Since at least the sixteenth century, European thinkers have been discussing how to augment the wealth of the realm, and governments have sought or were adjured to take steps to maintain and enhance this wealth. All the debates about mercantilism centered around how to be certain that more wealth entered a state than left it. When Adam Smith wrote *The Wealth of Nations* in 1776, he was concerned to attack the notion that governments could best enhance this wealth by various restrictions on foreign trade. He preached instead the notion that maximizing the ability of individual entrepreneurs to act as they deemed wisest in the world market would in fact result in an optimal enhancement of the wealth of the nation.

This tension between a basically protectionist versus a free trade stance became one of the major themes of policy-making in the various states of the world-system in the nineteenth century. It often was the most significant issue that divided the principal political forces of particular states. It was clear by then that a central ideological theme of the capitalist world-economy was that every state could, and indeed eventually probably would, reach a high level of national income and that conscious, rational action would make it so. This fit in very well with the underlying Enlightenment theme of inevitable progress and the teleological view of human history that it incarnated.

By the time of the First World War, it was also clear that a series of countries in Western Europe plus the White settler countries in the rest of the world had indeed become, in our contemporary parlance, “developed,” or at least were well on their way to doing so. Of course, by the standards of 1990, all of these countries (even Great Britain) were far less “modern” and wealthy than they became later in the century, but by the standards of the time they
Wilsonianism was based on classical liberal presuppositions. It was universalist, claiming that its precepts applied equally everywhere. It assumed that everyone acted on the basis of rational self-interest and that therefore everyone in the long run was reasonable. Hence peaceful and reformist practice was plausible. It placed great emphasis on legality and on form.

Of course, none of these precepts were new. In 1917, in fact, they seemed quite old-fashioned. Wilson's innovation (not invention) was to argue that these precepts applied not only to individuals within the state but to nation-states or peoples within the international arena. The principle of self-determination, the centerpiece of Wilsonianism, was nothing but the principle of individual freedom transposed to the level of the interstate system.

The transposition of a theory that had been intended to apply only at the level of individuals to the level of groups is a very tricky proposition. A harsh critic, Ivor Jennings (1956), said of Wilson's doctrine of self-determination: "On the surface it seemed reasonable: let the people decide. It was in fact ridiculous because the people cannot decide until somebody decides who are the people" (p. 56). Ay, there's the rub, indeed!

Still, it was obvious that, when Wilson was talking about the self-
determination of nations, he was not worrying about France or Sweden. He was talking about the liquidation of the Austro-Hungarian, Ottoman, and Russian Empires. And when Roosevelt picked up the same theme a generation later, he was talking about the liquidation of the British, French, Dutch, and other remaining imperial structures. The self-determination of which they were speaking was the self-determination of the peripheral and semi-peripheral zones of the world-system.

Lenin pursued very similar policy objectives under the quite different slogans of proletarian internationalism and anti-imperialism. His views were no doubt based on other premises. His universalism was that of the world working class, the soon-to-be singular class that was slated to become literally identical with the "people." Nations or peoples had no long-run place in the Marxian pantheon; they were supposed eventually to disappear, like the states. But nations or peoples did have a short-run, even middle-run reality that not only could not be ignored by Marxist parties but were potentially tactically useful to their ends.

The Russian Revolution denounced the Russian Empire in theory and provided for the same self-determination of nations/peoples that did Wilson's doctrines. If much of the "empire" was retained, it was scrupulously insisted that this took the form of a voluntary federation of republics, the USSR, with plenty of room for formal autonomy of peoples, even within each of the republics. And when all hope was abandoned for the mythical German revolution, Lenin turned at Baku to proclaiming a new emphasis on the "East." Marxism-Leninism in effect was moving from its origins as a theory of proletarian insurrection against the bourgeoisie to a new role as a theory of anti-imperialism. This shift of emphasis would only grow with time. In the decades that would come, it is probable that more people read Lenin on *Imperialism: The Last Stage of Capitalism* than read the *Manifesto*.

