [...] If the Habsburgs themselves belonged to a dynastic and supranational tradition of imperialism, the Spaniards who bore the burden of imperial defense in the early seventeenth century did not see things the same way. The Spaniards’ sense of destiny to conquer and control has generated resentment in the other Iberian peoples”, J. P. Cooper (org.), *The New Cambridge Modern History* (Cambridge, Cambridge University Press, 1970, v. 4), p. 4.

56. Eli F. Hercksher, *La época mercantilista* (Mexico, Fondo de Cultura Económica, 1955).

57. Marx, for example, refers repeatedly to the “world market” and “world money” in the first volume of *Capital*, defining them as the true place and true way to achieve “absolute wealth”: “*En los diversos uniformes nacionales que visten el oro y la plata acuñados en monedas y de los que en el mercado mundial se despojan, se nos revela el divorcio entre las órbitas interiores o nacionales de la circulación de mercancías y la órbita genérica del mercado mundial*”, Marx, op. cit., p. 83. “*Es en el mercado mundial donde el dinero funciona en toda su plenitud como la mercancía cuya forma natural es al mismo tiempo forma directamente social de realización del trabajo humano en abstracción*”, ibidem, p. 99. “*El dinero mundial funciona como medio general de pago, como medio general de compra y como materialización social absoluta de la riqueza en general [universal wealth]... El oro y la plata [...] se presentan como materialización social absoluta de la riqueza*”, ibidem, p. 100 and 101.

global scale. In addition, the “international currency” has always been the currency of the most powerful “national Economy-State” in a given region for a given period⁵⁸.

2.2

The competitive expansion of European “national Economy-States” created colonial empires and internationalized capitalist economy, but neither the empires nor the “international capital” have eliminated national States and economies⁵⁹. Within this paradox lies the most important political-economic contradiction of the “modern world system.” States that expand and conquer or submit new territories also expand their “monetary territory” and internationalize their capital. However, at the same time, their capital and wealth are expressed in their national currencies and can only be internationalized by maintaining their link with some national currency, whether their own or that of a more powerful national State. Therefore, one can say that “economic globalization” is an original and constitutive feature of the capitalist system, but is not a product of “capital in general”, nor does it represent the end of national economies. Quite the contrary, it is the result of successful expansion of those “national Economy-States” that managed to impose their power of command over an increasingly larger supranational economic territory, along with their currency, their debt, their credit system, their financial capital and various forms of selective indirect taxation aimed to cover part of the costs of managing their own global power⁶⁰.

This contradiction of the system prevented the birth of a single global power or world empire, but did not prevent the concentration of international power and wealth in the hands of a small group of major powers, which never had more than six or seven European members, until the United States and Japan joined the “ruling circle” of the world in the early twentieth century. At times, conflict predominated, at other times the States of this “ruling circle” complemented each other, and there was always a more powerful one that led the “military balance”. Many authors speak of “hegemony” to refer to the stabilizing role of such leader within the core of the system. But in general, they do not realize that the existence

58. “Although an international currency can be used as payment in all countries, there is one country where it could be used first, for the simple reason that it is the country that created it by an act of sovereignty and put it into circulation; that is the country that conferred its nationality”, Boyer-Xamba, Deleplace and Gillard, *op. cit.*, p. 138.

59. “The development of world capitalism results, on the one hand, in the internationalization of economic life and economic leveling, and on the other, and to an infinitely greater extent, in extreme intensification of the trend toward nationalization of capitalist interests, the establishment of closely connected national groups armed to their teeth and ready to attack each other any time”, Bukharin, *op. cit.*, p. 66.

60. “Therefore, the borrowing capacity and international credit of winning States are always ahead of the capacity and credits of the other competing States. In the winners’ case, their ‘public debt’ can grow over the product generated within their national territory, unlike the other economies, even the great powers that become imprisoned by lower debt capacity, restricted to their more limited area of monetary and financial influence”, in Fiori, “*Formação, expansão e limites do poder global*”, *cit.*, p. 46.

of such leadership or hegemony does not interrupt the expansionism of the other states, or that of the leader or *hegemon* itself. Therefore, every hegemonic situation is transitory, and furthermore, it is self-defeating, because the *hegemon* itself ends up undoing the rules and institutions that it helped create in order to continue expanding and amassing more power than those it is “leading”.

