

## WORLD SYSTEM HISTORY: ARRIGHI, FRANK, AND THE WAY FORWARD

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Giovanni Arrighi dedicated *Adam Smith in Beijing* to the memory of Andre Gunder Frank. In this review I have been asked to consider the elements of Arrighi's volume that Frank would have liked, and those he would have disliked. I identify five elements of world system history, which Frank worked to build during the last 20 years of his career, and assess areas of consonance and contradiction with Arrighi's volume.

### **I. Arrighi's Arguments in *Adam Smith in Beijing***

Arrighi's thesis in *Adam Smith in Beijing* is that the failure of the US neo-conservative strategy to assure US dominance for the next century, and the successful economic rise of China, suggest that Smith's view of a "world market" (not a "capitalist") society, characterized by greater levels of equality among global regions, appears broadly accurate.

Arrighi's work begins with a consideration of the most serious of Marxian criticisms of world-systems analysis and world system history. This criticism points to the fundamental difference between explanations that are housed in the sphere of production and those that are housed in the sphere of exchange. Smith, to the contrary, spoke of "market relations" (not "capitalism"), and suggested such a model to have been in operation in Asia before the rise of Europe. Arrighi follows Wong, Pomeranz, Hamashita and Sugahara, in suggesting that in Asia we find an "industrious revolution" with "...no inherent tendency to generate the capital- and energy-intensive developmental path opened up by Britain..." (p. 33). This development "mobilized human rather than non-human resources" (p. 34, citing Sugihara), and it is this kind of a process that continues to dominate Asian development models in the 21<sup>st</sup> century.

To better understand this strategy, Arrighi re-reads Smith. For Smith, a vital role of state leaders is to hobble those involved in trade and production. The interest of such individuals, their treatment of labor, and their narrow pecuniary interests are viewed as anathema to the development of a healthy national state. Setting capitalists against one another is important both insofar as it reduces consumer costs and in that it holds their profits (and hence their power) in check.

Smith argues that China was pursuing a model of "natural growth" that is consonant with the interests of the entire population, as opposed to Europe's "unnatural and retrograde" pursuit of wealth by external (production and trade-based) means. But Smith fears that the "unnatural" path that Europe followed tends to facilitate the development of technology that is quickly harnessed to the military. This explains the victory of the "unnatural" developers. The resulting "... synergy between capitalism, industrialism, and militarism, driven by interstate competition, did indeed engender a virtuous circle of enrichment and empowerment for the peoples of European descent and a corresponding vicious circle of impoverishment and disempowerment for most other peoples" (p. 95).

This strategy has some limits. The over-accumulation of capital in the context of a Cold War and a revolt against the US-led “North” gave rise to serious problems in the 1960s and 1970s. To salvage western power and prestige, the leading states turned to a new system – jettisoning their interest in labor peace, industry, and military cost containment. The monetarist revolution of Thatcher and Reagan was accompanied by twin changes in orientation. First, we see the acquisition of globally unprecedented levels of debt to fund the military; and second we see a move to a finance-driven (as opposed to production-driven) economy.

Perhaps the largest problem with this strategy was that it cost the US the moral high ground of real hegemony. Hegemony is the unilateral ability to make the rules of the global game, and it exists because others acknowledge both the unrivaled power of a state and its willingness to act in the general interest of the global community. If the perceptions of power and legitimacy erode, the hegemon faces mounting competition. In the 1970s the US lost the war against Vietnam and leadership of the global monetary system, which degenerated into a quasi-market driven regime of increased instability. The US made the transition from the world’s largest creditor to the world’s largest debtor in less than one decade. “Others” would pay for US military ventures and the lifestyles of its citizens.

