THE DISTRIBUTIVE STATE IN THE WORLD SYSTEM

JACQUES DELACROIX
Stanford University

According to the neo-Marxist, world system theory, the poverty of the Third World or "periphery" is due to its relationships, especially its economic relationships, with the developed, industrial and capitalist First World or "core." Yet there are many cases of periphery countries standing historically and structurally in the same apparent relation of dependence to the core with spectacularly divergent economic performances (e.g., Argentina and Australia). This suggests that neo-Marxist theories may have downgraded unjustifiably the importance of internal, ontogenetic factors in development. Recently, world system oriented scholars have demonstrated a new awareness of a largely ontogenetic social fact—class dynamics. (Skocpol, 1977; Van Allen, 1977; Chirot, 1977). A related, albeit ambiguously, development, as I will demonstrate, is the rediscovery of the importance of the state in economic activity (Hechter, 1977; North and Thomas, 1976; O'Connor, 1973).

The theory of the state contained within the world system perspective is multimorphous and unfinished (e.g., Wallerstein, 1974a). This is regrettable for there are at least three reasons why the state, as a specific social organization, should affect the operation of the world system:

1. The state is an important mediator, when not a direct participant, in the transnational economic exchanges that constitute the infrastructure of dependence (Chase Dunn and Rubinson, 1979:284-285, 295).
2. The state may compensate for the negative consequences of dependence by marshalling the resources of a dependent country toward greater efficiency and by imposing austerity on its population.
3. Resistance against the core must first deal with the periphery country's national state, which often acts as a local watchdog for core interests. Alternatively, periphery resistance against the core may be based on the national state.

Quantitative research guided by a world system perspective is still scant. Nevertheless, its findings point indirectly but unmistakenly to the influence of state characteristics on dependency relations. Zolberg (1976), Rubinson (1976 and 1977), Delacroix (1977a and b), and Ragin and Delacroix (1978) show that state variables modify considerably the relationship between dependence and development. Tugwell (1974)

demonstrates that certain structures of dependence supply the state with resources conducive to economic growth and to the extinction of the dependent relationship itself. Unfortunately, in most world system research, the operationalization of state variables has exhibited an *ad hoc* character which betrays a lack of theoretical anchorage (Rubinson's [1976] direct and boldest operationalization is severely attacked by Bach [1977] on such grounds). This lack of theoretical anchorage may be blamed on the prevailing theoretical views of the state. These appear unsuited to empirical research guided by a world system perspective.

Below I present some reasons for this assessment. I then sketch an alternative conceptualization of the state and suggest a few theoretical and practical consequences of this conceptualization for world system theory.

THE MARXIST TRADITION: STATE AND CLASS

In accordance with the classical Marxist tradition (Marx and Engels, 1848; Engels, 1891; Trotsky, 1960; Lenin, 1943, Marx, 1965; Hechter, 1977; Burowoy, 1977), dependency-world system oriented scholars view the state as a superstructure, as a derivative of class dynamics.

Wallerstein (1974a), for example, contrasts sketchily the economic efficacy of the ideal core state, served by a strong bureaucratic machinery, with the economic passivity of the typical periphery state. His emphasis is on different class structures. In the periphery state: "[the state managers] simply become (sic) one set of landlords among others" (1974a:336). Elsewhere, Wallerstein (1974a:86-115) traces the divergent forms of core and periphery states back to the historical assignment of regions to different productive functions within the world capitalist economy. Each assignment calls, roughly, for a particular mode of labor control (slavery and "second serfdom," share-cropping and freehold tenure). Each mode of labor control, in turn, forms the basis of differential class development in the core, periphery, and semiperiphery. In this scheme, the core state is characterized at once by: (a) its relatively high legitimacy and, (b) class dynamics which enable the exploited classes to display some effectiveness in pressing their claims for a larger share of the pie (Chase-Dunn and Rubinson, 1979:4-5,19,27).

Wallerstein and his followers usually describe the periphery state in relative or negative terms: as a political entity which exhibits such and such features to a lesser degree than does the core state; the core state is

strong while the periphery state is weak (Chase-Dunn and Rubinson, 1979:277). Little attention is paid to the logical implications of descriptions by default: there are many ways to *not* have something. Hence, there must be a variety of types of periphery states.

