

Rethinking modernity and capitalism

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Add context and stir

Jan Nederveen Pieterse University of California–Santa Barbara

abstract We have entered an era of multipolarity, but much thinking continues in unipolar terms, in terms of lumping concepts such as modernity and capitalism. In a multipolar era, thinking in plural terms is more relevant and appropriate, but runs counter to formidable pressures towards convergence that are built into the status quo and international institutions, and into macro theories in social science. Ideas of convergence upon the model of Anglo-American capitalism and liberal democracy are continuously rehearsed in mainstream media, as if the ‘rise of the rest’ is supposed to follow in the footsteps of the rise of the West. The major macro theories in sociology are clustered around the categories of modernity and capitalism. While macro theories are important in that they are part of the classical foundations, the flip-side is that since their rise has correlated with the rise of Europe and the West they come with in-built centrism, a view from the West as the centre, a hegemonic view. This article discusses (1) oscillations towards and away from convergence in actual contemporary dynamics, (2) sociology of convergence thinking, (3) counterpoints, (4) the case of China, and concludes with open-ended reflections.

keywords capitalisms ♦ centrism ♦ convergence thinking ♦ macro theories ♦ modernities

Though we have entered an era of multipolarity, much thinking continues in unipolar terms, in terms of lumping concepts such as modernity and capitalism. In a multipolar era, thinking in plural terms is more relevant and appropriate, but thinking plural runs counter to formidable pressures towards convergence, pressures that are built into the status quo and international institutions, and into macro theories in social science. Ideas of convergence upon the model of Anglo-American capitalism and liberal democracy are prevalent and are continuously rehearsed in mainstream media, as if the ‘rise of the rest’ is supposed to follow in the footsteps of the rise of the West.

Part of this is ordinary hegemonic pressure. Taking into account the path dependence of hegemonic institutions, we would hardly expect them to function differently. Part of it comes with contemporary globalization, to the extent that contemporary globalization has been shaped by dominant centres and tilts towards American standards. Banks, advertising agen-

cies, think tanks and consultancy firms such as McKinsey press towards convergence. The credit rating agencies, based in the US and privately owned, ‘translate’ economies to make them legible in Wall Street and reflect the interests of investors who are mostly based in the West (including institutional investors such as pension funds and insurance companies). Thus convergence thinking is institutionalized and reproduced in mainstream thinking and policies, as in notions of conditionalities, good governance, rankings and ratings.

The arguments for convergence are loud on the part of advocates as well as critics. They are often grouped around globalization, ‘global capitalism’ and neoliberalism ‘as a pervasive meta-logic’, ‘an ideological hegemonic project’, or alternatively, neoliberalization as an uneven process with ample variants but nevertheless an overall momentum (Ward and England, 2007: 8, 11). The arguments for and pressures towards convergence are familiar. The counter-

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vailing pressures and counterpoints are less well known because they unfold outside the hegemonic bubble and are underreported because they run counter to dominant paradigms – although occasionally they are trumpeted, such as the ‘Japanese challenge’ and the ‘China threat’.

The major macro theories in sociology are clustered around the categories of modernity and capitalism. Macro theories are a major part of social science. While their importance is that they are part of the classical foundations, the flipside is that since their rise has correlated with the rise of Europe and the West they come with in-built centrism, a view from the West as the centre, a hegemonic view, as is discussed in the critiques of Eurocentrism. Centrism means that, consciously or unconsciously, we measure modernity and capitalism in relation to European and western standards and models. Thus, ‘truncated modernity’, a term that used to describe social conditions in Latin America, means truncated in size and scope by comparison to modernity in Europe (Schelling, 2001). ‘Compressed modernity’, a theme that is in vogue in South Korea, means a modernity that unfolds at a faster pace and in a shorter time frame than European modernity (Chang, 2010). Convergence thinking has its adherents in Asia too, such as Kishore Mahbubani, according to whom ‘it was the West that triggered the Asian March to Modernity’ and Asia’s rise represents ‘the universalization of the Western dream’ (2008: 4, 5). VS Naipaul’s view is familiar as well (‘Western values are the best human values’, cited in Mahbubani, 2008: 115).