The US would enjoy a glorious, but necessarily brief, *belle Epoque*. Declining hegemony, especially those enjoying the last vestiges of power and privilege, are dangerous actors. Arrighi describes the unraveling of hegemony and the neo-conservative plan to generate another American Century. The war against Iraq was meant to solidify US energy supplies while establishing the dominance that great military victories create. But a defeat in Iraq (or the kind of stalemate that constitutes a political loss with the added bonus of huge continuing costs) confirmed the lessons of Vietnam, stripped away the veil of hegemony, generated animosity as the US tried to strong-arm others into providing support, increased US debt (raising the status of US creditors – Japan, China, and Taiwan), caused rifts with Europe, and stole US attention from other possible challenges.

Through no fault of its own, China emerges in the perception of the US as a major threat. China finds itself the only one of the “big three” US creditors that is not also a long-standing political ally. It is viewed as a political competitor in Asia, and is the most rapidly growing major economy. There are two questions that must be raised in light of possible US-China friction. The first is whether the US can come to terms with the rise of China. Arrighi suggests that the US business community, now dominated by finance and retailing, will strongly favor good relations with China and will prevail. The second question is whether China’s ascent can be peaceful. Here he argues that the Asian regional system was built on different foundations than that of the west. Europe brags about a single century of peace, while the Sinocentric Asian state system enjoyed periods of three and five hundred years with few serious wars. These were not eras of empire, were not plagued by serious arms races, and Asia finds “no self-reinforcing cycle” of expansion and militarization (p. 318). China is simply so large that it is dominant, but must remain internally, not externally oriented. The reason that a Sinocentric system might be able to remain at peace is exactly because China is not capitalist as per Marx, but market-based as per Smith, and hence less driven to militarism. Capitalists have not, nor are they likely to capture the Chinese state (p. 332).

Arrighi sees China’s non-capitalist system as a foundation for hope. The western models of dispossession and primitive accumulation, of class conflict, persistent inequality, imperialism and militarism are not present or necessary. Building upon advances in education and health care,

and with an energized peasantry that expresses its concerns over issues like environmental degradation and corruption, China offers a foundation for a very different global future.

## II. Arrighi's *Adam Smith in Beijing* meets Gunder Frank's World System History

Gunder Frank spent the last 20 years of his career building world system history (Frank 1987; 1990; 1991; and Frank and Gills eds. 1993). He was moving away from the world-system analysis of his long-time colleagues Wallerstein, Amin, and Arrighi. The culminating statement was *ReOrient: Global Economy the Asian Age* in written in 1998, and Frank's passing in 2005 found him in the midst of another volume tentatively titled *ReOrient the 19<sup>th</sup> Century* which was never finished (but which is being edited for publication by this author). Frank introduced many issues over this 20-year period, but five arguments are most relevant to *Adam Smith in Beijing*.

### A. Globalism, not Eurocentrism

The only legitimate way to apprehend the global system is to study it as a whole that is greater than the sum of its parts. For Frank, the global system is not an agglomeration of separate areas, but a single entity from which the allegedly unique processes of these various areas are derived. In adopting this holistic position, Frank was taking aim at Eurocentrism, which is the tendency to re-interpret the world and all its socio-economic and political processes from a European perspective. Eurocentrism was a malady that afflicted the entire pantheon of western thinkers from Marx and Weber to Douglass North and Milton Friedman to Immanuel Wallerstein and (the early) Gunder Frank. Europe had risen to dominance, then its scholars conveniently forgot the rest of world history and began theorizing about how "others" were deficient (whether in property rights or in stripping the means of production from their immediate producers).

