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### Giovanni Arrighi: Systemic Cycles of Accumulation, Hegemonic Transitions, and the Rise of China

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## REPUTATIONS

# Giovanni Arrighi: Systemic Cycles of Accumulation, Hegemonic Transitions, and the Rise of China

WILLIAM I. ROBINSON

This article surveys and critically assesses the life work of Giovanni Arrighi, a renowned historical sociologist and world-systems scholar who passed away in 2009. In a trilogy of books published between 1994 and 2007 Arrighi develops the master concept of his theoretical legacy, *systemic cycles of accumulation*, and advances an original reading of the history and dynamics of world capitalism as a succession of hegemonic episodes, each one more expansive than the previous and culminating in crises and chaotic transitions. He anticipated the rise of a Chinese-led East Asia as the emergent twenty-first century centre of a reorganised world economy and society. Arrighi is faulted for failing to develop any theory of politics, the state and collective agency in his construct, for his lack of attention to social forces from below, and for his dismissal of recent theorising on globalization.

**Keywords:** Arrighi, world-systems, cycles of accumulation, hegemony, globalisation, China

Giovanni Arrighi died in June 2009 at the age of 71 after a year-long bout with cancer. One of the most noted historical sociologists and political economists of his generation, Arrighi was a key contributor to the approach to the study of world capitalism known as world-systems analysis. His long and illustrious career spanned four continents and brought him into collaboration with an extraordinary group of scholars and organic intellectuals of the international left, who developed path-breaking critical analyses in the latter decades of the twentieth century of development, underdevelopment and the world capitalist system.

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Among them were Immanuel Wallerstein, Andre Gunder Frank, Samir Amin, Walter Rodney, and John Saul. He will best be remembered for his trilogy of works analysing the history and structural dynamics of world capitalism, *The Long Twentieth Century; Money, Power, and the Origins of Our Times* (1994); *Chaos and Governance in the Modern World System* (co-authored with his partner, Beverly Silver and several other collaborators, 1999), and *Adam Smith in Beijing: Lineages of the Twenty-First Century* (2007). In these works, Arrighi develops the central concepts of his theoretical legacy: systemic cycles of accumulation; hegemonic transitions; and the rise of a Chinese-led East Asia as the emergent centre of a reorganised world economy and society.

Arrighi was born in Milan in 1937 and studied economics at the University of Bocconi, also in Milan, in a department that was 'a neo-classical stronghold, untouched by Keynesianism of any kind.' During his graduate studies, Arrighi first ran and then closed his father's firm, and also helped to manage his grandfather's factory, a position that convinced him that the 'elegant models' of neo-classical economics were 'irrelevant to an understanding of the production and distribution of incomes' (Arrighi 2009: 61–2). Upon graduation in 1960 he went to work as an unpaid teaching assistant and also took a job with Unilever as a trainee manager to help make ends meet. Years later, he would reflect on this brief experience in the world of capitalist business, from his father's family-run shop to his grandfather's Fordist factory, to the multinational Unilever: '[this experience] taught me that it's very hard to identify one specific form as "typically" capitalist. Later, studying Braudel, I saw that this idea of the eminently adaptable nature of capitalism was something that you could observe historically' (Arrighi 2009: 62). Indeed, one of the hallmarks of world-systems scholarship with which Arrighi became closely associated is the *longue durée*, or the long historic view that identifies enduring cycles, tendencies, structures and patterns of structural change.

The turning point that would take Arrighi's down the path of the systematic study of historical capitalism came in 1963, when he moved from Italy to take a position as Lecturer in Economics at the University College of Rhodesia and Nyasaland (UCRN) in what was then Rhodesia:

It was a true intellectual rebirth. The mathematically modelled neo-classical tradition I'd been trained in had nothing to say about the processes I was observing in Rhodesia, or the realities of African life... Gradually, I abandoned abstract modelling for the concrete, empirically and historically grounded theory of social anthropology. I began my long march from neo-classical economics to comparative-historical sociology. (Arrighi 2009: 62)

This 'long march' would lead Arrighi to take up a number of core themes in the following decades and would also involve engagement with anti-colonial and worker struggles. Thematically, we could divide his scholarship into his early work on the colonial economy, labour supply, development, and national liberation; a later, brief focus on Marxist praxis and on imperialism; and then on to the extended, systematic study of historical capitalism as expounded on in the trilogy mentioned previously.