So from our point of view, what stabilizes - always in a transitory fashion - the hierarchical order of the world system is not the existence of a leader or *hegemon*, but the existence of a central and latent conflict and a potential war among great powers. It suffices to read the history of the “modern world system”⁶¹ to see that there has always been a central conflict, a potential war, which operated as an organizing axis for the whole system; a kind of reference point for the strategic calculation of all other States, and a brake on the unilateral will of the most powerful. Similar, for example, to the dispute between the Habsburg Empire and France in the sixteenth century, or between France and Britain in the eighteenth and nineteenth centuries, or, more recently, between the United States and the Soviet Union after the Second World War.

2.3

Until the late eighteenth century, the “modern world system” was restricted to European States and the territories under their colonial or imperialist domain.⁶² This system only expanded and changed its internal organization after the USA’s Independence and the multiplication of nation States outside Europe. However, Latin American States, created in the nineteenth century, at the time of their independence did not have efficient centers of power or integrated and coherent “national economies”. Moreover, until the end of the twentieth century, they did not constitute a competitive regional economic and State subsystem, nor formed blocks of power and capital with expansive features. This same national and regional scenario was repeated after 1945, with the new states created in Africa, Central Asia and the Middle East: in most cases, they did not have efficient and centralized structures of power, capable of maintaining internal order and an effective tax system, nor did they have expanding economies. Only in South and Southeast Asia can one speak of the existence of a system of highly integrated and competitive States and national economies, according to the original European model.

Despite the enormous heterogeneity of these new members of the “modern world system”, one can make some generalizations about their recent and future developments. There are rich countries that are not, and never will be, expansive powers, nor will they be part of the competitive

61 Cooper (org.), op. cit.; and Jan Glete, *War and the State in Early Modern Europe* (London, Routledge, 2002).

62. Abernethy, op. cit..

game of great powers. In addition, there are a few militarized States on the periphery of the world system that will never become economic powers. But there is no way that any of these national States can become a new power without a dynamic economy and an expansive political-economic project. It becomes increasingly difficult for any individual capital or block of national public or private capitals to expand beyond national borders without relying on active support by member States, which will only occur when these States also have “extraterritorial” projects⁶³. Outside Europe, only the United States, Japan, and now China and perhaps India managed to become regional powers, and only the United States managed to achieve global prominence⁶⁴. Most other national States are still dealing with the problem of low economic development and the consequences of having become independent while remaining part of “supranational economic territories” operating under the rule of the conquering powers’ currencies and capitals.

2.4

Within this world system formed by “national Economy-States”, “leading economies” are transnational and imperial, by definition, and their expansion generates a kind of trail stemming from their own national economies. Each “imperial Economy-State” produces its own trail and within it, other national economies are ranked into three major groups according to their political-economic strategies⁶⁵. The first group is comprised of the national economies that develop under the leader’s immediate protective influence. Several authors have spoken of development by invitation or association to refer to economic growth of countries that enjoy privileged access to the markets and capital of the dominant power. As happened in the former British colonies of Canada, Australia and New Zealand after 1931, and also in Germany, Japan and Korea after World War II, when they

63. “Hence the demand of all interested capitalists in foreign countries that state power be strong, whose authority they require to protect their interests also in the farthest corner of the world, hence the demand that a banner of war be raised and seen everywhere so that the banner of trade may be planted everywhere. But export capital feels better when the state power of its country completely dominates the new region, because then it is excluded from the export of capital from other countries, the capital enjoys a privileged position and its profits also rely on the State’s warranty”, Rudolf Hilferding, *O capital financeiro* (São Paulo, Nova Cultural, 1985), p. 302.