Frank argued that such myths led us astray. The cream of European social thinkers had identified Asia as essentially moribund, even though early treatments (as epitomized by the attention China received from Adam Smith), had recognized Asia as a superior region in terms of levels of wealth, well-being, equality, and power. The European tendency to see itself as both unique and superior led to the methodological error of seeking the source of European dominance within Europe. But if scholars identify one actor as victorious over another, and seek the origins of that victory within the attributes of the victor, they are likely to find differences that they cannot guarantee are particularly relevant. Right and Left both offered explanations for the rise of Europe. From the Right came a two-pronged argument about property rights and small warring states. In Europe, it is argued, property rights became well established and that led to subsequent investment and growth. Without such rights it is irrational to invest. Such arguments were offered without much concern for the status of property rights in Asian history. In Europe, it is argued, packs of small warring states placed a premium on meritocracy and efficiency. Such arguments were offered without much concern for the existence of small warring states elsewhere. From the Left came arguments about the rise of capitalism. Asia was suggested to suffer from the "Asiatic Mode" of production wherein dynamic elements were short-circuited by strong states and their provision of necessary public works. If you do not strip the means of production from the workers, then the life-and-death ("ceaseless") struggle over the accumulation of capital will not emerge, and that is what gave rise to Europe's growth. For Asia to follow, it would have to adopt the capitalist path. Yet in Asia there had been significant dynamism. The very existence of this dynamism, much less the relevant processes involved, was poorly understood.

Frank condemned all of this as Eurocentric nonsense. He liked to tell the story of the drunk who lost his key and searched for it under a street light, not because that is where it was lost, but because that is where there was sufficient light to look for it. European social thinkers were looking under the European street light. They might find many things, but they would never find the key. Frank declared much of the western canon “Transitional Ideological Modes” (1991) and suggested that if there was no world (as opposed to local) feudalism or world (as opposed to local) capitalism, then there would probably be no world (as opposed to local) socialism either. Frank argued that we needed to find a new way to understand global development.

The alternative to Eurocentrism is a globalist or humanocentric perspective, which is in no way easy to create. For Frank, there is need for what he termed a horizontally integrative macrohistory. From this perspective we should search for the connections between the various events that are happening in regions that have traditionally been considered separate. He suggests that we adopt the perspective that “simultaneity is no coincidence” (Frank 1998:228), and search for the global explanations for phenomena in various areas.

### **A'. Arrighi on Globalism/Eurocentrism**

Arrighi’s record as regards Frank’s admonition that scholars abandon Eurocentrism and adopt Globalism would be mixed from Frank’s perspective. *Adam Smith in Beijing* is not a Eurocentric work in the sense that a European socio-economic and political model is adopted and then generalized. Arrighi understands regions of the world in their own terms. Further, Arrighi takes a critical re-reading Smith seriously, especially as concerns Asia, and this is something Frank would applaud this.

The most important difference between Arrighi and Frank regards globalism. Arrighi’s narrative is very specific in its discussion of separate models of development in regions that appear wholly independent in fundamental ways, and until very recently. There is no global system, nor much fodder for the creation of a horizontally integrated macrohistory. Arrighi wants to compare systems that may have overlapped in various ways, but that are nonetheless essentially independent. Frank would have applauded Arrighi for his lack of Eurocentrism, but he would not have countenanced Arrighi’s ignoring of his prime methodological insight and his desire to find and understand the single world system.

### **B. Mutli-Angular Multi-Linearity, and not Bi-Lateralism**

If the world is constituted by a single system, what makes it tick? For Frank, it is the production and exchange of goods and services, and the structures that such interaction engenders in the regions that produce, process, finance, protect, are traversed, and/or receive the goods or services. Frank was much impressed with Janet Abu-Lughod’s *Before European Hegemony*, in which she identifies a series of paths along which goods flowed. These paths tied the various regions of the world together in the 13<sup>th</sup> and 14<sup>th</sup> centuries, and Abu-Lughod’s ability to link events in one area to subsequent events in those areas connected with it inspired Frank’s similar effort.

Frank traces the entry of Europe into the Asian-centered global economy in the 16<sup>th</sup> century. Europe was a peripheral area whose connections to the vibrant Asian core were muted by a lack of silver or products of interest. This helps explain Europe’s thirst for specie. When Columbus bumped into the Americas and realized that he was not in Asia, his thoughts turned to the availability of precious metals. Columbus’s followers were rewarded with vast quantities of silver and gold that they could steal. Much of the specie went immediately west, from Acapulco

to the Philippines, in order to pay for what Frank characterized as Europe's third class ticket on the Asian economic train. Europe became part of the web of trade relations that constituted the global system.