Wilsonianism and Leninism emerged thus as rival doctrines for the fealty of the peoples of the peripheral zones. Because they were rivals, each placed great emphasis in its propaganda on its differences with the other. And, of course, there were real differences. But we should not be blind to the deep similarities as well. The two ideologies not only shared the theme of the self-determination of nations; they also believed it was immediately (if not always urgently) relevant to the political life of the peripheral zones. That is, both doctrines favored what later came to be called "decolonization." Furthermore, by and large, even when it came to the details of "who was a people" that had this hypothetical right to self-determination, the proponents of both doctrines came up with very similar lists of names. There were, to be sure, minor tactical scuffles related to passing considerations of the world
rapport de forces, but there was no important example of fundamental empirical disagreement. Israel was on both lists, Kurdistan on neither. Neither was to accept the theoretical legitimacy of the Bantustans. Both found no theoretical reason to oppose the eventual realities of Pakistan and Bangladesh. It could not be said that fundamentally different measuring rods were being used to judge legitimacy.

To be sure, there were differences about the road to self-determination. Wilsonians favored what was termed a "constitutional" path, that is, a process of gradual orderly transfer of power arrived at by negotiations between an imperial power and respectable representatives of the people in question. Decolonization was to be, as the French would later put it, octroyée, that is, given. Leninism came of a "revolutionary" tradition and painted a more insurrectional path to "national liberation." Independence was not to be octroyée but arrachée, that is, taken. This would be incarnated in the later Maoist injunction of the need for "protracted struggle," which came to be widely repeated and, more important, to be part of the fundamental strategy of movements.

One should not exaggerate even this difference. Peaceful decolonization was not unacceptable in Leninist doctrine, merely improbable. And revolutionary nationalism was not inherently inconsistent with Wilsonian ideas, merely dangerous and thus to be avoided whenever possible. Still, the debate was real because it masked another debate: who was to lead the struggle for self-determination. And this was important, in turn, because it would presumably determine the "postindependence" policies. Wilsonians saw the natural leadership of a national movement to lie in its intelligentsia and bourgeoisie—educated, respectable, and prudent. They foresaw a local movement that would persuade the more "modern" sectors of the traditional leadership to join in the political reforms and accept a sensible, parliamentary mode of organizing the newly independent state. Leninists saw the leadership to lie in a party/movement modeled on the Bolshevik party, even if it did not accept the whole Leninist ideological canon. The leaders might be "petty bourgeois," provided they were "revolutionary" petty bourgeois. When it came to power, the party/movement was supposed to become a party/state. Here, too, one should not exaggerate the difference. Often, the respectable intelligentsia/bourgeoisie and the so-called revolutionary petty bourgeoisie were in reality the same people, or at least cousins. And the party/movement was almost as frequent a formula of "Wilsonian" movements as of "Leninist" ones. As for the postindependence policies, neither the Wilsonians nor the Leninists worried too much about them as long as the struggle for self-determination was ongoing.
WILLSON, LENIN, AND NATIONAL DEVELOPMENT

What then of the postdecolonization practice? Surely here the Wilsonian-Leninist antinomy would reveal its importance. In one major respect, there was no question that the two paths to independence tended to correlate with opposite postindependence policies. This was in the domain of foreign policy. In all world issues in which the United States and the USSR were locked in Cold War battle, the states outside the core zones tended to lean in one direction or the other. Some states were considered and considered themselves “pro-Western,” and other states considered themselves to be part of a world progressive camp that included the USSR.

There was, of course, a long continuum of positions, and not all states were consistent over time. Nonalignment was itself a major movement. Still, when the chips were down, on unimportant matters like voting for resolutions in the General Assembly of the United Nations, many votes were easily predictable. The United States and its allies, on the one hand, and the USSR and the so-called socialist bloc on the other, spent much diplomatic energy on trying to push wavering states in one direction or the other. Wilsonian versus Leninist propaganda was incessantly purveyed, directly through government media and indirectly through scholarly discourse.

