

ISP 201-2: INTRODUCTION TO THE WORLD SYSTEM, PART II (Winter 2006)

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Harris 107, Tues. & Thurs. 3:30 to 4:50pm

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This syllabus is available at <http://pubweb.northwestern.edu/~wsr737>

If any man should make a collection of all the inventions and all the productions that every nation, which now is, or ever has been; upon the face of the globe, the whole world would fall short, either as to number or quality, of what is to be met with in China.

--- Isaac Vossius (1618)

The problem that is usually being investigated [by economists and political scientists] is how capitalism administers existing structures, whereas the relevant problem is how it creates and destroys them.

--- Joseph Schumpeter (1939)

Pushed beyond the bounds of decent and reasonable victimisation, the aged retainers take their destiny in their own hands and-- Mutiny!

And so, the Crimson Permanent Assurance was launched upon the high seas of international finance.

There it lay, the prize they sought, the richest jewel in the crown of the I.M.F.: a financial district swollen with multi-nationals, conglomerates, and fat, bloated merchant banks.

Hidden behind the faceless, towering canyons of glass, the world of high finance sat smug and self-satisfied as their future, in the shape of their past, slipped silently through the streets, returning to wreak a terrible revenge.

Adopting, adapting, and improving traditional business practises, the Permanent Assurance puts into motion an audacious and totally unsuspected takeover bid.

And so, heartened by their initial success, the desperate and reasonably violent men of the Permanent Assurance battled on... until, as the sun set slowly in the west, the outstanding return on their bold business venture became apparent: the once-proud financial giants lay in ruins, their assets stripped, their policies in tatters.

--- *Crimson Permanent Assurance*, Monty Python (1983)

Overview of the Course:

This course is the second in a series of three devoted to the study of the origins and evolution of the modern world system. As with the other two courses in this series, this course will concentrate on key historical developments. Our inquiry will focus on the period roughly from 1500, soon after Columbus' first visit to America, to the start of the First World War in 1914.

First, this course will explain how European markets and politics became a system of states. Students will discover why Europe ultimately did not come under the sway of a universal theocratic empire under the Vatican or a giant secular empire. People in the 1600s and again in the early 1800s (and in the early 1940s) could be excused for believing that such a thing was imminent. The second part of this course will examine how European states exported elements of their particular type of political economy to the rest of the world as their networks of trade and production expanded. This process also involved competition among European states for hegemony. Thus related to our inquiry is the question of why Amsterdam became hegemonic, only to be succeeded by Britain, but not by France. The third section of this course will consider how economic and political globalization led to the rise of Western Europe as the core of the world system. We will consider why Western Europe instead of China became the core. According to Kenneth Pomeranz (whose book we will read), China had many of the preconditions to emerge as a dominant core in the world system before 1800. Why did China not rise? Will it yet rise?

Throughout the course connections will be made between historical developments and contemporary politics. For example, does al Qaeda pose a systemic threat to a world system organized into states? Do contemporary trusteeships (such as Bosnia, Iraq, Afghanistan, East Timor, Sierra Leone) represent a new effort to extend a homogeneous state system to tribal societies, stateless regions and other “misfits”? To what extent are the globalization’s effects—shared knowledge and shared interests, the benefits and ills of financial shocks, rapidly shifting industries, and revolts of the marginalized—familiar from centuries past?

While knowledge and the art of thinking are important in their own rights, there are other concrete returns from this course. First, the history of the world system shows that the future (from any particular period’s perspective) rarely turns out as expected. Hegel wrote: “The owl of Minerva spreads her wings only with the falling of dusk,” meaning that we usually only come to understand a way of life only as it is passing away. Bearing this in mind, it makes sense to try to understand what this past means for the future: Is US dominance permanent? Will India’s and China’s rapid economic growth change the world system?

Course Requirements & Evaluation Criteria:

This course will have an essay-style midterm and final exam. The midterm will be administered during class on **31 January**. The midterm will count for 20% and the final exam will count for 25% of the course grade.