There is much more information on the global economy of the 17<sup>th</sup> and 18<sup>th</sup> centuries, and Frank shows the various regions, the roles they played in the global economy, the ways in which they were related to one another, and how events in some areas impacted those in allegedly far-away places. These webs are identified in *ReOrient* (1998), and in the manuscript of *ReOrient the 19<sup>th</sup> Century*. The major trade routes are far easier to identify in the 19<sup>th</sup> century, as are two major "triangles" that dominate the movement of goods and money. The first concerns the trade of the UK, India, and China. The second joins the UK with Africa and the Americas. Most of the rest of the world was connected to the trade system, and one of the two triangles, as well. This complex system is described in terms of its many nodes and edges by in Frank's term "multi-angular multi-linearity" (See Denmark 2008b for details on the unpublished book manuscript).

This analysis did not win Frank many admirers on either side of the ideological divide. Neo-classical liberals cling to the belief that local rules regarding property rights hold the key to understanding the rise of the west. Much of traditional neo-classical economic history has been concerned with the tracing of bilateral relationships. Hence the UK is argued not to have exploited India or China because their bilateral trade relationships were not particularly unequal. Frank counters that if one considers the relationships *among*, not *between* the UK and its trading partners, the exploitative nature of the system is revealed. And of course as noted above, Marxians like Brenner identify Frank, along with Wallerstein, as a neo-Smithian given their concern with processes centered in the sphere of exchange. Brenner's discounting of Frank, and the arguments that have subsequently emerged, date back to the development of the dependency perspective (Brenner 1977; Frank 1978).

Finally, the world-system community, their alleged neo-Smithianism notwithstanding, views capitalism as the central defining element of the European centered world-economy that formed in the long sixteenth century. Its proponents are therefore unimpressed by Frank's attempts to abandon "capitalism" as an enduring element of world history, with Europe as its center (Wallerstein 1995).

### **B' Arrighi on Mutli-Angular Multi-Linearity, and not Bi-Lateralism**

Arrighi appears to agree with all of the descriptive elements in Frank's multi-angular/multilinearity scheme, though not with its foundation. Arrighi focuses on the exchange of goods and services among global regions, and furthers his notion that societies evolving toward specialties like finance are subject to very different processes than those that are more engaged with agriculture, production or exchange. Arrighi is not shy about pointing out that the rape of India gave Britain the money, manpower, trade surpluses, and export goods necessary to enrich itself at home, organize the global political economy to its benefit, and expand its power and influence abroad (pp. 137, 245, 338). This is exactly the kind of "multiangular multilinearity" Frank stressed.

In focusing upon such phenomena, Arrighi is bravely joining Frank on the firing line, where liberals will dismiss the work for not focusing on property rights, and marxians will lament its "Smithian" nature. While many of Arrighi's positions in support of Frank's conclusions are even more carefully explicated than they are in Frank's work, we still find regions that undergo autonomous changes akin to "transitions" that facilitate actions and lead to the acquisition of a

given status. These changes, which can emerge in states large or small, arise from unique constellations of local relationships, and play their role in the world, as opposed to the world playing its role (via the “location” of a state or region in the global system, as Frank stresses), on the state or region. Arrighi’s careful attention acknowledges the significant discoveries Frank made, but stripped of his fundamental methodological innovation, Arrighi implies that Frank has little to add to our ability to understand and discover still more.