Other neo-Marxist approaches to the periphery state tend also to have a strong *ad hoc* flavor. For example, in a book specifically written to answer earlier criticism of his lack of attention to political phenomena, Frank (1972) promulgates the thesis that periphery elites are "lumpenbourgeoisies." To the structural causes of periphery underdevelopment, Frank (inspired by Trotsky) thus adds the ineptitude of its elites.

Mandel (1975), though he devotes a chapter of his major opus on world capitalism to the state, has little to say about the periphery state.

The lack of concurrence between class-centered views of the state and actual observations of many dependent states causes some uneasiness. Such uneasiness is betrayed in the propensity of otherwise perceptive scholars to dub "feudal" any polity that diverges from the modern Euro-American model (e.g., Stavenhagen, 1975 following Nadel, 1942), a practice vigorously denounced by Zghal (1973) and Amin (1978). Almost alone among major students of the capitalist world economy, Amin (1978) devotes considerable attention to the pre-world system antecedents of periphery states in an effort to account for their diversity.

Addressing the "exceptionalism" plaguing the study of Latin America, Horowitz and Trimberger (1976) emphasize the peculiar role of the state in the late development of this wholly peripheric continent. They point out that the relation between state and class is often problematic in periphery countries and underline the variety of deviations from the European model of class-state relations found in the periphery.

In general, world system scholars emphasize the "who" of the state to the exclusion of the "what" (Paige, 1975; Chirot, 1976; Mamdani, 1976). Implicitly, they tend to treat the state as a predetermined superstructure derived from the relations of production and all relations of production as synonymous with class struggle.

The neo-Marxist treatment of the state may reflect, to a large extent, the Euro-centeredness of the dominant political theory of the state (Skocpol, 1979). This Euro-centeredness must gravely restrict conceptualization if there is a special historical affinity between a capitalism—defined by class struggle—and feudalism (Moore, 1966:415; Braudel, 1977:71; Amin, 1978:90) and if feudalism is a peculiar European development (Service, 1975:82).[1]

THE HYBRID MARXIST-WEBERIAN MODEL OF THE STATE

Any perspective on the state which takes class dynamics as its central focus must lose much of its usefulness when applied to political entities that: (1) lack classes *fur Sich* (a possibility acknowledged by Wallerstein, 1974a:351); (2) lack classes altogether because upper strata do not exist by extracting surplus value from lower strata; (3) and rest on class structures not describable in orthodox Marxist terms so that each description seems to require a new theory of social class.

Such theorization has been in its infancy for a long time despite a few courageous attempts by Marxist scholars such as Stavenhagen (1975) to deal with the problem (see also Mamdani's 1976 masterful, trailblazing analysis of Uganda's truncated class structure whose "oppressor" class lies outside the boundaries of the polity).

Many, possibly most, of the current periphery states exhibit one or more of the above apparent abnormalities. Following the logic of some of the most systematic theorists (Galtung, 1971) who emphasize the coherence between the world system's economic, political, and cultural dimensions, it is difficult to imagine a periphery class structure that would not deviate importantly from the ideal Euro-American model. At the very least, one must recognize that many periphery states are imaginative inventions of more or less hastily departing colonial powers. As such they must bear little resemblance to the product of a long process of indigenous, largely autonomous evolution based on dialectical class development.

It is difficult to find the means in competing schools of thought to fill the lacunas left by the traditional Marxist understanding of the state. In fact, one may doubt that there are competing views of the state.

Required graduate courses on sociological theory often include separate sections on the Marxist and Weberian traditions. This partition may not be a bad representation of the bulk of current sociological political theory. In contraposition to the Marxist stress on conflict, abrupt transformation, and class coercion is the Weberian perspective on the state as the site of pluralistic accommodation, gradualist change, and consensus-seeking. While they preceded Marxism chronologically, social-contract type conceptualizations of the state (e.g., Rousseau, 1762; Ferguson, 1767; Saint Simon, 1952; Tocqueville, 1955) are used today as a response to the Marxist class-conflict based political model (e.g., Dahl, 1961).