### **The ‘Southern African paradigm’: labour supplies, proletarianisation, and neo-colonialism**

During his time in Africa, Arrighi published a number of influential essays on the political economy of Africa, focusing on labour supply and the colonial economy, eventually collected in a book co-edited with John Saul, *Essays of on the Political Economy of Africa* (1973). In one of these essays, ‘Labour Supplies in Historical Perspective,’ Arrighi observed that the full proletarianisation of the Rhodesian peasantry created contradictions for the colonial accumulation system. Wages could be held down so long as the workers’ peasant families and home villages could assume the costs of the workers’ reproduction. However, full proletarianisation undermined this mechanism whereby the African peasantry subsidised capital accumulation and thus complicated the ability to exploit labour and required the regime to become more repressive. Several of Arrighi’s contemporaries, including Martin Legassick and Harold Wolpe, were observing a similar phenomenon throughout the region. They concluded, in Arrighi’s own words, that ‘the whole southern region of Africa... was characterised by mineral wealth, settler agriculture and extreme dispossession of the peasantry. It is very different from the rest of Africa... [Which] were essentially peasant-based’ (Arrighi 2009: 63).

The works of Arrighi and his contemporaries in the 1960s became known as the ‘Southern Africa Paradigm’ on the limits of proletarianisation and dispossession. Some would draw on the paradigm to develop theories of ‘articulated modes of production,’ such that the reproduction of more than one mode (e.g., peasant-based and capitalist) in the colonial economy, rather than backward, was functional to the dominant capitalist mode (see, for example, Freund, 1985). Arrighi himself would use the insights of the paradigm to derive broader conclusions on the history and nature of world capitalism, as I will explain below. He would later debate Robert Brenner and others who, studying the transition from feudalism to capitalism in Europe, insisted that full proletarianisation favoured capitalist development. ‘The problem with the simple “proletarianisation of capitalist development” models is that it ignores not just the realities of southern Africa’s settler capitalism but also many other cases, such as the United States itself, which was characterised by a totally different pattern – a combination of slavery, genocide of the native population and the immigration of surplus labour from Europe’ (Arrighi 2009: 64).

In 1966 nine lecturers at the UCRN were arrested for political activities, among them Arrighi, and deported. Arrighi went to Dar es Salaam, at the time an outpost for exiled national liberation movements of southern Africa, a mecca for experiments in what president Nyerere and others referred to as African socialism, and in general for radical Third World intellectuals. Arrighi spent three years at the University in Dar es Salaam, where in his own words he:

Met all kinds of people: activists from the Black Power movement in the U.S., as well as scholars and intellectuals like Immanuel Wallerstein, David Apter, Walter Rodney, Roger Murray, Sol Picciotto, Catherine Hiskins, Jim Mellon, who later was one of the founders of the Weathermen Underground, Luisa Passerinit,

who was doing research on Frelimo, and many others, including John Saul. (Arrighi 2009: 63)

In Tanzania Arrighi turned his attention to the nature of the new regimes emerging from decolonisation and to broader questions of neo-colonialism. Several essays he wrote while in Tanzania appear to presage his subsequent shift to the study of capitalism at the world-systemic level (see, inter alia, Arrighi, 1970).

In 1969 Arrighi returned to Italy at a time of political ferment in the country and took up a lectureship at the University of Trento, the main centre of student militancy at the time and the only university that had a doctoral program in sociology. There, he jumped into left-wing politics. Having arrived from the frontlines of militant anti-colonial struggles in Africa, Arrighi found the student and the worker movements in a troubling state of flux and disarray. Militant workers and student leftists had rejected the traditional Communist unions as ‘reactionary and repressive’ and had formed ‘anti-politics’ groups like Potere Operaio and Lotta Continua as alternatives. Arrighi and several of his students developed the idea of finding a Gramscian strategy to relate to the movement and formed the Gruppo Gramsci, which according to Arrighi was conceived in order to incubate organic intellectuals of the working class in struggle. The *autonomista* movement that would be so influential – politically as well as intellectually – in the next several decades – emerged out of these efforts. Again, in his own words:

That’s where the idea of autonomia – of the intellectual autonomy of the working class – first emerged. The creation of this concept is now generally attributed to Antonio Negri. But in fact it originated in the interpretation of Gramsci that we developed in the early 1970s, in the Gruppo Gramsci co-founded by Madera, Passerini and myself.... As the collectives [Colletiti Politici Operai, CPO’s, or autonomous worker collectives] developed their own autonomous practice, the Gruppo Gramsci would cease to have a function and could disband. When it actually was disbanded in the fall of 1973, Negri came into the picture, and took the CPOs and the Area dell’Autonomia in an adventurous direction that was far from what was originally intended. (Arrighi 2009: 66–7)

In 1973, Arrighi took up a teaching position in Cosenza and remained there until his move to the United States in 1979. At this time, Arrighi led a research working group in Calabria that drew on his labour supply research in Africa to study migration from the agricultural south of Italy to the industrial north. Once again, Arrighi argued that capitalist development did not necessarily rely on full proletarianisation. In 1978, Arrighi published *The Geometry of Imperialism* (1983), a work that anticipates the more pondered and sweeping historical study of world capitalism that he would take up over the next three decades. It is a rather confusing book in which he attempts to typologise imperialism, to compare hegemonies in the history of capitalism’s international relations and, in his words, to conceptualise a ‘topological space.’ Ironically, the book’s conclusion seems to concur with what scholars of capitalist globalisation argue

today. Arrighi distinguishes from earlier imperialisms a US ‘multinational imperialism’ led by the expansion of multinational corporations. The extra-territorial spread of multinational corporations increasingly frees them from the restrictions of nation-states and from the ‘unruliness’ and high cost of the labour force responsible for declining profits. This expansion weakens the nation-state and increases the homogeneity and interdependence of nations. Arrighi’s later work would not follow up on this observation. Moreover, with his departure from Italy Arrighi would not return to such activism.

### **Arrighi and the world-systems paradigm**

In 1979 Arrighi joined Wallerstein and Terence Hopkins as a professor of sociology at the Fernand Braudel Centre for the Study of Economies, Historical Systems, and Civilizations at the State University of New York at Binghamton. The Fernand Braudel Centre became known as the main centre of world-systems analysis, attracting scholars from all over the world. World-systems theory shares with a number of critical approaches to international relations and international political economy a common genealogy that traces back to Marx and his critique of capitalism, and in turn grew out of a long tradition in Marxist and radical analyses of world capitalism dating back to the writings of V.I. Lenin, Hilferding, Rosa Luxemburg, and other early twentieth century theorists of imperialism. However, accounts of world capitalism among radical academics and political actors began to diverge in the post-World War II period. In particular, more traditionally oriented approaches followed Marx’s view that capitalism would develop the forces of production worldwide as it spread, while others saw the backwardness and underdevelopment of some regions of the world as the alter-ego of the advancement and development of others. A number of schools emerged that argued that the very nature and dynamics of world capitalism resulted in global inequalities among countries and regions, bringing about the development of some and the underdevelopment of others. This view was first put forward by the structural school of Raúl Prebisch and the United Nations Economic Commission on Latin America in the 1950s and 1960s, followed by more radical and explicitly neo-Marxist dependency theorists – or the ‘dependentistas’ – of the 1960s and 1970s. At the same time, radical intellectuals and political leaders from other parts of the Third World, such as Samir Amin and Walter Rodney, were reaching similar conclusions, inspired in part by the Latin Americans. It was in this milieu that Wallerstein forged his distinctive world-systems theory.

By the late 1970s, world-systems theory had become established as an alternative perspective from which to examine issues of capitalism, development and world inequalities. Although Arrighi was closely identified with the world-systems paradigm, he rejected the notion of a single ‘world-systems theory’ as developed by Wallerstein. Instead, he argued that the Fernand Braudel Centre’s particular approach to the study of world capitalism should be considered more loosely as a ‘world-systems perspective or analysis’. World-systems analysis ‘as a distinctive sociological paradigm’ typically departs, Arrighi maintained, ‘from what had been the two main substantive contentions of world-systems scholars:

the persistence of the core-periphery structure of the global political economy...and the long-term, large-scale nature of the processes' identified with contemporary world capitalism (Arrighi 2005: 33).