### **C. Asia first, not Europe**

In *ReOrient* (1998) Frank fights a pitched battle against the established view of Asia in general, and China in particular, as backward and static. The data suggest otherwise, and Frank spares little effort in outlining Asian wealth, productivity, and industriousness, often from the sources compiled by the same scholars who nonetheless support the myth of Asian backwardness. After long analysis Frank concludes that the early European powers called “hegemonic” were in no way so globally powerful. Early Europe was a peripheral part of a powerful Sinocentric global system, and any suggestion that states like Portugal, Holland, or even early Britain were hegemonies is as much a myth as is the early 19<sup>th</sup> century revisionist historiography regarding Asia’s weakness.

Much of Frank’s argument is driven by trade and production data, but he also considers the reasons that Asia, superior in terms of production, distribution, and trade, fell behind Europe in the 19<sup>th</sup> century. For Frank, the answer has to rest at the level of the global system. China’s decline is based on three processes. Locally, Chinese capital-to-labor costs varied from the global average. The labor endowment argument suggests that China was caught in a high-level equilibrium trap where profitable family farms allowed the population to grow, and the development of technology was irrational in the context of plentiful labor. In Europe the demographics were different, and low levels of labor power drove technology (albeit much later than traditional treatments of the “industrial revolution” suggest). Frank also looks to global-level K-wave downturns that coincided with environmental challenges (Frank 2007) to exacerbate conditions in China. Frank follows Davis (2001) in tracing major upheavals in China (and elsewhere) to drastic weather-related changes at the turn of the 20<sup>th</sup> century, as well as the ways in which the UK (among other core actors) was able to take advantage of these changes. While China faced off against drought in the midst of a cyclical downturn, Europe found itself advantaged, as are many peripheral areas, when the core is suffering. Europe’s capital-to-labor rate differences became especially significant in light of global environmental challenges in k-wave downturns. China’s decline is only understandable when considered from a global perspective

### **C’. Arrighi on Asia First**

Nowhere does Arrighi pay greater homage to Frank than in his adoption of the entire question of Asian vs. European development. Perhaps the most fundamental element of Frank’s work concerned the idea that Europe did not emerge as the first region to “develop” in a world that had previously been “backward.” Asia was already a powerful and dynamic region when Europe began its slow and painful advance. Like Frank, Arrighi takes the debates on the rise and fall of Asia offered by Wong, Pomeranz, Sugahara, and Hamashita, most following Elvin, as the jumping off point of his work. Arrighi adds the critical element of superior European military power by tying the rise of capitalism in the region to the imperialism that emerged. This is clearly

an advance, but it also suggests that Arrighi is still looking to conditions in early Europe as being most important. I argued above that Arrighi missed the Frankian boat when he looked at states and regions, and not the whole system, to understand global development. Arrighi identifies the critical elements in global development as essentially European and not global in their genesis. Europe generates capitalism, capitalism generates imperialism, and Europe emerges largely of its own accord. Frank would take issue with Arrighi for trying to view early European states in this independent light.

Among the global-level reasons that Asia declined we find a prominent role for the environment. For Arrighi, the environment looms large in the future, not the past. The environmental threat to humanity is viewed as a problem that China must face if it is to successfully dominate the world system. Arrighi argues that the Chinese have a history, stemming from Mao and the “mass-line,” of both guiding and listening to the peasants. Upheaval in contemporary China emerges from many avenues, and these include environmental concerns. Arrighi’s conclusion is that China might well do better with environmental issues than did countries with bourgeois orientations to their revolutions. But these are forward-looking concerns, and Frank argues that environmental changes, some possibly man-made, were already at work in the altering of human history. Environmental challenges are not only in our future, nor are changes in one area independent of changes in another. Arrighi’s failure to acknowledge that such challenges played vital trans-regional roles in the past would be viewed by Frank as a significant weakness.