64. The history of the United States is no exception to the “model” of European national States and economies. On the contrary, they are a product and an essential part of the expansion process of the model itself, unlike what many historians and social scientists think, including Marxists. The birth of the United States is inseparable from the competition and wars among the great European powers, the same way that capitalist development was not an exclusive work of its large private corporations. It would be unthinkable without the decisive intervention of the American State and of the American wars and without the initial and ongoing support of British financial capital”, in José Luis Fiori, “*O poder global dos Estados Unidos: formação, expansão e limites*”, in Fiori (org.), op. cit., p. 67.

65. “Thus, both the expansion or change in the hierarchy of the countries in the center and the rapid growth and even significant decrease in the relative backwardness of peripheral countries are processes that are neither automatic nor natural and essentially depend on internal development strategies of national States. Moreover, precisely because of the asymmetries mentioned above, the end result of such projects is strongly associated, in each historical period, to their external conditions”, Franklin Serrano and Carlos Medeiros, “*Padrões monetários internacionais e crescimento*”, in Fiori (org.), op. cit., p. 120.

were transformed into military protectorates with preferential ties with the US economy. The second group contains countries that adopt strategies to catch up with “leading economies.” For offensive or defensive reasons, they take advantage of periods of international change to change their rank and increase their participation in global wealth through aggressive economic growth policies. In such cases, in general, the country’s economic empowerment precedes its military buildup and increased international power. These projects can be blocked, as has happened often times, but they can also be successful and bring about a new “leading Economy-State”. Precisely what happened with the United States, Germany and Japan in the late nineteenth and early twentieth centuries, and is about to happen with China, India and Russia in the beginning of the twenty-first century. Finally, a third and much larger group is comprised of nearly all other national economies of the world system, acting as “economic periphery of the system”, providing primary and industrial specialized inputs to the economies “upstairs”. They may have robust growth cycles and achieve higher levels of income per capita, as in the case of Nordic countries and Argentina. And they can become industrialized, such as Brazil and Mexico, and carry on as peripheral economies⁶⁶. In short, inequality in the development of wealth distribution among nations is a key economic feature of the “modern world system.” Nevertheless, the system allows for national mobility, depending on the political and economic strategy in each country.

2.5

For different reasons, in periods of great international economic prosperity, as well as during periods of intensifying competition and struggles among the world system’s great powers, the spaces and opportunities for peripheral states tend to broaden. In all cases, however, the political and economic exploitation of these opportunities has relied on the existence within those States and national economies of classes, coalitions of power, bureaucracies and leaderships capable of sustaining the same aggressive strategy of protecting their national interests and of expanding their international power for extended periods of time. In this sense, great social and political mobilization - in the form of wars or revolutions – can be detected in all nation States that have become powers by reaching outside themselves and building the “modern world system”. As in the earlier cases of the Avis Revolution in Portugal and the *Reconquista* in Spain, the classic cases of the English Civil War and the French, Russian and Chinese revolutions, as well as the American Civil War, the Meiji Revolution in Japan, the Prussian unification wars of Germany in the 1860s, and the great “peaceful revolution” led by Gandhi in India in the early twentieth century.

66. “At one side, the ‘lowland areas’ of countries such as Argentina, Canada, Australia and New Zealand became stronger, true extensions of European agriculture fully integrated into international finance and trade. These countries were able to grow at high rates, induced by great dynamism in exports. On another level, a diverse set of peripheral countries (in Europe, Latin America and Asia) emerged, whose exportation dynamics and type of financial integration were unable to boost their economies towards high growth rates”, *ibidem*, p. 127.

3 TRENDS AND HORIZONS

Finally, all theories about the formation and transformation of the world system include some prediction, and sometimes they combine international forecasts with strategic analysis, targeted to governments, political parties or social movements. In this field, Marx's theory of the capitalist mode of production, class struggle and revolution⁶⁷ became the classic reference model for those who want to combine in a single theory their international outlook and proposed social revolution; as is the case of Bukharin and Lenin and their theory of imperialism, of Wallerstein⁶⁸ and Arrighi and their world-system theory⁶⁹. And unlike the realistic theory of "global hegemony", which is only concerned with crises and hegemonic changes, as in Kindleberger⁷⁰, with a focus on State policies and the "musical chairs" played by the great powers.

3.1

However, as yet there is no unified theory of international conflict and national struggles. And, within the world system, there is no single "player" or "historical subject", with the "manifest destiny" to save or improve humanity⁷¹.