Convergence is built into the macro theories, an implicit, often unreflected, expectation that over time the variations will converge on the model, which echoes Enlightenment ideas of progress and Marx’s view that ‘the more developed society only shows the less developed society the image of its future’. This comes to a head in assessments of contemporary globalization, with actual ongoing pressures towards convergence undergirded by analytical frameworks. Convergence is deeply woven into the macro theories of social science. With modernity comes Weber’s rationalization. With capitalism comes the idea of the world market, which is extended in world-system theory and categories such as ‘global capitalism’. Macro theories display different combinations of the following problems:

- They operate at a high level of abstraction that leaves much unsettled – such as Durkheim’s functional differentiation.
- They are partial (in validity, applicability) but are taken as general – such as Weber’s rationalization and Parsons’ pattern variables.
- They reflect the epistemology of the time when they were formulated – such as Marx’s ‘iron laws’ of social change.
- They are often linear and one-directional – such as nineteenth-century stages theories and American modernization theory.
- They reflect the zone from the point of view of which they were conceived – such as Wallerstein’s world-system theory.
- They reflect the period when they were formulated – such as efficient market theory.
- They come with confirmation bias, or selective perception of data – as in rational choice theory.
- They are ideological – such as Fukuyama’s ‘end of history’.

The lure of macro theories is their promise of instant understanding, which is the equivalent of *fata morgana* in the cognitive sphere. The flipside is that macro theories are totalizing. While there is ample room for tinkering in the margins, the exit may be hard to find. This is not a minor matter. Take away the master concepts, the lead paradigms and the puzzle solving at the margins, and half the neighbourhood of social science turns into a ghost town. Then what remains are middle-range theories and testing specific hypotheses to hone detailed knowledge. However, what is the meaning of mid-range theories and specific hypotheses without a larger theoretical framework that provides a master narrative and an overarching panoptic and historical perspective?

Major options in tweaking the lead paradigms are using adjectives, or qualifications, and using the plural. Adjectives – as in second modernity, reflexive modernity, liquid modernity, flexible capitalism – usually suggest developmental stages, a time sequence; which implies a staggered convergence while retaining the overall idea of a single evolutionary path. Alternatively, they indicate variants, such as ‘diaspora capitalism’ to describe the overseas Chinese investing in China, ‘comprador capitalism’ to describe the links between Indonesian state elites and ethnic Chinese business leaders, ‘political capitalism’ to describe the postsocialist economies in Eastern Europe, ‘booty capitalism’ to describe banking in the Philippines (Blim, 2000: 28–9), variants that are usually waved aside as outliers. Yet the use of the plural – modernities, capitalisms – is unsettling in that it can subvert the model status of the paradigm itself. The singular is a cornerstone of paradigm maintenance. While the singular implies convergence, the plural suggests diversity. The singular view is centripetal; the plural is centrifugal and decentering.

If we compare the themes of modernities and capitalisms, modernities unfolds at a fairly high level of abstraction so its relevance to public dis-

course is indirect. As a reflection on overall paths of development, its strength and relevance may be more as a historical (developments over time) and comparative (different regional paths) mapping exercise than as a debate on future directions. An example is Jongtae Kim's work (2012) on East Asian modernities that compares the conceptions and modernization paths of Japan (*nihonjinron*), Korea (*Sŏnjin'guk*) and China (new nationalism). The question of modernities is no longer about the old questions of tradition vs modernity, secularism vs religious affiliations, or modernization as Westernization and Americanization. These fissures have not disappeared but they no longer define the frontlines of questioning and argument. Capitalisms, on the other hand, is more socially and politically salient than at any other time in recent memory. This theme overlaps with major social contradictions, different ones in different regions – such as austerity in Europe; the financial sector, rising inequality and downward mobility in the United States; inequality, wellbeing and democratization in Asia. Sociology features varied understandings of modernity, however perspectives on capitalism are much narrower; capitalism is mainly discussed in singular terms, in terms of macro theory steeped in classical legacies. Elsewhere I have discussed thinking in the plural in relation to modernities (Nederveen Pieterse, 1998, 2009, 2010) and here I focus mainly on capitalism.

The 'stages of capitalism' have been habitually characterized in terms of the *dominant* mode of production – merchant capitalism, industrial capitalism, finance capitalism, monopoly capitalism, late capitalism, etc. When industrial capitalism was dominant, merchant capital carried on but was no longer in the lead. When finance capital led, industrial capital continued, etc. Thus the stages theory actually refers to a beehive of multiple coexisting systems. Much analysis of capitalism, then, is shorthand analysis, a schematic generalizing view that concerns the tops of icebergs rather than the full monty. A complete understanding would require, besides flexible analytics, a thick description of practices and relations. Macro theories are too general or too biased and ideological to capture the dynamics of actual history. Convergence in its various guises is too crude to serve as a guide. This article discusses (1) oscillations towards and away from convergence in actual contemporary dynamics, (2) sociology of convergence thinking, (3) counterpoints, (4) the case of China, and concludes with open-ended reflections.

