

Commentary

Rethinking modernity and capitalism: Add context and stir by Jan Nederveen Pieterse

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The concept of modernity first appeared in Europe to reflect Europeans' self-consciousness as a conceptual tool for distinguishing themselves from those in the past and in other regions. Thus, it contained Eurocentric elements in itself to some degree. It tended to assume 'a single historical time-scale' (Hall, 1996: 11) and transform 'spatial differences' into 'temporal differences', in which western societies moved ahead of others. The path to modernity was supposed as single and universal, based on Eurocentric 'tunnel' historiography (Blaut, 1993).

A notable challenge to the Eurocentric notion of modernity has been made by the attempts to conceptualize it in the plural, e.g. 'modernities'. In this notion, historical times are different across societies and modernity is 'multiple and diverse and transcending the ideal-type of modernity' and, furthermore, are 'mixed and layered' (Nederveen Pieterse, 2009: 32). It intends to reverse the assumption of 'temporal differences' to that of 'spatial differences' in terms of modernity. Rather than criticize the features of modernity itself, the notion of modernities mainly concerns encompassing a wider range of societies, both western and non-western, in the discussion of modernity. It is rather a challenge to Europe's monopoly of modernity than a challenge to modernity itself, which distinguishes it from the postmodernist or poststructuralist criticisms of modernity that focus on its 'rationalistic' features.

Nederveen Pieterse is one of the representative advocates of plurality in modernity. His article attempts to extend his previous arguments about the plurality of modernity to the concept of capitalism – i.e. capitalisms. He has long been arguing for the uniqueness of the current phase of the twenty-first-century globalization characterized by the decline of the west and the 'rise of the rest'. He acknowledges

that the world is undergoing a systemic change to multipolarity and, thus, it is hard to catch the novel features of the new world with the conventional singular notions of modernity and capitalism.

To argue for pluralities, he disputes centrism – Eurocentrism in particular – reflected in the ideas of modernity and capitalism. In centrism, the West is assumed as the most advanced on the linear universal path of human progress and, thus, the 'rise of the rest' is supposed to follow the footsteps of the rise of the West' (p. 1). European modernity is conceptualized as the archetype of modernity while those in other regions are considered as variants. He points out that some notions of modernity appearing in the non-West, such as 'truncated modernity', 'compressed modernity', 'the universalization of the Western dream in Asia', imply that modernity in non-western societies is to be measured 'in relation to European and western standards and models' (p. 2).

Nederveen Pieterse is rather supportive of the idea of the varieties of capitalism (VoC), which distinguishes different modalities of capitalism that are currently salient in different regions, such as liberal market economies (LMEs), coordinated market economies (CMEs) and state-led market economies (SMEs). The variation is concerned with 'the importance of nonmarket forms of economic regulation' (p. 5). Insofar as there are different roles of non-economic institutions in regard to the economy at various levels, this approach suggests, there are the varieties of capitalism rather than capitalism in the singular. Different forms of capitalism are largely entailed by the different roles of non-economic institutions in societies. In this respect, it disputes the economic view, which disregards economic-social relations, and argues that 'market forces are socially embedded' (p. 5).

By the degree of intervention by non-economic institutions, Nederveen Pieterse implies that capitalisms are differently embodied in various forms such as LMEs, CMEs, or SMEs. He observes national variations in this regard: for instance, the US and the UK for LMEs; Germany for CMEs; and South Korea for SMEs. China shows a national model in which various forms of capitalism are observed, such as state capitalism, network capitalism and clan capitalism. In China, thus, 'the case for convergence on LME is virtually absent, but convergence on Asian styles of capitalism is strong' (p. 7). He adds that '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' (p. 7).

Nederveen Pieterse has been one of the strong critiques of LMEs. For him, LMEs have been touted by (neo) liberalists and global hegemonic institutions as the ultimate form of capitalism, but their socio-economic performances show that they are actually a failed form of capitalism. Meanwhile, he observes more potentialities in other capitalisms, which is another ground of disputing the theory of convergence, e.g. the belief in the convergence of national economies on the model of LMEs.

For Nederveen Pieterse, the unipolar way of thinking is related to decontextualization – 'applying general principles outside or regardless of context' (p. 8). Insofar as modernity and capitalism are embedded in specific spatiotemporal conditions, the contextual understandings of them would naturally bring about those concepts in plural forms, i.e. modernities and capitalisms. The analytics of modernities and capitalisms are also related to a 'layered analysis', which recognizes that various phenomena can appear simultaneously at different layers of societal systems. In this sense, he argues that the natures of modernities and capitalisms are far more complicated and layered than are assumed by centrism and convergence theories. Thus, 'all economies are mixed economies' in terms of the relationship between governmental and market institutions (p. 9).