A close look at the internal realities of the various states reveals, however, that, both in the political and in the economic arenas, there was less difference than the theory or the propaganda would suggest. In terms of the actual political structures, most of the states most of the time were either one-party states (de facto or de jure) or military dictatorships. Even when states had a multiparty system in formal terms, one party tended in reality to dominate the institutions and to be impervious to change of regime other than by military coup d’état. The corollary of such structures tended to be a low level of civil rights—a powerful police structure, arbitrary arrests of opposition figures, a government-controlled press, and a long list of intellectuals in exile. There was very little difference in this regard to be found among states employing a Wilsonian rhetoric and those employing a basically Leninist rhetoric.

Nor was much more difference to be located in the economic arena. The degree to which private local enterprise was permitted has varied, but in almost all Third World states there has been a large amount of state enterprise and in virtually no state has state ownership been the only property form. The degree to which foreign investment has been permitted has no doubt varied more. In the more “pro-Western” states it has been encouraged, indeed solicited, albeit quite frequently in the form of joint ventures with a state
In the more radical, or “progressive,” states, foreign investment has been dealt with more cautiously, although seldom totally repudiated. Rather, it has been the case that investors from OECD countries have themselves been reluctant to invest in such countries because of what they considered higher political risk.

Finally, the aid picture has not been too different. Virtually all Third World countries have actively sought to obtain aid in the form both of direct grants and of loans. To be sure, the aid-giving donors tended to correlate their assistance with the foreign policy stance of the potential recipients. A long list of countries received aid primarily from OECD countries. A smaller list received aid primarily from socialist bloc countries. A few countries self-consciously sought to emphasize the Nordic countries (plus the Netherlands and Canada) as aid sources. A large number of countries were ready to accept aid from multiple sources. In the end, most of the aid took the same form: personnel and tied grants, intended to support military structures and to fund so-called development projects.

What was most alike in all these countries was the belief in the possibility and urgent importance of “national development.” National development was operationally defined everywhere as “catching up.” Of course, it was assumed by everyone involved that this was a long and difficult task. But it was also assumed that it was doable, provided only that the right state policies were pursued. The state policies advocated, of course, covered the whole ideological gamut from facilitating the unrestricted flow of capital, commodities, and even labor across the national frontiers at one extreme to total state control of productive and exchange operations within largely closed frontiers at the other. There were, of course, a very large variety of in-between positions.

What was common however to the programs of all the noncore state members of the United Nations—from the USSR to Argentina, from India to Nigeria, from Albania to St. Lucia—was the overall state objective, increasing the wealth of the nation and “modernizing” its infrastructure. What was also common was an underlying optimism about this objective. What was further common was the sense that this objective could be best pursued by full participation in the interstate system. When any state was excluded even partially—as was the People’s Republic of China for many years—it worked very hard to regain its unquestioned status of full membership.

In short, what has to be seen is that the Wilsonian-Leninist ideology of the self-determination of nations, their abstract equality, and the developmentalist paradigm incarnated in both variants of the ideology was overwhelmingly and virtually unfailing accepted as the operational program of the political movements of the peripheral and semiperipheral zones of the
world-system. In this sense, the USSR itself was the first test case of the validity of the analysis and the workability of the recommendations. The postrevolutionary state was formally structured—a federation of states, most of which contained autonomous subunits—to respond precisely to the juridical formula of self-determination. When Lenin launched the slogan that “Communism equals the Soviets plus electricity,” he was putting forward national (economic) development as the prime objective of state policy. And when Khrushchev, decades later, said that the Soviet Union would “bury” the United States by the year 2000, he was venting supreme optimism about “catching up.”

These themes grew stronger in the interwar years—in Eastern and Central Europe, in Latin America, in India, and elsewhere (Love 1988; Chandra 1991). The original great boast of the USSR was that, in the 1930s, at a time of world economic depression, there was not only no unemployment in the USSR but also a program of rapid industrialization.