In the world of great powers and other national States and economies, there is no good or evil, better or worse, in absolute terms, but States taking positions that are more or less favorable to peace and "international justice" at given points in history. But even in these cases one has to distinguish rhetoric from concrete action, because all major powers have already been colonialist and anti-colonialist, pacifists and warmongers, liberal and mercantilist, and almost all of them, moreover, have changed position several times along history.⁷²

None of this, however, discredits the need for and possibility of national revolutions and a constant struggle of the weaker States, political parties and social movements for justice, peace and democratization of global decisions. But these movements cannot ignore the real world, rather they should act upon objective knowledge and rigorous analysis of it.

67. Tom Bottomore (org.), *Karl Marx. sociología e filosofía social* (Barcelona, Peninsula, 1973, part 3, chap. 5 and part 4).

68. Immanuel Wallerstein, *After Liberalism* (New York, The New Press, 1995, part 4).

69. Giovanni Arrighi, *Caos e governabilidade* (Rio de Janeiro, UFRJ, 2001).

70. Charles Kindleberger, *World Economic Primacy 1500-1990* (Oxford, Oxford University Press, 1996).

71. "Again some nations claimed to be specially chosen by God; this conception was propagated in England by Foxe's *Book of Martyrs* and culminated in Milton's theological and historical projects. The Scots had an older tradition which the Covenanters invoked. The Swedes saw themselves as heirs of the Goths, descendants of Japheth, the oldest nation in the world, conquerors of the world and teachers of the ancient Greeks. These myths were systematized by Johannes Magnus with further inspiration from the prophecies by Paracelsus and Tycho Brahe of the Lion of the North, as the precursor of the second coming and universal peace, "J. P. Cooper, " *General Introduction* ", in Cooper, op. cit., p. 4.

72. Fiori, op. cit., p. 57.

3.2

In this sense, it is possible to draw some logical conclusions “about the future” from the theoretical premises of this preface:

- by definition, all countries are dissatisfied and intend to increase their power and wealth. In this sense, even if to a lesser degree, all are expansive, even when it is not their aim to conquer new territories;
- there is no end in sight for States and national economies, even with the advance of global power and the internationalization of capital;
- in the “expanding universe” of “national Economy-States, there is no logical possibility of “perpetual peace”, nor balanced and stable markets;
- there is no possibility of the great powers practicing, on a permanent basis, a policy aimed only to preserve the status quo, i.e., they will always be expansionist, even when they are at the top of the power and wealth hierarchy of the world system;
- there is not the slightest possibility of the leadership of capitalist economic expansion ever leaving the hands of the expansive and conquering “national Economy-States” and their “major predators” that defy market rules and institutions to achieve their “extraordinary profits” and secure monopolistic positions, and
- finally, within the “modern world system”, the appearance and rapid rise of a new “emerging power” will always be a factor of destabilization of the system’s central core. But the most significant destabilizing factor in any hegemonic situation and of the system itself will always be the “central core” of the great powers and, in particular, its leader or *hegemon*, since it cannot stop expanding in order to maintain its relative position in the continuing battle for global power.

3.3

At the beginning of the twenty-first century, the “modern world system” is suffering five major structural and long-term transformations. The first is the exponential multiplication of the number of independent national States, which were about sixty in 1945, and amount to almost two hundred now. This, at a time when the “brakes” of the colonial system are no longer in place, nor is the bipolarity of the Cold War, which somehow “maintained order” within this huge mass of independent territorial political units until 1991. Secondly, in recent decades, the dynamic center of global capital