Students will complete two short papers, each limited to five pages. They will take the form of critical essays. Assignment details and suggestions are appended to this syllabus. These assignments will build on the ideas and frameworks in the Tilly, Abernethy, and Pomeranz books, in addition to other material assigned in this course. The first paper will be due in class on **2 Feb**. The second paper will be due in class on **2 March**. These papers each constitute 15 percent of the course grade.

There will be a quiz that will be administered in sections. For most of you, that means that you will take them on **21 January**. This quiz will count toward ten percent of your total course grade. You will receive a list of four questions in class prior to taking this quiz. Two of those questions will appear on the quiz. These questions will be drawn directly from the readings assigned up to that point. Class participation will count toward fifteen percent of the course grade. Class participation will be measured through attendance and participation during class sessions and in discussion sections. All assignments must be completed to pass this course.

Course grades will be calculated with reference to the following:

Quiz	10%	[In section meetings, 21 January]
Participation	15%	[All the Time, recorded by TAs]
Midterm Exam	20%	[In-class, 31 January]
Final Exam	25%	[Tuesday, 14 March, 3pm to 5pm]
Two Papers	30%	[First due on 2 Feb, second on 2 March]

Readings:

There are four textbooks for this course. Students continuing from the first term of the course also may consult the later sections of their *Rise of the West* by William McNeill. The assigned textbooks are:

Charles Tilly. 1992. *Coercion, Capital and European States, AD 990-1992*. Blackwell.

David Abernethy. 2002. *The Dynamics of Global Dominance: European Overseas Empires, 1415-1980*. Yale.

Daniel Headrick. 1981. *The Tools of Empire: Technology and European Imperialism in the Nineteenth Century*. Oxford.

Kenneth Pomeranz. 2001. *The Great Divergence: China, Europe, and the Making of the Modern World Economy*. Princeton.

These books are available at the University Bookstore or may be purchased on-line. Additional readings are available at Northwestern University's Main Library electronic reserve or via internet links noted below. Students may wish to supplement readings and lectures with a good historical atlas. The thrifty will find an excellent on-line map library (including historical maps) at the [University of Texas Map Library](#).

CLASS CALENDAR

Section One: Europe's Consolidation into a State System

3 Jan: Introduction. Change on a global scale and preparing for the unexpected

You do not need to read anything in particular for this lecture.

5 Jan: Punctuated equilibriums and multiple possibilities. What makes the European core different from other potential cores (such as the Arab world or China)? Was Europe fated to become the center of the world system, or was its rise simply the result of contingencies and accidents?

Tilly, "Cities and States in World History," 1-37.
Abernethy, "Western Europe and the World," 3-42.

10 Jan: The Old Europe of bishoprics, free cities, leagues and Christendom. Why did alternatives to states lose their importance as prevailing kinds of political units in Europe? The relative impacts of coercion and capital in shaping the character of states.

Tilly, "European Cities and States," 38- 66.
Robert Bates 2001, "The Formation of States," in his *Prosperity & Violence*, (NY: WW Norton), 50-69, on [electronic reserve](#).

12 Jan: Exploring the critical role of war in the formation of states. States disarm civilians and extend their pretenses of monopolies over the exercise of coercion. Inter-state war shifts the calculus of relations between capital and state rulers. War and paying for war was a state-building enterprise. What of war and the state in the contemporary world?

Tilly, "How War Made States, and Vice Versa," 67-95.
George Packer, "Gangsta War," [Letter from Ivory Coast], *New Yorker*, 3 Nov 2003, 68-77,
available on [electronic reserve](#).

17 Jan: The consolidation of European states and the shifting balance between citizens and power-holders. The problem of extracting taxes and new burdens facing states: coercive and capital-intensive strategies.

Tilly, "States and their Citizens" & "Lineages of the National State," 96-160.

Though not a required reading, those who are interested may want to consider whether the Yukos tax affair in Russia represents a case of state looting or of state construction:
www.ilpp.ru/projects/govern/pdf/2003/Easter-eng.pdf

19 Jan: The victory of the sovereign state (in Europe and beyond). Why aren't all contemporary states strong if Tilly says that the weak tend to fail and get absorbed by others?

Tilly, "The European State System" & "Soldiers and States in 1992," 161-227.