After 1945, the world chorus on the possibilities of national development grew stronger. The relatively rapid reconstruction of Western Europe and Japan (after massive wartime destruction of infrastructure) seemed to demonstrate that, with will and investment, it was possible to rapidly upgrade technology and thus raise the overall standard of living. All of a sudden, the theme of economic development became pandemic among politicians, journalists, and scholars. The forgotten corners of already industrialized states (the American South, southern Italy, etc.) were targeted for “development.” The Third World was to develop as well—partly through self-help, partly with the assistance of the more advanced “developed” countries. The United Nations would officially proclaim the 1970s the “development decade.”

In the universities of the world, development became the new intellectual organizing theme. A liberal paradigm, “modernization theory,” was elaborated in the 1950s, to be countered by a marxisant dependista counter-paradigm elaborated in the 1960s. This was, of course, essentially the updating of the Wilsonian-Leninist antinomy. Once again, in practice, the specific recommendations for state policy may have been polar opposites, but both sets of theories involved specific recommendations for state policy. Both sets of applied practitioners, who advised the governments, were confident that, if their recommendations were implemented, national development would in fact follow and the countries in question would eventually catch up.

We know what happened in the real world. From roughly 1945 to 1970, there was considerable practical effort to expand the means and level of production around the world. It was in this period that gross national product (GNP)
and GNP per capita became the principal measuring tools of economic growth, which itself had become the principal indicator of economic development. 

This period was a Kondratieff A-period of exceptional amplitude. The amount of growth varied considerably around the world, but on the whole the figures were upward everywhere, not least of all in the so-called socialist countries. This same period was a period of the political triumph of a large number of movements in the Third World that had evolved the strategy of struggling for state power in order thereby to implement policies that would guarantee national development. Everything therefore seemed to be moving in the same positive direction: worldwide economic expansion, the fulfillment state by state of the Wilsonian-Leninist vision, and the almost universally upward growth rates. Developmentalism was the order of the day; there was a worldwide consensus about its legitimacy and its inevitability.

This consensus, however, suffered two shocks from which it has not recovered and, I am arguing, will not recover. The first shock was the worldwide revolution of 1968. The second shock was the worldwide economic stagnation of the period 1970-1990, the economic failure of almost all the governments of the peripheral and semiperipheral zones, and the collapse of regimes in the so-called socialist states. 1968 broke the ideological crust. The 1970s and 1980s removed the rest of the ideological covering. The gaping sore of the North-South polarization has been uncovered and exposed to view. At the moment, in desperation, the world is muttering incantations about the market as remedy, as though this could solve anything. But market medicine is mercurochrome and will not prevent further deterioration. It is highly unlikely that most states now abandoning “socialist” slogans in favor of “market” slogans will see a significant improvement in the 1990s in their standard of living. After all, the vast majority of noncore states who adhered to market slogans in the 1980s did quite poorly. Reference is always made to the rare “success” stories (the current hero is South Korea), neglecting the much larger number of failures, and the fading of earlier so-called success stories, such as Brazil.

The main issue, however, is not whether specific state policies have or have not led to economic development. Rather, it is whether or not there will continue to be widespread belief in the likelihood of economic development as the result of any particular state policies.

THE PARADIGM NOT WORKING

The worldwide revolution of 1968 grew out of a sense that national development had not occurred; it was not yet the consequence of feeling that
the objective itself was an illusion. There were two main themes that were common to all the uprisings (east and west, north and south), whatever the local details. The first was a protest against U.S. hegemony in the world system (and the collusion of the USSR in that hegemony). The second was a protest against the inefficacy of the so-called “Old Left” movements that had come to power in the world in multiple versions—social democracy in the West, communism in the East, national liberation movements in the South. These movements were attacked for not having truly transformed the world, as they had promised in their mobilizational days. They were attacked for being too much a part of the dominant world-system, too little antisystemic (Wallerstein 1991).