Oscillations

For a long time the major counterpoint to convergence was socialism in its various manifestations – socialist and communist parties and trade unions, the Soviet bloc, Maoist China, socialist-oriented developing countries, Cuba, and so forth. From the late nineteenth century, a leitmotiv was 'socialism or barbarism' and the Cold War era was organized around the bifurcation of capitalism and socialism. Modernization theory asserted that industrialization would produce convergence and the ideological differences between the two blocs would fade. Several developments, however, pointed in different directions. The Bandung conference in 1955 produced a 'third way' in-between capitalism and socialism and established the Movement of Non-Aligned Countries. Dependency theory challenged modernization theory and distinguished between metropolitan and dependent capitalism. In the 1970s the relocation of basic industries from advanced countries to low-wage zones in developing countries fostered the trend towards post-industrialism in advanced countries which, in turn, rendered the convergence-of-industrialism argument moot.

The breakup of the Soviet bloc prompted claims of the 'end of history' and the triumph of liberal democracy. The rise of the Asian Tiger economies followed by China's modernizations (1978–82), liberalization in India (1991), transitions in Eastern Europe and the growing role of the IMF and World Bank recouped the momentum of convergence, and, revisiting Thatcher's motto 'there is no alternative', regrouped around the dynamism of Anglo-American capitalism, Washington Consensus conditionalities (loans in exchange for policy changes) and the rise of the WTO.

Again, there were counterpoints to convergence. Huntington's 'clash of civilizations' pointed to the Islamic world as an alternative and a rival, a thesis that was fairly easily set aside for various reasons. Second, the claim that the 'East Asian miracle' occurred because the Tiger economies followed Washington recipes was disputed within Asia (Wade, 1996). Third, financial crises in developing countries in the 1990s shook the idea of convergence. The 1997–8 Asian crisis caused major concern about IMF overreach and dependence on foreign finance and 'caused a groundswell of resentment about the sorts of neoliberal reforms that were being encouraged upon the region' (Beeson, 2007: 44). Fourth, emerging economies have become driving forces in the world economy. Their growing role in trade, investment, finance and aid in developing countries produces a tide of South–South relations that cross-cut the erstwhile dominance of North–South rela-

tions. Fifth, crisis has moved up North with a series of crises in American capitalism: the dotcom bubble bursting, followed by the Enron series of corporate scandals (2000), the sobering effects of Hurricane Katrina, the subprime mortgage crisis (2008), the fall of Lehman Brothers (2009) and the Wall Street crisis spilling over to the UK and EU – in marked contrast to the resilience of emerging economies. The US government shutdown, uncertainty about the US government debt ceiling and thus the stability of US Treasuries (2013) further undermine the appeal of the model that the world economy was supposed to converge on.

Several developments during this period signal disaffection with hegemonic market influences such as the Zapatista uprising protesting NAFTA (1994), the ‘battle of Seattle’ protesting the WTO (1999), the World Social Forum meetings in Porto Alegre and the 2003 WTO meeting in Cancún when developing countries walked out en bloc from the Doha round. The rise of sovereign wealth funds and the establishment of regional buffer funds such as the Chiang Mai Initiative Multilateralization and the BRICS bank (2013) indicate a growing autonomy of emerging economies. Some of this is captured as the rise of state capitalism (Bremmer, 2011). The expansion of the G8 to the G20 (2008) in response to financial crisis signals a moderate pattern change (Woods, 2013). The wave of protest from the Arab Spring to Brazil, Turkey, Indonesia, Thailand indicates that not just markets are emerging but also societies. Thus, twenty-first-century globalization is markedly different from twentieth-century globalization and from neoliberal globalization during 1980–2000 (Nederveen Pieterse, 2012).

Sociology of convergence thinking

Just as there is ebb and flow in actual convergence/divergence trends, convergence thinking also comes in waves, which calls for a sociology of knowledge approach: under what circumstances does convergence thinking prevail? Major upswings in convergence thinking were the late eighteenth and early nineteenth centuries with Enlightenment ideas of progress driven by science (Condorcet), commerce (Smith), utopian socialism (Proudhon, Saint-Simon), the development of the forces of production (Marx) and science and industry (Comte) against the backdrop of colonialism. The postwar period was another major upswing with modernization theory and the claim that, regardless of ideological differences, industrial societies will converge because of their structural similarities (Brzezinski, 1970).

The 1980–2000 period was replete with conver-

gence arguments such as Fukuyama’s ‘end of history’, Ohmae’s ‘borderless world’ and structural adjustment programmes. Clearly these ideas have long fallen by the wayside. Interestingly, while convergence thinking has a long life span and is often found persuasive, *actual* convergence theories have a very short sell-by date.