accumulation⁷³ has shifted to Asia, giving rise to a new Sino-American articulation axis of the global economy. Thirdly, still as a peripheral exporter, China already acts as an articulating and “periphery leading” hub for the rest of the world economy, thanks to the dynamism and size of its domestic market. Fourth, the new international monetary system - “flexible dollar”⁷⁴ - consolidated and universalized after the end of the Cold War, along with the successful expansion of US power and globalization of its currency and financial capital, unveiled a truth hidden by successive metal currency benchmarks of the earlier ruling currencies: the “flexible dollar” system has no other benchmark than the global power of its issuing State, along with the “credibility” of its public debt bonds. Since currencies are also used as instruments of power in the struggle among nations for regional and international supremacy, from now on a geometric increase in the “sensitivity” of the dollar and the entire international financial and monetary system is to be expected, if geopolitical conflicts between the powers leading the growth of the world economy continue to increase. Fifth, it is clear that the new nerve center of geopolitical competition will involve at least two world powers - the United States and China - which are increasingly complementary in economic and financial terms, and which today are essential to the expansive mode of the world economy. In addition, the new axis of world geopolitics will involve three “continental” States - United States, Russia and China - which jointly hold about one quarter of the world’s territory and over one third of the global population.

3.4

Currently, there are several hypotheses about the end of the “modern world system”⁷⁵, but it is highly likely that before this apocalypse, the world system will live for at least another round of adjustments, conquests and wars, as in the old geopolitics inaugurated by the Peace of Westphalia⁷⁶. It seems

73. Carlos Medeiros, “A economia política da internacionalização sob liderança dos Estados Unidos: Alemanha, Japão e China”, in Fiori, op. Cit.

74. Franklin Serrano, “Do ouro imóvel ao dólar flexível”, in Revista Economia e Sociedade, Campinas, n. 19, 2002.

75. “So the third blessing, equality, at best will be guaranteed to the United States for 25 to 50 years. At some point, far into the future, in 2025 or 2050, the time of reckoning will come. And the world will be facing the same kind of choice that the United States faces now. The international system will march towards a restructuring that will be repressive or equitable [...]. Of course here we are talking about the extinction of the current international system and its replacement with something totally different. And it is impossible to predict the outcome. We will be at a split on the road and the random fluctuations will have very different effects. What we can do is simply be lucid and active, because our activity is included in these oscillations and will greatly influence the outcome”, Immanuel Wallerstein, *Após o liberalismo*, (Petrópolis, Vozes, 1995), p. 209.

76. “In this first decade of the twenty-first century, attention is drawn to how quickly the utopia of globalization and the end of national borders got buried, and with even greater speed the system returned to its old “geopolitics of nations”, with the strengthening of national borders and mercantilist economic competition and the increased struggle for regional hegemonies”, José Luis Fiori, “De volta para o futuro: a nova geopolítica das nações” (Institute of Economics, Federal University of Rio de Janeiro, mimeo, 2006), p. 13.

that the final hour of the “modern world system” has not chimed yet, albeit the structural changes underway could be creating a complicated “systemic saturation” situation. From the intellectual point of view, therefore, it is best to carry on with detailed study of its history and transformation movements. This is the only way to move forward in the knowledge and unified discussion of national and international changes and revolutions that are so important for all who envision the world in a transforming way.

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The Perspective of the World Review is an international periodical sponsored by Ipea (Institute of Applied Economic Research), a body belonging to the Presidency of the Federative Republic of Brazil through the Secretariat for Strategic Affairs (SAE).

The magazine features versions in Portuguese and English and was designed to present and promote contemporary debates, emphasizing the theme of development from a South – South perspective. Its field of action is that of political economy, with plural approaches on the essential dimensions of development such as economic, social and sustainability-related issues.

The goal is to enhance the debate in order to formulate proposals for the development of public policies and, accordingly, to encourage international comparisons and interdisciplinarity – always highlighting the role of planning. The Perspective of the World Review takes the ambition to formulate the questions faced by contemporary civilization, which wants to enjoy comfortable living standards and dignified living conditions, but must simultaneously respect the limits of what the planet can support in terms of environmental exploitation.

It is important to point out the tribute given to Fernand Braudel through the enhancement of his formulation on the *time of the world*, which, together with the *structures of everyday life* and the *games of exchange*, shapes his originality. Braudel always sought to address issues involving the dimensions of development in a historical and long-term perspective. He emphasized that a world dominated by a mode of production based on the accumulation of capital had always had to balance society, market and state. As the master taught us, in places where this task was most successful, there was prosperity, and where difficulties were persistent, results were not as successful. This initiative is not new in Brazil – its great precursor was Celso Furtado, in *The Economic Growth of Brazil*. This seminal work was welcomed by Braudel as innovative under a methodological perspective.