Hence, discussions of the state tend to be either responses to orthodox

Marxist political theory or attempts at broadening its applicability (e.g., Dahrendorf, 1959). The principal debate is between those who would demonstrate the class centeredness of the state against contrary appearances and those who point to the numerous political phenomena which mitigate or nullify class dynamics. Thus, Weber's work on legitimacy (1947:324-406) is used routinely to illustrate the inadequacy of a strict constructionist application of the class struggle pictoriography favored by Marx and Engels in their simpler moments (particularly in *The Communist Manifesto* and *The Origins of the Family, Private Property and the State*). According to this interpretation, Weber is not so much interested in legitimacy as an object for sociological study in its own right, but as the more economical alternative to unbridled class oppression and even as a brake to class conflict (Collins, 1977:641-642).[2]

Every so often a great synthesizer appears (e.g., Moore, 1966; Giddens, 1973) who accounts for the relative prevalence of coercion versus social contract elements under different sociohistorical conditions. There results a reaffirmation of the continued centrality and causal primacy of more or less attenuated and institutionalized class dynamics in the sociological comprehension of the state.

Hence, it is possible to see the Marxist-Weberian debate as encompassed within a hybrid theory of the class-based and class-conflict powered state mitigated by salient social contract elements. The world system's present approach to the state fits neatly within this hybrid theory insofar as it does not question the credo of the primacy of class.

PERIPHERY RELATIONS OF PRODUCTION

This posture may be an inappropriate characterization of some, perhaps of many, periphery entities. Political history is not subsumed by the class struggle-propelled emergence of the European states (Runciman, 1965). It offers examples of class-based states devoid of class dynamics and of states which are simply not class-based in any meaningful sense of the Marxist definition of class. Wittfogel (1957) abounds in variants on "oriental despotic" entities lacking class dynamics. "Trade based" states mentioned by Service (1975:138), including the early African states of Ghana, Mali, Songhay, and Bornu, are historical instances of states not based on class. Medieval Wallachia, extensively described by Chirot (1975), is another.

On the contemporary Third World scene, scarcely adumbrated class struggles exist side by side with full-blown political dynamics (ethnic,

religious, tribal, national) that seem quite distantly related to the category of class. Some of these would undoubtedly reveal hidden class dimensions upon closer examination. Nevertheless, the present concept of the state, welded to the idea of class, is drifting daily from observable reality.

Aside from these practical considerations, a reconceptualization of the state is demanded by the very theoretical coherence of world system theory. A major merit of this perspective is to have systematized the idea that modern societies do not extract their subsistence directly from nature in isolation from one another. Instead, they gain their subsistence from one another largely through the medium of trade, founded on a worldwide division of labor. Hence, each society's mode of production is tied to the position it occupies in the world's trade matrix. Therefore, the same position should also determine the content of its economic life, the morphology of the state that governs it and the nature of its social relations of production. In many cases, the relations of production will be exploitative as in Europe and class-based conflicts will be the main motor of change. But, to be of capitalism is not the same as being a capitalist society. Consequently, it is logically conceivable that, in some cases, the main relations of production will not be organized around the exploitation of one class by another. Two sub-cases are conceivable: in one, intricately analyzed by Mamdani (1976), the main exploiting class is located outside the formal boundaries of the polity. The second sub-case is one where class exploitation is lacking altogether, as in a modern version of the trade based state, for example. Finally, some periphery societies may be based on class exploitation and not profit from that creative flight forward which underlies some of the material success of mature, core capitalist societies.

It is possible that most concrete cases of relations of production in the periphery are mixed cases of the above deviations from the Eurocentered model. Political developments in the periphery will be difficult to comprehend if some of the elements in the mix are not even recognized to exist.

To understand periphery states which belong to capitalism without necessarily being capitalist, one must thus suspend judgement about the centrality of class dynamics. This implies a conceptual movement upstream of both class dynamics and of the process of state formation, toward the resource structure available to the would-be elite bent on creating or dominating a state.

RESOURCE STRUCTURES AND DISTRIBUTIVE STATES

Logically prior to the question of who extracts what from whom in a given society is the question of how that society makes its living.

Marx's main analysis concerned societies which had to wrench their subsistence from nature, through agriculture and manufacturing. Such societies, squarely founded on class exploitation, demand the eventual emergence of a coercive state to organize and regulate class exploitation.