Arguably, during eras of hegemony (ascending, relatively uncontested, triumphant), convergence thinking prevails; under circumstances of hegemonic rivalry and transition (periods of war and geopolitical and geo-economic instability), arguments of divergence prevail such as Spengler’s *Untergang des Abendlandes* (*Decline of the West*, 1918, 1922) and Ortega y Gasset’s work. Thus, hegemony is a subtext of convergence thinking, with the Victorian era and the ‘American century’ as recent episodes. An implication of hegemony as a modality of convergence thinking is that hegemonic rivalry and transition are difficult to accommodate. A related approach would be to correlate convergence/divergence thinking with the upturns and downturns of long waves. Convergence then would characterize the upswing or A-phase of the Kondratiev cycle and divergence would be characteristic of downturns or B-phases; but I think such an approach would be too mechanical.

What does convergence mean? Ideas of convergence change over time. Now it no longer refers to science and technology. Convergence in science and technology is built into growing global trade, communication and travel and industrial standards (ISO), but it is now commonplace that adoption of science and technology doesn’t necessarily affect social institutions, as in notions such as ‘western technology, Islamic [Asian] values’. Growing interdependence and globalization per se also don’t necessarily yield convergence because they can go together with divergence in national institutions and policies. Recent notions of convergence have metamorphosed with Coca-Colonization in the 1960s, McDonaldization, Barbiefication and Disneyfication in the 1980s, the Washington Consensus and CNNization in the 1990s, and mobile phones and social media in the 2000s. Over time, hegemony effects have been increasingly mediated through US influence in international institutions. Another register, the role of the US dollar as world reserve currency and in the oil-dollar system that goes back to the 1970s, has become less stable in recent years. Increasingly the thinking in global political economy is that convergence or divergence is essentially a matter of how, according to what principles social action with regard to the economy is coordinated, which includes regulatory regimes and institutions. By some accounts, corporate governance is a crucial

yardstick of coordination because it is a meeting point of several institutions (Aguilera and Jackson, 2003).

Counterpoints

Among theoretical counterpoints are the varieties of capitalism (VoC), comparative capitalisms (CC) and business systems literature, which is increasingly robust and sophisticated (Howell, 2003; Jackson and Deeg, 2006, 2008; Redding, 2005; Whitley, 1992, 1999). While these approaches are ordinary and prominent in international political economy and business studies, they barely feature in sociology, where macro theories predominate.

The VoC literature distinguishes between liberal market economies (LME), coordinated market economies (CME) and state-led market economies (SME) (Hall and Soskice, 2001). An implication is that Anglo-American capitalism is but one of the varieties of capitalism and, in several accounts, that it is an outlier. 'What is it all about? It turns out that in real life, the standard business school answer – "to maximize shareholder value" – applies almost exclusively to one context only, the Anglo-Saxon one' (Redding and Witt, 2010: 8). The VoC approach is concerned with 'the importance of nonmarket forms of economic regulation' and is informed by several theoretical streams: institutional analysis, path dependence, interest group theory and national production systems (Howell, 2003: 104). A central idea of VoC is *comparative institutional advantage*: 'each interlocking institutional set does different things with different degrees of success. Coordinated market economies appear to be particularly successful in generating high skill, high wage, high productivity employment because of their combination of patient capital and skilled labor with citizenship rights in the firm. They are likely to provide a better home for high quality production. Liberal market economies, in the absence of painstakingly negotiated coordinating institutions, are able to make more rapid adjustments in capital and labor markets. Different firms and industries will be attracted to each of these sets of institutions' (Howell, 2003: 107). A keynote of this approach is 'the persistence of national divergence': 'The interlocking, interdependent nature of the institutional sets ... makes it likely that they will be resistant to change. Furthermore, since there is no single best set of institutions, states and private economic actors should not be expected to seek radical restructuring of their economies' (Howell, 2003: 108).

With increasing internationalization of economic activities, 'as micro-agents become more mobile, as

competitive pressures encourage institutional adaptation and harmonization across national units, and as new transnational institutions such as those of the European Union are constructed to integrate national economies' (Jackson and Deeg, 2006: 38), national institutions become less central. Yet, internationalization also involves institutional arbitrage which 'is likely to consolidate difference rather than erode it' (Howell, 2003: 108).

The major counter to the VoC approach is that the varieties, after all, concern capitalism. The assumption of an overarching logic of capitalism implies that sociocultural circumstances, institutions and policies are relatively marginal to the overriding logics. This differs fundamentally from the argument of embeddedness, the notion that market forces are socially embedded (as in Polanyi and Granovetter). In Katharyne Mitchell's (1995: 364) perceptive words, 'Much of the disagreement arises from different conceptions of the degree to which economic practice is socially embedded.' She perceives 'a spectrum from economism to embedded-ism' in which theorists take different positions on the autonomy of the economic sphere.