For the plural contextualized ways of observing modernities and capitalisms, Nederveen Pieterse raises a need to 'add' spatiotemporal contexts to each of various conceptual models and 'stir'. In this way, he refuses to stick to any overarching conceptual model, which makes his pursuit of the plural an open-ended question ever. As capitalisms and modernities are the products of certain spatiotemporal conditions, the ways of conceptualizing them should be spatiotemporally specific. Thus, a practical question for him in regard to capitalism is 'which roles and which combination of government and

market forces are best under which circumstances?' (p. 9).

Thinking hybridity recently gains currency around the globe in regard to the ways of conceptualizing modernities and capitalisms. In Korea, for instance, theorists raise a need to go beyond the simplistic understandings of modernity and capitalism by employing the concept of hybridity. They intend to conceptualize Korean modernity as a product of the hybridization of various factors, such as tradition, internal modern factors, and external factors. Nederveen Pieterse's article, in this regard, makes an important contribution to deepening the discussion about the hybrid and plural natures of modernities and capitalisms in the phase of twenty-first-century globalization.

Usual critiques of the plural concepts of modernities and capitalisms, however, highlight their lack of theoretical rigour in defining modernity and capitalism. Advocates of the singular notion of modernity and capitalism raise a question if there are significant differences among modernities enough to be conceptualized in the plural. Schmidt (2008: 1), for instance, offers a biting criticism of the concept of modernities, by arguing that it 'is sociologically meaningless because its advocates fail to spell out sufficiently clearly what they mean by modern as against non-modern societies'. For him, there are commonalities among 'modern' societies, which are clearly distinguished from 'non-modern' ones, and the breakpoint should be between modern vs non-modern, rather than among modernities. He contends that the concept of the 'varieties of modernity' is enough to recognize variations across modern societies. While his way of conceptualizing modernity is typically Eurocentric, some of his criticisms are noteworthy as the advocates of pluralities have not sufficiently provided their own definitions of those concepts.

This sort of criticisms is applicable to Nederveen Pieterse's conceptualization of modernities and capitalisms. Although he suggests various forms of capitalisms, he does not provide sufficient theoretical grounds for understanding them as 'capitalisms' rather than, for instance, 'variations of capitalism'. Not to mention capitalisms, even capitalism is a contested notion. Without the definition of capitalism, his article seems to equate the forms of market economy with capitalisms. Some theorists, however, such as Fernand Braudel, would distinguish a market economy from capitalism by characterizing the latter as the monopoly of the former (Yoo, 2008). His discussion could be stronger if it included a theoretical comparison of the merits and demerits of the concepts of modernity and capitalism in the singular and in the plural.

On the other hand, Nederveen Pieterse notes a convergence tendency within a region (rather than across the globe), in which social and cultural elements are shared among its members. He supports the idea of ‘families of capitalism’ – e.g. ‘Nordic capitalism, Anglo-American capitalism and East Asian capitalism as major zones’, while observing that ‘there are significant differences also *within* zones’ (p. 7). A main implication of his emphasis on the varieties of capitalisms is that their socio-economic performances are disparate. In my view, again, some theoretical justification is needed for grouping various ‘capitalisms’ under the bigger categories of regional capitalism. A possible question related to this is what regional or national conditions induce the similarity of capitalisms within a region.

As for his argument about South Korean capitalism, its features of the state-led economy have now become far weaker than in the past as the power of the economic sphere has much grown up in relation to state power. Yoon (2005) characterizes Korea’s 1990s, especially after the ‘IMF crisis’ in 1997, as the period of the deconstruction of the ‘developmental state’ and the liberalization of finance. Crotty and Lee (2007: 73) argue that ‘the structures of Korea’s state-guided economy were dismantled [in the decade preceding 1997]’. In terms of the state–business relationship, it was the period when the state notably lost its predominance over business and the latter began to ‘discipline’ the former, with the Kim Young-Sam administration’s financial liberalization and the opening of capital market as a momentum (Yoon, 2005). The pressure on the Korean state to liberalize Korea’s economy came from multiple directions, domestically and globally.

The expansion of the economic sphere has been further noticeable in Korea since the ‘IMF’ crisis, which precipitated the drastic socio-economic reforms under the ideology of neoliberalism. For Crotty and Lee (2007), post-crisis Korea was under heavy pressure from ‘global shareholder capitalism’, which made it pursue the neoliberal or ‘Anglo-Saxon’ model of capitalism. Their suggestion is that ‘the government should reestablish effective regulation of domestic financial markets’ (Crotty and Lee, 2007: 91). Given those dynamics of Korean capitalism in recent decades, Nederveen Pieterse’s characterization of Korean capitalism as a state-led economy seems to be somewhat stereotypical. To catch up the complicated features of Korean capitalism today with the concept of SME, there may be a need for some elaborations on them. Given exacerbating socio-economic inequalities in post-crisis Korean capitalism, its potential for alternative modernity seems to be somewhat dormant yet.

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