In a sense, what those who participated in the various uprisings were saying to the “Old Left” political movements is that their organizational activities had achieved the formal political objectives they had historically set themselves, most notably state power, but that they had distinctly not achieved the greater human equality that had been said to be the purpose of achieving the state power. The worldwide attraction during this period of “Maoism” was due to the fact that it expressed in the most vigorous possible way this double rejection: of U.S. hegemony (and Soviet collusion); and of inefficacious “Old Left” movements in general. However, Maoism represented the argument that the fault lay in the poor leadership of the “Old Left” movements, those who were in Maoist terminology the “capitalist readers.” Hence it was implied that, were the movements now to reject the “capitalist readers,” were they to have a “cultural revolution,” then at last the objective of national development would in fact be achieved.

The significance of the worldwide revolution of 1968 was not in the political change it brought about. By 1970, the uprisings had been suppressed or had fizzled everywhere. Nor was the significance in the new ideas it launched. Maoism had a short career in the 1970s but disintegrated by mid-decade, and first of all in China. The themes of the new social movements—cultural nationalism of “minorities,” feminism, ecology—have had somewhat more staying power than Maoism but have yet to find a firm ideological footing. The significance of 1968 was rather that it punctured the consensus around Wilsonianism-Leninism by questioning whether the developmentalist ideology had in fact achieved anything of lasting importance. It sowed ideological doubt and corroded the faith.

Once the faith was shaken, once the consensus viewpoint was reduced to the status of merely one viewpoint amid others in the arena (even if still the one most widely held), it was possible for day-by-day reality to have the effect of stripping that ideology bare. This is what happened in the next two decades. The world economic stagnation, the Kondratieff B-phase, has thus
far been played out in two major dramas. The first was the OPEC oil price rise of the 1970s. The second was the debt crisis of the 1980s.

The OPEC oil price rise was thought at first to give renewed credence to the possibilities of national development. It seemed to be a demonstration that primary producers in the South, by concerted action, could significantly affect the terms of trade. An initial hysteria in Western public opinion abetted such an interpretation. It was not long for a more sober assessment to take hold. What had really happened? The OPEC countries, under the leadership of the Shah of Iran and the Saudis (the leading friends of the United States, be it noted) raised the price of oil dramatically, thereby drawing a significant percentage of world surplus into their hands. This represented a very significant drain on national accounts for all Third World and socialist countries that were not themselves oil producers, at a time when the world market for their own exports was weakening. The drain on the national accounts of the major industrialized countries was also important but far less significant as a percentage of the total and more temporary since these countries could more easily take steps to restructure their energy consumption.

What happened to the world surplus funneled through the oil-producing countries? Some of it, of course, went into the “national development” programs of oil-producing states, such as Nigeria, Algeria, Iraq, Iran, Mexico, Venezuela, and the USSR. Some of it went into heavy luxury consumption in oil-producing states, which meant it was transferred to the OECD states as the purchasing of commodities, as investment, or as individual capital flight. And the remaining money was placed in U.S. and European banks. This money that was placed in the banks was then refunneled to Third World and socialist states (including even the oil-producing states) as state loans. These state loans solved the immediate problems of the balance of payments of these states, which were in particularly bad shape precisely because of the oil price rise. With the state loans, the governments were able to stave off for a time political opposition by using the money to maintain imports (even while exports were falling). This in turn sustained world demand for the manufactured goods of the OECD countries and thus minimized the effects on them of the world economic stagnation.

Even during the 1970s, a number of Third World states began nonetheless to feel the effects of a decline in the growth rate combined with an exhaustion of monetary and social reserves. By the 1980s, the effects were felt everywhere (with the exception of East Asia). The first great public expression of the debt crisis was Poland in 1980. The Gierek government had played the 1970s like everyone else, borrowing and spending. But the bill was coming due, and the Polish government sought to reduce it by increasing internal prices, thereby making the Polish working class assume the burden. The
result was Gdansk and Solidarność. Solidarność could then incarnate Polish nationalism (and hence both anti-Russianism and anti-Communism). But Polish nationalism was not new. It was the debt crisis that made the difference. In 1982, Mexico announced it could not service its debt. And now at last the world acknowledged it had a “debt crisis.” It is noteworthy that it was relatively strong and relatively industrialized countries outside the core—Poland and Mexico—where the collapse started, or at least where it attracted attention.

