Latin America at the Margin of World System History

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LATIN AMERICA AT THE MARGIN OF WORLD SYSTEM HISTORY: EAST > WEST HEGEMONIAL SHIFTS (992-1492-1992)

ANDRE GUNDER FRANK

‘International trade,’ thus, a ‘world trade’... which went its way from one end of the world to another ... can be viewed as an ‘historical constant.’ No qualitative transformations can be indicated in the course of history. J. C. van Leur (1955: 87).

It has not been sufficiently appreciated that a theory of cyclical change also includes a theory of shifts of centres in space. In other word, expansion and contraction processes have rarely been stable ... Oscillations in intracore hegemony are interspersed by much larger scale shifts in arrangements of centres and their peripheries ... It is ultimately the temporal that is seen to dominate over the spatial shifts in the waxing and waning of particular centres. Michael Rowlands (1987)

This paper views Latin American from the perspective of world system history and its long cycles for over a thousand years. Viewed from this perspective, Latin American was outside the world system for several millennia until its incorporation in 1492. Then, as part of one of the cyclical upswings of the world system, what came to be known as Latin America was incorporated into the same. However, the world system incorporated Latin America into a marginal, subordinate and dependent position on this system from which it has never emerged. Indeed, during the previous and again the present cyclical crises in the history of the world system, Latin American has been even further marginalized.
This review of world system history and Latin America's place within it will draw on five analytical categories:

1. **The World System**: This paper contends, per contra Wallerstein (1974), that the existence and development of the present world system stretches back at least 5,000 years (Frank 1990, 1991a,b; Gills and Frank 1990/91, 1992; Frank and Gills 1992).

2. **The Process of Capital Accumulation as the Motor Force of World System History**: Wallerstein and others regard continuous capital accumulation as the *differentia specifica* of the "modern world-system." I have argued elsewhere that in this regard the "modern" world system is not so different and that this same process of capital accumulation has played a, if not the, central role in the world system for several millennia (see especially Frank 1991b and Gills and Frank 1990/91 as well as replies by Amin 1991 and by Wallerstein 1991, the latter also on the difference a hyphen [-] makes, which are also included in Frank and Gills 1993).

3. **The Center-Periphery Structure in and of the World System**: This structure is familiar to analysts of dependence in the "modern" world system and especially in Latin American since 1492. (Frank, 1967). However, I now find that this analytical category is also applicable to the world system before 1492.

4. **The Alternation Between Hegemony and Rivalry or the Regional Hegemonies and Rivalries to Succeed the Previous Hegemon**: The world system and international relations literature has recently produced many good analyses of alternation between hegemonic leadership and rivalry for hegemony in the world system since 1492, for instance by Wallerstein (1979), or since 1494 by Modelsiki (1987) and by Modelsiki and Thompson (1988). However, hegemony and rivalry for the same also mark world system history long before that (Gills and Frank 1992; Frank and Gills 1992a,b; 1993).

5. **Long and Short Economic Cycles of Alternating Ascending (sometimes denominated "A") Phases and Descending (sometimes denominated "B" Phase**s): In the real world historical process these long cycles are also associated with each of the previous categories. That is, an important characteristic of the "modern" world system is that the process of capital accumulation, changes in center-
periphery position within it, as well as world system hegemony and rivalry, are all cyclical and occur in tandem with each other. For my part, I analyzed the same for the "modern" world system under the title *World Accumulation 1492-1789* and *Dependent Accumulation and Underdevelopment* (Frank 1978a,b). However, I now find that this same world system cycle and its features also extends back many centuries before 1492.

The year 1492 represents a significant moment in the world system cycle. Nonetheless from a longer world system perspective, the significance of 1492 and the place of Latin America in the world system should be viewed in its proper historical context. Therefore, this essay offers an analysis of world system history beginning a millennium before 1492 and continuing a half millennium after this historic date (B.C. 492-1992 A.D.). The focus will be on the long cycles both before and after 1492 (Gills and Frank 1992; Frank and Gills 1992a,b; Frank 1992.) These cycles seem to have given rise to the significance of 1492 in the first place and to have marked the vagaries of Latin America’s place in the world system ever since. Viewed in that longer and cyclical historical context, the position of Latin America in the world has been and remains unfavorable to most of its inhabitants. If what became "Latin America" had a "golden age," it was while it was effectively outside the world system until 1492. Since Latin American was first incorporated into the world system in a subordinate, dependent and marginal position, already mentioned above, it is now being marginalized even more.

During the more than a 1,000 year history of the center-periphery structured world system in whose middle 1492 falls, the hegemonic center has always moved from East to West, but only around the northern hemisphere. The hegemonic center, when there was one, moved across Asia, West Asia and North Africa (now called the "Middle East") to Southern and then to Northwest Europe (at the western fringe of Eurasia). Then the hegemonic center moved across the Atlantic to eastern and then increasingly perhaps western North America. Now political economic hegemony, if there is again to be any, seems to continue its westward move across the Pacific back to Asia again, beginning with Japan and perhaps in the future returning again back to China.
Throughout the history of the world system, its economic and political hegemonic center has never been in Latin America or elsewhere in the southern hemisphere. Indeed, Latin America has been even more marginal than parts of Africa and Asia. Some of the latter participated in the center or in hegemonical rivalries in the past and were only later peripheralized and marginalized. Even then, however, Asians and Africans remained economically and politically more integrated in the world system and nonetheless maintained much more of their own culture than the native peoples of the Americas. These, as a result of the political economic, ecological and demographic disaster that befell them since 1492, also lost most of their own culture. The incorporation of these native "Americans" and indeed the participation of many of their immigrant "Latin" American "creoles" in the system served only to despoil them of their world and wealth for the benefit of the North. Moreover, even what [in world terms] little productive economic apparatus they were able to develop for themselves now leaves them unable to compete effectively in the world economy. At the 500th anniversary of its incorporation therein, the world system economic cycle and hegemonical shift is once more further marginalizing Latin America.

The present work will review these cyclical ups and downs and hegemonical shifts in the world system structure and process over the more than 1,000 years, in which 1492 A.D. is the mid-point. It shall not be amiss if extra attention is devoted to the political economic structure and cycle in the world system, especially in the old world in the half millennium before 1492. All the more so, since others will commemorate 1492 by concentrating on the half millennium since then and on culture before and after the incorporation of the New World.

World System Development Cycles to 992

The world system and its cyclical development emerges from the relations established among Egypt, the Levant, Anatolia, Mesopotamia, Persia, the Indus Valley, and parts of Central Asia in the third millennium B.C. It is possible to identify a world systemic economic cycle with ascendant and descendant/contractive phases
of roughly 200 years each and corresponding shifts in hegemony since around 2000 B.C. and into the third millennium B.C. (Gills and Frank 1993b). Much later, the simultaneous rise of Han China, Kushan India, Parthian Persia and Imperial Rome in the period 100 B.C. - 200 A.D. and their simultaneous decline again in the period 200 - 500 A.D. were manifestations of an already existing and ongoing Afro-Eurasian world system wide economic cycle.

A new period of nearly world system wide economic expansion began in the 6th century - not long after 492 - and lasted into the second half of the 8th century. The Sassanid empire regained strength and acquired the key Syrian entrepot of Antioch. Sassanid campaigns of expansion in the early 7th century brought its power to Anatolia, the Levant and Egypt. Byzantium, or the Roman empire in the east, also expanded during the 6th century, when Belisarius undertook successful reconquests in the west. Both empires seriously over-extended and then exhausted each other in a final debilitating war in the 7th century. In India, Sri Harsha rebuilt a north Indian hegemony from the city of Kanauj in the 7th century. In China, reunification occurred under the Sui Dynasty in the later part of the 6th century.