Service (1975) argues that this sequence of events does not correspond to the emergence of the pristine states. Instead, according to Service, the weight of ancient and modern evidence indicates that the first states in both hemispheres had to precede class differentiation, that they were distributive before they became coercive. He traces the evolution from "big man" system to chiefdom, to the pristine state as a function of changes in redistributive opportunities which accompany progress in overall productivity. Service emphasizes the gradualness of this process. Given this emphasis and given the importance of personal attributes in "big man" systems (reminiscent of Weberian "charisma"), Service's conceptualization of the state superficially resembles a Parsonian-Weberian rejection of the Marxist class conflict perspective. But Service's privileging of the idea of rule by acquiescence lies, in fact, outside the Marxist-Weberian debate because it is rooted in the redistributive function of the state, which is largely ignored in that debate. Service thus establishes the logical possibility of states where the political predominates over the economic and where benefit overweighs coercion; that is, of primary allocative, distributive states. The distributive state, as an abstract entity, is not describable in terms of the Marxist-Weberian model.

Two aspects of Service's method seem useful to the study of contemporary periphery states:

1. Beyond the relations of production, Service considers the whole society's linkages to its material and social environment. These linkages include production (the transformation of natural objects), but they are not limited to production. Warfare and trade are also included. In this perspective (reminiscent of the old human ecology scheme), to each environment/technology/initial social organization configuration corresponds a distinct potential for the emergence of certain polities. Some of these configurations correspond to class–centered, coercive states. Others do not.

   The capitalist world economy forces societies into various configurations that cannot be compressed into broad categories such as "core" and "periphery." It

generates a much finer worldwide division of labor. Brazil, Hong Kong, and Saudi Arabia may all be thought of as "dependent," "periphery" societies. Yet, they have constituted very different configurations since the earliest beginnings of the world system (and before; see Raynal's 18th-century monumental description of the emerging European world economy). The nature of the national states that will emerge in these three places will depend on their particular linkages to the world system environment rather than on some shared but overly general condition of dependence.

2. In Service's ontology, none of the pristine states follow the class-then-state sequence postulated by classical Marxism. Given the historical likelihood of states that did not begin primarily as tools of class oppression, it is worth examining the same possibility within the framework of the modern world system. One cannot eliminate, *a priori*, the possibility that the world economy resource structure contains niches permitting the emergence of entities formally equivalent to Service's allocative pristine states.

Polities not rooted in class oppression may crystallize around allocative, redistributive tasks. This is, of course, a striking reversal of the sequential relation between production and allocation found in Marx (i.e., description of the division of labor in the workshop and of its effects on extraction of surplus value: Capital, 1967:32-470) and in Engels (1972a:64): " . . . the production of the means to support human life and, *next to production*, the exchange of things produced is the basis of all social structure . . .") [emphasis mine].

If a state may owe its existence primarily to the allocative task it performs, two logical consequences immediately follow: (1) elites in control of different states are differentially obligated to extract surplus to sustain themselves: it is possible for a state to be under the control of an elite which does not exploit the population within the jurisdiction of the state because it does not need to. Note that in the absence of surplus extraction, the relation between the elite and the remainder of the population is not a class relation (Bukharin, 1965); (2) a redistribution of value not extracted from the state's own population is simply a distribution.

CHALLENGES TO DISTRIBUTIVE STATES: IDEOLOGY AND ORGANIZATION

The logical possibility of distributive states which are not class-based has profound implications for our understanding of the political functioning of the world system:

1. Interaction between a hypothetical pure distributive state and coercive-exploitative class states must be quite different from the relations of plural dependence between like but unequal units postulated by world system theory. At the very least, class states will have to bear the costs and enjoy the eventual benefits of the continuing class struggle. In particular, the elite of a class-based state is obligated to strive for legitimacy. For the pure distributive state, legitimacy ought to be non-problematic. Else, eventual challenges to its elite will take forms very distantly related to those generated by class dynamics. To the extent that core states approximate the class-based model and to the extent that approximations of the distributive states exist in the periphery, world system level interactions will fail to conform to the paradigm implicit in current neo-Marxist theory.
2. The internal political dynamics of a distributive state ought to be incomprehensible when viewed through the hybrid Marxist-Weberian paradigm. Disputes over the distributions of surplus not derived from work can bear only a superficial resemblance to class conflict.