#### **D. Underdevelopment, not permanent underdevelopment**

In *ReOrient the 19<sup>th</sup> Century* we find one of the most interesting of the many auto-critics Frank ever offered: a revision of the belief (on his part and on the part of nearly all scholars identified with radical arguments on underdevelopment) that the west integrated itself deeply, fundamentally and perhaps permanently into its colonies and neo-colonies. Frank argued that India and China are producing at a very high level, as are many parts of South America and even Africa, because western penetration did not reach some of the inner areas or fundamental processes (Frank n.d.). Politically, he puts together a very carefully worded introduction to the argument that well-illustrates his care and concern:

The time has come indeed to review and where appropriate to revise the substantially ideological dogma of Western triumphalism over alleged ‘traditionalism’ elsewhere and simultaneously of much of the nationalist appeal to the ‘defenses’ of ‘traditional’ values and also its exaggeration of the deformation of the ‘Third World’ economies. To do so in no way negates the critique of ideologically inspired classical, neo-classical and Keynesian ‘scientific’ analysis and political propaganda by dependence and world-system theory and their alternative analyses. The re-examination of reality and its still other alternative analysis proposed below may also parallel the denunciation of the received wisdom of both now ‘traditional’ and the new dependence as well as world-system theory. . . . They have already been denounced by recent post-modernist, post-colonial, and sub-altern textual ‘analysis’ as far as the latter go, which is not much, even if some of the their critiques of Eurocentrism are well taken. For they offer no examination and much less any analysis of political economic reality and its history. Most importantly they have and offer no global

perspective, examination, nor political economic history and analysis of the one world economy and system whose own whole globe-encompassing structure and dynamic is so determinant of the possibilities, options and therefore successes and failures of its ever-changing geographic, political economic, social and cultural parts. They do not understand or convey how they themselves are responses to a systemic crisis (Frank nd.).

Empirically, Frank is quick to acknowledge the horrors of imperialism. In some areas, like the slave-hunting grounds of Africa, penetration was deeper and more formidable than in others. But he also suggests that the very obviously NON-neo-classical liberal systems of Asia appear to have adapted relatively quickly to the global economy of the current era. This suggests that the horrors of imperialism were not necessarily as distorting as we might have believed. Pre-colonial trade, production, social, and political patterns are re-emerging, and proving dynamic at that. This would not have been the case if Europeans had distorted and destroyed these patterns as thoroughly as they (and their critics) claimed. This is the meaning of Frank's reproblematicization of imperialism.

#### **D'. Arrighi on the impermanence of underdevelopment**

If Frank invited scholars to follow him into the abyss regarding the role of imperialism on underdevelopment, Arrighi once again bravely joins him. Arrighi argues "Western firms that set up production facilities in China could never penetrate effectively the vast interior of the country, and had to rely on Chinese traders in the procurement of raw materials and the marketing of their products. Western products and businesses did triumph in a few industries. But outside of railways and mines, the China market generally spelled frustration for foreign merchants" (p. 337). One might be tempted to charge both Frank and Arrighi with ignoring the structural distortions generated by imperialism. Imperialism is not simply about competition (via modes and in sectors that may not have even existed before imperialists arrived). Were it not for the fact that Frank well understands this given his studies of Latin America, and Arrighi well understands this given his studies of Africa, dismissing them both as apologists of imperialism or as naïve liberals would be easy. But given the history of these two scholars it is likely that they are speaking to different issues. Both Frank and Arrighi appear to hypothesize that imperialists may have altered their practices to follow the line of least resistance toward profitable activities in many parts of the periphery, and hence fell into step with local economic patterns in their quest for wealth, and not the other way around. Certain parts of the periphery proved more robust in this regard than might have been credited. This is the insight that Arrighi is supporting, and both appear to agree that it is an interesting and relevant line of analysis in terms of Asia's proposed future.