The world-systems paradigm shares several additional assumptions that distinguish it from other approaches to the study of global political economy and historical and contemporary world capitalism. The world economy is a system of interconnected national economies that bring together national capital (especially national financial power) and states that struggle to move up the hierarchy of states and the value-added pecking order. For world-systemists, key actors are rival states operating in an inter-state system, each in competition with the others. These competitive nation-states within an inter-state system are the sub-units of analysis and the larger unit of analysis is the interaction between these sub-units and the world system over time. In this regard, the paradigm appears as a *left-wing variant of realism* in the field of international relations. Consistent with the world-systems paradigm, a territorial logic is immanent to historical capitalism, as are rival national capitals and state competition. Capital or firms internationalise but this constitutes the international activity of rival national capitalist groups and firms. In Wallerstein's words, states 'are *by definition* rivals, bearing responsibility to different sets of rival firms [my emphasis]' (Wallerstein 2004: 56).

Arrighi shared with world systemists and with IR scholars in the realist tradition this state structuralism that subordinates classes and social forces to states as the central historical actors and posits the territorial logic of fixed nation-states and their rivalry through the inter-state system as an immanent organising principle of world capitalism (see my discussion and critique, Robinson 2001). These tenets underpinned the theoretical construct he would develop from his arrival at the Fernand Braudel Centre up until his final work, *Adam Smith in Beijing*. He never seriously contemplated the possibility that more recent globalisation may exhibit qualitatively novel properties and that could involve discontinuities with the historic pattern of world capitalist evolution and hegemonic transition that he mapped and theorised. As I will elaborate on below, he dismissed as 'globalisation speak' the global capitalism interpretation of late twentieth and early twenty-first century world dynamics with which I myself, among others, am associated.<sup>1</sup>

### **Master concepts: systemic cycles of accumulation and hegemonic transitions**

A decade and a half after arriving at Binghamton, in 1994, Arrighi published what could be considered his magnum opus, *The Long Twentieth Century*. In it, he develops his master concept of systemic cycles of accumulation (SCA). Arrighi presents in *The Long Twentieth Century* a structuralist model of the development of the capitalist world-system over the last 600 years involving a series of four 'long centuries,' each with its associated hegemonic centre. As world-systems scholar Christopher Chase-Dunn noted at the time of its release, '[t]his is a new world-systems version of the "stages of capitalism" literature' (Chase-Dunn 1996: 164). He draws on Braudel's conceptualisation of the capitalist world-economy as a 'layered system,' with three tiers. The bottom layer is comprised

of subsistence production. Small commodity producers and firms structured by the market are in the middle. The top layer of the world economic hierarchy is comprised of finance capitalists (*haute finance*) who control the means of payments and extract huge profits by combining their own organisational forms with the political-military power of particular states. For Braudel, as for Arrighi, only this top layer is termed 'capitalist.' Arrighi applies Braudel's framework to identify four SCAs, or century-long periods of hegemony based on combinations of economic power with territorial state (political) power, each epoch involving increasing scope, greater intensity, and shorter duration. Each of these cycles begins in one territorial state around some innovative reorganisation of capitalism that gives the state a productive advantage and places it in the centre of the world system and in the position of hegemonic power.

The first cycle centred on the Italian city states in the sixteenth century followed by the rise of hegemony of the Netherlands in the seventeenth century, to nineteenth century Britain and then to the United States after 1945. Each SCA involves two phases, a period of material expansion followed by a period in which market saturation and capitalist competition lowers profits. In the second phase, the locus of accumulation shifts to finance capital; *haute finance* comes to dominate the hegemonic power by manipulating financial services to sustain profit making. Arrighi follows Braudel, and departs from the classical Marxist account, in situating finance capital not as a particular twentieth-century stage in the development of world capitalism, but a recurrent, cyclical phenomenon dating back at least to the thirteenth-century Italian city-states. 'An increasing mass of money capital sets itself free from its commodity form, and accumulation proceeds through financial deals' (Arrighi 1994: 6). For a few years financialisation appears to create renewed prosperity, as it did during Britain's *belle époque* of 1896–1914 and for the United States from the 1980s and the 1990s. However, this prosperity is illusory; it is 'a sign of autumn' – the term coined by Braudel and evoked frequently by Arrighi. Money lending, deficit spending and war profiteering conceal crises of over accumulation and foreshadow the decline of the hegemonic power. In the *longue durée*, the declining hegemon's autumn is another rising hegemon's spring.