At one end, there is a tendency to view economic activity with a universal, rational, or abstract 'logic.' In the extreme view, the modern economy is seen as a sphere distinct from other practices of everyday life, where kinship obligations and general social relations play no part in economic transactions; these transactions are guided, rather, by rational calculations of individual gain. ... Toward the other end of the spectrum there is a stronger emphasis on the embedded quality of economic activity. Here, historical and cultural context is given greater theoretical weight and economic and social activity are viewed as intertwined rather than causal. (Mitchell, 1995: 364–5)

The economic view downplays or overlooks the role of institutions, in stark contrast to institutional economics, the CC approach and development studies in which institutions and hence institutional variety play a central part, as in Dani Rodrik's *One Economics, Many Recipes* (2007).

Nevertheless, also in VoC perspectives an assumption is that the pro-market-bias of contemporary globalization fosters a 'creeping liberalization' in Europe and Asia (Streeck and Yamamura, 2001: 36). A corollary assessment is that contemporary globalization affects different types of capitalism in different ways. Given the pro-market effect of globalization, liberal market economies are assumed to fare best, state-led or dirigiste market economies fare worst, and coordinated market economies occupy a middle ground. However, if this were true during the 'roaring nineties', it doesn't match several

current trends. LMEs are supposed to fare best – but they yield major financial crisis and steeply growing inequality. SMEs are supposed to fare worst – but South Korea, so far, is successful (as are China and Brazil). CMEs come out in the middle – but Germany is the world's leading exporter. Of course, for each of these claims counter evidence can be found; but the point is that also the finer-grained VoC literature hosts convergence thinking and yields partial observations that don't stand the test of time.

Performance over time, then, is a further variable. David Coates (2000) seeks to explain not only the success of particular national models of capitalism but also the reasons why the same model can be associated with impressive growth in one period and lacklustre performance in another. As Howell (2003: 121) notes, 'A model of capitalism can fail to function effectively not just because of an exogenous shock but also because of an accumulation of internal contradictions.' In addition, 'charting the rise and fall of each model of capitalism requires recognizing the manner in which capitalism periodically transforms itself'.

The pecking order of capitalist economies is ever changing. The original VoC literature refers mainly to the period from the mid-1980 to the mid-1990s (such as Hall and Soskice, 2001) so financialization and twenty-first-century dynamics don't come in. A criticism of this approach is that it yields relatively static models of capitalism (Jackson and Deeg, 2006: 24). LMEs may now have reached a tipping point of deregulation and concentration of wealth and power. Even according to Alan Greenspan (2013), more regulation is necessary. Arguably, in its present form the erstwhile American model may now be the least sustainable variety of capitalism.

The China question

By many accounts, 'there is little doubt that Pacific Asia has been the main beneficiary of globalization' (Kurer, 2010: 157), so East Asia and particularly China as the major contender state loom large in the discussion. Have East Asia and China been moving towards a neoliberal style of capitalism? Besides extensive American influence in the region since the Korean War, major liberalization turns in Asia have been China joining the WTO (2001) and South Korea accepting IMF loans and conditions after the Asian crisis (1998).

East Asia and China as regional franchises of 'global neoliberalism' is a common view (Bello, 2013; Chi and Ping, 2003; Robison, 2005; Westra, 2010). If the premise is 'neoliberalism everywhere' (Peck and Tickell, 2002), how could it be otherwise?

China then has been developing in neoliberal fashion with fast-lane growth in the coastal regions, cut-throat labour exploitation, corruption, the Wal-Martization of society, land expropriation and ecological pollution (Hart-Landsberg and Burkett, 2010; Harvey, 2005). Historical perspectives, developmental state and institutional literature offer contrasting views (such as Arrighi, 2007; Arrighi et al., 2003).

Let's consider historical and institutional perspectives on the rise of China. The roots of China's rise go back to its regional trade links, particularly the maritime trade routes that connected southern China with Southeast and South Asia (this account follows Redding and Witt, 2010; Perdue, 2003 on 'frontier China'; Katzenstein, 2012). The high tide of these links was the 1400s with the voyages of Admiral Zheng He. When the Spanish arrived in Manila port in 1571, the year that marked the combination of the Atlantic and Pacific exchange systems, several Chinese junks were moored in the harbour. In the 1800s many Chinese migrated to Southeast Asia, mostly from land-poor southern coastal regions. The migrants, besides working in tin mines and assorted trades, settled as middleman minorities and entrepreneurs in the niches of the colonial societies. When the colonies collapsed after the Japanese occupation and the Second World War, the ethnic Chinese stepped into the commercial and economic vacuum left by the colonizers. The subsequent period saw a steep rise of ethnic Chinese firms throughout Southeast Asia. 'Over fifty million ethnic Chinese live around the borders of the South China Sea, mainly now descendents of refugees from China over the last century and a half' (Redding and Witt, 2010: 9). The ethnic Chinese enterprises absorbed the international trade methods of the colonizers and combined them with their methods of family-owned and managed enterprises. When China opened up in the 1980s with the 'four modernizations', enterprises from the 'China circle' flowed in with massive investments in southern coastal China. Of FDI into China over the years since 1980 about 65% has come from the overseas ethnic Chinese (Redding and Witt, 2010: 71). Thus China's rapid expansion of the private sector owes much to the ethnic Chinese entrepreneurs from the China circle. The cooperative relations between state and private enterprises that ensued have a precedent in cooperative relations between the state and business associations during the Song, Ming and Qing imperial periods (Mitchell, 1995: 368). Rather than emulating western LME models, Deng Xiao Ping's modernizations resume and recuperate these relations.