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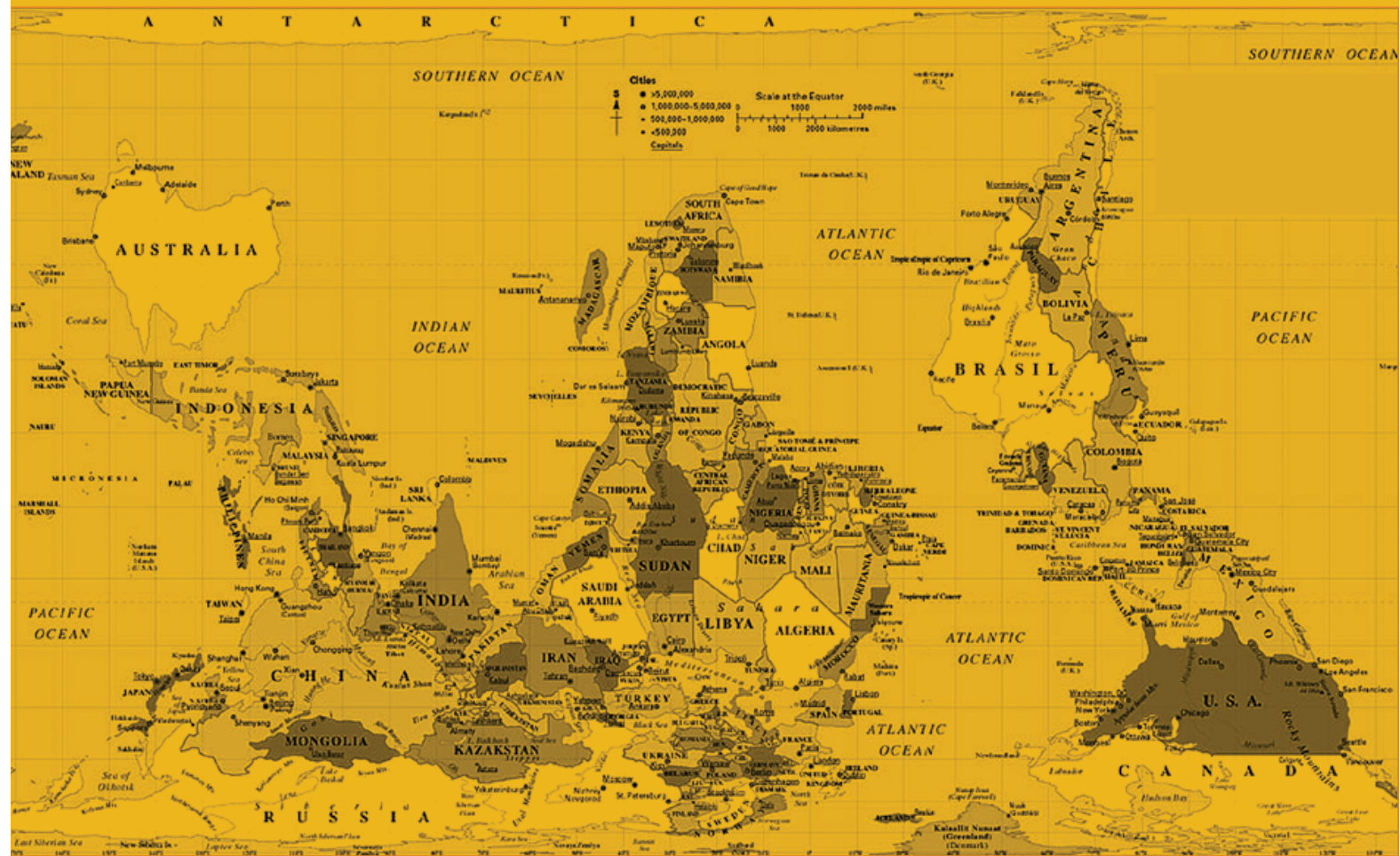
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