Those who are interested may examine pointers on tax havens and corruption at [Transnationale](#). You may also want to examine the site titled "states" at www.globalpolicy.org/nations/index.htm

Quiz in sections this week. For most of you, that means Friday, 21 Jan.

Interlude: The Miracles of National Debt and Compound Interest as Methods of Empowering States

24 Jan: The Financial Revolution, or the virtues of debt (if properly managed) if you are fighting a war. Britain explores new dimensions in the relation between the state, war and commerce.

P.G.M. Dickson (1967) "The Financial Revolution" in his *The Financial Revolution in England*, 3-14, and
Henry Roseveare (1969) "The Rise of the Treasury" in his *The Treasury: The Evolution of a British Institution*, 57-81. Both are available at [electronic reserve](#).

26 Jan: The fall and the rise of the City of London. Harsh lessons of 18th century hype and bubble economies. Finance and the failure of 18th century France to keep up with Britain in the race for global dominance

P.G.M. Dickson (1967) "The Origins of the Stock Exchange" in his *The Financial Revolution in England*, 486-520. Available at [electronic reserve](#).

Mr. McGuire offers earnest advice to Ben Braddock in the film [The Graduate](#). Visit the [Crimson Permanent Assurance Company](#) as it charts its course behind faceless, towering canyons of glass, as the world of high finance sat smug and self-satisfied as their future, in the shape of their past, slipped silently through the streets, returning to wreak a terrible revenge. Bold investors may wish to consult <http://www.caslon.com.au/boomprofile1.htm>

31 Jan: MIDTERM EXAM (An in-class exam)

Section Two: Imperialism and the appearance of a 'Third World'

2 Feb: Phases of imperial expansion: Why did Europe expand overseas while others did not? How are economic and political expansion related? Could imperialism return?

Abernethy, "Phases of Imperial Expansion," 45-172.

Paper One is due on this day.

7 Feb: Accounting for imperial expansion: Geography, culture, and competing states—Explain why the new-comers (states) overwhelm other political organizations, and add the factor of technology.

Abernethy, "Accounting for Imperial Expansion," 175-253.
Headrick, "Technology, Imperialism, and History," 3-14.

Non-European Imperial Survivals: Let your computer find today's [Mayan date](#).

9 Feb: (12.19.13.0.11.4 Chuwen 9 Pax 2—Mayan Date) Local reactions to imperialism. Were subject societies outgunned? (What are the implications for the contemporary world system of the proliferation of weapons of mass destruction? What is the systemic impact of new military technology and strategy seen in recent American military campaigns?)

Abernethy, "Non-European Initiatives," & "Consolidating Power," 254-322.
Headrick, "Guns and Conquest," 83-126.
"The Fall of Khartoum," *The Spectator*, 7 Feb 1885, 172 [one page only].

Not required but recommended for those who are interested: Revolution in Military Affairs, information war and asymmetric warfare at [RMA Debate](#).

14 Feb: Explain the connection between economic globalization and the rising costs of formal imperial rule. The contemporary problem of globalization, disorder and protectorates: Kosovo, Bosnia, Afghanistan, Sierra Leone, East Timor and Iraq.

Abernethy, "Accounting for Imperial Contraction," 325-86.
Roland Paris, 2002. "International Peace-building and the "Mission Civilisatrice," *Review of International Studies*, 28, 637-56, at www.maxwell.syr.edu/ir/GlobalProgramsPages/Paris.pdf

Section Three: Economic Globalization, Imperial Expansion, or Why Western Europe instead of China Emerged as the Core

16 Feb: Why did Europe rise to hegemony over Asia, despite the fact that both places had many features in common prior to 1800? Pomeranz argues that 18th century Europe had no special head-start, for example.

Pomeranz, "Introduction" & "Europe before Asia?" 3-68.

21 Feb: Globalization and the development of two cores—Europe and China. Did China’s advantages turn into burdens? Why did Europe avoid a developmental dead-end and why was England exceptional? Compare Pomeranz’s explanation for English exceptionalism to accounts above about English financial and fiscal innovation. Compare that to the story of silver exports to China.