The second half of the 6th and the 7th centuries witnessed commercial and political expansion in various regions. From the second half of the 6th century A.D., much of Central Asia was conquered and reorganized by the Turks. They expanded westward to dominate the entire area from Manchuria to the Aral Sea. The role of the Turks in trans-Central Asian trade and its importance to them has been noted by several authors, among them Luc Kwanten (1979) and Christopher Beckwith (1987). However, the Turkish empire(s) did not last long. In the 7th and 8th centuries they gave way to the Tang Dynasty expanding westward from China, the Tibetan empire expanding northwards, the Muslims overrunning Iraq and Persia and expanding eastward, the Byzantines still holding their own, and the Frankish empire rising in Western Europe. The Islamic caliphate and the "world" economy around it, so masterfully analyzed by Hodgson (1974) and Lombard (1975), probably became the driving force, with the drivers seat in Baghdad. The city was founded in 762 A.D. and by the year 800 already had a population of two million.
The unification of Mesopotamia, Egypt and Central Asia under one hegemonic structure gave the Ummayyad and its successor the Abbassid Dynasty, seated in Baghdad, a hegemonic economic and political position in much of the world system. The Abbassid and Tang empires clashed head on in Central Asia in the mid-8th century. The battle of Talas in 751 confirmed Abbassid super-hegemony and accelerated Tang decline.

In his *The Venture of Islam*, Marshall Hodgson (1974) examined the Abbassid High Caliphate from 692 to 945 and especially its period of "flowering" and commercial expansion until 813. To introduce his examination of the Muslim Caliphate however, Hodgson observed:

This period was one of great prosperity. It is not clear how far this was the case throughout the Afro-Eurasian Oikoumene, but at least in China at that time what may be called a ‘commercial revolution’ was taking place. Under the strong government of the Tang Dynasty ... commerce became much more extensive and more highly organized ... The Chinese economic activity was directly reflected in the trade in the Southern Seas (the Indian Ocean) and seas eastward, where Chinese ports became an important terminus for Muslim vessels ... it can be surmised that the commercial life of the lands of Muslim rule was given a positive impetus by the great activity in China, especially considering the important connections with China both via the Southern Seas and overland through central Eurasia. In any case, commerce also enjoyed the great benefit of an extended peace with the caliphate was able to ensure within its domains (Hodgson 1974: I, 234-5).

However, it may be possible to clarify further Hodgson's doubts about the extend of prosperity throughout the Afro-Eurasian Ecumene during this period. From the mid-7th century came the rise and expansions of Taika and Nara Japan, Silla Korea, and Tang China in the East. China expanded southward and increased trade relations with Champa in Indochina. The Silendras established themselves at key trading entrepots at the tips of Malaya, Sumatra and Java, astride the direct and indirect trade routes between China, the Arabian Sea and the Persian Gulf via India. At the same time, the Chinese and the Turks also expanded westward, the Tibetans northward, the Muslims eastward, the Scandinavians southward,
and the Byzantines consolidated and held their own as best they could. Meanwhile, Indian, Persian, and Axum power in East Africa declined or was replace by these expansions and rivalries. Trade through North Africa began to flourish, both along its East-West axis and southward across the Sahara to the sources of gold in West Africa. West Europeans languished for another century until Charles the Great was crowned in 800 A.D. Yet even then its trade with the Eastern Mediterranean languished. Egypt prospered under the Tulunins in the second half of the 9th century. Is it unlikely that these far-flung developments occurred simultaneously only by historical accident. It seems much more likely that they were "a sequence of repercussions in a chain of quite unexpected consequences in all four corners of this immense zone" going through Central Asia, to recall the terminology of Grousset (1970: 32).

This chain of repercussions also included what appears to have been a set of "regional" but very widespread political crises in the mid-8th century. Beckwith notes:

The Eighth century saw the development of serious crises, and major economic, political and cultural changes, in every important eurasian state. Topologically speaking, these changes followed more or less the same pattern, due no doubt to their, common origin in international, specifically economic change, of a fundamental nature ... It is a curious fact that, unlike the preceding and following centuries, the middle of the eighth century - specifically the period 742 to 755 -saw fundamental changes, usually signaled by successful political revolts, in every Eurasian empire. Most famous among them are the Carolignian, Abbasid, Uighur Turkic, and anti-T'ang rebellions each of which is, rightly considered to have been a major watershed in the respective national histories. Significantly, all seem to have been intimately connected with Central Eurasia (Beckwith 1987: 192).

Tang power and the regime of the Tang Dynasty never really recovered from this external defeat at Talas River in 751 and the internal Lu-shan rebellion from 755 to 763. The weakened Tang Dynasty hung on until 907, after another major rebellion from 874 and 883. China lost all its western territories again; and the Turks,
along with much of Central Asia - eventually right up to the Great Wall of China - became Muslim.

A century later in the course of the four years 838 to 842, as Beckwith (1977) notes, in the West the trade route between the Volga and the Baltic was closed in 838 (not to reopen for another generation), and the Frankish Empire broke up in 840. In the East, the Uighur Empire fell to the Kirghiz in 840, the Tibetan Empire was split up in 842, and the same year began the open persecution of Buddhism and then of other foreign religions in China. At the same time (after the Arab-Byzantine war of 837-42 and Turkish expansion), the last Caliph in Baghdad began the persecution of heretics under Islamic rule. Again, it seems unlikely that these political and cultural events are entirely responses to "internal" pressures that are unrelated to each other. More likely, they were also related to each other and to economic problems or even another widespread economic crisis, which was common to them all and transmitted through Central Asia.

The 9th and 10th centuries may still have been a period of economic slowdown. They also witnessed important setbacks to some regional powers, which resulted in greater opportunities for others to establish themselves. Tang China languished and then declined, especially in its relations with Central Asia. The Tang decline opened spaces for the temporary growth of some regional powers, such as the Uighurs and then the Kirgiz. At the other end of Central Eurasia in the 10th century, Egypt experienced economic difficulties and declining real wages (Ashtor 1976: 153-54). Elsewhere, "the boom in the Near Eastern economies came suddenly to an end and the unity of the Moslem empire was shattered" (Ashtor 1976: 115). This author lays part of the blame on a 14-year revolt by slaves that began in southern Mesopotamia beginning 869 A. D.

The growth and power of Baghdad failed to continue and its caliphate began its "disintegration," as Ashtor entitles his chapter on the same. Trade with India and China was diminished (Ashtor 1976: 147). Lombard (1971: 126) dated the "onset of the decline of Baghdad from the end of the 10th century; it continued in the 11th century under the Seljuk Turks and was completed when the town was captured by [the Mongol] Hulagu in 1258." "It is evident
that the decline of Baghdad [as well as Basra] and of the centrality of the Gulf route [to the Orient] is explainable only in part by purely local and exclusively economic factors. It can be fully understood only within the context of changes in the geopolitical system of the larger region, and indeed, of the world system" (Abu-Lughod 1989: 192).

**EXPANSION, CRISIS, AND RENEWED EXPANSION: 995-1492**

Expansive "A" Phase 1000/1150 - 1250/1300

Beginning soon after 992, the 11th and 12th centuries and perhaps more precisely the years 1050 to 1250 were another period of widespread economic growth.

For instance, Wallerstein notes

The feudal system in western Europe seems quite clearly to have operated by a pattern of cycles of expansion and contraction of two lengths: circa 50 years and circa 200-300 years ... The patterns of the expansions and contractions are clearly laid out and widely accepted among those writing about the late Middle Ages and early modern times in Europe ... It is the long swing that was crucial. Thus 1050-1250+ was a time of the expansion of Europe (the Crusades, the colonizations) ... The "crisis" or great contractions of 1250-1450+ included the Black Plague (1989b: 33, 34).