According to Redding and Witt, contemporary

China combines three major economic sectors, each representing different types of capitalism. The state-owned enterprises (SOEs), large, bureaucratic, inefficient and dominant during the 1990s represent *state capitalism*, in short the Shanghai model. Their share of GDP has shrunk and they are being retooled to be 'new champions' that must 'go global' and seek to follow the success of the Korean *chaebol* (Chi, 2010; Redding and Witt, 2010: 95–101). The limits to their success are several: managerial capacity is in short supply; technology is often borrowed from foreign companies; innovation remains limited; reluctance to delegate; and authoritarian information flows.

The private sector is growing rapidly and now comprises two-thirds of the economy, mainly in the form of SMEs. Where institutions are weak, personal networks play a coordinating role. The limits of *network capitalism*, in short the Hong Kong/Guangzhou model, are that companies can grow only as large as the personal networks allow – which can be quite large as in the case of Hong Kong magnates such as Li Ka-Shing, the owner of Hutchison Wampoa, but mainly in narrow sectors (such as retail, property, infrastructure and banking; Mitchell, 1995). Size limits the ability to undertake complex tasks so this type of capitalism is successful mainly in certain types of business: 'complex products tend to be handled by firms that in themselves are normally complex and large; yet the Hong Kong/Guangzhou model is unlikely to be able to sustain such firms'. 'The catch is that low complexity usually means low value added' (Redding and Witt, 2010: 222, 231).

The third main category is the local corporates, local governments partnering with private enterprises. These enterprises are highly competitive and mobile and not coordinated by the central government. Since they are embedded in strong ties of local identity and belonging, this variant is termed *clan capitalism*.

None of the three main variants of Chinese capitalism – state capitalism, network capitalism and clan capitalism – indicate a convergence with the LME model. There is considerable convergence and overlap with network capitalism in Southeast Asia and Taiwan, with state-led capitalism in South Korea and, less so, with the coordinated market economy of Japan. In China this matches assessments of ongoing transitions (Chi, 2010) and overlaps with debates on globalization (Deng, 2012; Garrett, 2001). So in relation to China the case for convergence on LME is virtually absent, but convergence on Asian styles of capitalism is strong. Thus, a thick description of Chinese business systems, grounded in history and culture, arrives at markedly different

assessments than the generalizing theses of Americanization, neoliberalization, or transnational capitalist class. The findings rather suggest the idea of 'dual convergence': 'Convergence takes place within clusters but not between them. Countries within each cluster become more alike but the central divide between liberal market economies and coordinated market economies remains and indeed becomes more stark' (Howell, 2003: 108).

This reinforces the idea of 'families of capitalism'. Familiar typologies are Nordic capitalism, Anglo-American capitalism and East Asian capitalism as major zones (along with variants such as Germanic, Mediterranean capitalism and others that are not as clearly profiled). Yet, there are significant differences also *within* zones. In Asia, major variants include alliance capitalism with strong associations and cooperative relations between finance, industry and labour (Japan), dirigiste capitalism with centralized political influence (South Korea) and network capitalism with smaller firms segmented by personalistic family networks (Southeast Asia, Taiwan; Jackson and Deeg, 2006: 29–30). Empirical research in East Asia in the light of 'mainstream globalization theories' finds them wanting: 'Mainstream globalization theories have hypothesized the rise of global elites and transnational management. A new "world class" of transnational management is not supported by our empirical findings. Rather we find that national economic elites still have the greatest power' (Pohlmann and Lee, 2010: 101).

In Europe, Vivien Schmidt (2002) highlights three ideal-typical patterns of state economy policy: the liberal state giving great autonomy to economic actors (UK), the enabling state encouraging associational governance among private actors (Germany), and the interventionist state directly intervening to coordinate private activity (France). In discussions of the EU, the 'clash of capitalisms' is a recurrent theme (e.g. Callaghan and Höpner, 2005). Again the trends don't suggest global convergence.