Hegemonic transitions are characterised by a period of systemic chaos as well as organisational revolutions in a newly emerging hegemonic bloc of business and governmental institutions and spatial shifts in the epicentres of world accumulation that brings about structural changes in the world-system. The 'Genoese Diaspora SCA' – as Arrighi termed it – involved external financial influence over the Iberian states. The Dutch SCA 'internalised protection costs' because finance capitalists came to control and utilise the Dutch state. The British SCA 'internalised production costs' by enclosing much of the nineteenth-century industrial revolution and raw materials production within the boundaries of the British empire. And the US SCA 'internalised transaction costs' by the expansion of multinational corporations to include inside these corporations a great portion of those transaction costs that previously took place between separate firms. Arrighi concluded *The Long Twentieth Century* affirming that the crisis of the 1970s signalled the fading of US hegemony, suggesting a future Asian SCA based on flexible accumulation and outsourcing.



The theory of hegemonic transition as systemic change laid out by Arrighi in *The Long Twentieth Century* provides much of the theoretical guidance for *Chaos and Governance in the Modern World System*, which appeared in 1999 – the same year that Arrighi left Binghamton to take a position at Johns Hopkins University. In it, Arrighi, his wife and writing partner Beverly Silver, and several collaborators attempt to make greater sense of the late twentieth-century and to shine some predictive light on the future by analysis of systemic change in earlier periods of transformation in the world system. This endeavour is undertaken through an exploration of several inter-related controversies. One is the changing balance of power among states. Arrighi and his collaborators suggest that the late twentieth-century saw renewed Great Power rivalry, system-wide financial expansion centred on the declining US hegemon, and the emergence of new loci of power, in particular, East Asia. However, the late twentieth-century was peculiar insofar as it is characterised by an unstable ‘bifurcation of military [US] and financial [East Asian] global power’ (Arrighi and Silver 1999: 95). Another was the balance of power between states and business organisations. The transitions from the old joint-stock trading companies to the British system of family business enterprise, and then to the US-based system of multinational corporations is explored as backdrop to the late twentieth-century reorganisation of state-business relations based on transnational decentralisation, the spread of informal networking, and the subordinate revival of small businesses around the world that have weakened the regulatory capacity of even the most powerful states.

A third is the power of subordinate groups in the world system. This topic, laid out in one chapter authored by Silver, is the only place in the trilogy that focuses on social forces from below (Silver [2003] subsequently published a more expansive treatment of this topic). The system-wide expansions in trade and production that characterised each period of hegemony were based on social compacts between dominant and subordinate groups. These compacts became undone through intralite conflict and unrest from below as competition among states and capitalist enterprises during hegemonic transitions undermined the conditions necessary for the reproduction of social compacts. Growing social conflict, spurred on by rising polarisation during the ‘financialisation’ period of hegemonic decline gives way to new compacts as emerging hegemons reorganise world production on novel foundations. Arrighi and his colleagues saw the late twentieth-century process creating new social forces - through increased proletarianisation, feminisation, and changing spatial and ethnic configuration of the world’s labour force – that the decaying hegemonic order will have greater difficulty accommodating.

Arrighi’s is a core-centric (and inevitably Eurocentric) view of world capitalism. He is not concerned in the trilogy either with the rest of the system, except for China and East Asia, and, more egregiously, in my view, with class and social forces from below. It is the ‘top layer’ of the world-system, and especially, (national) finance capital and their corresponding core states, that concerns Arrighi and that seems to be the only level where processes of historical determination are at work. Apart from the one chapter in *Chaos and Governance* mentioned above and a couple of other essays (see especially Arrighi 1990) we find virtually no role of agency from below; labour movements, the exploited classes and the colonised played a minor role in the trilogy, and class analysis

does not figure in Arrighi's ontology of world capitalism or among his methodological arsenal. Even the capitalist class of hegemonic powers appears to collapse into hegemonic states as predilect macro-agents of history.