Of course, Wallerstein and others limit their reference to "feudal" Europe. The legitimacy or not of this limitation has been debated by Wallerstein (1989, 1991) and Frank (1991b). There is ample evidence to support my belief that both the cycle and this period of expansion within it were world system-wide. Indeed, that was a major reason for the commercial ventures of the Crusades he mentions; as well as for the prosperity, but also the rivalry of Venice, Genoa, and the other south European city states, who increasingly turned eastward to connect up with the growing profitable trans-Asian trade.

Several other regions around the world also prospered during this period. Their simultaneous and interrelated growth and decline have recently been analyzed by Janet Abu-Lughod (1989) under the
Foremost among the regions of expansion was China. During this period the Song consolidated their empire in China, amid spectacular population growth and economic expansion. The Chinese population grew to 150 million, the city of Hangchow to 5-6 million and Kaifeng to 3-4 million [where by comparison Venice, Europe’s biggest and most trade dependent city reached 160,000]. Technological revolution, increased agricultural productivity, large scale industrial production, construction of vast networks of overland transportation and navigable inland waterway, widespread commercialization, high finance, sumptuary consumption, and expansive domestic and foreign trade all characterized the Song period. Nonetheless, the Song never regained the hegemonical political position in Central Asia, which the Tang had lost. On the contrary, throughout the Song period and until the Mongol conquest, China was "among equals" (to use the revealing title by Morris Rossabi 1982) among her neighbors. Indeed, China was on the defensive against repeated threats and incursions by its also economically and politically expanded neighbors in Central Asia, the Kara Khitai empire in particular, and in Manchuria.

Moreover, this external threat was not without effect on the social and economic history of the Sung age. It determined the whole Chinese policy from the end of the 10th century to the end of the 13th century ... Cut off from access to central Asia, blocked in its expansion towards the north and north-west by the great empires which had arisen on its frontiers, the Chinese world turned resolutely to the sea. Its center of gravity shifted towards the trading and maritime regions of the south-east, which were extended inland by the enormous network of the Yangtze and its tributaries. The sea routes starting from the Abbasid empire and connecting the Persian Gulf with India, South-East Asia, and the Chinese coast no doubt played a part in this call of the sea ... China was the greatest maritime power in the world (Gernet 1982: 300, 328, 326).

Before that the Indian coasts and especially Southeast Asia and China experienced a centuries-long economic boom, that began in the 11th century, and manifested itself in fast growing intra- and
inter-regional trade. Indians, Malays, "Indonesians," and Chinese were especially active in inter-regional trade to the east of India. On the other side, Indians, Persians and of course Arabs were active on the West aide of the Indian sub-continent. As Janet Abu-Lughod (1989) stressed, in the West Asian/East Mediterranean region Baghdad, Basra and the Persian Gulf route declined. One of the reasons was that it was in the interest of the now rising Genovese to favor the more northerly route through the Black Sea or for the Venetians to favor the more southerly one through the Red Sea. The development of the latter also benefitted rival Cairo, which consequently rose to prominence with a population of 500,000 under the Mamluks in the 13th and early 14th centuries. They even repulsed the Mongols. "Egypt was a vanguard for the world system" (Abu-Lughod 1989: 227).

Both before and after the domination of the Mamluks, Egypt had a direct link to India and the East Indies and pushed its communication system as far as Mohammedan Spain and the western [sic] Maghreb. Thus, Egypt was the forerunner of Portugal ... At this time in Cairo ... a group of wealthy people had a horizon which included nearly a third of the whole world (Chaunu 1979: 58 quotes in Abu-Lughod 1989: 227).

Venice and Cairo established a "marriage of convenience" in the attempt to monopolize the Asian-Mediterranean trade between them in competition with their rivals. These included Genoa and its attempt to monopolize the Black Sea route.

Thus, the 1050-1250 expansion already brought with it the beginnings of an economic westward shift through the Mediterranean and along its North African and South European coasts. The Genovese and then the Mallorcans and Catalans became increasingly active in East-West trade. At the same time, Muslim trade and cities grew, including Cordoba in Spain; and in, competition with them, the Christian Reconquest by the Aragonese and Castillians began. First competition from Venice and only much later the Ottoman conquest of Constantinople in 1453 propelled the Genovese to expand westward through the Mediterranean and out into the Atlantic instead.
However, especially in the hands of the Genovese and the Catalans, trade prospered in the Western Mediterranean and increasingly extended out into the Atlantic in the 11th, 12th and 13th centuries. After Gibraltar, it turned both northward towards northwest Europe and southward to the newly discovered Canary Islands and on around West Africa. Simultaneously, Christians pushed their "reconquista" of the Muslim domains in Spain ever southward. Both would eventually culminate in 1492 with the simultaneous expulsion of the "Moors" and Jews from Spain and the "discovery" of American by a Genovese navigator and merchant shipper, who was already trained in Atlantic voyages to the Canaries.

In Central Asia in the meantime, the Yamini dynasty of Ghazni (near Kabul) also consolidated a new hegemony, ruling from Hamadan and Isfahan in Persia to the headwater of the Ganges in Northwest India. Turkish peoples from Central Asia expanded westward and reached Anatolia. They were then Islamicized and later created the Muslim Ottoman Empire and modern Turkey. Turks also began a systematic conquest of India in the 12th century. This process culminated in the consolidation of the vast hegemonic state of the Sultanate of Delhi, which by 1235 ruled from Sing to Bengal. Such was the strength of this consolidation in India, with a centralized administration and standing army, that the Sultanate successfully repelled the Mongol invasion led by Genghis Khan.

Crisis "B" Phase 1250/1300 - 1450 A. D.

The expansion and consolidation of the Mongol empire began at the end of this long period of expansion and at the onset of a new period of contraction. The Mongols used their military superiority to exploit the situation on a larger and more successful scale than any of their Inner Asian predecessors. They struck first at the Chin in north China. Genghis undertook the conquest of Central Asia against the Muslim empire of Khwarizm. The seizure of Central Asia gave the Mongol imperium the opportunity to assume a position of super-accumulator in the world system. However, the ease of Mongol conquest in Persia and Mesopotamia was facilitated by the weakness of the Muslim states in West Asia. The economi-
cally still stronger state in Egypt was able to resist and repel the Mongol advance. However, elsewhere the economic decline had already begun before the Mongols arrived. Then, the economic downturn that began from the middle of the 13th century was made even more severe by the widespread destruction that accompanied Mongol conquests, both in the East and in the West. For instance, the progress in urbanization and trade in Russia of the earlier expansion period was virtually eliminated in the Mongol conquest. Most of the cities (Novgorod excepted) were destroyed, and economic retrogression deepened thereafter. Therefore, despite Mongol consolidation of a vast Eurasian hegemony, an economic downturn of severe proportions affected most of the continent during Mongol tenure. In this respect the hegemony of the Mongols differs from the more usual case of hegemonic expansion during a period of economic upswing.

The collapse of the Mongol imperium in the mid-14th century might be taken as evidence of a world system crisis. If it was indeed the culmination of a "down" phase, it would be necessary to question Abu-Lughod's characterization of 1250-1350 as a generalized "up" phase. Yet Abu-Lughod (1989) herself cites ample evidence that transport and other infrastructural investment and expansion in Venice, Genoa, and in the eastern Mediterranean had declined and halted at least two decades before the arrival of the plague in 1348. In a later essay, she says that prosperity peaked in the opening decades of the 14th century, after which signs of decline were already evident (Abu-Lughod 1990: 5,7).

If the construction and collapse of the Mongol imperium did coincide with a down phase, as in Wallerstein's periodization, then this may raise a new possible explanation for the failure of the Mongol imperium. Traditional explanation of the failure of the Mongols as a ruling class to consolidate their imperium revolves around the theme of their nomadic social organization and its presumed inherent limitations for such a task ["you can conquer, but you cannot rule from horseback"]'). It is true that the unity of the empire was destroyed early on, in 1260, due to dynastic succession struggles. But if the world economy was already on the downturn by 1250, this itself could help explain why the Mongols could so easily set up their conquest states (except in India) on the
back of their already depressed rivals. However, the same world economic depression could then also help account for the Mongols' inability to maintain their power, and why they and everybody else went (temporarily) "to hell in a hand basket."