Add context and stir

This discussion poses the question of paradigms, the related friction between nomothetic and idiographic approaches, and the portée of this discussion with regard to capitalisms in Asia. The paradigm question matters because in complex environments shortcuts are tempting. The data are many, contradictory, complex and ever in flux, so in relation to many assessments an appropriate question to ask is do the data lead, or does the paradigm lead? When it comes to information, analysis and perspective, we must usually bracket one or another.

Thinking in the plural prompts the question, what then is the relationship between the plural and the singular, between the varieties and capitalism, between modernities and modernity? What is the status and scope of the *invariant* component; as the varieties sprawl, what remains of the paradigm? Obviously the answers to this question range widely. Part of social science is the recurrent tension between the universal and the particular, between structures and adaptations, etc. Structural trends are often typecast as invariants and imperatives – accumulation, rationalization, modernization, rational choice, neoliberalism – that *override* differentiation, and much social science is concerned with calibrating the relationship between the universal and the particular. The macro theories of modernity and capitalism are both wedded to universalist approaches. The classic script of modernity is *disembedding* from social institutions (Giddens, 1990), a premise that runs through Weber (rationalization), Tönnies (shift from *Gemeinschaft* to *Gesellschaft*) and Parsons (pattern variables), or rather, to the schematic understanding that social theory retains from the classics, which are more subtle than their handbook versions. The plural approach, modernities, takes an idiographic turn and *re-embeds* actual modernities in specific spatiotemporal conditions. Similar considerations apply to capitalism. If capitalism is viewed as ‘a foundational category’ (Dirlík, 1994), what is it foundational of? If what matters are the ‘organizing logics of capitalism’ (Harvey, 2005), what do they organize? One of the definitions of ideology is applying general principles outside or regardless of context. The upshot of many perspectives on macro theory is decontextualization. However, if we don’t hesitate to reject economism in economics, why would we embrace it, in the guise of macro theory, in sociology?

The varieties imply the decentring of the paradigm. Rather than ‘organizing logics’, there are diverse responses to the question how to coordinate social action in relation to the economy. ‘Capitalism’ as a category is an approximation, an assemblage. Categorizations of capitalisms are approximations: ‘the diversity and complexity of various typologies of capitalism reflects in part the fact that they are “typologies of typologies,” i.e., national or “grand” typologies are assemblages (syntheses) of institutional domain typologies’ (Jackson and Deeg, 2006: 13). Coates (2000: 233) adopts an orthodox position: ‘capitalism itself, whatever its form, is capable of functioning only with sporadic effectiveness and always at considerable social cost’. Fernand Braudel (1984) draws a sharp contrast between capitalism and the market economy. Wallerstein opts for assessing ‘degrees of capitalism’ (2001: 249). The VoC

approach distinguishes between market economies (liberal and coordinated), rather than between capitalisms. In his later work Gunder Frank (1996) opts for abandoning ‘capitalism’ altogether for ‘accumulation’ and shifting trade routes and centres of hegemony.

The friction between nomothetic and idiographic approaches, between general principles (‘laws’) and concrete particulars, between deductive and inductive approaches is inherent in social science. Nomothetic and idiographic accounts are interdependent: without particulars, no regularities; without milk, no yogurt. Description implies selection and thus implies generalities, and vice versa. Extremes on this continuum are vacuous theory (predictable reiterations of paradigms) and irrelevant description (details without a point). Wallerstein (2001: 243) opts for combining history and the social sciences in a historical sociology (with a large enough time frame and unit of analysis to observe regularities). I opt for interdisciplinary comparative studies – revisionist in description and conceptualization, combining multi-sited ethnography with open-ended categories, not just *esprit de système* but also *esprit de particularité*. Each juncture calls for a new way of wedding general principles and particular narratives and there is no general rule, no Archimedean point that can ever settle this. It is a feature of an era of increasing pluralism that nomothetic disciplines (economics, political science, sociology) don’t fare well and face paradigm crises, whereas idiographic disciplines (anthropology, history) and mixed approaches (cultural sociology, social geography, comparative business studies) are flourishing.

The convergence scripts such as ‘global neoliberalism’ and ‘neoliberalism everywhere’ obfuscate rather than clarify. They exhibit the ‘nomothetic fallacy’, or the belief that naming a problem effectively solves it. They offer generalizations rather than explanations, polemical warning salvos, alert signals warning of danger ahead, rather than complete diagnoses. They don’t explain the diverse responses to crisis – austerity in the West and Keynesian stimulus in the East (Harvey, 2011). They don’t explain the dilemmas managerial strata face, whether to opt for right-wing or left-wing compromises (Duménil and Lévy, 2011). They don’t shed light on the trilemmas that policymakers face such as how to balance fiscal solvency, employment and equality in relation to the service sector (Iverson and Wren, 1998). They short-circuit the greyscales in which policy unfolds and the interstices that culture-economy and social-economy approaches address (Pollard et al., 2011). They imply that the outcomes of accumulation in emerging economies are a foregone conclusion while in fact

they are battlefields.