#### **E. Long Cycles, not random trends**

There is a dynamic pulse to world system history. The nature of "horizontally integrative macrohistory" is best apprehended by looking at the simultaneity of momentous events, (and not make the error of searching for similar outcomes) that are triggered, albeit in different contexts and hence with different implications, by global-level phenomena. Cycles of rise and decline traverse allegedly independent areas of the world system, but are discounted because they arose too early for linkages to have been formed (i.e. the Bronze Age in Frank 1993), or because they are allegedly too distant geographically. Frank wrote at length about such cycles, in great part because they provide a pulse for global events, and may aid nascent upswings or exacerbate

ongoing downswings. Much of the work on the rise of Europe and the decline of Asia is tied to Kondratieff waves of the 18<sup>th</sup> and 19<sup>th</sup> centuries. Longer cycles of some 500 years duration are discussed in other works (Frank and Gills 1993).

### **E'. Arrighi on Long Cycles**

Frank views global economic cycles as having played a key part in many historical phenomena. These cycles are born of the global system and spread their influence through the very fact that the system is global. K-wave downturns are central to Frank's image of decline throughout Asia at the end of the 18<sup>th</sup> century (Frank 1998, pp. 251-4), and again at the end of the 19<sup>th</sup> century (Frank 1998, pp. 260-5). The longest term cycles, extending beyond the capitalist evolutionary dynamic that pushed the current hegemon, like other western hegemons before it, away from production and toward finance, the only ones even alluded to in Arrighi's analysis. This is ironic, since Frank credited Arrighi with pointing him toward the existence of k-waves nearly 40 years ago.

### **III. The Way Forward**

Frank was never afraid of raising a thorny issue, repudiating his past treatments of that issue, and pushing his new ideas to the brink of sustainability. World system history stresses continuity over change, and in so doing it abandons capitalism as a world system in favor of a hunt for deeper, more enduring and altogether very different processes that drive both continuity and change in the global system over the longest historical term. This insight threatened to open yet another chasm on the left. Serious Marxians like Brenner already considered Frank to be a bit beyond the pale. Now world-system analysts would have to cope with a heretic in their midst.

Wallerstein, Amin, and Arrighi all responded with criticisms of Frank's advances in the summer 1999 issue of *Review*. Amin lambastes Frank for abandoning capitalism as a mode of production and with it, so Amin argues, any understanding of political economy. Wallerstein sees capitalism as the obvious mode (of production as well as analysis) that is necessary for us to understand past, present, and near-term future. Arrighi's criticism was different. He was concerned with a lack of any theoretical dynamic, or dynamism, in Frank's work. Arrighi appears to be acting on that critique in this book. His adoption of many of Frank's insights, (though few of his methods), shows that Arrighi recognizes the challenges facing world-systems analysis and the insistence of its adherents to focus on "capitalism" that Frank identified (for a review of these reviews see Denmark 2008b).

In Arrighi's mediation of the debate on the rise, demise, and rise of Asia, capitalism is defined as a local or regional system, but not necessarily global. Capitalism is what made Europe dynamic, and (apparently) what led to its financial phase and its decline relative to China, which does not have a capitalist system. Arrighi appears to agree with Frank that capitalism is not as fundamental as many scholars believe. A capitalist region might have dominated the system for a time, but its hold was not as profound as to structure all areas or all subsequent world history. Instead, we need to look to the dynamics of Smithian "market systems," and more fundamentally, to the political economy of relations between markets and states, to understand global dynamics. Market systems are older than capitalism, and present us with a number of continuities over the long historical term. For Arrighi, as for Frank, the way forward will not manifest itself through the assumption that capitalism emerged in Europe and will necessarily expand throughout, or perpetually dominate the world. Capitalism was a potent force, but one that may be entering its

final decades. Assuming that our next political system will not be a dictatorship of the proletariat, we will need to understand the decline of the west and the rise of Asia. Frank tells us to follow a global-level set of explanations. Arrighi tells us to look to regional and state-level phenomena. The way forward rests with finding the appropriate role of both. Work on the gulf that still separates Arrighi and Frank in this regard will serve the cause of understanding our past, present and future.

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