During the 1250-1450 period of crises, especially those of 1315-20 and that associated with the Black Death around 1348, prices declined in Europe and perhaps elsewhere. The general economic crisis spelled the decline of the Mediterranean Mallorca and Barcelona, both absolutely and especially relative to inland Valencia and Castilla and in competition with them in turn, the Portuguese. Prices also continued to decline in the 15th century. As especially Vilar (1969) argues, lower prices rendered gold more valuable and stimulated the search for new sources of gold, especially in Africa. This search for gold in turn drove the exploration and traffic into the Atlantic and its islands. This expansion included the enslavement and genocide of the population and the ecological destruction of the Canaries that presaged the same around the coast of West Africa -- and eventually across the Atlantic. At the same time, competition in these commercial ventures and the thirst for gold also helped fuel the Reconquest.

Moreover, European trade with Egypt and the Levant was conducted primarily through payment in bullion. This stimulated an even greater need for sources of bullion in the West and in Africa and the desire to by-pass the Alexandrian and Venetian middlemen if possible by finding a direct sea route to India and the Spice Islands. When Portugal and Spain discovered such routes, backed by Italian finance capital, the result was a drastic shift in the logistical nexus of the world system and a concomitant shift in the locus of the accumulation. Central Asia ceased to be the key node in the world logistical nexus. Nonetheless as will be observed below, this shift still required to more centuries.

For according to Palat and Wallerstein (1990) by the end of the 14th century in India,

The Indian subcontinent emerged from this crisis as a core production area of cotton textiles in the world economy and became the beneficiary of a huge inflow of bullion as a result of trade surplus. India’s trade with West Asia increased exponentially over the next several centuries and tied the economic fates of cities on both sides of the Arabian sea closely together ... At the same
time, the maritime trade of India to the east, connecting to the China-Malay trade experienced a new resurgence, following Song China’s decision to lift its earlier ban on merchant trade (Palat and Wallerstein 1990: 26).

Clearly though, economic recovery in this nexus was in evidence from the mid-15th century. Palat and Wallerstein are willing to speak only of an "evolving Indian ocean world economy." By 1500, this economy combined a set of intersecting trade and production linkages converging on such nodes as Aden and Mocha on the Red Sea; Basra, Gombroon and Hormuz on the Persian Gulf; Surat and Calicut on the western seaboard of the subcontinent; Pulicat and Hughli on the Coromandel and Bengal coasts; Melaka on the Malay archipelago; and the imperial capitals such as Delhi and Teheran, connected by caravan trails.

Palat and Wallerstein acknowledge that these centers centralized and dominated trans-regional trade and that they "lived at the same pace as the outside world, keeping up with the trades and rhythms of the globe" (Palat and Wallerstein 1990: 30-31, also Braudel 1982: 18). Indeed, so powerful was the production superiority of the Coromandel and Gujarat textile industry that it led to the "de-industrialization" of other areas, and only the Navigation Laws of the mercantilist European nations, including Britain, kept Indian textiles out of the West African and Caribbean markets (Palat and Wallerstein 1990: 33: 49).

Nevertheless, Palat and Wallerstein insist that three autonomous historical systems existed: the Indian Ocean world-economy, that centered around China, and the Mediterranean/European zones, which merely converged at intersections. Yet they note the "swift collapse of these cities once their fulcrum positions were undermined." But they would have it that "their riches accumulated from their intermediary role in the trade between different world-systems" rather than acknowledging the existence of a single world economy. Furthermore, Palat and Wallerstein conclude that "despite the temporal contemporaneity of post-1400 expansion of networks of exchange and intensification of relational dependencies in Europe and in the world of the Indian Ocean, the processes of large-scale socio-historical transformation in the two historical systems were fundamentally dissimilar. In one zone, it let to the emergence of
the capitalist world-economy. In the other, to an expanded petty commodity production that did not lead to a real subsumption of labour" (Palat and Wallerstein 1990: 40). This is an excessively nearsighted view.

**THE MODERN WORLD SYSTEM PERIOD SINCE 1492 A. D.**

**1492 and the Question of World System Break or Continuity in the 1450-1600 "AS" Phase**

Adam Smith and Karl Marx both thought that the "discovery of America, and that of the passage to the East Indies by the Cape of Good Hope, are the two greatest events recorded in the history of mankind" (Smith 1937). Latin Americanists and Latin Americans tend to agree. 1492 also plays a major role in the birth of the "modern world-system" as seen by Immanuel Wallerstein (1974) and previously by the present author who incorporated that date in the title *World Accumulation 1492-1789* (Frank 1978a).

More recently, Abu-Lughod (1989) argues in her path-breaking book *Before European Hegemony*, that there was a 13th century world system, but that it was a different one than that which "began" in the 16th century. For her, between the 14th century decline of the world system based in the East and the 15th-16th century rise of the world system centered in the West, there occurred a "declining efficacy" and "disorganization" of "the ways in which they were formerly connected." I view these changes rather as a "reorganization" and consequently as a shift of the hegemonical center of gravity in the system from East to West - but not a complete failure of the system as a whole, as she suggests. On the contrary, this temporary disorganization and renewed reorganization can and should be read as the continuation and evolution of the system as a whole.

Therefore, I even more decidedly agree that "of crucial important is the fact that the fall of the east precedes the rise of the west," as Janet Abu-Lughod (1989: 338) insists. That is, the world systemic economic and hegemonic crisis of the mid-14th century gave Europe the chance to ascent in the hierarchy expansion and hegemonic reorganization during and following the crisis.
The context ... undeniably altered ... The world-system ... arena did move outward to the Atlantic and the Atlantic rim nations of Portugal and Spain, before shifting to northwestern Europe. The fact is that the axis of Central Asia-Anatolia-northern India and the Levant-Egypt -- an axis of central importance in earlier times which was scarcely destroyed by the 17th century -- never again occupied the center stage of the world system" (Abu-Lughod 1990: 12).

A similar argument was already made by Marshall Hodgson in the 1950s and by Jacques Gernet in the 1970s:

The economic weakness of the pivotal Middle East by the end of the Middle Ages, for instance, seems to have been a decisive factor in the economic and political disposition of the world into which Europe was about to expand (Hodgson 1954: 718).

What we have acquired the habit of regarding - according to the history of the world that is in fact no more than the history of the West - as the beginning of modern times was only the repercussion of the upsurge of the urban, mercantile civilizations whose realm extended, before the Mongol invasion, from the Mediterranean to the Sea of China. The West gathered up part of this legacy and received form it the leaven which was to make possible its own development. The transmission was favored by the crusades of the 12th and 13th centuries and the expansion of the Mongol empire in the 13th and 14th centuries ... There is nothing surprising about this Western backwardness: the Italian cities ... were at the terminus of the great commercial routes of Asia ... The upsurges of the West, which was only to emerge from its relative isolation thanks to its maritime expansion, occurred at a time when the two great civilizations of Asia [China and Islam] were threatened (Gernet 1982: 347) [original ed. 1972]).

In general, the Mongol conquests and the economic crisis also laid the basis for wide ranging economic reorientation and political reorganization in the following period of economic expansion during the "long 16th century" from 1450 to 1600+. In direct or indirect response to the changes wrought by the previous economic crisis and the Mongol invasions, the Ming Dynasty rose in China, Akbar's empire rose in India, the Safavid Empire rose in Persia, and Europeans began a worldwide imperial and now also trans-Atlantic venture in the West. It is the latter to which the then
Eurocentric historiography has devoted most absolute and relative attention: perhaps too much. For as observed in the introduction, until at least the 19th century, the preponderance even of hegemonical transformation still did not lie exclusively in the West.