First, challengers will not be able to claim a monopoly of rationality. They will not be able to present themselves as representatives of the progressive forces of history, bent on freeing production from the shackles of a mode of production that has become mired in its own contradictions. Hence, it will be difficult for them credibly to draw their inspiration from scientific socialism. Instead, they will have to find their legitimizing ideology in strictly moral considerations. Such considerations tend to find their strongest support in Golden Age myths, usually of religious origin. Revolutionary movements in distributive states will thus have strong reactionary ideological components. In their purest forms, they will be completely reactionary.

Secondly, the organizational base of challengers in a distributive state cannot be class. Therefore, other structures of social solidarity will have to be activated. Alternative structures are, by default, traditional structures. The more recently incorporated into the world economy a society, the more available are its traditional social structures. Hence, a distributive state ruling a recently incorporated society will experience a maximum of tribal, ethnic, and religious challenges.

Note that these two departures from class-based challenges are additive: the activation of archaic social structures under the banner of a reactionary ideology does not give birth to socialist regimes but to entirely new kinds of political formations. These are not accounted for by existing conceptualizations of the state.

A MODERN DISTRIBUTIVE STATE

There are no pure distributive states on the contemporary scene (any more than there are pure class states). Nevertheless, several oil rich states, especially those that are members of OPEC, located around the Gulf exhibit strongly distributive traits. In addition, other states whose oil endowment is modest are distributive by default: the low level of development of their productive apparatus leaves little scope for class struggles of any sort. This, *de facto*, makes distributive functions of the state internally prominent. Nigeria is an example, temporarily. Finally, various periphery (Mexico) and even core (Norway) states, while clearly organized for the management of class struggle, have strong distributive elements.

Libya and Kuwait are the closest approximations to a distributive state today. We examine Kuwait because it is the best documented.

A mono-exporter of a raw material, a recipient of heavy foreign capital investment, with a diminutive internal market (Khouja and Sadler, 1979), Kuwait should, by all counts, be considered the quintessential dependent country. According to the general implications of world system theory, its economy should be stagnating; it should be racked by rabid class conflict or tyrannized by a quasi-fascist regime of supine disposition toward the core.

Instead, Kuwait is internally very prosperous and its elite is gaining systematic control of banking and manufacturing interests in the industrial core.[3] Though the Kuwait state is under the control of a determinedly conservative and despotic regime, the latter is not suspected of tyranny.[4] Rumors of social unrest among Kuwaiti nationals seem to apply to small religious factions only. Numerous press reports illustrate the tiny Kuwaiti elite's international influence. This influence extends well beyond the ability to manipulate the supply of an essential commodity in all spheres of Middle East politics and beyond.[5]

Kuwait represents an extreme instance of the distributive function of the state prevailing over the coercive/accomodating role attributed to the state by the hybrid Marxist-Weberian paradigm.

First, the high degree of automation in oil extraction imposes reliance only on a small, mostly highly paid, geographically mobile, and largely foreign work force. In 1975, employment in mining and manufacturing, that is in oil production, representing 94 percent of GDP, was 4,800 (an absolute decline from the previous census). This represents 1.6 percent of the labor force in a country with a high percentage of inactives

(Khouja and Sadler, 1979:39-41). In the remainder of the economy, Kuwaiti nationals constitute, at best, 30 percent of the labor force, most of whom are self-employed (Khouja and Sadler, 1979:126). The bulk of the labor force is made up of expendable and largely deportable foreign workers (Khouja and Sadler, 1979:40).

There are two distinct but additive reasons why this situation is not conducive to class conflict. The first reason is the morphology of the working class: (a) the most exploited segment of the working class is the most productive sector of the economy (practically the only productive sector) is minuscule and generously remunerated, and (b) the rest of the proletariate, located in largely unproductive sectors, is impermanent and composed of diverse nationalities, a major obstacle to class solidarity.

Secondly, in Kuwait (and to a lesser but, nevertheless, marked extent in other Gulf states) the bulk of the internal activities of the state are concerned with distribution. This takes the form of all–pervading welfarism, accounting for 20 percent of all government expenditures (Khouja and Sadler, 1979:35). Water, electricity and all essential foodstuffs are subsidized. In 1975, 15 percent of Kuwaitis lived in directly subsidized housing. Interest-free loans were available to others on easy terms. The student population rose from 3,600 in 1945 to 250,000 in 1975, of which 45 percent were females (Khouja and Sadler, 1979:32-35). The ratio of medical doctors to population is comparable to the United Kingdom's ratio (Khouja and Sadler, 1979:263).