Indeed, it is hard to find collective agency in Arrighi's trilogy beyond the immediate policies of state managers. On the one hand, Arrighi's focus is on deep historical structures. On the other, when agency is brought into the narrative it is at the behavioural level of the policy decisions of state managers or proximate policy makers. For instance, the turn from Fordism-Keynesianism to neo-liberalism, or the new round of US interventionism in the wake of 9/11, as discussed in *Adam Smith in Beijing*, are attributed simply to a conscious attempt by US policy makers to recover declining US hegemony. There are no mediating levels here between his analyses of deep structural processes and behavioural-level decisions of state policy makers. In sum, Arrighi has no theory of politics that could take us beyond the behavioural, descriptive level of agency.

Arrighi was not unaware of these limitations. He stated in an interview shortly before his death that '*The Long Twentieth Century* became basically a book about the role of finance capital in the historical development of capitalism, from the fourteenth century. So Beverly [Silver] took over the work on labour... because I could not focus on the cyclical recurrence of financial expansions and material expansions and, at the same time, deal with labour' (Arrighi 2009: 74). Yet this will remain unsatisfactory for those who would impute some causal role in the financial and material dynamics of capitalism to the struggles between distinct social and class forces.

Relatedly, although states are at the centre of Arrighi's theoretical system there is no theoretical treatment of the state or analysis of what social forces make up states in his overall ontological conception of world capitalism. Arrighi follows Weber and more recent institutionalists such as Tilly in his view of the state as a territorially bound power institution and in the dualism of the state (the political) and capital (the economic) as spheres that relate externally to each other. Hence, the genesis of capitalism takes place when the two fuse in the Italian city-states in the thirteenth century, as discussed earlier.

Arrighi and other world-systemists see a new round of inter-core rivalry over which state will be the next hegemon in the wake of declining US hegemony. For Arrighi, as for his fellow world-systemists and for many international relations theorists, hegemony is associated with the dominance of a particular country and predicated on that country's *national* products out-competing the products of other countries. Neither Arrighi nor other world-systemists have been willing to contemplate that there may be a changing configuration of social space that redefines the relationship between space and accumulation and involves transnational class and power relations that are not coterminous with a framework that posits rival national powers competing for hegemony through the inter-state system (but see Chase-Dunn 2010). Nevertheless, in the age of globalised production one is hard-pressed to find evidence that supports the notion of each country producing and trading its own national products. Many of the twenty-first-century developments Arrighi discusses in the trilogy are put forth within the realist framework that precludes alternative explanations such as those suggested by scholars of globalisation. In *Adam Smith in Beijing*, for instance, he insists, that the shift

from GM to Wal-Mart as the old and the new symbols of ‘US’ capital illustrates growing US economic dependence on China, whose corporations become major suppliers of merchandise to US consumers. It is an empirical fact, however, that Chinese-based manufacturing for the world market involves vast co-investment with transnational corporations from around the world, the United States included, that shifted to China as part of novel transnational accumulation strategies and patterns (GM and Wal-Mart, moreover, can hardly be considered ‘US’ corporations to the extent that their individual, institutional and state investors are drawn from every continent, including China, and moreover, Wal-Mart as of mid-2010 had opened 290 retail outlets throughout China [Wal-Mart 2010]).

A number of social scientists have suggested that the social configuration of space is less territorial to the extent that the *transnational* geographic dispersal of the full range of world production, service and financial processes recasts core and peripheral accumulation processes along a social logic not co-extensive with specific territorially defined states (see Cox 1987; Hoogvelt 1997; Robinson 2004). Yet in Arrighi’s theoretical system, and more broadly in the world-systems paradigm, these processes along with the capitalist classes they involve, by *theoretical fiat*, *must* be coextensive with particular nation-states. This is because capitalism, as Arrighi and other world-systemists view it, is *by definition* organised as a fusion of a particular nation-state with particular national capital. *The Long Twentieth Century*, as the centrepiece of the trilogy, is as much a study on the origins and ontology of world capitalism as it is on its history. Capital *is* finance and capitalists are those that control money. Arrighi does not see capitalism as a production (class) relation or as an exchange relation but rather as a capital – state relation – as the historic fusion of capital (finance) with the state that gave birth to capitalism. Following Braudel, Arrighi sees the origins of capital in the relationship between those who controlled money capital and the rulers of the emerging interstate system in the thirteenth and the fourteenth centuries, the ‘much neglected transition involving the fusion of state and capital’ (Arrighi 1994: 11). Thus as long as there is world capitalism the nation-state/inter-state system *must* be its organising principle (as distinct from a mutable property or historical outcome) and there *must* be a hegemonic nation-state centre or a would-be centre.