The Ottoman Empire still lay, and indeed expanded, across the East-West trade routes. However, its ultimate historical fate was influenced if not sealed by the developments in world system history as a whole: The initial Ottoman political expansion occurred during a period of world economic decline in the 14th century. Competition with the rising West stopped Ottoman expansion in that direction, overland against the Hapsburgs under Suleiman outside of Vienna in 1521, and by sea against the Italians at Lepanto in 1571 under Selim II. The more successful Ottoman expansion in the 16th century was in the southeasterly direction and westward along the northern coast of Africa, which were themselves politically weakened and rendered economically less profitable by "the decline of the East." Moreover, the same decline of the Central Asian nexus limited Ottoman opportunities in that direction. Finally, the Mogul advance through the relatively still more attractive India under Babur and his grandson Akbar perhaps preempted the Ottomans in that direction.

Another limitation on Ottoman power and expansion, of course, was the neighboring Safavid Empire in Iran/Persia. The Safavids built an empire in the 16th century on the ruins left by the Mongol invasion and retreat. Under the Safavids, domestic and international commerce was perhaps more favored than anywhere else in the world at the time. The Safavids sought to maintain and further their political economic interests against their Ottoman and Portuguese competitors. Especially under Abbas I who ruled from 1587 to 1629, they therefore sought and maintained shifting alliances with the French, Hapsburgs and British. It was in alliance with the latter that the Persians ousted the Portuguese from Hormuz in 1622. The Portuguese had used their fortress on this strategically located island in the Straits of the same name to exact tribute of protection money from traffic across the Arabian Sea to and from India and Asia.

However,
The Portuguese colonial regime, built upon war, coercion, and violence, did not at any point signify a stage of 'higher development' economically for Asian trade. The traditional commercial structure continued to exist, however much damaged by religious wars breaking out between Moslems and Christians. Trade did not undergo any increase in quantity worthy of mention in the period. The commercial and economic forms of the Portuguese colonial regime were the same as those of Asian trade and Asian authority ... The Portuguese colonial regime, then, did not introduce a single new element into the commerce of southern Asia" (van Leur 1955: 117-8).

Indeed,

The destructive effects of the discovery of the sea route to Asia upon the traditional intercontinental trade routes was not felt until after the elapse of an entire century. After a set-back at the beginning of the 16th century the trade routes through, the Middle East regained their former importance, and at the end of the 16th century the transcontinental caravan trade reached dimensions which must presumably be regarded as its historical culmination (Steensgaard 1972: 9).

Around 1600 all the silk moved overland by caravan; and the tonnage of spices brought to Europe by ship around the Cape was only half of those brought overland by caravan (Steensgaard 1972: 56-57). Moreover, the maritime trade still remained predominantly in South and West Asian [Middle Eastern] hands.

Thus, the collapse of the Mongol imperium disrupted the land routes through Central Asia and the disinterest of Ming China adversely affected overland trade, particularly in silk. However, the most marked decline did not occur until the 17th century depression. The route via the steppe to the Baltic was also disrupted. However in the 18th century trade revived along the more northerly route through Siberia. Trade also declined via the Gulf port of Ormuz to the Black Sea. The trade corridor via the Red Sea and Alexandria remained open.

Per contra other students of the world system therefore, if other parts of the world have been the most important players in the same world system earlier on, some of these players still were important in the same world system after 1492 as well. Therefore, it is
necessary to rephrase [or repose?] the question of "incorporation" into the system as perceived by Wallerstein and others, e.g., in the 1987 issue of his Review dedicated to "Incorporation into the World-Economy: How the World-System Expands." Moreover, the hegemony first of Iberia as well as the relative monopolies of trade on which they were based, came at the expense of still operative trading powers among the Ottomans and Indians, among others. Even the English mercantilist Sir Josiah Child still observed in 1680 that "we obstruct their [Mogul Indian] trade with all the Eastern nations which is ten times as much as ours and all European nations put together" (cited in Palat and Wallerstein 1990: 26).

Thus, the world and its economic and political relations were still multipolar well into the 17th century. Beyond the intra-European rivalry for hegemony, there were still competing powers in Europe and western and southern Asia among the Hapsburgs, Ottomans, Safavids, and Moguls. The latter three were all Muslim. However, they were nonetheless as rival among each other as they were with the Christian Europeans who were also rival both among each other and with these Asian powers.

Beyond the retreat into greater isolation of China under the Ming at one end of Eurasia, another major reason that this historical development eventually became a more uni-polar rather than a multi-polar transition is explained by J. M. Blaut (1977) with reference to the other end: The Western European maritime powers' conquered the Americans and injected its bullion into their own processes of capital accumulation. The Western powers then used the same to gain increasing control over the trade nexus of the still attractive and profitable Indian Ocean and Asia as a whole.

The argument that after 1492 European development [of capitalism] benefitted from capital accumulation based on its exploitation of the Americas has been made before, among others by Smith, Marx and Keynes. Twenty years ago I also made this argument form a world [capitalist] system perspective, later published under the title World Accumulation 1492-1789:

In summary then, we may say that the sixteenth century witnessed the first long, sustained, and widespread quantitative and qualitative development of capitalism in its mercantile stage and the first period of concentrated
capital accumulation in Europe ... The same process extended far beyond Europe to those regions or "enclaves" which were integrated into the process of world capital accumulation at this stage, especially the New World sources of gold and silver. During this sixteenth-century secular and cyclical upswing, Western Europe experienced a sharp acceleration of the process of capital accumulation ... The indigenous population of the New World suffered yet more from the contribution to the process of primitive capital accumulation during the sixteenth century ... The precious metals from the New World enabled Western European countries to settle directly or indirectly the deficit in the trade balance with the Orient (Frank 1978a: 52-53, 63)

Blaut (1992) now returns to his thesis and attempts to quantify some of the surplus contributed to accumulation in Europe by [forced] labor in the New World. The stock of silver tippled and the circulation of silver coins increased eight to ten times in the 16th century along. Blaut argues that this monetary flow into and through Europe is "routinely underestimated" in amount and significance. In world systemic terms, the capture of this surplus enhanced [West] European ability to compete with East Europeans and Asians -- and then to out-compete them -- in the world economy. My above cited book and its companion volume Dependent Accumulation and Underdevelopment (from 1978b) were attempts to analyze this same world system development and its uneven cyclical process in its unequal center-periphery structure. However, then I still mistakenly thought that it all started in 1492, and that is why I put that date in my title.

Europe then used their power to thwart industrial and commercial competition, particularly in India. The subsequent destruction of the Indian textile industry must stand out as a particularly important aspect of what Blaut is saying.

Economic Cycles, Hegemonial Shifts and the Marginality of Latin America since 1450/1492

Apart from the reservations expressed above, I provisionally accept the main outlines of Wallerstein's and others' rendition of cycles and hegemonical shifts in the world system for the period
since 1492: Economic expansion during the "long 16th century" from 1450 to 1600 +, the "17th century crisis," renewed economic expansion during the 18th century "commercial revolution," and the conventional dating of the economic ups and downs of the +/-50 year "long" Kondratieff cycles since the end of the 18th century. [Frank (1978 written in 1970-73) and more recently Goldstein (1988) also sought to trace these backwards into the 16th century]. I also continue provisionally to accept the "associated" political cycles of hegemonical transition and shifts in the now European centered world system from Iberia in the 16th, to the Netherlands in the 17th, Britain [twice] in the 18th and 19th, and the United States in the 20th centuries.

These cycles and hegemonical shifts have been widely analyzed elsewhere by Wallerstein (1974, 1984), Modelski (1987), Modelski and Thompson (1988), Thompson (1989), Goldstein (1988), Chase-Dunn (1989), and Frank (1978a, b). For present purposes therefore, it should suffice to summarize their impact on Latin America and its position in the world system.