A related problem is the unit of analysis. The VoC approach is state-centric and underplays the role of transnational forces (global value chains, transnational corporations, etc.). Thus, a more sophisticated approach to the bulky question of convergence/divergence is a *layered analysis* that unbundles nation-states and takes into account that convergence may be taking place at one level (such as technology, ISO, Special Economic Zones), and simultaneously divergence at another level (institutions, corporate governance) and mixing in yet other spheres (marketing, product mixes, consumption, media) (the layered approach is discussed in Nederveen Pieterse, 2007, 2011).

In Asia, as elsewhere, extreme positions in relation to capitalism are to embrace capitalism American-style or to reject capitalism tout court. Neoliberals in Asia advocate similar forms of privatization, liberalization and deregulation as in the US and UK (e.g. Bhagwati and Panagariya, 2013; Faith, 2013). Singapore has long advocated liberalization policies, but in Singapore this has been combined with a strong and, overall, capable state (Fukuyama, 2005). Both the right and the left in Asia tend to think of capitalism in the singular. This works to the advantage of the right because it implies convergence: since we are converging on a liberal model, we might as well adopt policies that reflect and hasten the inevitable. On the left, this perspective plays a bogeyman role: more capitalism and we risk losing our identity, and more. The upshot of this discussion is that there is no single model. Universalism belongs to the era of hegemony. Ideological and political battles are fought as if they are about principles – such as government or market; but often the real issues are about identifying the mean, in Aristotle's sense, or the *optimal* mix of government and market. All economies are mixed economies: which roles and which combination of government and market forces are best under which 9)stances?

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résumé Nous sommes entrés un époque de multipolarité, mais beaucoup de pensée continue en termes unipolaires, en matière de concepts homogènes comme modernité et capitalisme. Dans un époque multipolaire, pensé en termes pluraux est plus relevant et appropriât, mais cours contre les pressure formidables vers convergence qui font partie du statu quo et des institutions internationales, et des grandes théories générales en sciences sociales. Idées de convergence sur le modèle de capitalisme Anglo-Américain et la démocratie libérale sont reproduites continuellement aux médias grand public, comme si la ‘hausse du reste’ (rise of the rest) est censée de suivre le modèle de la hausse de l’Occident. Les plus grandes théories sociologiques sont rassemblées autour les catégories de modernité et capitalisme. Alors que les grandes théories sont importantes parce qu’ils font partie des fondations classiques, quand même parce que leur hausse est corrélée avec la hausse de l’Europe et l’Occident, ils sont accompagnés d’un centrisme intégré, une perspective de l’Occident comme le centre, une perspective hégémonique. Cet article discute 1) les oscillations vers et contre la convergence dedans les dynamiques contemporaines actuelles, 2) la sociologie des idées de convergence, 3) les contrepoints, 4) le cas de Chine, et conclut avec des réflexions ouvertes.

mots-clés capitalismes ♦ centrisme ♦ grandes théories ♦ modernités ♦ pensée de convergence

resumen Hemos entrado en una época de multipolaridad, pero gran parte de ese pensamiento continúa en términos unipolares, en términos de englobar conceptos como modernidad y capitalismo. En una época multipolar, pensar en términos plurales es más relevante y apropiado, pero va contra las importantes presiones hacia la convergencia que están construidas en el estatu quo y las instituciones internacionales, y en las grandes teorías de las ciencias sociales. Ideas de convergencia basadas en el modelo de capitalismo angloamericano y la democracia liberal se reproducen continuamente en los principales medios de comunicación, como si el ‘ascenso del resto’ tuviese que seguir el modelo de ascenso de Occidente. Las teorías sociológicas más importantes están reunidas en torno a las categorías de modernidad y capitalismo. Mientras que las grandes teorías son importantes porque forman parte de los fundamentos clásicos, la otra cara de la moneda se encuentra en que su aumento correlaciona con el ascenso de Europa y Occidente, acompañado de un centrismo integrado, una perspectiva de Occidente como centro, una perspectiva hegemónica. Este artículo discute 1) las oscilaciones hacia y en contra de la convergencia en las dinámicas contemporáneas actuales, 2) la sociología de las ideas de convergencia, 3) los contrapuntos, 4) el caso de China, y concluye con reflexiones abiertas.

palabras clave capitalismos ♦ centrismo ♦ grandes teorías ♦ modernidades ♦ pensamiento de convergencia