### A coming ‘Asian age’?

*Chaos and Governance* concludes with the changing balance of power between Western and non-Western centres. The focus here is on the gradual incorporation by the West of the East into the capitalist world system in the eighteenth and nineteenth centuries, which marked the ambiguous triumph of Western civilisation in a now single global system, ambiguous because Western colonialism and suzerainty could not fully disarticulate the China-centred Asian trade and tributary network nor undermine the civilisational basis of this network. East Asia has emerged as the most dynamic centre of world-scale accumulation processes. Should the region become the centre of a new world order (the new hegemon) it will face the challenge of transforming the modern world into a ‘commonwealth of civilizations’. It was here that Arrighi started the story in the final tome of the trilogy.

The rise of the neo-conservatives in the United States, the attacks of 11 September 2001, and the subsequent US invasion and occupations of Iraq and Afghanistan could not be foreseen when Arrighi wrote his first two tomes of the trilogy. With the benefit of hindsight, Arrighi argues in *Adam Smith in Beijing* that the neo-conservative Project for a New American Century adopted by the Bush administration was intended to stave off hegemonic decline. Instead, it revealed the limits of US power and sparked the 'terminal crisis' of US hegemony. The invasion of Iraq distracted the United States and favoured the rise of China, which will likely be the ultimate winner in the 'war on terror.' According to Arrighi:

The failure of the Project for a New American Century and the success of Chinese economic development, taken jointly, have made the realization of Smith's vision of a world-market society based on greater equality among the world's civilizations more likely than it ever was in the almost two and a half centuries since the publication of *The Wealth of Nations*. (Arrighi 2007: 8)

Here it is necessary to observe that Arrighi is reading Adam Smith in such a way as to argue that 'there is a fundamental world-historic difference between processes of market formation and processes of capitalist development'. China, he says, is becoming a 'market economy' as analysed and envisioned by Smith rather than undergoing 'capitalist development proper' (Arrighi 2007: 24). China's rise and potential hegemony has a very different basis from that of its Western predecessors. Arrighi draws on a growing body of scholarship on East Asia to remind us that China was the leading economy of the world until the eighteenth century and commanded an East Asian state system that was organised very differently than the European world system. His discussion on East Asian history draws especially on the work of Kaoru Sugihara, who developed the concept of the 'Industrious Revolution' to describe the historical East Asian growth model based on labour-intensive forms of production and husbanding of natural resources to distinguish it from the ecologically destructive capital- and energy-intensive Western path. China's economy was admired by Adam Smith as the 'natural path' to development, based on agricultural improvement that allowed the rural population to generate domestic demand for manufacture, in distinction to the Western path that relied on international trade. The Chinese state in the wake of the Communist revolution revived this focus on agriculture and created a workforce of higher quality than in other low-wage countries that now makes it possible for China to develop a market system based on skilled labour rather than capital machinery.

The rise of a China-led East Asian centre is also based on the revival of regional trade and marketing networks that were more developed in the region than in Europe until the eighteenth century and on the fusion a revived Industrious Revolution with the Industrial Revolution. This hybridisation has led to a new model of East Asia-led flexible and networked accumulation that accounts for the shift in economic power to the region:

The subordinate incorporation transformed but did not destroy the pre-existing regional system of international relations. More

importantly, it also contributed to the ongoing transformation of the incorporating Western system itself. The result was a hybrid political-economic formation that has provided a particularly favourable environment for the East Asian economic renaissance and the consequent transformation of the world beyond the capacity of theories based on the Western experience to comprehend what is going on. (Arrighi 2007: 313)

We should observe here that Arrighi's upbeat view of a coming 'Asian Age' devolves, in part, from his ambiguous and contentious conception of capitalism as a capital-state relation, as discussed earlier. This allows Arrighi to claim that China is not capitalist despite the rise of a capitalist class and capitalist enterprises:

The capitalist character of market-based development is not determined by the presence of capitalist institutions and dispositions but by the relation of state power to capital. Add as many capitalists as you like to a market economy, but unless the state has been subordinated to their class interest, the market economy remains non-capitalist (Arrighi 2007: 331–2).