Let us return to developments in the western Mediterranean and Atlantic, which were reviewed above the discussion of the 1050-1250 "A" phase and the 1250-1450 "B" phase. In 1469, the marriage of the Castillan Isabella the Catholic and Ferdinand of Aragon united their two lands and gave further impetus to the Christian Reconquest of Spain from the Muslim "Moors." "Almost every European monarch ... dreamed of finding a western passage" (Parry 1963: 174), and Isabella’s Finance Minister accepted an offer to try by the Genovese navigator Columbus. He also raised private finance capital in Barcelona and elsewhere but, after having been rejected by the Portuguese, worked in the service of the Spanish Queen, for whom he sought a better and cheaper way to the riches of the Orient.

The fact that the conquest of Granada takes place the same year as the discovery of America (1492) is not accidental. The two destinies were united ... The union of Aragon and Castilla, the conquest of Granada, the expulsion of the Jews, The Inquisition ... and the forced christianization of the Muslims, events that are centered on the famous date 1492, seem not to have any relation to the problem of gold. In fact, they have a very close
relation ... To say that Columbus was looking for a route to the China of the Great Khan and not gold or spices is to forget that he was looking for both things at a time, just like the Portuguese when they rounded Africa ... To say that the thirst for gold was preponderant and obsessive, is unquestionable ... On discovering the islands, the first thing he [Columbus] asked was, is there gold? (Vilar 1969: 59-66).

The "long sixteenth century" economic and westward expansion from 1450 to 1600 incorporated the "Western hemisphere," "New World" into a millennial Afro-Eurasian world economy and system. The extraction of gold and silver from the Americas benefitted some Europeans enormously both at home and in competition with others in Asia abroad. The immediate cost to the inhabitants of the Americas is well known: Within half a century, complete genocide in the Antilles; in one century in Mexico, the reduction of the indigenous population from 25 million to 1.5 million; in the New World as a whole the extermination of perhaps 95 percent of the original population, previously unheard of ecological imperialism (Crosby 1986) leading to valiant but doomed ecological movements of resistance, and of course de-culturation. As the patron of free trade, Adam Smith, observed, "to the natives, however both of the East and the West Indies, all the commercial benefits which can have resulted from those events have been sunk and lost in the dreadful misfortunes which they have occasioned" (Smith 1937). Thus, the inhabitants of the New World contributed to capital accumulation and economic growth elsewhere, but they scarcely drew any benefit from it.

The 17th century crisis offered Latin American as well as Asia some relief. It included the revival of regional and inter-regional trade in their own hands, while in Europe and the world Mediterranean hegemony declined from Portugal to the Ottomans, to be replace by the Dutch and later by the British.

In the general expansion of the 18th century "commercial revolution," hegemony in the world system passed to Britain and world trade shifted westward across the Atlantic. The "triangular trade[s]" among Western Europe, Africa, the Caribbean and North American increasingly replace "Oriental" trans- or circum- Eurasian trade. In the Americas, the important participants were the slave
plantations in the Caribbean and southern colonies and the merchant colonists in the northern colonies of North America. Latin American was largely marginal and marginalized, except for the export of gold from Brazil at the beginning and the export of silver from Mexico at the end of the century.

The cyclical ups and downs of the 19th century turned on a West European axis, which increasingly extended into North America. Their colonial exploitation of India contributed significantly to Britannia’s ability to rule the waves and maintain Pax Britannia. Britain’s decline and the challenge of the United States and Germany, and of Russia and Japan behind them, started in the Kondratieff "Great Crisis" of 1873-96.

Latin Americans had some participation in world economic and political events, but not much. The export of raw materials increased, especially during the classical imperialist last quarter of the 19th century; and Latin American infrastructure, finance, politics, society and much of its culture and ideology was shaped accordingly to support various regions’ and countries’ participation in this international division of labor. Parts of the Caribbean and shoreline regions exported sugar and other tropical products, produced in part by labor now imported from Asia. Brazil exported sugar and increasingly coffee. Mexico and Peru resumed their roles as mining economies and were joined by Chile. Argentina seemed to prosper exporting wheat and meat, attracted European immigrants, drawn by real wage rates higher than those in Europe. Like Africa and Asia and especially India which supported Britain, Latin America for a long time generated a significant surplus of merchandise exports over imports, which supported the capital accumulation of Western Europe and its financial investments in the overseas settler regions of North American and Australia to which Europe also sent its surplus labor as emigrants (Frank 1978b). Perhaps in part thanks to this contribution to capital accumulation and investment elsewhere, by the turn of the 19th-20th century the now so-called "third world" accounted for some 20 percent, and Latin American in turn ½ thereof or some 10 percent, of total world trade.
### THIRD WORLD AND LATIN AMERICAN SHARES IN WORLD TRADE/EXPORTS

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#### Sources and Explanations:

Percentages are for shares of exports, except for trade in 1850. Shares of Imports or total (export + import) trade vary one or two points, but these are rounded out anyway.

- **1850** Estimate by AGF from James Foreman-Peck (1938: 2) citing M. G. Mulhall *Dictionary of Statistics*, London: Routledge 1899
- **Y** = P. Lamartine Yates (1959: 32) averages 1876-80 & 1896-1900
- **B** = Paul Bairoch (1975: 93) and for Latin America calculated by AGF from pp. 97 and 93
- **L** = League of Nations (1942: 18)
- **RA** = Rounded Average of these percentage shares by AGF.
- + = more than 1/10 but not more than 1.5/10

**LA/TW** = the [declining] proportion of Latin America in Third World exports/trade. For present purposes, no effort has been made to correct for the previous and now again renewed "third world" status of much of the temporary "second world."
The 20th Century Marginalization of Latin America

However, with growing industrialization in the North, the contribution of the South, including Latin America, became less necessary or useful. For during this century and especially in its second half, Latin America in particular and to some extend the third world have been increasingly marginalized from the world economy and much of world politics. The United States, Japan and Russia rose to pose economic and political challenges, but none of them had ever been part of the third world. In the next world economic crisis from 1913 to 1940/45, two world wars were fought largely in Europe to settle the matter of hegemonic succession, and only a relatively minor part of the Second World War was fought over the challenge of Japan in the Pacific and in China.

Many parts of the third world are being marginalized. The most visible marginalization is that of Africa, whose natural and human resources were squeezed dry like a lemon, which was then discarded. However, perhaps the most dramatic recent increase in marginalization - or an accelerating process of Africanization - is that of Latin America. The relatively if absolutely greatest pauperization is that of its once richest and most promising country, Argentina.

The participation and shares in world trade [see table] remained at roughly 20 percent for the third world and 10 percent, or 5/10 of that, for Latin America during the century 1850-1950. During 1913-1940/45 Kondratieff "B" phase world economic crisis and the two world wars however, the third world share rose from 20 to 30 percent; and the Latin American share remained stable at 10 percent. This made the Latin American share decline from 5/10 to 3/10 of the third world share. Then in the postwar world economic recovery and even more so in the renewed Kondratieff B phase crisis since the mid-1960s, the third world share returned to its previous 20 percent of world trade. By then however, much of this third world share was due to the export of petroleum. For 1980, the increase in the price of oil in 1973 and again in 1979 temporarily raised the third world share to 30 percent of world exports. Fifteen percent, or half of these, were oil exports from OPEC countries, which did not include Mexico (calculated from United
Nations 1990: 995). By 1990, the renewed decline in the price of oil had returned the third world share to 20 percent of world exports. Among these, 8 percent of total world exports, or 4/10 of all third world exports, was accounted for by manufacturing exporter from the four East Asian "Newly Industrializing Countries" [NICs] South Korea, Taiwan, Hong Kong, and Singapore, who have a combined population of less than 50 million (GATT 1990: 13).