Pomeranz, “Market Economies in Europe and Asia” & “Luxury Consumption and the Rise of Capitalism,” 69-165.

23 Feb: Revisiting the issue of coercion, but this time focusing on coercion beyond the confines of states. Note Pomeranz’s explanation of the crucial role of *not-free* trade for the rise of Western Europe. How do successful international firms arise?

Pomeranz, “Firm Structures,” 166-207.

A few [Diaspora Links](#) – can prior economic duress be turned into networks for future success?

28 Feb: The mysteries of Western European economic development and its connection to a new periphery. Why were coercion and economic development different in the New World, compared to coercion and economic development around China and in Eastern Europe?

Pomeranz, “Ecological Constraints in Western Europe and East Asia,” 211-63.

2 March: Pomeranz explains the centrality of a slave-based economy in the New World to Western Europe’s decisive escape from its environmental constraints on development.

Pomeranz, “The Americas as a New Kind of Periphery,” 264-97.

Will the world system always consist of states on the European model? Check out the [International Monarchist League](#) and the [Don Cossack Host](#), or [UFOs](#) for lesser and greater alternative visions.

For information on some more serious existing system-challenging movements, visit the [Federation of American Scientists](#) list of non-state armed groups.

Paper Two is due on this Day.

Reading period begins on Tuesday, 7 March. Our final exam will be held on **Tuesday, 14 March**, from 3pm to 5pm.

First Paper Assignment – Critical Essay

Your assignment is to write a critical essay of no more than five double-spaced pages that addresses how the development of a European system of states changed bargaining between subsequent state-builders and societies. You will be expected to draw upon Charles Tilly's analysis in his *Coercion, Capital, and European States*. Recall his explanations in his chapters, "The European State System" and "Soldiers and States in 1992" of how the consolidation of strong national states in Europe changed the nature of bargaining between other state-builders and their local societies. Recall that these states developed a distinctive type of geo-political competition and diplomacy that shaped this European system of states that eventually became an international system of states. You may want to address the question of whether later state-builders can engage in the same processes of consolidating their authority that earlier state-builders employed (and whether the contemporary world would—or should—tolerate such strategies).

Your first paper assignment will contribute 15 percent toward the calculation of your final grade. It is due in class on Thursday, 2 February. You are expected to reference the work of Tilly and others where appropriate. You may use the citation method that you prefer. Our request is that you be consistent in your use throughout your paper.

Second Paper Assignment—Critical Essay

Kenneth Pomeranz argues that the addition of the New World to the European-centered system played a key role in the latter's economic "take off" as China's economy declined in relative terms. While he does not ignore the role of coercion in Europe's creation of a single world system, this variable is not at the center of his analysis. Your assignment is to produce an essay not to exceed five pages in which you discuss the role of coercion in Europe's global rise and China's failure to become a global hegemon. You need not disagree with Pomeranz (if you prefer). The assignment simply requires adding coercion as a particular facet of Europe's rise and China's relative decline. This can be done in several ways. One may recall how Tilly and Abernethy include coercion in their arguments. One could elaborate on Pomeranz's argument. Here are several more specific ideas to consider:

- How did coercion differ in domestic political relationships to capital in Europe versus China and how did this contribute to Europe's rise? This approach would find that internal dynamics of politics played a decisive role in the rise of Europe in the world system.
- Likewise, one could take Pomeranz's description of Chinese internal politics and subject it to the kind of analysis ("capital versus coercion") that Tilly applies to European cases.
- Was coercion decisive in assisting European overseas commerce? Perhaps Pomeranz's point about the crucial role of European trade with the New World was on the mark. Was there something particular about how coercion was applied that was responsible for making the relationship work in this particular way?
- What role did coercion play in imperial rule itself (from Abernethy)?

Grading will take into account the clarity and logic of the argument. The essay will contribute 15 percent toward the calculation of your final grade. Given that the assignment is limited to five pages, it is understood that authors will focus on main points and that these essays cannot be comprehensive. It is not necessary to consult materials beyond those assigned for this course to complete this assignment. This essay is due in class on Thursday, 2 March.