This view, of course, is a variant of classical social democratic theory. The Chinese state in Arrighi's view still retains a high degree of autonomy from the capitalist class and is therefore able to act in the 'national' rather than in a class interest.

Arrighi's assessment of the coming 'Asian age' involves some of his most contentious arguments. He does acknowledge the sharp rise in inequalities in China, growing labour conflict, and 'countless episodes of super-exploitation, especially of migrant workers' (Arrighi 2007: 360). His view of China is nonetheless overly benign and often appears at odds with empirical evidence. Far from 'husbanding of natural resources,' empirical evidence suggests China's economic expansion has wrought ecological degradation on vast tracks of the Chinese countryside and its cities are some of the most polluted in the world (see Economy 2004; Bochuan 1992). Chinese state and private firms have invested billions of dollars to extract natural resources from Latin America, Africa and elsewhere not unlike transnational corporations originating from the West. Far from the salutary effect that he purports the East Asian development path is having on Chinese workers – skilled labour that is able to self-manage production in Chinese enterprises – the ethnographic evidence suggests that the Chinese industrial export sector constitutes the new 'satanic mills' (Chan, 2001).

Arrighi is optimistic that a coming Asian era will involve a 'greater equality among the world's civilizations' as envisioned by Smith. It is hard not to detect here a romanticised view of the global South, which, he asserts, under the leadership of China and India, may put forward a new alliance – a new and more powerful Bandung – that would usher in a more progressive world order – 'a socially more equitable and ecologically more sustainable development path' (Arrighi 2007: 10). It is not clear, though, why the rulers of China and India would be any more benign or enlightened as agents of a new global hegemony than their Western predecessors. It appears here that Arrighi's realism drives his political prognosis.

Yet India in particular, but China as well, are ever more polarised class societies led by ruling political and economic elites whose own reproduction has become increasingly tied to the reproduction of global capitalism to the extent that they have integrated their countries ever deeper into the world capitalist system. Why would Chinese and Indian transnationally oriented elites and capitalists seek a socially more equitable and ecologically more sustainable development?

In an interview published just before his death, Arrighi is less committal in his assessment of the future and also acknowledges that the balance of forces between classes in China is still up for grabs. He also emphasises the contingent nature of the transition underway in China – ‘the social outcome of China’s titanic modernization effort remains indeterminate’ (Arrighi 2009: 87). Moreover, in defence of his optimism and, at the least, as partial vindication of his theoretical system, Arrighi observes that China has prospered while Africa has languished and other regions of the South have fallen behind. He concludes *Adam Smith in Beijing* – the last work before his death – by returning full circle to the first significant research of his career, on the political economy of Southern Africa. Arrighi asks why it is that China as taken off yet Africa has been left behind in the world economy. He finds that the near total dispossession of the peasantry in Southern Africa hindered the development of capitalist growth by eliminating the ability of the rural labour force to subsidise its own reproduction and that of capital accumulation. In distinction, China has proceeded apace through ‘accumulation without dispossession’; despite the sharp increase in inequality, the Chinese peasantry has not lost access to the land.

## Notes

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1. I first met Arrighi in 1996, when he awarded my book *Promoting Polyarchy: Globalization, U.S. Intervention, and Hegemony* (Cambridge University Press, 1996) the annual prize of the Political Economy of the World System section of the American Sociological Association, a section that he chaired that year. Over the next 12 years I had the opportunity on a number of occasions to debate with him in public forums over our differences and to discuss these differences in private conversations. These debates were always friendly and respectful. I learned a great deal from Arrighi and remain indebted to him for the support he gave me at crucial junctures in my own career.

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