In the meantime, especially during the readjustments generated by the current world economic crisis, Latin America was marginalized out of world trade flows. All of Latin American and the Caribbean, with a population of some 450 million, saw their share of world exports reduced to 4 percent in 1970 and 1980, and to 3 percent in 1990 (see table). That is less than Holland, with 15 million inhabitants and few raw materials. Three percent of the Latin American total, or almost 1 of these 3 percentage points, in turn was from oil exports (calculated from CEPAL 1990: 29 and 31). For the last two dates, the Latin American share even in third world exports has fallen to little more than 1/10th. The once proud Argentina’s exports have declined to only 1/10 again of that, or 0.3 percent - that is 1/300th - of the world total (calculated from CEPAL 1990: 31 and United Nations 1990: 995). In 1928, Argentina alone still accounted for 3 percent or 1/30th of world exports (calculated form League of Nations 1942: 139 and 18). That is a mark of the marginalization of Latin America.

The Dilemma of Latin America in the Contemporary World System

In Latin America, the 1980s were termed "the lost decade" of development largely because, instead of continuing to grow, per capita GNP and income receded to the levels of the mid-1970s [and in Africa to that of the pre-independence level of the early 1960s]. Per capita income declines of 10 to 15 percent were common and reached or exceeded 25 percent in Argentina and Peru. Immiserization became rampant in part because of the debt service and massive export of capital to help support the banks, the financial system, and the economy generally in the North [or more precisely in the West, since the East did and suffered the same]
during the present world Kondratieff economic crisis, which began in the mid-1960s (Frank 1980, 1988). In Latin America, but also in some other parts of the Third World, the 1990s threaten to become the "decade of cholera."

However in historical terms, for Latin America - Eastern Europe and the [ex] Soviet Union as well - the 1980s was a lost decade in other, perhaps even more important, ways as well. They seem to have lost the train or missed the boat of economic competitiveness in the international division of labor. Some sectors, regions or countries in North America, Western Europe and East Asia invested to upgrade their technology and strengthen their competitiveness on the world market. At the same time, all of Latin America, Eastern Europe, Africa and much of the rest of Asia disinvested instead. Not only did they fail to upgrade technologically, they even had to sacrifice much of their previously existing production infrastructure and human capital, which were becoming increasingly non-competitive.

Therefore, the long term cost of servicing the debt abroad may be even greater than the short term one of reducing consumption at home; for it also prevented investment in the future. The ideological claims about privatization or export-led growth are largely irrelevant to these real world facts: All of these countries practiced export-led [non] growth. Moreover, [often under IMF/World Bank pressure] they socialized the burden of the debt, which has been largely contracted and/or taken advantage of privately. Quite independently of ideology or anything else, the "Communist" regimes in the East and the "military fascist" ones in the South, as well as their respective successor "democratic" regimes in both have all handled their debt crises in exactly the same way (Frank 1990d, 1992). At the same time, the debt was and remains an instrument successfully used by the West to force the South and the East to drop out of the race to compete in the world economy.

While parts of Eastern Europe may now be reincorporated or at least re-associated to a European economic community, parts of Latin America face the same future in an American Initiative to form a Common Market from Alaska to Tierra del Fuego. The United States, of course, takes this initiative in its own business interest to promote competitiveness against Europe and Japan.
Where useful, Canadian and Latin American raw materials, labor and capital are to fuel the decelerating U.S. locomotive. Moreover, this American jigsaw puzzle is already being assembled piecemeal. First there is the U.S.-Canada free trade agreement; then the U.S.-Mexico one and, finally, the trilateral NAFTA agreement involving the same countries. Serving as a link in the meantime, Mexico makes a trade agreement with the Central American states, a looser one with Venezuela and Columbia, and still another one with more distant Chile. In the Southern cone, Mercosur establishes ties among Brazil, Argentina, Uruguay and Paraguay. However, these economies, and those of Peru, Ecuador and Bolivia are not likely to find much place in an economic bloc dominated by the United States. Either they pose too much of a competitive threat, like Sao Paulo, or they have little to contribute beyond drugs.

Reference to the presently ongoing regionalization of the world economy and/or the emergence of regional political economic blocs centered on the United States, a German centered Europe, and a Japanese centered Asia has become commonplace, and was previewed in Frank (1986 and 1988a, b). However, there would be a difference between participating in an American regional bloc from being associated to the European Economic Community or to the new Japanese "greater East Asian Co-prosperity Sphere." The other third world economies [including those temporarily in the "second world"] are being associated with rising central economies and perhaps even with a newly emerging hegemon in old Eurasia. However, as the world center of gravity continues its millennial move westward around the northern hemisphere of the globe, the Latin Americans on the other hand are invited to share the declining hegemony on board the sinking U.S. economic ship.

Nonetheless, the Latin Americans have little other choice. Either they sink alone in the competitive storm of the world economy, or they salvage what they still can in association with the United States. An independent Latin American economic association is even more of a chimera now than it was in the 1960s [LAFTA], the 1970s [Andean and other Pacts], and the 1980s [SELA].

Moreover, the more some of Latin American and other parts of the third world - and indeed in the first world industrial countries themselves - are integrated into or associated with regional
economic and political formations or blocs, the more a growing number of their population will be effectively and increasingly marginalized. They will form an ever growing underclass of people who are sacrificed on the altar of "development" and who fall by the wayside in the drive to maintain competitiveness, both within the economic bloc and among them in the world economy. Latin American association in a weaker economic region can only expose its people to greater sacrifices. It is one thing now to recognize that there is no escape from the world system/economy/market. I used to recommend de-linking from it and Samir Amin (1989) still does. I no longer do (Frank 1991c). However, it is quite another thing to claim that "export-led growth," "marketization," "privatization," etc. can and will expedite all into some sort of paradise. [Old free marketeers have claimed such against all prevailing evidence.] Some old critics thereof - West, East, and South - now have turned into new enthusiasts for "the magic of the market." Unfortunately, it would be magic indeed if the market now suddenly were to homogenize peoples and regions after centuries - no millennia - of polarizing them instead.

In other words and ironically, a dual economy and society may now indeed be in the process of formation at this stage of social evolution in the world system. However, this new dualism is different from the old dualism I rejected in my earlier writings (Frank 1967 and others). The similarity between the two "dualisms" is only apparent. According to the old dualism, sectors or regions were supposedly separate. That is, they supposedly existed without past or present exploitation between them before "modernization: united them happily ever after. Moreover, this separate dual existence was seen within countries. [I correctly denied all these propositions.] In the new dualism, the separation comes after contact and often after exploitation. The lemon is discarded after squeezing it dry. Thus, this new dualism is the result of the process of social and technological evolution, which others call "development." Moreover, this new dualism is between those who do and those who cannot participate in the worldwide division of labor. To some extent, the ins and outs of this world division of labor are in part divided by the requirements and opportunities of technological "progress" (Frank 1991a).
What is a realistic prospect, therefore, is the growing threat to countries, regions and peoples to be marginalized. That is, they may be involuntarily de-linked from the world process of evolution or development. However, they are then de-linked on terms, which are not of their own choosing. The most obvious case in point is much of sub-Saharan Africa. There is a decreasing world market in the international division of labor for Africa’s natural and human resources. Having been squeezed dry like a lemon in the course of world capitalist "development," much of Africa may now be abandoned to its fate. However, the same fate increasingly also threatens other regions and peoples elsewhere. Moreover, they may be found everywhere: In the South (e.g., Bangladesh, the Brazilian Northeast, Central America, etc.); in the ex-industrial rustbelt, the South Bronx, and other regions and peoples in the West; and in whole interior regions and peoples in the "socialist" East, e.g., on both sides of the Sino-(ex)Soviet border. Events in the former "socialist second world" East must accelerate and aggravate the marginalization of millions of people in Eastern Europe and the (ex)Soviet Union. As noted above, many regions there are more likely to Latinamericanized, and some even Africanized and Lebanonized, instead of achieving the West Europeanization to which they aspire.