The 1980s saw a cascade of economic difficulties for peripheral and semiperipheral countries. In virtually all, two elements were the same. The first was popular discontent with the regime in power, followed by political disillusionment. Even when regimes were overthrown—whether by violence or by collapse of a rotting regime, whether they were military dictatorships or Communist parties or one-party African regimes—the pressure for political transformation was more negative than affirmative. It was less out of hope than of despair that the changes occurred. The second common element was the hard financial face of the OECD countries. Faced with their own economic difficulties, they exhibited little patience for the financial dilemmas of Third World and socialist governments. The latter were handed harsh IMF conditions to fulfill, given risible assistance, and subjected to sermonizing about the virtues of the market and privatization. Gone were the Keynesian indulgences of the 1950s and 1960s.

In the early 1980s, the Latin American countries saw a wave of dismantling of developmentalist military dictatorships and discovered “democracy.” In the Arab world, developmentalist secular regimes were under sharp attack from Islamists. In Black Africa, where one-partyism was once the sustaining structure of developmentalist hopes, the myth had become ashes in the mouth. And in Eastern and Central Europe, the dramatic transformations of 1989 came as a great surprise to the world, although they were clearly inscribed in the events of 1980 in Poland.

In the Soviet Union, where in some senses the developmentalist trek began, we have witnessed the disintegration of the CPSU and of the USSR itself. When developmentalism failed in Brazil or Algeria there was still the argument possible that it was because they had not followed the political path of the USSR. But when it fails in the USSR?

**ELEGY AND REQUIEM**

The story of 1917-1989 deserves both elegy and requiem. The elegy is for the triumph of the Wilsonian-Leninist ideal of the self-determination of
nations. In these 70 years, the world has been largely decolonized. The world outside Europe has been integrated into the formal political institutions of the interstate system.

This decolonization was partly octroyée, partly arrachée. In the process, an incredible political mobilization was required across the world, which has awakened consciousnesses everywhere. It will be very difficult ever to put the genie back in the box. Indeed, the main problem is how to contain the spreading virus of micronationalism as ever smaller entities seek to claim peoplehood and therefore the right to self-determination.

From the beginning, however, it was clear that everyone wanted self-determination primarily in order to make their way to prosperity. And from the beginning the road to prosperity was recognized as a difficult one. As I have argued, this has taken the form of the search for national development. And this search for a long time found itself relatively more comfortable with Leninist than with Wilsonian rhetoric, just as the struggle for decolonization had found itself relatively more comfortable with Wilsonian rhetoric.

Because the process was in two steps—first the decolonization (or comparable political change), then the economic development—it meant that the Wilsonian half of the package was always waiting for its Leninist fulfillment. The prospect of national development served as the legitimization of the world-system's overall structure. In this sense, the fate of Wilsonian ideology was dependent on the fate of Leninist ideology. To put it more crudely and less kindly, Leninist ideology was the fig leaf of Wilsonian ideology.

Today the fig leaf has fallen, and the emperor is naked. All the shouting about the triumph of democracy in 1989 around the world will not long hide the absence of any serious prospect for the economic transformation of the periphery within the framework of the capitalist world-economy. Thus it will not be the Leninists who sing the requiem for Leninism but the Wilsonians. It is they who are in a quandary and who have no plausible political alternatives. This was captured in the no-win dilemmas of Mr. Bush in the Persian Gulf crisis. But the Persian Gulf crisis is only the beginning of the story.

As the North-South confrontations take ever more dramatic (and violent) forms in the decades to come, we shall begin to be aware how much the world will miss the ideological cement of the Wilsonian-Leninist ideological antimony. It represented a glorious but historically passing panoply of ideas, hopes, and human energy. It will not be easy to replace. Yet it is only by finding a new and far more solid utopian vision that we shall be able to transcend the imminent time of troubles.
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