Note that the remarkable welfare performance of the Kuwaiti state does not exclude great monetary income inequality. In 1972-73, 31.6 percent of the national income went to 5.5 percent of the population (Khouja and Sadler, 1979:46), a high income concentration, even for a periphery country.

The archaic traditional-patrimonial organizational base of the Kuwaiti state may be especially well-suited to the discharging of its distributive obligations: "The tribal customs and traditions which have long prevailed in this country largely explain the paternal attitude that the government has assumed since 1946" (Khouja and Sadler, 1979:31; see also Amin, 1978).[6]

The peculiar blend of welfarism, weakness of formal representative institutions and easy direct access to the ruler so characteristic of Kuwait is also found in Saudi Arabia, Bahrain, the UAE, and even in relatively poor Oman (US Department of State, 1978).

The Distributive State as a Product of the World System

The primarily distributive function of the Kuwaiti state accounts for its internal particularisms. The distributive function itself proceeds from the manner in which Kuwaiti society makes its living, from its resource structure and, therefore, from the position it occupies in the world division of labor.

Kuwaiti society as a whole has a minimal involvement in production. It derives its wealth from the formal control its elite exercises over the flow of an essential commodity. The internal controllability of Kuwaiti's resources, insured by the exercise of the state's distributive function, proceeds from the controllability of the same resources *vis-à-vis* the outside.

Externally, the manageability of Kuwaiti resources inheres in the configuration of the particularities of oil technology, of the concentration of oil deposits in Kuwaiti soil, and of the nature of core need for Kuwaiti oil.[7] That is, this controllability results in part from natural accident. In part, it is a direct consequence of the rules by which the world system operates. First, control over the outflow of oil is rooted in the development gradient between Kuwait and its core customer. To put it briefly, the very lack of industrial development in Kuwait relative to the countries it supplies make interruptions of the flow more hazardous for the latter than for the former. Secondly, the industrialized core is unable to use underdeveloped Kuwait's oil without installing on its soil a network of costly equipments. This investment makes core interests virtual hostages of whoever controls the Kuwaiti state (Tugwell, 1974). Respect for the formal national sovereignty of Kuwait which must underlie this situation is itself anchored in the system of national states that is the legal superstructure of world capitalism.

Hence, the existence of a distributive state in the periphery is not an inconsequential aberration but, in part, a direct product of the intrinsic logic of the world system.

In the specific case of Kuwait, contemporary world system forces may combine with historical antecedents to produce a particularly clear-cut instance of distributive state. From the take over of the Al Sabah family in the middle of the 19th century to the present, the Kuwaiti economy has been based on one form of trade or another. First as a major caravan-to-sea transportation point, then as an important sea trade center in the 19th century and, finally, as a railroad terminal in the early 20th century (Khouja and Sadler, 1979:9-10).

Long-term Strategies of Distributive Elites

The elite of a distributive state such as Kuwait can approach the problem of its own perpetuation in two ways: (1) It can invest its own and state revenues into indigenous industrialization. This solution guarantees against the exhaustion of the existing resource base and against shifts in world capitalism priorities which would be logically equivalent. This solution also has the disadvantage of setting the conditions for future class conflicts, the outcomes of which can only be deleterious to the existing elite. (2) The elite can attempt to gain control of economic activities located outside the boundaries of its own state (Loufti, 1975; Khouja and Sadler, 1979:4). This solution involves the exporting of potential class conflict and the prolongation of the distributive role of the state beyond the exhaustion of its resource base.