In Latin American, the best most people could hope for form their powerful northern overlord would be political benign neglect. Unfortunately, that has not been the recent experience in what President Reagan called his "front [not back] yard" in Central America and the Caribbean, parts of which were invaded both by him and his successor President Bush. Moreover, there and elsewhere bitter experience from Mexico to Argentina demonstrates that, however desirable national and local electoral political democracy may be, it offers the people scarcely any power to manage their economic and therefore social existence or to determine their future (Frank 1992). The best, or perhaps only, political options open to their peoples is to mobilize the social movement to defend their economic livelihood and cultural autonomy as best they can (Fuentes and Frank 1989). A Luta Continua!

—University of Amsterdam
Epilogue

The first part of this article on world-wide cycles overlaps with two others. Gills and Frank (1992b) discuss the European dimension in "World System Economic Cycles, Crises, and Hegemonical Shifts 1700 B.C. to 1700 A.D." After the presentation of the latter article at professional meetings and already before its publications, its cycle datings have been put to empirical test by two authors working independently of each other. Also independently, a third author recently also referred to long cycles in this period. Since their work has implications for the cycle dating proposed above, I offer a very brief summary of these three authors' work in relation to the present one.

1. David Wilkinson of the Political Science Department of UCLA presented a paper at the 32nd Annual ISA Convention April 1-4, 1992 in Atlanta entitled "Decline Phases in Civilizations, Regions and Oikumene" specifically to "offer an independent empirical check for the Gills and Frank proposal." Wilkinson tested the datings of our A and especially B phases by calculating increases and declines in city populations [above certain thresholds] previously tabulated by Tetius Chandler in his *Four Thousand Years of Urban Growth: An Historical Census* (Lewiston/Queenston: St. David's University Press 1987). Wilkinson sifted through an enormous number of Chandler's "snapshots" of city sizes taken for convenience or other reasons at time that often did not coincide with our suggested inflection/turning points of A and B phases, and Wilkinson concludes:

The decline data were consistent with treating phases B1, B2, B6, B7, B8 [numbered consecutively beginning with the first 1700-1500/1400 B phase in our list] as Old Oikumene decline phases, were ambiguous with respect to B4 and B5, and did not reflect B3. On the other hand there was misfitting decline data for A2, A7, and A8, and potential misfits in ambiguous data affecting A6 and A5; A4 could not be tested and A3 was not challenged. These results were favorable to the proposition that the Old Oikumene showed A-B phases at least as early as the mid-2nd millennium B.C.; but considerable refinement of phase time-boundaries, and data collection for crucial but unmeasured years, is called for (p. 30).
Of course, Chandler's city size data and Wilkinson's use of them are not beyond challenge or dispute, which could further support, modify, and detract from our dating of phases and the geographical regions or civilizational units to which they apply. Moreover, the fits are better for West Asia, from which we took most of our cues, than East Asia, which was less or later integrated into the "system" -- but for which the data may also be less reliable. Significantly however, there was no fit at all between changes in city sizes also tabulated by Chandler for the Western Hemisphere and the phases we identified in the Eastern Hemisphere. This transatlantic misfit offers a significant corroboration of our Eurasian wide system and cycles. It suggests that, as far as it goes in Eurasia, the fit is not spurious; since it disappears entirely if we try to extend it beyond the "system" across the Atlantic before 1492.

2. At the same ISA meeting, George Modelski of the Political Science Department of the University of Washington in Seattle informed us that his graduate student at the same, Andrew Bosworth, working independently of Wilkinson, tested and largely confirmed our long cycle phase. His subsequently received paper, "World Cities and World Systems: A Test of A. G. Frank and B. Gills' 'A' and 'B' Cycles," was presented at the Canadian Association of Geographers Conference, Vancouver, May 21, 1992. Bosworth concludes that "1) there is significant support in Chandler's data for the existence of long-waves of economic expansion and contraction, each averaging about 250-years in length. Such regularity further reinforces Frank and Gills' contention that these phases condition one another, generating a cyclic alternation. 2) Chandler's data lends strong support to Frank and Gills' timing of the following phases: B1; A2; B2; A3; B4; A5; A6; B3. 3) Chandler's data is inconclusive or lends mild support to ... A and B phases 3000 -2000 B.C.; B4; B5. 4) Chandler's data is inconsistent with the locations of timing of B3; A4; B6; A7; B7; A8; for which Bosworth suggests some minor and more greater adjustments."

and ups and downs in rural settlement, towns and other centers, production and exchange, and society, culture and mentality. Many of his dating periods for the western end and sometimes more of our "world system" often confirm - or offer evidence to permit refinements of - our A and B phases. Moreover, Randsborg notes that "today we realize that at any rate the Western Empire [of Tome] showed signs of weakening long before the rise of Islam and that the Carolingian realm was hardly totally isolated" [p. 167]. After noting that there have been some 500 theories devoted to the collapse of the Roman Empire, Randsborg writes that "the well known 'third-century crisis' ... was accompanied and probably caused by a dramatic shift in the economic center of gravity ... [to] the Levant [which] did not suffer overall decline" or had been the economic center all along [pp. 169-70]. Randsborg noted that, by contrast to the 500 theories about its collapse, "considerably fewer" have been devoted to the expansion of the Roman Empire; and he concludes that "to fully understand the emergences of the Roman Empire would require study of the center-periphery relations in Europe and the Mediterranean area that emerged with the Mediterranean civilizations" [p. 185].

The tests by Wilkinson and Bosworth based on city-size data and the archaeological review of Randsborg suggest some possible adjustments to the datings of cycle phases in medieval times as presented above: The 750/800 A. D. is not well reflected by the data, and the beginning of the expansion phase data from 1000/1050 should perhaps be postponed to around 1100 A. D.

The study, of which this article on Latin America's place in these long cycles and hegemonic shifts is but a part, offers a world systemic approach to the study of this as well as other historical and contemporary problems. I am gratified to learn of the two elaborate attempts by Wilkinson and Bosworth to put our "theory" to empirical tests with independently gathered data within a year of its public presentation and even before its publication, which I therefore hope may promote more of "all of the above."

Other recent studies that indicate the existence of such long cycles includes: "From Luxuries to Commodities: The Nature of Mediterranean Age of Trading Systems," by the archaeologists Andrew and Susan Sherratt of the Ashmolean Museum at Oxford

Kristian Kristiansen's *The Emergence of the European World System in the Bronze Age. Divergence, convergence and social evolution during the first and second millennium B. C. in Europe,* to appear in *Europe in the First Millennium B. C.*, edited by Jorgen Jenson and Kristian Kristiansen (Department of Archaeology, University of Sheffield, forthcoming), which he kindly gave to Frank. Also forthcoming is Kristian Kristiansen's book *Europe Before History. The European World System in the Second and First Millennium B. C.*

Philip Kohl has kindly made available to Frank the unpublished translation of E. N. Chernykh's *Ancient Metallurgy in the USSR: The Early Metal Age*, (Cambridge University Press, forthcoming), in which the Russian scholar says that "peoples of the EMA [Early Metal Age] cultural zone seem to have shared the same developmental cycle: the formation and decline of cultures at various levels generally coincided ... Such explosions follow some regular rhythm in accordance with [which] various provinces at the same time collapse or emerge." Moreover, Chernykh supplies datings for some of these cycles, which also lend further support to the work reported here and elsewhere as mentioned above.

I am now drawing on the above cited and other recently available sources to refine the identification, and where necessary/possible revise the dating, of these cycles in the pre-Christian iron and bronze ages and to pursue them further back through the 3rd millennium B. C. for much of Afro-Eurasia. This new essay is entitled "Bronze Age World System Cycles" (Frank, 1993).
REFERENCES CITED

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