Not surprisingly, there is strong evidence that the Kuwaiti elite has opted for the second solution. This evidence comes in both positive and negative forms:

1. The investments abroad of the Kuwaiti state alone keep increasing. (Private elite investments are difficult to assess but they are considerable and follow the same general pattern. See footnote 3.) Their recent value was equivalent to 77 percent of the national money supply (Khouja and Sadler, 1979:171). The officially acknowledged foreign assets of the Kuwaiti government trebled between 1971 and 1977. While the investment income of the Kuwaiti government is still dwarfed by its current oil receipts, the two have increased at approximately the same rate, even through the oil price jump of 1973-74 (Khouja and Sadler, 1979:117).
2. Kuwait (as well as other Gulf states) is publicly committed to a policy of rapid industrialization. Published figures, however, make it difficult to take this commitment seriously. The sectorial contribution of manufacturing to the GDP has remained at a very low 4 to 5 percent from 1968 to 1976. One might argue that it is necessarily difficult for industrial production to increase more rapidly than the precipitous rise in oil receipts for that period. However, the accomplishments which the Kuwaiti government elects to present to the world as evidence of its industrialization effort also induce skepticism. Thus, the much vaunted Shuaiba industrial zone covers an area of less than four square miles. The majority of the establishments within it are plants for the transformation of oil by-products. Most of the balance is accounted for by productions of the most basic necessities (e.g., fresh water) for local consumption (Khouja and Sadler, 1979:36, 138). In contrast to its trade policy, which is quite explicit, the Kuwaiti government's industrial policy lacks a national plan approved at the highest level (Khouja and Sadler, 1979:121-122). Yet, some suggestive trends can be discerned. What is presented as a diversification of the national economy is not designed to give permanent manufacturing employment to the many. Instead, productive capacity is being created in highly automated industries (petrochemicals), in activities that are either temporary (construction) or located away from home (shipping) (Khouja and Sadler, 1979:133-161).

DISTRIBUTIVE STATES' DYNAMICS AND THE FUTURE OF THE WORLD SYSTEM

Nearly pure distributive states such as Kuwait may be quite rare. Yet vestigial elements of former trade-based and therefore distributive states must be quite common in the periphery. The antiquity of Kuwait's own trade antecedents is not exceptional, according to Amin (1978:83-96): "... the social formations of the [pre-colonial] Arab world were not feudal but commercial... the main surplus on which the imperial state, the civilization and the material life of its ruling classes were based was not drawn primarily from the agricultural product of the local peasants but from the profits of long distance trade." The possible reinforcement in the world capitalist economy of structures left in place by these historical antecedents is a matter for investigation. This possibility cannot be ruled out by fiat. Neither can its investigation be guided by a paradigm which does not allow for the existence of distributive states.

The participation of hypothetical distributive states in the world system has staggering theoretical consequences for its evolution. Both long and short term consequences are quite at variance with mainstream neo-Marxist predictions concerning the future of the world system (Wallerstein, 1974b).

The long-term prospects of the present world system must be severely affected by the distributive states' elites' choice of the second solution to the problem of their perpetuation. A distributive state which invests its wealth into foreign industrial or banking assets becomes, in effect, a rentier state. Rentier states' investments must be concentrated in the old industrial countries (Bhattacharya, 1977), in preference to the periphery where both entrepreneurial experience and large domestic markets may be lacking (Hazleton, 1978:12-13). Core bourgeoisie must then either accept to be turned into partial managers of periphery rentier state capital or change the legal superstructure of capitalism. The second option obviously constitutes a major alteration in the functioning of the world system. The first response involves the transformation of the industrial core into a partial macroproletariate exploited (in the literal Marxist sense) by the rentier states. Such a transformation would, of course, constitute a dialectical evolution of the world system to a higher, more complex level. Since new modes of production are apt to arise from the backwaters of an existing system (Amin, 1978:91), this transformation, rooted in the peculiarities of the distributive state, might be the principal motor of progressive change. Thus might a new world economy emerge

whereas, in paradoxical accordance with Lenin (1917), a part of the old periphery would turn itself into a new core through the medium of its capital export.

Note that, given the magnitude of the transfers of funds already effected to the benefit of OPEC countries (Solomon, 1975) and the foreseeable likelihood of even vastly greater transfers, this scenario should not be dismissed too lightly.

The existence of periphery states with strong distributive elements also has short-term implications for the political articulation of the whole world system.

The stronger the distributive element in a periphery state, the less it should be subject to the class struggle. This is not to say that distributive states are devoid of political dynamics. The 1979 events in Iran, a typical mixed, class-distributive state, provide a journalistic illustration of what the form of these dynamics might be.

Before 1979, the most visible opposition to the Shah's regime was of socialist inspiration, based, accordingly, on orthodox class struggle themes. After the Shah's overthrow, however, nearly all manifestations of class struggle seem to have been drowned in massive, vertically organized political activity. One of the most remarkable features of the Iranian revolution has been the apparent passivity of the peasantry and the low profile kept by the industrial working class in the most productive sector (oil). By contrast, the bazaar, a clientelistically organized social formation, and sundry, newly urbanized *lumpen* groups shared the stage with the national ethnic minorities. The Iranian political scene, in the first year of the revolution, looked as it would if the most exploited classes of Iran had decided to sit out a revolution that did not concern them directly. Though the high level of popular participation was not in doubt, the revolution unfolded in flagrant disregard of the most elementary rules of class struggle. Lest this appearance should be attributed to faulty and biased reporting, the behavior of the Tudeh party should be noted. The main Iranian party of Marxist inspiration seems to have arrived at discouraging conclusions regarding the chances of a genuine, class-based, social transformation of Iran: it gave its support to the blatantly reactionary and theocratic constitution of December 1979.

CONCLUSION

By emphasizing the idea of resource structure, the present approach stresses the diversity of the capitalist world economy. It does not envisage the abandonment of class as an explanatory concept. Rather, it

draws attention to the fact that, in some modes of production, very little production is involved. In such cases, the relations of production should, accordingly, be other than class. The states emerging under such conditions will likewise be animated by dynamics other than those supplied by the class struggle.

The idea of resource structure is able to accommodate other departures from the European model of the class state: those cases, in particular, where the mode of production leads to a class society and state devoid, as in the "Asiatic mode of production" (Marx, 1967:357-365; Anderson, 1975), of class dynamics.

NOTES

1. Considerable theoretical activity on the relative autonomy of the state has taken place in the past ten years under the leadership of Althusser and Poulantzas, for example. The concern is with the state in advanced capitalist societies and, to a lesser extent, with "Socialist" societies. This work has minimal bearing on the matter of the autonomy of the state in the periphery which is one of the questions posed in this paper (cf. Gold *et al.*:1975 for a still useful review of this literature, and Block, 1977).

2. This interpretation seems to involve at least some connivance on Weber's own part (1958:183).

3. It is quite difficult to obtain figures about Kuwait's and other OPEC countries' wealth abroad. Thus, in December 1979, there was considerable dispute as to the value of Iran's frozen American assets. Earlier, the CIA was reported to encounter difficulties in assessing, even very roughly, the personal fortune of the deposed Shah. It is certain, however, that what is visible is only the tip of the iceberg. According to the well-informed publication *Euromoney* (July 5, 1978), Gulf ruling groups have proved particularly adept at procuring very indirect investment schemes. They have notably succeeded in drawing some of the largest Western banks, such as the Bank of California, into joint ventures. Note that this kind of financial competence is traditional to the region (Khouja and Sadler, 1979:1-24).

4. One must distinguish here between tyranny, a rarity in human history until the 19th century, and despotism, a traditional political style. The Kuwaiti state is unashamedly despotic, but it shows no sign of tyranny. The most damning thing the 1978 US Department of State *Country Report* has to say about Kuwait is that "[its] authorities sometimes institute night time roadblocks." The UAE, Barhein and even Saudi Arabia likewise receive favorable reports on civil and human rights as compared to most periphery countries. The same source gives Venezuela, a largely distributive state, the second highest marks in Latin America. Nigeria, a member of OPEC, gets one of the highest scores in Africa. Iran, another partly distributive state, gets low marks.

5. The well-known generosity of Kuwait with respect to foreign aid would suffice to ensure such influence. Its aid bill, expressed as percentage of GNP, is ten times larger than the US bill (Khouja and Sadler, 1979:219).

6. Note that Iran lacked such vestigial structures. The recent, Pahlevi dynasty was ill-suited to the role of distributive elite played in the Arab Gulf by long-established, tribally-based ruling dynasties.

7. The probability that other distributive states will emerge is circumscribed neither by the peculiarities of the oil complex nor by the apparent uniqueness of OPEC. The world economy provides other resource structures conducive to distributive states. Thus, the four periphery

countries in CIPEC (Peru, Chile, Zaire and Zambia) control 56 percent of world exports of copper and 80 percent of exportable supply. Eleven countries grouped in BIBA control 80 percent of bauxite exports (Barraclough, 1979:295).

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